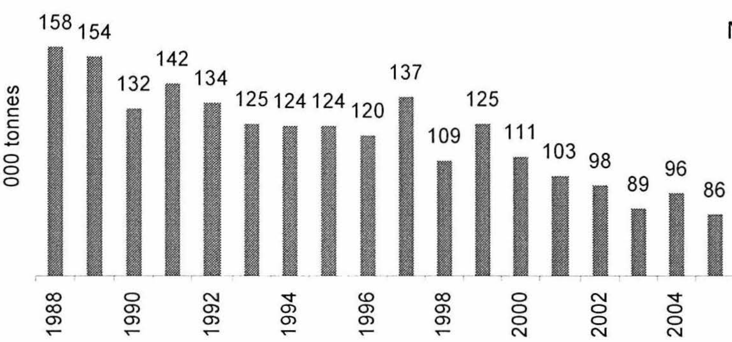
France Grapefruit market

France is the leading market in the European Union. Although consumption is decreasing distinctly—this has been particularly noticeable since the end of the 1990s—it is still the largest in Europe at 90 000 tonnes, that is to say about 1.5 kg per person per year. Florida is the dominant supplier as tropical grapefruit has a separate position. However, the crisis experienced by Florida since autumn 2004 is leading to a change in the market supply structure to the benefit of the numerous Mediterranean origins present.

France - Grapefruit - Consumption



Source: Eurostat, FAO

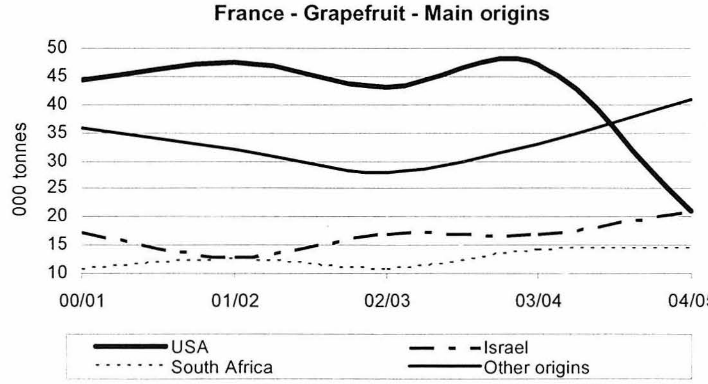
Trend in consumption

Market development got under way in the early 1960s at the same time as in Germany with the increase in arrivals of white grapefruit from Israel. Shipments of pink grapefruit ('Ruby Red') from Florida increased and in the mid-1970s this gradually replaced white grapefruit. Consumption gained new momentum and developed in line with the variations in production in Florida, where a budget was allocated to promotion of the fruit, and with those of the euro:dollar exchange rate. The volumes handled by the market increased to over 150 000 t at the end of the 1990s, putting the French market in first position for the quantity consumed. The 1989/1990 winter frost in Florida and its consequences for subsequent harvests brought the total down gradually to 125 000 t in 1993. Consumption did not exceed this level until the end of the 1990s. The franc:dollar exchange rate then weighed heavily on imports until 2003/2004 in a context of dull demand. Consumption then dipped again to less than 100 000 t in 2002 and less then 90 000 t since 2005 and the beginning of the production crisis in Florida.

Main origins

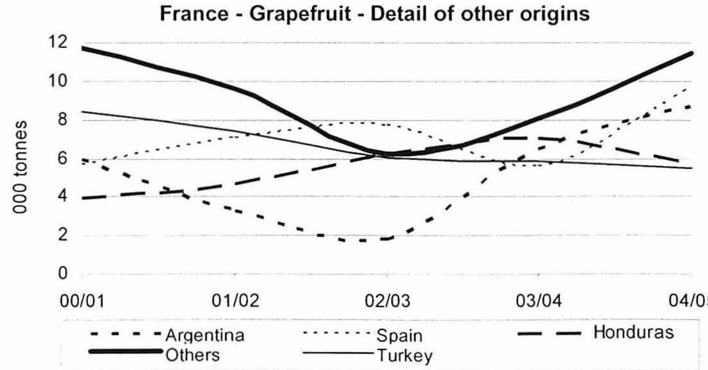
Fruits with a broad range of origins are found in France, with 10 countries each shipping more than 1 000 t and 7 of these shipping more than 5 000 t. Florida, for whom France is by far the largest market in the EU, is the leader by only a short head since the drastic fall in production in 2003/2004. The dominant Mediterranean origins such as Israel and Turkey (since 2005/2006) have since considerably developed their presence in France. Similarly, Spain has been one of the five leading supplier countries since 2003/2004 and Cyprus—focused on the British market until 2001/2002—is also more visible. Emerging origins such as Syria and China (1 200 t of grapefruit landed in 2003/2004) complete supplies, along with Morocco. The early end of the small winter seasons also allows the major summer origins South Africa and Argentina to strengthen their presence. Honduras dominates during the inter-season. The Mexican season starts a little later, in September, and its presence is tending to become more marked, especially as Cuba was more discreet in 2004 and 2005 for lack of production.

France - Grapefruit - Main origins



