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EXPORT MARKET OPPORTUNITIES

MARKET PROFILE:
THE BRITISH ORGANIC SECTOR

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EXPORT MARKET OPPORTUNITIES

MARKET PROFILE: THE BRITISH ORGANIC SECTOR

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MARKET PROFILE:

THE FRENCH ORGANIC SECTOR

Ministry of Fisheries, Crops and Livestock
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Introduction

This market bulletin is the third in a series that looks at the potential for Guyanese products in organic export markets. At present, Guyana produces very little certified organic products. An important objective of Guyana's trade and agricultural policies is the diversification of production and exports. One possible area for diversification is in the market for organic and natural foods. Several producers and exporters and the Ministry of Fisheries, Crops and Livestock are interested in the potential for increasing organic farming and exports. At present, however, there is little hard information on the demand for fresh or processed organic products that could be exported from Guyana. This survey of the market for organic products in England is intended to help fill this void and to provide information to farmers, exporters, and policy makers about the potential for organic farming and exports from a market perspective. It seeks to answer the following questions: Which products are in demand? What is the potential for growth in demand? Which countries are currently the major suppliers (i.e. potential competitors) in the British market? What is the potential for fresh vs. processed organic agricultural produce? And perhaps most importantly, the bulletin provides a very extensive list of importers, wholesalers, distributors and retailers who deal with organic products.

Part I of the bulletin provides a brief overview of the British market, current imports, distribution channels and discusses possible opportunities and constraints. Part I is based primarily on desk and internet research. Part II of the bulletin focuses mainly on opportunities for organic exports to Britain, particularly for processed or semi-processed produce. Part II is primarily the result of direct interviews with British processors, importers and distributors.

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PART II

1. Introduction

In recent years the world has seen a growing awareness of health and environmental issues, and sustainability has become the keyword when discussing economic development. A growing number of concerned consumers, mainly in industrialized countries of Western Europe, North America, Japan and Australia are the cause of this development. The international community is also becoming more and more conscious of these issues, and government policies in both the developed and developing countries are increasingly formulated to encourage organic[1] and other forms of sustainable agriculture.

The United Kingdom remains a major player in the organic trade market with annual turnover estimated at US$1,000 million (ITC/FAO/CTA, 2001). This market has been growing in the UK at an estimated 20-30% annually, with growth in processed organic products growing at a slightly lower rate (Organic Monitor, 2002). The UK is particularly interested in increasing its imports of organics from developing countries like Guyana, given that domestic organic production is not able to match the burgeoning demand. Furthermore, Guyana is interested in developing its processed organic market, given the difficulty in transporting fresh produce to international markets.

Interest in organic products, fresh and processed, has increased for a number of reasons, at the center of which are concerns for food safety, health and the environment (Cottrell, 2002). These concerns include:

- The intensive use of artificial fertilizers, pesticides and artificial growth promoters in modern agriculture and their potential impact on the environment.
- The growing awareness of environmental risks over the effects of modern farming methods on personal health. Furthermore, consumers view organic foods as providing a more natural and healthy alternative to conventionally grown crops, and in many cases they are perceived to be of higher nutritional value.
- Increasing frequency and severity of food scares is raising public concern over food safety, i.e., the BSE[2] scare of beef in Europe, the dioxin scare that affected meat originating from Belgium in 1999, and the report of cattle in the Netherlands in 1999 having a virus resembling Acquired Immune Deficiency Syndrome (AIDS).
- Increased disposable income which has become a key facilitator to the growth of the organic market that are priced on average 30% above the conventional food supply.
- Intense media attention has played a key role in raising consumer awareness and concern, and thus interest in the organic sector.

Guyana could be a natural supplier of processed organic food produce as many areas of the country have never used commercial fertilizers and chemical pesticides, primarily because of unavailability or lack of funds to purchase them. This paper analyses the

[1] Organic agriculture means cultivation which not only excludes the use of synthetic agents or agri-chemicals but which maintains or even improves the fertility, organic quality, and sustainability of the soil. True organic products are those certified as produced with clearly defined organic cultivation methods. At least they must meet the standards of EU Organic Agriculture Regulation No. 2092/91 and its annexes (Hamm and Michelsen, 1996).

[2] Bovine spongiform encephalopathy (BSE), widely known as "mad cow disease," is a chronic, degenerative disease affecting the central nervous system of cattle.

prospects for both fresh and processed organic produce from Guyana penetrating the UK market, though the main focus is on processed produce. The study pays particular attention to the possibilities for exporting to the United Kingdom market, and challenges that prospective exporters are likely to confront.

2. Background to the United Kingdom

The UK is the fourth largest economy in the world and the second largest in the European Union (EU). The British economy was valued at US$1.36 trillion in 2000 and it has been showing healthy signs of growth in recent years. The gross domestic product (GDP) was estimated to have grown by about 3% in 2000 and 2.5% in 2001. Agriculture plays a decreasing role in the British economy, representing approximately 2% of the GDP and employing about 1% of the working population.

Table 1: UK organic fruit and vegetable production 1999/00

Crop	Production (tonnes)	Value (£ million) at farm gate level
Potatoes	17 500	5.25
Carrots	1 650	0.56
Onions	1 100	0.37
Swedes	4 000	1.0
Beetroot	550	0.15
Parsnips	650	0.35
Leeks	400	0.36
Cauliflower	90 000 (1)	0.36
Cabbages	6 000	2.0
Broccoli	600	0.9
Fresh peas	200	0.5
Fresh beans	500	0.75
Protected crops	10 000	5.0
Salads	1 000	0.6
Total vegetables	44 150(2)	18.15
Dessert apples	1 000	0.99
Cider/processing apples	1 200	0.2
Plums	100	0.1
Pears	400	0.4
Cherries	25	0.05
Strawberries	100	0.2
Raspberries	26	0.06
Rhubarb	100	0.07
Total fruit	2 951	2.07
Total fruit and vegetables	47 101(2)	20.22

Source: Soil Association Organic Food and Farming Report 1999 Note: (1) Numbers of cauliflower, not tonnage. (2) Excluding cauliflower

Organic agriculture has a long history in Britain, dating back to the 1920s but it developed somewhat slowly until the mid-1990s. The United Kingdom Registrar of Organic Foods (UKROFS) was formed in 1987 and national standards for organic production were introduced for the first time that year. In the mid 1990s, organic farming was a small part of the agriculture sector and demand for organic foods remained low. There were 48,000 hectares of organic farmland, representing 0.3% of total farmland in 1995. The amount of organic farmland was one of the lowest in Europe and this was mainly because of the low amount of subsidies provided to farmers converting to organic agriculture (FAO/ITC/CTA, 2001). Lack of awareness of organic foods and inadequate distribution infrastructure were responsible for low consumer demand for organic products. A breakdown of the United Kingdom's organic fruit and vegetable production in 1999/00 is shown in Table 1 overleaf.

The table highlights that:

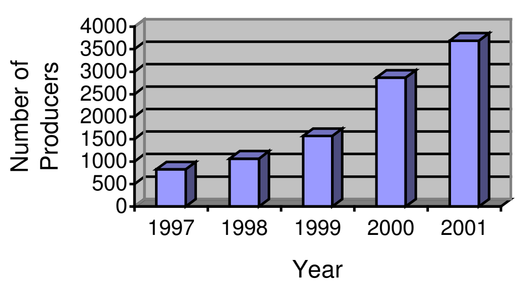
- The production of organic vegetables dominates, accounting for about 90 percent of the total farm gate value of organic fruit and vegetables in the United Kingdom.
- The main vegetables produced are potatoes, protected crops (e.g. tomatoes, cucumber) and cabbages.
- The main fruits produced are apples and pears.
- Production of both organic fruit and vegetables has grown at slower rates than other organic sectors. This has meant increased reliance on imported fruit and vegetables. However, the Soil Association indicates that significantly increased areas of United Kingdom organic fruit and vegetables were likely to come into production in 2000 and 2001, as areas in conversion gain full organic status.
- All of the United Kingdom's organic fruit and vegetables produced are sold in domestic markets.

3. The British Market for Processed Organic Products

3.1 Demand for Organic Products

The British organic food industry changed considerably in the five years up to 2000 (**Figure 1**). A number of scares resulted in a loss of consumer confidence in the food industry from which interest in organic foods stemmed. The first major scare was the BSE crisis in 1996 which was followed by media reports of antibiotic residue in meat products and dioxin in chicken feed in 1999. The introduction of genetically modified organisms (GMOs) into the food chain in the late 1990s was considered to be a turning point (ITC, 2003). Organic foods, which were deemed to be safer and more natural than conventional foods, are also now seen as the only foods guaranteed to be GM-free.

Figure 1: Growth in Organic Producers in the UK, 1997-2001



To further compound the problems for the conventional agricultural producers, the British agricultural industry was hit by the foot-and-mouth crisis in 2001, which led to the incineration of over one million animal carcasses (GAIN, 2002). The foot-and-mouth crisis led to an enquiry into food and farming practices, and this enquiry called for radical reform of the agricultural sector and encouraged sustainable forms of agriculture such as organic farming.

The run of these events led to British supermarkets taking a more active role in the organic foods industry. By 2001 the amount of British organic farmland had reached 552,500 hectares, representing 3.2% of total agricultural land. About 312,500 hectares were in conversion and 240,000 was fully certified organic farmland. Most of the organic farmland is in Scotland which accounts for 288,000 hectares of organic farmland. 150,000 hectares is in England, 24,495 hectares in Wales and 1,254 hectares in Ireland (FAO, 2003). Even as greater tracts of land were being brought under cultivation, the major retailers began introducing organic foods in most of their stores, gradually broadening their product range over time.

These measures have served as a catalyst for organic food sales growing at a tremendous rate, expanding five-fold between 1995 to 2000. The size of the United Kingdom organic food (both fresh and processed) market (at retail level) over the last few years has increased substantially from about UK£275 million in 1997 to UK£350-385 million in 1999 and to an estimated UK£600 - UK£700 million in 2000 (Organic Monitor, 2002). The United Kingdom remains one of only four countries in the European Union boasting an annual growth of between 25% and 30% in the organic food sector of the market (GAIN Report, 2002).[3]

Furthermore, the market for processed, organic products has increased rapidly over the last year, prompting trade sources to suggest that this part of the overall market is where the most rapid growth in the next couple of years is likely to occur. The involvement of some of the major food processors, such as Heinz and Crosse & Blackwell in production of canned organic foods is an indication of this. The conundrum for Guyanese producers therefore, will be their willingness to establish joint ventures/partnerships with some of these larger entities, as competing against them would appear foolhardy at this stage.

As with the fresh organic fruit and vegetable market, a major part of this market is serviced by imports and specialized importers. None of the processors import their organic ingredients directly.

This market is mainly serviced by imported frozen (mostly soft) fruit, organic dried fruit (e.g. sultanas, apricots, dates, prunes), soups, ready-meals (e.g. pizzas), jams, cordials, baby food (booming market), yoghurt, other dairy and fruit juices (FAO/ITC/CTA, 2002).

However, although the market has experienced rapid growth, it is important to place the market size within the context of the total food and drink market. In the United Kingdom, the organic market accounts, on average, for about 1 percent of the total food market, although this share varies across sectors (tending to be highest for baby food, then fresh and processed fruit and vegetables and lowest in livestock/meat products). For organic fruit and vegetables (inclusive of fresh fruits, purees, and fruit chunks) specifically, the United Kingdom market was worth about UK£165 million in 1999 (at retail level) that amounted to about 40 percent of the total organic food and drink market.

[3] The other three are Belgium, Denmark and Sweden (GAIN Report, 2002).

3.2 Supply of Organic Products

It takes farmers in the United Kingdom 2 to 5 years for their soils to qualify for organic status, in order for pesticide residues to disappear and for new practices to be established. This waiting period, along with a limit on the number of farmers to organic crop or livestock production, slows the development of domestic production to meet consumer demands. Furthermore, the rapid growth of the market for organic products will continue to encourage many international suppliers to enter the UK market.

The main driver for conversion to organic production and processing is the economics of the market itself. Presently, organic production in the UK supplies 25% to 30% of the demand and imports account for 70% to 75% of sales. Noteworthy is the fact that import of dairy products has increased, despite the increase in UK production of organic milk. More than 80% of all processed organic fruit and vegetables sold in the UK are imported or are made from imported raw materials.

Processed organic penetration tends to be highest for temperate fruits, such as apples, pears and soft fruits, although penetration levels are also reasonably high for 'traditionally' consumed warmer climate fruits such as citrus fruits (oranges) and bananas. Also, trade sources suggest that, whilst the rate of growth in demand for processed organic products has been high over the last few years, there were signs that it has been slowing since the latter half of 2000 (**Table 2**) (Infanger and Yager, 2002).

Table 2: The UK fruit and vegetable retail market value by some key sectors (1999 and 2000)

Product category	Total value ('million pounds sterling)	Organic share/comments %
Total processed produce market	**4 308**	**5-10**
Total processed fruit market	**1 969**	**5-10**
Tropical fruit	**140 (162 in 2000)**	**2-3**
- mangoes	11.5	5
- papaya	2.6	0
- kiwi	25.8	2
- pineapple	13.2 (16 in 2000)	3
Citrus fruit	**338 (326 in 2000)**	**2-3**
Soft fruit	**496 (506 in 2000)**	**2-4**
Total vegetable/salad market	**2 340**	**5-15% (organic market main sub-sectors are carrots 15%, tomatoes 12%, onions 11% and mushrooms 10%)**
Legumes	**98**	**6**

Sources: Total market size column derived from Taylor Nelson Sofres SuperPanel data (as presented in various editions of Checkout) and organic share/comments column derived from research amongst the United Kingdom trade

Some of the new exotic products in supermarkets are struggling to generate sufficient turnover to justify their continued stocking (conventionally produced and organic). Also, some processed organic produce are considered to be in oversupply**,** e.g. some vegetables like carrots, and some milk has been reported, in 2001, to have been sold in conventional (non-organic) supply channels. This is resulting in downward pressure on prices and the erosion of organic premiums relative to some conventional products, such as fruits and vegetables.

In a recent study conducted by the Caribbean Export Development Agency (2003), it was found that the majority of products imported into the UK originate from African, Asian, and European countries. Furthermore, the Soil Association found that in 2001/02, 60% of organic purchases in the UK were accounted for by 8% of organic buyers. With the organic buyer described as individuals from the upper to upper-middle class, 45 years or older, though there was a definite indication that younger persons were becoming more involved in organic purchases.

Furthermore, Organic Monitor (2002) found that the processed organic fruit juice segment accounted for 91.5 percent of total market revenues in 1998. However, healthy growth led to a slight increase in revenue share to 92.5% in 2001. The revenue contribution though, is not expected to change much over the next five years or so and stay approximately around this level. The domination of the organic fruit juice segment is due to the high popularity of products like orange juice and apple juice with British consumers. This results in penetration of organic fruit juices being much higher than organic vegetable juices in the supermarkets.

Additionally, the organic vegetable juice segment is projected to have less than 8% revenue share over the forecast period, i.e., up to 2008. It accounted for 8.5% of total organic revenues in 1998 and this decreased to 7.5% in 2001. The revenue contribution is projected to stay at about that level thereafter. The low revenue share is due to limited availability of organic vegetable juices in British retailers, which is due to relatively low interest by British consumers. Few supermarkets market organic vegetable juices.

4. Processed Organic Products

More than 80% of the organically processed food items sold in the UK are processed in that country (CEDA, 2003). The normal practice is for the organic raw materials to be imported into the UK and then to be processed there. The following overview of the processed organic market was compiled from interviews and various literature sources. Since no set of complete statistics, that this author knows of, are kept for processed organic imports, this information reflects the opinions of various stakeholders. Furthermore, this list is not complete but provides a starting point for understanding the current market.[4]

4.1 Dried fruits

Approximately 30-45 tons of dried apricots, 105 tons of dried bananas, and 70 tons each of pineapple and mangoes were imported into the UK in 2001 (Organic Monitor, 2002). Organic apricot are grown to some degree in the UK, but sell for around two to three times the price of those imported from Turkey (Table 3). As a result, Turkish apricot are in high demand and the market is growing rapidly. The prices of dried banana, pineapple and mango are expected to decline as the number of suppliers increases. Growth in these tropical fruits is expected to be rapid. There are about four to five major importers of dried fruits in the UK (see Appendix 1).

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[4] See Part II of this report for a more in-depth analysis of the potential of processed produce.
Sources include, Organic Monitor (2002), FAO (2003), FAO/ITC/CTA (2001), CEDA (2003), GAIN Report (2002) and discussions with Mr. Kelvin Craig (Organic Consultant to IICA), Ms. Clarecia Christie CEDA Consultant) and Ms. Judith Ann Francis, IICA Project Coordinator.

Table 3: Prices and Premiums in the UK Market for Dried Fruits

Product	Organic	Conventional	Price Premium (%)
Mangoes	99p each	68p each	145
Pineapples	£11.96/kg	£4.97/kg	241
Cantaloupes	£2.45/kg	£1.99/kg	23
Apricot	£2.26/kg	£1.89/kg	20

Source: Christie (2003)

4.2 Semi Processed fruits

Semi-processed mango, pineapple, guava and other fruits were imported into the UK in 2001. Much of this is in the form of puree. Processed bananas are imported in very large volumes, which may cause the price of bananas to decline. The premium paid for organic bananas was reported to be very small and closely related to the conventional market price for bananas. For the other fruits, the premium paid for organics is volatile, usually between 20% and 35% above the conventional market, but both demand and supply are growing (Soil Association, 2002). Food manufacturers are among some of the largest importers of processed organic fruits.

4.3 Herbs and Spices

A number of herbs and spices are imported into the UK. Estimates of these products in 2001 range from between 7 to 9 tons each of clove, cinnamon to 125 to 175 tons of basil, black pepper and vanilla. Prices of imported herbs and spices are volatile. As more firms switch from conventional to organic herbs and spices in processed organic foods, imported quantities are expected to rise. The market for processed organic herbs and spices is not firmly established, and quantities supplied or demanded change quickly and are difficult to predict. In general, growth in the processed culinary herbs market is expected to be greater than growth in the processed medicinal herbs market. There are about five major importers of processed organic herbs and spices.

4.4 Other Organic Dried and Processed Imports

This is a sector with huge potential as current trends indicate that tropical products are imported into the UK and certain germplasm are extracted and used in baby foods[5], beauty parlours and confectionary stores. For example, among the 'other' products reported as being imported was aloe vera. An estimated 1800 gallons of aloe vera were imported into the UK in 2001. Aloe vera gel is used in the manufacture of personal care, non-food products and is imported mainly by stores such as the Body Shop and Boots.

4.5 Sweeteners

An estimated 12,000 – 18,000 tons of organic sugar were imported into the UK in 2001. Growth of sugar imports was projected at 20% and is expected to increase under the "Everything but Arms" agreement that the EU signed with ACP countries recently.

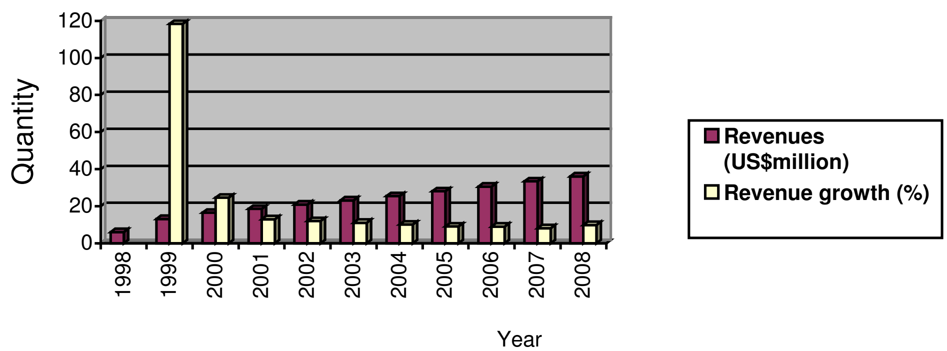
[5] In a recent CEDA workshop it was noted that there is a growing demand in the processing industries in the UK for sweet potato, with extracts from this ground provision being used in baby foods.

Furthermore, an estimated 80-90 tons of organic honey, mainly from Australia, was reported as having been imported into the UK over the last year.

4.6 Organic Juices

The British market for organic juices and concentrates has been growing at a rapid rate since the late 1990s. An estimated 2.1 million litres were sold in 1998 generating US$6.1 million in revenues. The highest growth was observed in 1999 when revenues increased by 118.3% due to increasing penetration of organic juices in British supermarkets. Market volumes increased four-fold between 1998 and 2001 with revenues reaching US$18.6 million (**Figure 2**)

Figure 2: British Market for Organic Juices and Concentrates, Revenue and Growth Rate Projects 1998-2008



Revenues expanded by 13% in 2001 and slower growth rates were envisaged thereafter due to consumer demand stabilizing. Although the foot-and-mouth crisis eroded consumer confidence in conventional foods in 2001, demand for organic juices was largely unaffected. Organic Monitor projects that the market demand will reach US$36.1 million in 2008 and the compound annual growth rate is 9.9%.

Table 4: The British Market for Organic Juices: Domestic Consumption and Import Statistics, 2001

Products (m litres)	Domestic Supplies	Imports	Total Market	Imports of Total Market (%)
Fruit Juices	5.0	2.5	7.5	33.3
Vegetable Juices	0.30	0.50	0.80	62.5
TOTAL	5.30	3.0	8.3	36.1

Source: Organic Monitor (2002)

Nearly all of the organic juices sold in the UK are made from imported raw material and concentrates with the bottling and distribution done by British companies. It is estimated that less than 10% of the organic juice marketed in the UK is made from domestically grown organic fruit and vegetables. Important sources of raw material are Germany, Italy and Spain. Organic orange juice mostly originates from Florida, Italy and Costa Rica. Organic grapefruit juice also comes mainly from Florida and Spain, with carrot juice coming from Germany and tomato juice from Italy. Table 4 overleaf shows the domestic market size and level of imports of organic juices in the UK according to product type.

Although organic fruit juices have the highest level of imported volumes, organic vegetable juices have the largest percentage imports. Roughly 2.5 million litres of organic fruit juices in the finished product were imported in 2001, representing a third of the market. However, the level of imports of finished product has been declining since the late 1990s as British producers have stepped up production. Of the three largest suppliers in the UK, only one, United Foods International, imports organic juices as the finished product.

Organic juices are marketed at a premium over conventional juices which, in the first instance, is due to the higher cost of organic juice production as well as the costs incurred during certification and inspection. Additionally, imported organic juices and concentrates are influenced by foreign exchange rates; while retail prices are affected by retailer strategies and the forces of demand and supply. Retail price wars, a common feature of the British retail structure, also leads to price fluctuations. The combination of these factors causes there to be some variation in retail prices of organic juices within a year. The price premium of organic juices is usually between 20 – 80 percent for British retailers.

5. Pricing

The current pricing of processed organic food in the UK reflects a higher production, processing and distribution cost, but it also reflects the ability of retailers to realize higher margins based on consumers' demand for organic foods over conventional products. This does not imply that higher margins throughout the supply chain will be supported by the supermarkets as supplier competition increases nor that the existing price premium over conventional food will remain as high as it currently is. Given the price elasticities, falling prices are expected to stimulate consumer demand still further resulting in higher sales that will compensate for some margin erosion. Following are a few examples of average organic prices relative to conventional prices in some of the major supermarkets:

Product	Source	Unit	Organic Price (£)	Conventional Price(£)
Eggplant	Italy	kg	5.69	4.62
Sun-dried tomato	Italy	kg	11.88	8.30
Sweet Corn	Thailand	2 small ears	2.78	1.99
Dwarf corn	Egypt	kg	10.74	6.37
Yogurt	England	450 gm	2.24	1.09
Gouda cheese		kg	8.09	4.89
Ementhal		kg	10.60	8.78
Edam		kg	5.44	3.47

Source: Craig Infanger and Larry Yager (2002)

Retail prices of organic juices have been declining since 1998 despite significant rises in raw material prices and costs of production. The entry of the major retailers and manufacturers achieving economies of scale has been responsible for the drop in retail prices. The British multiples[6] buy organic juices directly from manufacturers, who

[6] Stores that sell both organic and conventional products.

produce on a large-scale, and these two factors have resulted in lower prices. Organic juice prices are expected to stabilize over the period 2003 - 2008. This is because the market is maturing with retail penetration being high and consumer demand stabilizing.

Further, **Table 5** shows typical retail prices of organic products in two leading British supermarkets. Prices of conventional products are included for comparative purposes. Clearly, there are substantial premiums to be gained in the processed and dried food sectors. In general, TESCO and ASDA are said to have the lowest prices for organic foods in the UK (catering more to the needs of the average household) and Waitrose and Sainsbury's (targeting the higher end of the consumer demand chain) have some of the highest retail prices (Ross, 2002). Also, the prices of supermarket label organic products are generally lower than branded products and prices are usually higher in specialist retailers like organic food shops due to the presence of an additional intermediary in the supply chain as most juice bottlers do not deal directly with small retailers. [7]

Table 5: Typical Retail and Premium Prices for Organic Products Sold in the UK

Product	Conventional (£)	Organic (£)	Price Premium (%)
Fresh (£/tons)			
Bananas	13.53	21.55	59
Grapefruit	13.50	14.25	6
Grapes	14.61	17.77	22
Oranges	11.67	19.17	64
Strawberries	9.10	9.25	2
	6.50	11.00	69
Dried (£/kg)			
Apple and Summer Berries	8.99	10.58	18
Gorilla Munch Cereal	7.68	9.99	30
Wht/Fr Porridge Flakes	5.98	7.65	28
Sunrise Organic Flakes	7.27	10.68	47
Puffed Rice Cereal	5.86	8.32	42
Processed (£/g)			
Shepherds Pie	0.45	0.85	89
Cauliflower Cheese	0.43	0.54	26
Peach and Apple Sauce	0.50	0.99	98
Vegetable Lasagne	0.36	0.69	92
Nectarine and Mango	0.62	0.74	19
Mango and Passion Fruit Custard	0.36	0.69	92
Banana and Cookie Crumble	0.36	0.68	89
Baby Food (in £/g)			
Sweet Potato and Broccoli	0.42	0.52	25
Banana and Apple	0.62	0.74	76
Rice Pudding	0.43	0.54	26
Apple and Apricot Compote	0.41	0.51	24
Fruit Dessert	0.41	0.51	24
Banana Porridge	0.61	0.64	5
Juices (£/ltr)			
Orange	0.87	1.49	71
Apple	1.49	1.79	20
Tomato	0.75	0.75	19
Grapefruit	0.87	1.79	106

Source: TESCO and ASDA Websites (July, 2003)

[7] This contradict Ross's finding in (2002) that supermarkets had a price differential of between 15 – 75 percent above that of direct sellers and food stores.

Of importance though, is that there already seems to be more reluctance from consumers to pay premium prices for multi-ingredient and processed organic food, as opposed to fresh fruit and vegetables and wholefoods generally. This stems mainly from the association of fresh produce with healthy eating and some contradiction in image between organic and processed products. This is an issue for the industry in so far as it is potentially sending a confusing message about the perceived health benefits of organic food consumption, and one that the certification bodies will need to consider carefully. While the use of additives is regulated by legislation in the UK, the issue of "health" is not. There are certainly some organic foods now available that cannot be considered "healthy" in the common usage of the term where the ingredients have been produced in organic systems which is a rationale for allowing the foods to reach market with an organic label. Currently it is felt by the larger certification bodies that clear labeling and messages about processing and nutrition should be provided to allow people to make choices on a dietary basis as they do conventionally. Where a process is shown to have associated health risks then the certification bodies would consider prohibiting them in organic standards.

6. United Kingdom Organic Sales by Outlet

In terms of distribution, the United Kingdom processed product trade is quite different from some countries in Europe because it has its major outlets in supermarkets rather than health food stores (Ross, 2002). The supermarkets are supplied with pre-packed produce with their own labels, by specialist organic pack-houses with national distribution networks - many of which have their own chilled transport vehicles.

The mainstream supermarket chains[8] dominate retail sales of processed organic produce, accounting for about 70 percent of total sales in 2002. This share of supermarkets has been increasing over the last few years, having been, for example 63 percent in 1998. The other main outlets come from direct sales of organic produce from:

- Independent retailers and health food shops to consumers
- Farms and market stalls (including farmers markets) to consumers.

The above two direct sale sources accounted for 16 percent and 14 percent of retail sales respectively in 2001. Whilst the level of sales via these latter two categories of outlet have increased rapidly (about UK£78 million in 2000 from UK£25 million in 1998) in line with the rapid expansion of the overall market, the share of the total market accounted for by these categories of outlet has fallen relative to supermarkets.

Amongst supermarket retailers, Tesco and Sainburys are the leading organic produce retailers, each with about 30 percent share of the market. Other supermarkets with significant shares of the organic market include Waitrose, Safeway, ASDA and Marks and Spencer which together have an estimated 20 percent. This leaves another 20 percent for Iceland, various specialized stores, farm gate sales, and others in the retailing chain.

In terms of the relative importance of organics within stores the highest is Waitrose where organics account for about 12 percent of total fruit and vegetable sales. Across

[8] These include ASDA, TESCO, Sainsbury, Waitrose, Marks and Spencer, Iceland, and Safeway.

the multiples as a whole, organic fruit and vegetables account for anywhere between 3 and 12 percent of total fruit and vegetable sales.

6.1 Features of the main retail segments

As indicated above, the main supermarket chains dominate the United Kingdom organic market, handling up to three-quarters of all retail sales. These businesses have evolved into extremely powerful forces, controlling the range and quality of supply and the level of availability of products to United Kingdom consumers. Over the last twenty years they have extended their influence all the way through to original producers, regardless of where they are located, and are today not only dictating product specifications and quality but also the planting, harvesting, packaging, transportation and delivery of products. The high degree of competition among them has resulted in increasing stringency and rigour in their expectations of the products they handle and their purchasing power has enabled them to direct their suppliers towards increasingly mechanistic and almost industrial methods of producing food.

During the last decade there has been a pattern among the supermarkets of venturing into, testing, dropping out of and, after a few years, re-entering the organic market. Most of them clearly saw and continue to see organics as a potential growth area but one with a number of complications to overcome related, in particular, to reliability and continuity of supply, quality requirements and pricing. This has been a particular issue in the supply of processed fruit and vegetables. The approaches taken to tackling these supply and pricing issues have varied across supermarket chains.

In terms of actual exposure to customers, the way in which organic products are presented by multiple stores falls into three distinct categories:

- Some retailers, mostly the smaller, ‘second tier’ grocery retailers stock a limited range of core products with an organic alternative alongside (e.g. bananas, oranges, spices, herbs, etc).
- A number of retailers offer a growing range of organic alternatives to conventional products that includes the main ‘core’ purchased items plus some of the more exotic products. Organic produce is now increasingly being presented in a separate section within the store area devoted to fruit and vegetables and clearly differentiated by bright shelf signs and labels.
- A small number of retailers, notably Waitrose, operate distinct organic and conventional product sections (as referred to above) but also, for some products, stock only organic produce.

6.2 Health and organic stores

Another contributory factor to the unique United Kingdom distribution structure is that, in contrast to some other countries where health food shops have been very important, the British health food trade has never competed with the supremacy of the supermarket as a supplier of fresh organic produce and groceries. In some European countries, health food stores have carried organic produce, which has allowed the development of a network of local produce growers and suppliers. In the United Kingdom, by contrast, organic farmers and growers have had to sell direct to the public (in farm shops and the now rapidly developing and popular farmers markets), or have developed links with a relatively small number of wholesalers and the small number of supermarket chains.

The "independent" organic retail category is more important than the multi-purpose stores, including butchers, farm shops, greengrocers, independent retailers and specifically dedicated organic shops. An organic supermarket, Planet Organic in London, specifically aims to overcome this historical obstacle by providing space and facilities for the provision of an organic alternative for most products, fresh and processed. It stocks over 9,000 products of which about 3,500 are organic (it also sells herbal products). It has plans to set up similar stores across the south of England. Another specialist retailer is Fresh & Wild, which has six stores in London and sells 500 organic products and 3,000 natural remedy, herbal products.

Most British cities have health food stores (chains such as Holland and Barrett) on their high streets and they do carry a small, though increasing, range of processed organic products. Very few sell fresh produce. These outlets (independent retailers and health food shops) accounted for about 13-14 percent of total organic food sales in 2000.

6.3 Internet sales

A recent development has also been the emergence of e-retailers of organic produce. This includes both specialists, such as Simply Organic, and the Internet supplying divisions of the main supermarket chains (e.g. Waitrose Organics Direct). Companies such as Simply Organic do not operate any retail outlets and sell only via the Internet, with consumers selecting produce from their catalogue which encompasses a very wide range of products, such as food, drink, clothes, flowers, health and personal care and home care products.

6.4 Box schemes and farmers markets

Another significant market outlet and one in which there was a dramatic rise in the mid-1990s is that of ‘box schemes’ where members of the scheme pay a fix price for a box of in-season organic fruit and vegetables, accepting the mixed range, quality and quantities that are provided. It is an attempt to strengthen ties between producers and consumers and promoting acceptance of the less uniform nature of organic produce. Such boxes can be bought at the shop/farm, central delivery point, delivered to the home or through mail order. Although accurate figures are difficult to obtain, the Soil Association (Annual Report 2000) estimated that there were 200 such schemes in operation in 2000.

7. Opportunities and Possible Constraints for Guyanese Products in the UK Processed Organic Sector

7.1 Market Drivers

Before discussing the details of specific products that may have the promise of penetrating the UK market, it would be informative to examine the market drivers in the sector. A market driver is a factor that has a positive effect on the market, either in raising sales or consumption of the product. The drivers in the UK processed organic markets over the next ten years or so are discussed below in order of priority.

7.2 Marketing Campaign Stimulating Demand for Processed Organic Foods

The British processed organic food sector has been showing noticeable growth rates since the 1990s an issue that should interest Guyanese exporters. A major factor has been the entry into the retailing market of major retailers, which are stimulating organic foods purchases by launching extensive marketing campaigns. Tesco, Sainsbury's and Iceland are leading the retail sector with their marketing campaigns on organic processed foods. Marketing campaigns are continuing to boost consumer awareness and demand for these products.

7.3 Broadening Product Range

Retail penetration of processed organic products in the UK is amongst the highest in Europe. Most of the retailers sell processed organic products that are sold under manufacturer brand and supermarket labels. Despite this, the range of organically produced products remains limited. However, as new products are introduced into the British market, consumer demand is anticipated to increase.

7.4 Raising Interest in Organic Products

The UK has been exposed to some of the highest incidences of food scares in Europe in the last decade. Demand for organic products therefore has been bolstered since consumer confidence in conventional foods has been dented. Organic Monitor anticipates that this interest in organics will continue to increase as they are perceived as being healthier and more nutritious than conventionally produced foods. Though this is yet to be proven scientifically, this perception is anticipated to increase demand in the medium term, though at a decreasing rate in future.

7.5 Retail Competition Raising Stakes in Organic Food Industry

The UK retail structure is one of the most competitive in Europe with five major supermarkets dominating the processed food sale. It has become more competitive with the introduction of discount stores and retail giant Wal-Mart that acquired the ASDA chain.

The high level of retail competition has also benefited the processed organic industry as the multiples are fighting to increase processed organic food sales. Since the late 1990s the supermarkets have undertaken various initiatives to raise sales of organic foods from their stores. These have included innovative merchandising techniques, consumer education campaigns, and sponsoring research programmes into organic farming.

Retail competition is anticipated to be a major driver of processed organic food sales over the next five years. However, the impact of the driver will reduce over time as the negative consequences of retail competition take effect.

8. Possible constraints to future market development

8.1 General Constraints

There is consensus that the market for organics will continue to grow in the next few years. Forecasts of growth vary according to assumptions made, but the United Kingdom processed organic market is predicted to range from 5 to 15 percent of the total retail market by 2005 (ITC/FAO/CTA, 2002).

Looking at future market developments, it is important to consider a number of factors that will influence the nature and development of organic trade. Currently the market is essentially a small, niche market that mainly serves the higher than average income groups, many of whom have strong views towards issues, such as the environment and food health/safety. For the market to continue to grow at the rates of growth experienced in the last two-three years, it is likely that organics will have to join the mainstream market in which much of the additional purchasing is from lower income groups and from those consumers with less intense views on the environment, health and food safety. For this to occur, the price premia at which organic produce has generally traded will have to fall. In turn, this will make the market less attractive to producers, both domestically and in other countries.

During 2002 there were some signs that these factors were beginning to come into play. For example, some traders perceived that the rate of growth in the market for organic fresh fruit and vegetables had slowed significantly in recent months with the high level of prices for organic produce relative to conventional alternatives being cited as a major contributory factor. Also some of the leading supermarkets (e.g. Tesco and ASDA) indicated that organic premia were (on average) too high and needed to fall to 15-20 percent maximum if the market were to continue to sustain its rate of growth.

Whilst the market for organic produce has experienced rapid growth, and this is forecast to continue in the next few years, there are nevertheless a number of constraints that could threaten this market development, including the following:

- *Product authenticity*: buying organic is largely a function of trust and faith in the regulatory approval system and the monitoring activities performed by certification bodies. Also, currently the majority of organic produce sold comes from imports. This latter point means that tracking and tracing the origin of organic produce is inherently more difficult than if supplies come from a local base. Inevitably this, together with the level of price premia in the market, provides an economic incentive for some unscrupulous traders to cheat on the supply side of the market, passing off (cheaper) conventionally produced food as organic in order to capture the premia. Also, there are several bodies providing certification services. As some of these differ in approach, it may contribute to consumer confusion and diminished trust and faith in organics.

- *High dependency on consumer benefit perceptions.* These are crucial to the future development of the market. However, there is little hard evidence that organic products are healthier than conventional alternatives. The perception that organic produce might be 'safer' than conventional alternatives is not only challengeable but may rapidly subside if there were an organic 'food scare'. Also, whilst organic production systems are perceived to be better for the environment than conventional agriculture, few consumers are aware that some currently allowable pest control products (e.g. use of sulphur based products) in organics are actually more residual and damaging to the environment than some of the more commonly used conventional chemical treatments.

- It is also debatable as to how much of the recent increase in demand for organic produce has been driven by anti-GM (genetic modification) sentiment. If so, a legitimate question to pose is how intense and for how long will this sentiment remain, especially when GM quality traits begin to come to the marketplace.

As indicated above, to become a mainstream market segment, the organic market will inevitably be faced with a reduction in the levels of prices and price premia relative to conventionally produced foodstuffs. The drive for reduced margins has already begun to occur in the United Kingdom and given that most organic produce is on average more expensive to produce than conventional food, this points to a cost and price squeeze being pushed back down the supply chain from the retail end. Whilst the burden of any such squeeze will affect all parts of the upstream supply chain relative to retailers, it is likely that most of this will end up residing at the production end. In such circumstances, those producing organic produce will be faced with tighter margins than they may currently enjoy and as in conventional agriculture only the most efficient and competitive will survive.

8.2 Constraints Specific to Guyanese Exporters

Transportation remains one of the major bug-bears in Guyana. This is due in large part to the high cost of transporting products out of Guyana, which ultimately makes the products less price competitive. Furthermore, the lack of a regular service of refrigerated containers, often mean that exporters are unable to meet their delivery deadlines. The situation is further exacerbated by the unreliable, restricted volume and high cost of air cargo service out of Guyana. If Guyanese products are to penetrate the UK market, this is a major hurdled that must be vaulted.

Most Guyanese packing facilities are not hygienic enough to meet the standards established by the EU or the Codex Alimentarius for export sales. Since the organic market thrives on quality, this is an area that will need urgent attention. Furthermore, with the move under the World Trade Organisation's Agreement on Agriculture (AoA) that products be traceable from farm to the final user, the need for improved quality control cannot be overstated. Other issues affecting the potential of the sector are:

- The relative small farm size, and an even smaller number of certified farms,[9] that remain major impediments to increasing shipments of processed organic products to the UK. Large operating volumes are needed to derive economies of scale, increase competitiveness and increase sales volume.

- Currently there is no system of providing product quality assurance and payment dispute intervention for the Guyanese exporters nor the UK importer. Persons in other jurisdictions have also complained about the tardiness and, in some cases, the unscrupulous nature of Guyanese exporters. Issues raised include short counts, altered invoice quantities and prices and attempts to extract additional payments for the same shipment (Export Market Series: Bulletin No. 4, 2003:23). If Guyanese exporters are to be taken seriously, they will need to learn the fundamentals of doing business, i.e., honesty, trust and quality assurance.

- The labelling and packaging of much of the processed products originating from Guyana are unattractive, unimaginative and provide insufficient information for use by first-time buyers.

- If the buy local campaign is to be taken seriously in the UK, then Guyanese exporters do face a serious threat. Furthermore, the "Everything but Arms" agreement between the EU and the ACP countries, which allows imports to enter duty free from the ACP would imply that Guyanese products will be coming up against more competition in the medium to long run.

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[9] Currently, organic exports from Guyana include Heart of Palm (AMCAR), dried ginger, sugar (GuySuCo), and cocoa production (Mabaruma-Hosororo Organic Cocoa Growers Association)

- Additional assistance is needed to improve the enabling environment for improved production (i.e., improve infrastructure, more reliable electricity supply, more better extension services, etc.). Many producers are facing the markets on their own with little or insufficient support services.

- Most farmers are faced with weak or nonexistent farm organizations, which have meant that many of the problems affecting the sector do not seem to be understood and as such, are not addressed.

9. Marketing Strategy

In general, the specifications and requirements of the main supermarket chains set the target ‘norm’ for the market. These focus on consistent quality (essentially based on cosmetic appearance criteria, such as size, shape, colour, absence of blemishes) and consistent supply, at competitive prices. Whilst for conventional fresh produce this has demanded the supply of class-one produce, the difficulties of providing organic class-one produce has resulted in the acceptance of class-two organic fresh produce as being the norm.

Supermarkets also prefer to purchase from established importers and traders who know their requirements and operating procedures. Some of entities have "come late" to organics and are now having great difficulty in finding acceptable sources to supply. This means that exporters in developing countries like Guyana looking to service the mainstream parts of the United Kingdom processed product market, need to identify and contact some of the main importers (See Annex I). Only when a supply relationship with one such organization has been established can an exporter hope to supply the United Kingdom market on a consistent basis. Such relationships may also involve contact with representatives (usually technical specialists with responsibility for produce quality) of the main supermarket chains, although contractual arrangements will be with an importer. It is difficult to perceive any single Guyanese entity as being able to supply the total demand likely to come from the UK. As such, it will be important for there to be an association or some level of collaboration among producers.

Obtaining organic certification that is acceptable to buyers in the United Kingdom is vital. This ultimately means that imports of organic produce from countries outside the EC must be approved by the United Kingdom’s Ministry of Agriculture since the Guyana National Bureau of Standards regulations have not been approved ‘as equivalent’ for accreditation of imports into the EC. Certification of organic status from most third countries effectively usually means seeking certification from a body that is recognized by the International Federation of Organic Agricultural Movement (IFOAM) and accreditation by a United Kingdom-based accreditation body, such as the Soil Association (United Kingdom supermarkets expect their importing suppliers to fulfil all checks on their behalf and some are now insisting on IFOAM accreditation for all imports). IFOAM has developed its own independent accreditation system whereby over 15 major international certifiers (including, for example, the Soil Association in the United Kingdom) are accredited to the IFOAM Basic Standard.

It may also be worthwhile exploring opportunities to get involved in ‘partnership developments’ that some of the larger United Kingdom retailers, notably Sainsbury, are developing. For example, in 1999 Sainsbury set up a long-term partnership with Geest Bananas in the Windward Islands to supply a range of crops including exotic fruit and organic bananas. It also has a 'Blue Skies Organic Project' partnership in Ghana, set up in 1999 (certification provided by the Soil Association) which is producing prepared, organic pineapples from 40 farms.

In recent years the demand for exotic tropical fruit juices has been on the increase in the UK. Soursop, banana and mango can be blended into ice creams and sorbets for restaurants, hotels and supermarket chains. There is also an increasing demand for fruit juice bars. This is another avenue to be explored. Ultimately though, the major challenge will be teaching exporters how to export and striving always to improve the quality and attractiveness of the final product. A few points to keep in mind:

- Do not engage in transactions when you know you cannot fulfil all of the customer's expectations concerning price, delivery dates, volumes, product quality, etc.
- Provide on time delivery of the product, product quality and volume agreed upon.
- Communicate immediately with the buyer in the event that there are unexpected problems that might interfere with an on-time delivery and keep him apprised of progress towards resolution of the problem.
- Quickly follow up by communicating immediately with the buyer after delivery to determine the condition of the product on arrival
- Always follow up on and comply with promises made. Do not make promises that you cannot keep.
- When problems arise, attempt a quick, mutually fair and amicable settlement of the issue. If you feel that you have been taken advantage of, implement procedures to avoid the same problem in the future. If that is not possible, look for another buyer.

10. Conclusions: market opportunities for Guyana

10.1 Key features of the market

The United Kingdom organic food market has experienced rapid growth over the last few years and was estimated to have a retail value of around US$1 billion in 2000. The main supermarket chains dominate the market accounting for about 75 percent of retail sales. Within this, the fresh fruit and vegetable sector is the largest element accounting for about 40 percent of the total market value.

The market for organic, processed products containing fruit and vegetables has also expanded rapidly in the last 2-3 years and is forecast to grow at a faster rate than the fresh produce sector in 2003 and beyond.

Within the United Kingdom market the range and availability of processed organic products has widened considerably in the last few years and most supermarket chains sell a broad range of 'core' line 'traditional' products supplemented by an ever increasing range of more 'exotic' products. At the product level, the organic share is lowest for some of the more exotic products mainly because retailers tend to be reluctant to provide shelf space for both an organic and non-organic version of a product for which there is limited turnover. Higher levels of (organic) penetration occur for temperate crops traditionally grown domestically (e.g. carrots, potatoes, tomatoes, apples and pears), although penetration levels are also reasonably high for 'traditionally' consumed warmer climate fruits such as citrus fruits and bananas.

There are signs that the growth in demand for organic fresh fruit and vegetables may be slowing down and some of the new exotic products put on supermarket shelves are struggling to generate sufficient turnover to justify their continued stocking. Additionally, there has been downward pressure on prices and the erosion of organic premia relative to conventional fruit and vegetables. At the same time, there seems to have been increased interest in processed products, such as dried fruits, juice concentrates, and purees.

10.2 Products with the best commercial opportunities for Guyana

The products with the best commercial prospects probably fall into two main categories:

- Products that the United Kingdom (and other EC member states) either does not produce or produces in very small quantities. Such products are mostly processed or fresh 'exotic' and/or tropical fruits, such as papaya, banana, pineapple, guava and mango, plus cassava, yams and sweet potato. These products are (mostly) subject to zero or relatively low levels of import duty and do not face local competition. In addition, there is a group of 'exotic' products, such as fine green beans, baby courgettes and corn, sweet potatoes, pomegranates and star fruit, some of which may be grown in the EC but are more suited to warmer, sub-tropical and tropical climates.
- The off-season provision of some fruits and vegetables that are widely grown and available in the EC during the June-December period of each year. Of particular relevance here are citrus fruit, soft fruit, green beans and tomatoes during the January-May period of each year.

The prospects for supplying these products relate to both the organic and conventional produce markets for fresh/processed fruit and vegetables.

10.3 Possible constraints to entering the market

Possible constraints are of two main types.

a) General market development constraints: The United Kingdom market for organics is currently a small, niche market that mainly serves the higher than average income groups. For it to continue to grow at the rates of growth experienced in the last two-three years, organics will have to become a mainstream market in which much of the additional purchasing is from lower income groups. For this to occur, price premia for organic produce will have to fall. In turn, this will make the market less attractive to producers, both domestically and from other countries.

Given that most organic products are on average more expensive to produce than conventional food, this points to a cost and price squeeze being pushed back down the supply chain from the retail end with an inevitable consequence that the price paid to producers will fall. This means that in the long run only the most efficient and competitive will survive. Those producers in developing countries, perhaps currently thinking of entering organic production, supplying the United Kingdom organic market and attracted by margins in excess of 50 percent should probably reassess their potential investment on the basis of reduced margins (e.g. 5-20 percent) prevailing in the market, particularly in the longer run.

b) Meeting current market specifications: These include three main aspects:

- Meeting United Kingdom supermarket chain specifications. These set the 'norm' for the market and therefore dictate market entry criteria. These focus on consistent quality (criteria, such as size, shape, colour, absence of blemishes) and consistent supply volumes, at competitive prices. In terms of institutional standards, the minimum requirement is EC quality class two.
- Developing a relationship with an established United Kingdom importer of processed products that has a track record of serving the main supermarket chains. Only when a supply relationship with one such organization has been established can an exporter hope to supply the United Kingdom market on a consistent basis.
- Obtaining organic certification that is acceptable to buyers in the United Kingdom. This is vital and generally means seeking certification from a body that is accredited by the EC and preferably also by the IFOAM.

10.4 Entry strategy: key points for export development

Some recommendations for activities to undertake to target the United Kingdom processed organic market include:

- Initiating action to obtain accredited certification of organic status.
- Researching the specific product level market as much as possible. This is a rapidly changing market and having good, up to date intelligence is vital. A good way to monitor the market is to track some of the useful Web sites referred to at the end of Annex I.
- Examining whether there are existing suppliers from Guyana to the EC or United Kingdom markets. It may be possible to join a group of suppliers and hence improve the chances of offering consistency of quality and quantity of supplies.
- Researching, identifying and contacting a relevant United Kingdom importer of your produce. This should preferably be one with a track record of supplying the United Kingdom organic market and, in particular, the main supermarket chains with the type of produce that you can supply.
- Developing a clear business plan for supplying the United Kingdom market (including aspects such as products to supply, for what period, volume of supply, likely prices and budgeted returns). Critically examine returns based on lower organic premia (e.g. 5-20 percent) that exist at present (50 percent plus) to see whether the market is likely to remain viable for your business in the medium term.

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MARKET PROFILE: THE UNITED KINGDOM

PART II

The U.K. Market for Processed Tropical Products

Prepared by

Bettina Balmer

TABLE OF CONTENTS

1. GENERAL APPROACH OF EUROPEAN MARKETS

1.1. KEY CHARACTERISTICS

- Guyanese markets for organics products are still in the development stage.
- Organics in Europe remain a niche market. In the largest countries (Germany, France, and United Kingdom), significant growth was expected but has not yet materialized. Organic products represent between 2% and 3% of the food sales in these countries (Germany, France and United Kingdom). The share of organic foods entering through varies from country to country.

SALES OF ORGANIC PRODUCTS IN 2002
billion EUR, (estimated)

Country	Sales billion EUR	% in conventional supermarkets
Germany	2.8	35%
United Kingdom	1.3	80%
France	1.2	50%
The Netherlands	0.4	50%
United States	7.8	

- There are few available/reliable statistics and data for volumes, prices and end-use of fruits (especially exotic fruits).
- The dynamic for organic produce in Europe is now being pulled by (demand driven) processors and distributors; no longer pushed from the production supply side. European countries like France, the United Kingdom, and Germany currently have problems in supplying their internal markets with local products and they are thus forced to import from Europe and other countries.
- The organic market is highly fragmented: a lot of operators at all levels - producers of organic agricultural products, further processors, retailers (shops, on-line, etc).
- Distribution channels are difficult to understand because they are strongly interwoven, sometimes with the conventional sectors. Different types of actors are active in this market:
  - **Pure importers/traders** (like TRADIN in the Netherlands; see annex for address and description): specialize in large volume imports container. Located mostly in Northern Europe (The Netherlands, Germany, same in the UK). The main entry into Europe for organic products (ingredients, raw material, end products) remains the Netherlands.
  - **Brokers** specialized in organic products; examples include F.PROJECTS or P.F.S. in France. This type of company works mainly on an exclusivity base and represents a foreign or several companies in Europe.

- **Wholesalers / distributors**: they act at the national level and import upon demand (usually container loads). Distributors sometimes handle only specific products.
- **Regional distributors** for specialized retail shops.
- **Processors specialized in organic**: usually small or medium-sized companies compared to their counterparts in the conventional sector. Generally, they are not able to import directly and instead buy from importers or wholesalers.

• Some conventional big players (NESTLÉ, MILUPA, TEISSEIRE) tried to enter the organic market three years ago but now appear to be exiting. Main reasons for this exodus are:

- **size of the market**: the market is too small to support a large scale production compared to their conventional products;
- **sourcing**: it's difficult to maintain regular supplies (in volumes and sometimes in quality), throughout the year, especially with some imported products ;
- **traceability and supply chain**: the conditions to enter this field are too complicated in terms of supplying raw material, logistics, production, regulation, etc.

1.2. FURTHER PROCESSED PRODUCTS WITH EXOTIC FRUITS

The list of products covered by this survey includes the following:

- pineapple
- plantain
- mango
- papaya
- guava
- bread fruit
- carambola (starfruit)
- coconut
- Surinam cherry
- cassava
- sweet potato
- cashew nuts.

In Europe, some of these products are not used as organic and therefore do not present any interest at this stage. Other products are rarely used but could find market opportunities at some stage. The final group consists of those which are commonly used (even if "common" does not mean in large volumes). The exotic fruits listed above will never be used in the same quantities as temperate fruits, or citrus and banana.

Following our investigations and discussions with processors and importers, the products by category are listed below:

1. "commonly used" : **pineapple, mango, guava, coconut, cashew**
2. "rarely used or those with some potential" : **papaya, carambola, Surinam cherry**
3. "never/rarely used in the range of organic further processed products" : **plantain, bread fruit, cassava, sweet potato**

Concerning this last category, we do not believe that there is a market at this stage, unless growers have the means to promote those products. Therefore the remainder of this report will focus on the first two categories.

USE OF EXOTIC FRUITS IN ORGANIC PRODUCTS

Fruit	Main uses	Raw material
Pineapple	Juice (pure, blends) Jam, fruit spreads, crystallized fruits Stewed fruits ("compote") Yogurt Baby foods: jars and juices Ice cream Dried rings and diced for: retail (retail packs for fruit mixes), muesli, cereal bars, biscuits and other products from the bakery sector Canned pineapple (for retail)	Concentrate, clarified concentrate, low pulp or high pulp concentrate, single strength juice, pulp, puree Dried Canned
Mango	Nectar and juice, tropical mixes Ice cream Dry chips, diced… for : retail (retail packs for fruit mixes), muesli, and bakery sector Jam, fruit spreads	Puree and pulp concentrate; clarified concentrate Dried
Guava	Juice and nectar, tropical mixes Jam, fruit spreads	Pink and white yellow pulp and puree, clarified concentrate
Coconut	Canned milk for direct consumption (retail cans) Grated in retail packs or bulk for the bakery sector Included in jam, fruit spread, desserts, cookies…	Milk Dried and grated
Cashew nut	In retail packs, mixed nuts	Dried
Papaya	Juice Diced for: retail (retail packs for fruit mixes), muesli, and bakery sector	Red and yellow puree and pulp concentrate Dried
Carambola (starfruit)	Pieces for direct consumption,	Dried
Surinam cherry	Juice (blends, nectar…)	Juice

Some key features of the processing sector of exotic fruits in Europe:

- Organic banana (which is not on the list) remains the most consumed exotic fruit in Europe (mainly fresh, less as processed).
- From the list, pineapple is the most often used exotic fruit in processing. It is used in a wide range of products, including baby food (which is not the case for the other fruits).
- After pineapple, mango is the second most widely used fruit for processed products.
- Cashews are consumed only dried and directly (or included in some mixes like muesli, bakery products, etc).
- Coconut is mainly sold grated and as canned milk, but can be included as an ingredient in desserts, jams, fruit spread, cookies, etc.
- Surinam cherry (rich in C vitamin) is more used as a dietetic complement. At the present time in Europe, acerola is popular and often used in fruit juices.
- Carambola is rarely used as a processed products.
- Some specific national or regional products were not included in the survey. For example in the United Kingdom chutney is very popular and can include exotic fruits. But chutney (organic or otherwise) is not consumed in France.

1.3. RECOMMENDATIONS

Fruits

MARKET OPPORTUNITIES FOR ORGANIC EXOTIC FRUITS

Pineapple	**+++**
Mango	**++**
Coconut	**++**
Cashew	**++**
Guava	**+**
Papaya	**+**
Surinam cherry	**+**
Starfruit	**+/-**
Plantain	**-**
Manioc	**-**
Bread fruit	**-**
Sweet potato	**-**

As can be seen in the table above, in term of volumes demanded for processing, organic **pineapple** has the greatest potential. The second is **mango**. **Coconut** and **cashew** also offer potential and were demanded by several operators during the inquiry. Market potential for the other products is smaller.

Different used:

- **Juices & nectars**: appears to be the most important use for exotic fruits in terms of volume. Although temperate fruit (apple, pear) and citrus (orange) are the most common juices, the main operators in this sector also use fruits in their range of products, such as pineapple, mango nectar, exotic blends.
- **Muesli, cookies, bakery products**: use of dry fruits and nuts. A lot of small operators buy from regional and/or national wholesalers.
- **Yogurt:** very small market with mainly organic temperate fruits; exotic fruits are seldom found.
- **Jams, fruit spread**: a lot of small operators (craft industry); exotic fruits are seldom used. Larger producers of conventional products have done trials.
- **Baby food**: very strict in terms of legislation; conditions for entering into the sector are very strict. (high level of quality is demanded of suppliers). Some larger players use organic raw material for conventional products in order to insure low residue levels.
- **Ice cream**: very small segment.

About the distribution channels

There are several intermediaries between potential Guyanese exporters and European processors. Usually processors in organic sector are too small to import their ingredients directly. It can happen for major ingredients. Exotic fruits will never be used more than temperate fruits for the same product (juices, jams, etc) and they generally remain as a minor ingredient in the full range. Exceptions may include pineapples, mangoes and to a lesser extent coconuts and cashews).

Organic exotic fruits (dry, pulp, concentrate, etc.) are usually imported by traders (by container or less, according to product availability) who have the know how to import and to handle the products. Depending on volumes, some products go directly to the industry, others are sold to national or regional distributors. In between the trader and the processors, other companies may handle the product in order to prepare it for retail, for further processing, to pack it in smaller units, to clean it, etc.

Main specialized organic importers are located in the Netherlands and in Germany (TRADIN, EDWIN LORENTZ, ETC). There are no large importers of organic products in France or the United Kingdom.

Some importers of conventional ingredients sometimes also handle organic products, according to the demands of their clients. In such cases, organics are a complement to their conventional range of products in order to satisfy their customers, but not as an important part of their products range. Although most of the big players in fruit ingredients have tried organics to some extent, most of tem have abandoned it and instead concentrate on conventional fruits.

Some countries specialize in specific products. For example, Germany is known for organic juices and most juices found in French specialty shops come from Germany (brands: Voelkel and Beutelsbacher). Furthermore, JACOBY is an important German supplier of organic juices under its own label for supermarkets and hypermarkets in France and elsewhere.

The more the product is sold in Europe in small volumes, the more the trader is essential because small processors are not set up to directly import. Thus, for niche markets, exporters will need to identify a good importer who will be able to enter the product in Europe, to store it, to further process it if necessary and to find the right customers.

2. THE ORGANIC MARKET IN THE UNITED KINGDOM

2.1. Facts and figures

Retail sales of organic products reached £802 million in 2001/02 compared to £605 million the year before. The Soil Association has reported sales of more than £1 billion for 2002/03.

As in other European countries, organic production in the U.K. has developed significantly over the last few years. The British market for organics is still mainly oriented towards fresh basic produce and remains less developed for processed products. Nevertheless, the number of certified organic food processors increased (from 1100 in 2001 to 1675 in 2003). Production of processed organic products has increased by 36% to reach £611 million in 2002.

65% to 70% of the organic market is covered by imports. As demand is growing (+40%) faster than local production (+25%), opportunities exist for foreign suppliers.

Unlike Germany and France, in Britain, most organic products are sold mainly through the conventional supermarkets chains which now have more than 80% of the market share (only a little less than the percentage for conventional food).

VALUE OF MAIN ORGANIC FOOD CATEGORIES IN 2001/2002

Fruit & vegetable	268 million £ (50% imports)
Dairy (mainly milk and yogurt)	148 million £
Cereals & cereal products	84 million £
Meat	49 million £
Baby food	49 million £
Other further processed products (multi-ingredients)	125 million £
Eggs	39 million £
Beverages	40 million £

Several years ago, the price premium paid for organic compared to conventional was of 50%. The premium has decreased recently due to higher competition, especially in some sectors like regional vegetables.

Organic product consumption is part of a general trend of healthy eating and a historical trend towards whole and vegetarian food (or “natural food”). But the evolution towards practical foods (ready to eat dishes, further processed products) and the ageing population could slow this movement.

The main retail chains (Sainsbury, Tesco, etc.) put organic products at the centre of their marketing in 2000. But since then, organic products are more integrated in their overall product range.

There are fewer organic processors in the U.K. as compared to Germany. The profile of these companies is also slightly different: Pure players in organics are seldom found in the United Kingdom; organic products are usually produced by the same companies who specialize in vegetarian, dietetic, fair traded, exotic and/or “natural” foods.

Overseas imports come mainly through the Netherlands. As in other European countries, British processors of organics are not organized to import by themselves (in full containers) because of the small production batches. Importers and distributors are therefore necessary to reach processors of organic products.

The large players and potential operators in the U.K. include the following:

- COMMUNITY FOODS seems to be one, if not the most important leader in importation and distribution of organics, in the United Kingdom.
- LEGEND INTERNATIONAL: importer and wholesaler specializing in organic exotic foods. They are interested in Guyanese products.
- TROPICAL WHOLEFOODS (TROPICAL WHOLEFOODS and FM FOODS) : trader in tropical products, mainly dried fruit and vegetables from Africa. Used to import sun dried star fruit from Guyana. Involved in fair trade.
- WEALMOOR: one of the leading UK producers, importers, packers and distributors of conventional and organic, exotic fruit, vegetables and legumes.
- FUERST DAY LAWSON: importer and ingredient manufacturer of organic fruit pulp and puree for juice producers.
- NORGROW acts as trader for conventional and organic food ingredients.
- QUEENSWOOD NATURAL FOOD: wholesaler and supplier of natural and organic food.
- STEVENS & BROTHERTON: importer and distributor specializing in food and ingredients for the industry (conventional and organic). The company is interested in organic canned pineapple.
- SUMA: important wholesaler of vegetarian, whole and organic food (7000 products).
- INFINITY FOODS CO-OPERATIVE: importer and wholesaler; has a broad range of organic food.
- ALARA specializes in organic muesli (which uses dried fruits). The company does not import directly.
- ORGANIX BRANDS: organic baby food producer.

2.2 Fairs/Tradeshows

Natural Products Europe
London, 4-5th of April 2004
The 7th edition in 2003 was divided into two complementary fairs : **Natural Products Europe** and **Organic Products Europe** (including Organex). 420 exhibitors (of which 120 foreigners), approximately 6000 visitors. This fair has faced some problems : 375 exhibitors in 2002 compared to 600 in 2001. 75% of products on display were health products (dietetic products, health products, para pharmacy, nutrition products, etc.) and 25% organic products. Fair trade is included in 2004.
www.organex.net
www.naturalproducts.co.uk

Organic business
Magazine launched 3 years ago.
www.organic-business.com

3. British Distributors and Processors

Main sources of this list were:
- *Participants at the 2003 BIOFACH fair, the largest organic fair in Europe*
- *Participants at the 2002 SIAL fair, world fair for food products in Paris*
- *Participants at ANUGA 2003, first world food fair, in Germany*
- *Completed with internet search and phone calls*

ASDA
Asda House
Great Wilson St.
Leeds LS11 5AD
Tel: 00 44 1132 435435
Fax: 00 44 1132 418304
Major multiple chain increasing its involvement in organic products.

ALARA
110-112 Camley street
LONDON NW1 OPF
Phone : + 44 207 387 93 03
Fax : + 44 207 388 60 77
www.alara.co.uk
alexsmith@alara.co.uk
Organic and fair trade muesli producer. Uses mango and pineapple dices, coconut and banana chips. The company does not import directly.

BABY ORGANIX
Organix Brands plc
No.4 Fairfields Close
Christchurch

Dorset BH23 1QZ
Tel: 00 44 1202 479701
Fax: 00 44 1202 479712
Fast growing processor/importer/distributor of baby foods

COOPERATIVE WHOLESALE SOCIETY
Hanover Building
Hanover St
Manchester M60 4WS
Tel: 00 44 161 827 5592
Fax: 00 44 161 827 5495
Major UK cooperative with increasing involvement in organic retailing

CONGELOW PRODUCE
Den Farm Lane
Collier St
Tonbridge, Kent TN12 9PX
Tel: 00 44 1892 730 447
Fax: 00 44 1892 730 566
congelow@compuserve.com
Importer, retailer of organic fruit and vegetables

CLEARSPRING LTD
Contact : Steve Rudkin
Tel : + 44 1332 756622
Fax : + 44 1332 752431
rudkin@dircon.co.uk
www.clearspring.co.uk
CLEAR SPRING imports, packages and distributes vegetarian foods from Japan, Europe and the US. Range of products includes organic, dietetic, GM free products. Organic fruit spread.

ENGLISH VILLAGE SALADS
Camblesforth Grange
Brigg Lane
Selby, Yorkshire YO8 8ND
Tel: 00 44 1757 617161
Fax: 00 44 1757 614109
Importers of fresh salad products and suppliers to major multiples - part of Geest Plc.

EUROPEAN FOOD INGREDIENTS
Haddonsacre, Station Road, Offenham
EVESHAM, Worcestershire, WR11 8JJ
Tel : + 44 1386 833 123
Fax : + 44 1386 833 655
info@efiltd.com
http://www.efiltd.com
Producer of dehydrated, spray, roller and freeze dried fruits & vegetables. EFI said to be "one of the UK's leading suppliers of dehydrated raw materials to the food Industry, with one of the largest product ranges". Range of organic products : fruits, vegetables, pulses, herbs. Able to do cleaning, blending and packaging.

F.R.BENSON & PARTNERS LTD
Unit 15, Watford Metro Centre, Tolpits Lane,
Watford, Herts WD18 9UL
Phone : + 44 1923 204500
Fax : + 44 1923 240569
Contact : Richard BENSON
richard@frbenson.co.uk
Food importer and wholesaler, specializes in ingredients like dehydrated meat, vegetables, fruit purées and preparations for confectionery, coconut milk, etc. Family owned company whose customers include convenience food companies, desserts and puddings producers.
BENSONS are involved in the supply of ingredients to food manufacturers rather than in retail supply. They are interest in any ingredient packed in a size suitable for use by an industrial user. Currently BENSONS are only involved in dehydrated fruit - spray dried or drum dried. They supply these to various companies making puddings, baby food and flavorings in powder or flake form. They are looking to add fruit juices - single strength and concentrated.
They are also currently selling coconut products - cream in both aseptic pack (10kg) and in powder (spray dried).
Products of most interest to them: all exotic fruits, pineapple, mango, papaya, guava, carambola and also coconut. They would look at frozen juice/juice concentrate as well as other forms, such as dried and sweetened -suitable to add to a 'trail mix' or muesli. BENSONS are not at this stage a specialist of organic food but as their customers are asking for more and more for ingredients, they are interested in developing this new area. They already import some conventional exotic fruits such as sugared mango dices from the Philippines.

BIONA
Unit 4, Atlas Transport Estate
GB-SW113Q5 LONDON
Phone : + 44 20 79 24 23 00
Fax : + 44 20 72 23 83 70
Contact : Noel
noel@windmillorganic.fsnet.co.uk
Wholesaler (more than an importer) of organic products under its own brand, Biona. Organic biscuits, beans in can, coconut milk, juices, pasta, tomato products, sweets, gluten free products, oils, vinegar. Products are aimed at the retail market. Could be interested in pineapple and canned heart of palm but through an importer like TRADIN (The Netherlands) from who the company already imports. For BIONA importing from outside Europe remains to complicated.

CALYPSO SOFT DRINKS LTD
Spectrum Business Park
LL139QA WREXHAM
Phone : + 44 1978 66 84 44
Fax : + 44 1978 66 84 40
www.calypso.co.uk
Producer of soft drinks for children. Three varieties of organic fruit juice drinks : orange, forest fruits and tropical.

COMMUNITY FOODS, LTD.
Micross, Brent Terrace
LONDON, NW2 1LT
Phone : +44 20 8450 9411
Fax : +44 20 8208 1803
Contact : Ralf DRAPER
www.communityfoods.co.uk
traders@communityfoods.co.uk
Company is said to be the largest "UK importer and exporter of whole food. COMMUNITY FOODS LTD. has been in the independent health food market for 27 years. COMMUNITY FOODS was among the first "Health Food" companies established in the U.K. and has retained a prominent position in its specialist food and beverage sector ever since. The company now employs 50 people and has an annual turnover in the region of £28 million (of which one third is organic products). COMMUNITY FOODS now operates from a prime site in London comprising of 4,500 square meters of warehouse and a "Cash & Carry" operation. Product range for mainstream grocery and niche sectors in health, vegetarian or "different" foodstuffs (organics, branded products and commodities). Major customers are other traders, wholesalers, distributors and large packers. The traders now have more than 60 years combined experience of trading in commodities and branded goods from all around the world. COMMUNITY FOODS is the only importer with its own quality control laboratory. The company also exports.
Some branded products: pasta from Italy / Japan / Australia / USA, first pressed oils from France, olives from Greece, sauces from the West Indies, tofu from Japan, Fair Trade teas from Sri Lanka and India, fruit Juices from Belgium, maple syrup from Canada, snacks from Holland / Finland / Poland, body care products from Germany and a large range of branded goods from U.K. suppliers.
Some commodities: apricots from Turkey, almonds from the USA, pumpkin seed from China, soy beans from Canada, red split lentils from Turkey, brown & white rice from Italy.
They work with different labels: Soil Association , Fair Trade and Good Food Foundation.

Interested only in bulk dry fruit imports. COMMUNITY packs itself or sells directly to its customers (more industry than retail).

FRESH & WILD
210 Westbourne Grove
London W11 2RH
Tel: 00 44 20 7792 9020
Fax: 00 44 20 7792 1341
www.freshandwild.com
Specialist organic food and herbal products retailer with six stores in London

GRIFFIN & BRAND EUROPEAN LTD
Trophy House, Leacon RD
Ashford, Kent TN23 4TU
Tel: 00 44 1233 645 941
Fax: 00 44 1233 639 340
griffin.brand@dial.pipex.com
Wholesaler of fruit and vegetables

FUERST DAY LAWSON LTD
58-60 St. Katharine's Way
LONDON E1W 1JP
Phone : + 44 20 7488 0777
Fax : + 44 20 7702 3200
Contact : Mark TREADWAY, Divisional Director
juices@fdl.co.uk
www.fdl.co.uk
Importer, wholesaler, ingredients processor for the food, beverage, fragrance and chemical industries. Offices in the UK, USA, China, India, Switzerland. Founded in 1984 ; 120 employees ; turn over of US$ 125 million. Different divisions : honey, essentials oils & aroma chemicals, castor & industrial chemicals, seeds & natural products, food & beverage ingredients, juices.
FDL specializes in the development of fruit juices tailor-made to the clients' specifications, and supplies over 200 juice raw materials to the world's leading soft drinks and beverage producers. Clients include three of the five leading global soft drinks companies
FDL supplies a wide range of bakery seeds, dried fruits and pulses - including custom mixes and blends - to the baking, health food, dried packing and canning industries. The ingredients are used in the in-store bakeries of virtually every major UK supermarket and the clients include the UK's leading grocery product packer and health food chain.

Under labels of manufacturers:
- ***Pineapple :** juice concentrate, clarified juice concentrate, pulp and puree, low pulp and high pulp concentrate, single-strength juice ;*
- ***Mango :** puree and pulp concentrate, clarified concentrate ;*
- ***Passion fruit :**single-strength juice and concentrate ;*
- ***Guava** : pink and white pulp and puree concentrate, clarified concentrate ;*
- ***Papaya :** red and yellow puree and pulp concentrate ;*
- ***Banana :** puree and puree concentrate, clarified concentrate ;*
- ***Other tropicals :** acerola juice, kiwi puree and concentrate, guanabana juice, lychee puree & concentrate ;*
- ***Dried fruits :** apple rings, dried peaches, dehydrated tropical fruit, raisins, sultanas, dried pears.*

HARLEY FOODS
Blindcrake Hall
Blindcrake
COCKERMOUTH GA13 0QP
Phone : + 44 1900 823037
Fax : + 44 1900 828276
Contact : Diane
diane@harleyfoods.co.uk / no web site
Importer, wholesaler, food processor - dried fruit, pulses, grains, herbs, rice, breakfast cereals, fats, herbs & spices, oils, organic products, ambient, dried, fresh/chilled. Not interested in Guyanese products for now.

HIDER FOODS IMPORTS
Wiltshire Rd
Kingston upon Hull HU4 6PA
Phone : + 44 1482 561137

Fax : + 44 1482 565668
Contact : David HIDER, Director
david@hiderfoods.co.uk
http://www.hider-foods.co.uk
HIDER FOOD IMPORTS LIMITED, a family firm founded in 1965, are specialty food importers, servicing various sectors of the UK market.
Importer, wholesaler, processor, packer - nuts, dried fruits, beans, pulses, herbs, spices. ***Nut kernel and dry fruit specialist*** *for retailers, manufacturers and multiple ingredients products. Some organic products (but not only) like Libby's fruit juices, Thaï coconut milk, sauces and spreads from Meridian, chocolate from Green & Black's, fruit bar, honey, olive oil.*
HIDER FOODS buys small quantities of pre packed dry mango (origin : Burkina Faso) and fair trade fruit bars (mango & Brazil nuts, pineapple & cashew) from TROPICAL WHOLEFOODS.
Participated at the 2003 ANUGA fair.

HIPP NUTRITION UK
169 Greenham Park
NEWBURY, Berkshire RG15 8JH
Phone : + 44 1635 528250
Fax : + 44 1635 528271
http://www.hipp.co.uk/
inforequest@hipp.co.uk
Organic baby foods producer; a pioneer and one of the leaders in organic baby foods. Wide range of products: juices and drinks, desserts (for example : tropical fruit salad – with pineapple ; fruit duet : mango banana with yoghurt). Only a marketing and sales subsidiary of a German parent company. Further processing is done in Germany.

ICELAND FROZEN FOODS
2nd Avenue
Deeside Industrial Estate
Flint
Deeside CH5 2NW
Tel: 00 44 1244 830100
Fax: 00 44 1244 814531
www.iceland.co.uk

NFINITY FOODS CO-OPERATIVE LTD
67 Norway St.
PORTSLADE, East Sussex
Phone : + 44 1273 424060
Fax : + 44 1273 417739
Contact : Robin FITZGIBBING
http://www.infinityfoods.co.uk
info@infinityfoods.co.uk
Worker's co-operative. Importer, wholesaler with a range of organic products + one retail shop for organic products + one café. Also involved in fair trade. Products include : dried fruit, nuts & seeds, grains, beans & pulses, muesli & flakes, specialty and gluten free flours:

JUNIPER FINE FOODS
Unit 2
Downs Way Industrial Estate
Tinwalds downs Rd.
HEATHALL, Dumfries DG1 3RS
Phone : + 44 1387 249333
Fax : + 44 1387 249900
Wholesaler of fresh, ambient, chilled, dry and frozen foods and beverages, including organic foods.

JUST WHOLEFOODS
Unit 16
Cirencester Business Estate
Long Lane, CIRENCESTER GL7 1YG
Phone : + 44 1285 651910
Fax : + 44 1285 651910
Contact : Ann
www.justw.demon.co.uk
info@justwholefoods.co.uk
Food manufacturer (mainly vegetarian food) including organic instant soup mixes. At the present time, they have no need for processed organic fruits, but perhaps in the future.

LEGEND INTERNATIONAL LTD
Lonesome Lane
RH2 7QT REIGATE, Surrey
Phone : + 44 1737 22 23 03
Fax : + 44 1737 24 54 22
Contact : Terry PAGE
terry@legend-group.co.uk
www.legend-organics.com

Importer and wholesaler of organically produced exotic foods. LEGEND ORGANICS specializes in supplying organic food products to businesses in the UK and abroad. The majority of the organic products come from Sri Lanka and the company can provide these in a multitude of different varieties and sizes ranging from conventional small retail packs up to 200kg drums for processing purposes. LEGEND ORGANICS has factories in Sri Lanka where the majority of the products are canned, bottled and packaged prior to shipping to the UK.

Apart from supplying supermarket groups, smaller retail outlets and food processors under its own label, LEGEND ORGANICS also supplies large organic wholesalers.

Products range :
- *exotic fruit compote : mixed exotic fruits (papaya, mango, pineapple, lime sweet melon and passion fruit)*
- *canned mango chunks from Sri Lanka*
- *canned tropical fruit cocktail : pineapple, mango, papaya, red melon with pineapple juice and passion fruit juice with seeds*
- *canned pineapple chunks from Sri Lanka (400g)*
- *organic sliced peaches*
- *spicy mango chutney ; sweet mango chutney*

- *coconut milk, creamed coconut block, desiccated coconut full fat, low fat extracted pulps dehydrated into a fine by-product*
- *organic coir*

*Interested only in organic tropical fruits **in cans** : pineapple chunks and mango chunks in particular could be of interest. Sizes : 400 to 420g, 3 to 5 kg, 190 kg. Interested in receiving CIF UK prices for FCL's on these items organically certified.*

LEGEND has customers at the level of supermarkets as well as industry. The company exports to Europe and recently started to the United States. The company sells partly under its own label, Legend.

MACK MULTIPLES
Tranfesa Rd
Paddock Wood
Kent, TN12 6UT
Tel: 00 44 1892 835 577
Fax: 00 44 1892 834 890
Imports of fruit and vegetables

MARKS AND SPENCER P.L.C.
Michael House, Baker St.
London W1A 1DN
Tel: 44-20-7935-4422
Fax: 44-20-7487-2679
http://www.marks-and-spencer.com

NORGROW INTERNATIONAL LTD
Grange Farm Lodge
Leverington Common
PE13 5JG WISBECH, Cambridgeshire
Phone : + 44 1945 4108 10
Mobile : + 44 77 02 368 644
Fax : + 44 1945 41 08 50
sales@norgrow.com
www.norgrow.com
*NORGROW INTERNATIONAL LTD is an independent **trading** company whose aim is to provide ethically produced, socially acceptable food ingredients to the industry. Organic products include fruits, vegetables, nuts, spices in under different forms (fresh, frozen, dried, processed, canned). Specialist in non GM soy beans from Brazil.*
Participated in the 2003 ANUGA fair.

OASIS FOOD & DRINK
Sunset House
Ennis Close, Wythenshawe
MANCHESTER M23 9LE
Phone : + 44 161 283 8888
Fax : + 44 161 283 8899
Wholesale distributors of chilled, frozen and ambient health food products

ORGANIC FARM FOODS
Llambed Estate
LAMPETER, Ceredigion, Wales
Phone : + 44 1570 423099
Fax : + 44 1570 423280
webmaster@organicfarmfoods.co.uk
http://www.organicfarmfoods.co.uk
Major importers and distributors of all types of organic produce, notably fruit, vegetables, dairy products and meats. Major supplier to WAITROSE ORGANICS DIRECT. They do not buy/sell further processed fruits, only fresh products for retail.

ORGANIC MARKETING COMPANY
Unit 1 Leighton Court
Lower Eggleton,
Ledbury
Herefordshire HR8 2UN
Tel: 00 44 1531 640819
Fax: 00 44 1531 640818
Packing and pre-packing importers of fruit and vegetables

ORGANIX BRANDS PLC
Baby Organix
No.4 Fairfields Close
CHRISTCHURCH, Dorset BH23 1QZ
Phone : + 44 1202 47 9701
Fax : + 44 1202 47 9712
Contact : Emma HARLER, raw material department
emma.harler@organixbrands.com
http://www.babyorganix.co.uk
Fast growing processor/importer/distributor of baby foods.

PERCY DALTONS FAMOUS PEANUTS CO LTD
Old Ford Works
Dace Road Bow
LONDON E3 2PE
Phone : + 44 208 985 9241
Fax : + 44 208 986 3028
www.percydaltons.com
enquiries@percydaltons.com
Processor and packer of all types of edible nuts and dried fruits including organic products. Leading UK supplier of organic nuts and dried fruits to retailers.

PLANET ORGANIC
42 Westbourne Grove
London W2 5SH
Tel: 00 44 207 221 7171
Fax: 00 44 207 221 1923
Totally organic supermarket in London

QUEENSWOOD NATURAL FOOD LTD
2 Robins Drive, Apple Business Park
SOMERSET TA6 4DL
Phone : + 44 1278 42 3440
Fax : + 44 1278 42 4084
www.queenswoodfoods.co.uk
sales@queenswoodfoods.co.uk
Wholesaler, supplier and trader to the natural food and food service industries. Full range of dry, fresh, frozen food. Specialize in organic food ingredients for the food manufacturing industry. Range of organic food (end products and bulk commodities): flours, powders, grain, pulses, nuts, seeds, sugar and sweeteners, flakes, vinegars. Own label pre-packing service.

RASANCO SUTTON SCOTNEY
The Estate Office
SO21 3JW SUTTON SCOTNEY
Phone : + 44 1962 76 19 35
Fax : + 44 1962 76 18 60
Contact : Russel SMART
info@rasanco.com
ras@rasanco.com
www.rasanco.com
Importer and distributor of organic food ingredients for the UK food industry. Products:

- *MARKBEECH prepared nuts (cashew, Brazil nuts, coconut…)*
- *Fruit concentrates & purees ; under other pineapple, papaya, mango, banana*
- *Prepared dried and candied fruits*
- *Dehydrated pulses, beans & vegetables*

SAINSBURYS LTD
Stamford House
London SE1 9LL
Tel: 00 44 207 695 0024
Fax: 00 44 207 695 7507
Multiple with long involvement in retailing organic products

STEVENS & BROTHERTON LIMITED
S&B House
2 Vinson Close
ORPINGTON, Kent BR6 0PP
Phone : + 44 1689 877799
Fax : + 44 1689 875887
Contact : John PARK
http://www.sandb.co.uk
john.park@sandb.co.uk
Importer and distributor of food products for retail, further processors and the catering industry. The company trades in dried fruits and nuts, canned and aseptic products, rice and pasta, frozen food and vegetables, processed meat.
Some interest in organic supplies of canned pineapple in A10 and retail size can, also in hearts of palm. They are also involved in industrial concentrates.

SAFEWAY
Argyll House
Millington Rd. Hayes
Middlesex UB3 4AY
Tel: 00 44 208 695 6000
Fax: 00 44 208 695 7610
Major multiple retailer of organic products

SIMPLY ORGANIC FOOD COMPANY LTD
E-retailer of organic produce
Tel: 0845 1000 444 (UK only)
Fax: 00 44 20 7622 4447
info@simplyorganic.et
www.simplyorganic.net

SUMA WHOLEFOODS
Dean Clough
HALIFAX HX3 5AN
Other address :
Lacy Way
Lowfields Industrial Park

ELLAND, WEST YORKS
HX5 9DB
Phone : + 44 845 458 22 90
Fax : + 44 845 458 22 95
http://www.suma.co.uk
info@suma.coop
Wholesaler and manufacturer of organic vegetarian and vegan products. Claims to be the "the UK's largest independent wholesaler and distributor of quality vegetarian, fairly traded, organic and natural foods. 7000 products including baby foods, fruits: dried, jarred, tinned, juices, juice concentrates, puree, spreads, etc.

THE QUIET REVOLUTION
The Coach House
6 Duncan St.
London N1 8BW
Phone : + 44 207 278 2121
Fax : + 44 207 278 1958
Processors of fresh organic soups

THE FOOD RESOURCE BASE
Fife Food Centre
Faraday Rd.
Southfield Industrial Estate
Glenrothes KY6 2RU
Tel: 00 44 1592 775884
Fax: 00 44 1592 775955
Manufacturers of fresh organic soups and sauces

TRAIDCRAFT PLC
Kingsway North
Gateshead
TYNE & WEAR NE11 0NE
Phone : + 44 1914 910591
Fax : + 44 1914 822690
comms@traidcraft.co.uk
http://www.traidcraft.co.uk
Fair trade organization with some organic food products. Oriented mainly towards fair trade non food products for end consumers : handicraft, jewelry, stationery. For fair trade food: cooking ingredients like Brazil nuts, Demerera sugar, organic sugar, rice, pasta, cereals, muesli, etc.

TROPICAL WHOLEFOODS : 2 companies
TROPICAL WHOLEFOODS (Marketing)
Contact: Adam Brett (Chairman) and Kate Sebag (Marketing Director)
7 Stradella Road, Herne Hill
LONDON SE24 9HN.
Tel : + 44 207 737 0444
Fax : + 44 207 737 0466
Contact : Kate SEBAG
TropicalWF@aol.com

TROPICAL WHOLEFOODS
Unit 9 Industrial Estate
Hamilton Rd
London SE27 9SF
Tel: 00 44 208 670 114
Fax: 00 44 208 670 1117
Specialist in trade in tropical products from Africa – mainly dried fruit and vegetables

FM FOODS (Production and Logistics)
Contact: Richard Friend (Technical Director) and Peter Fawcett (Managing Director)
Unit 5d Southwick Industrial Estate
North Hylton Road
SUNDERLAND SR5 3TX.
Tel : + 44 191 548 0050
Fax : + 44 191 516 9946
info@fmfoods.co.uk
http://www.tropicalwholefoods.co.uk
Trader in tropical products from Africa – mainly dried fruit and vegetables: mango, papaya, pineapple from Uganda, Burkina Faso, Ghana, Involved in fair trade.
Two sites: TROPICAL WHOLEFOODS for the marketing and FM FOODS for the logistic and packaging part (able to develop and manufacture products to the specification of the customer, containing any special or functional ingredient. It can also handle all of the packaging, sourcing and labeling requirements).

Others products:

- ***Sun dried star fruit*** *– FM used to import sun dried star fruit from Guyana but it was not labeled as organic. The Guyanese company has apparently gone out of business.*
- ***5 fruit salad*** *- Country of origin : Burkina Faso,* ***Guyana****, Uganda - Sold in: 12x60g cases. Sun dried ingredients: Pineapple (20%), Mango (20%), Papaya (20%), Star fruit (20%) and Banana (20%). Free from nuts and added sugars, just 100% pure tropical fruits.*

The company sells small quantities of Guyanese star fruit (around 400 kg per year). It will stops soon this products because the stock is nearly exhausted, the sales are low and the company has no more contacts with the original supplier who left Guyana.
The company is interested only in dry fruit and would like to have prices and samples, etc. for dried guava and Surinam cherry (to mix with other fruits).
TROPICAL WHOLEFOOD Best sellers are dried pineapple, mango and banana sold currently sells (35 ton/year of each) other products like papaya reached 5 tons per year. Star fruit and other small products could reach 400-500 kg per year. Products must be sugar and sulfate free (the brand TROPICAL WHOLEFOOD is known for product quality). 4 products of the company have the fair trade label (biscuits, cereal bars). Products are sold in specialized whole food shops. The company focuses on fair trade, not on organic: fruits from Guyana do not need to be organic, etc.

WAITROSE
Doncastle Rd.
Southern Industrial Area
Bracknell, Berkshire RT12 4YA
Tel: 00 44 1344 424680
Fax: 00 44 1344 825072
Major multiple chain store retailing organic products

WEALMOOR LTD
Jetha House
Springfield Rd.
HAYES, Middlessex EB4 OJT
Phone : + 44 208 867 3700
Fax : + 44 208 867 3770
Contact : Jawesh DODHAE, purchase department
jawesh.dodhae@wealmoor.co.uk
www.wealmoor.co.uk
Leading UK producer, importer, packer and distributor of conventional and organic, exotic fruit, vegetables and legumes.
WEALMOOR is a privately owned company established in 1973. WEALMOOR specializes in exotic vegetables, legumes, fruit and organics. The company has a diverse product portfolio supplying in excess of 60 product lines sourced from 55 countries. It is also now supplying prepared products. WEALMOOR is involved at all stages of the supply chain: growing (under contracts), importing, marketing, packing and distributing. The company combines an extensive sourcing network throughout the world with its own farming interests in strategically located countries - the Gambia & Kenya. Associated exclusive suppliers from Zambia and Egypt provide continuity of quality and supply throughout the year.

WEALMOOR LTD. has been certified by the Soil Association to pack organic produce at the site in Hayes, Middlesex since 1999. The range of organic products includes:

- *Beans*
- *Mangetout green beans*
- *Sugar Snap*
- *Baby corn*
- *Butternut Squash*
- *Sweet potato*
- *Mango*
- *Chilies*

The main growers for organic are located in Egypt, Gambia , Ghana, Thailand, USA and Zambia. WEALMOOR has dedicated personnel to manage the organic operation and within the technical department, they give technical support to their organic growers and their certification bodies on issues relating to their standards and product quality. For production they have personnel managing the packing of organic products.
On site, WEALMOOR has dedicated facilities for the storage, packing and processing of organic produce, in accordance with organic regulations. The company is in process of increasing the volume of organic produce available, and also to broaden the range of organic products.
WEALMOOR is more involved in fresh exotic produce than processed.

WHOLE EARTH FOODS
292 Portobello Rd.
London W11 1LR
Tel: 00 44 207 229 7545
Fax: 00 44 207 221 6416
Producers and wholesalers of organic foods throughout Europe under their own labels

WINDMILL ORGANIC FOODS
66 Meadow Close
LONDON SW20 9JD
Phone/fax : + 44 208 395 9749
Importers of bulk ingredients for on-sale to food manufacturers, some soup manufacturers.

YEO VALLEY ORGANIC COMPANY LTD
Cannington Cremery
Bridgetown, Somerset, TA5 2nd
Phone : + 44 1278 652243
Fax : + 44 1278 653267
talk@yeo-organic.co.uk
http://www.yeovalley.co.uk
Major supplier of organic dairy products and purchaser of fruit ingredients for products such as yoghurts. Range of organic products : fat free fruited yogurts, children's yogurt, cream, fruit compotes, butter, frozen yogurt.

4. OTHER USEFUL CONTACTS IN THE ORGANIC SECTOR

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
Nobel House
17 Smith Square
London SW1P 3JR
Tel: 00 44 207 238 5803
Fax: 00 44 207 238 6148

UNITED KINGDOM REGISTER OF ORGANIC FOOD STANDARDS (UKROFS)
Nobel House
17 Smith Square
London SW1P 3JR
Tel: 00 44 207 238 5915
Fax: 00 44 207 238 6148

Web sites
www.simplyorganic.net
www.soilassociation.org
www.linksorganic.com
www.westcountryorganics.co.uk
www.organicsdirect.co.uk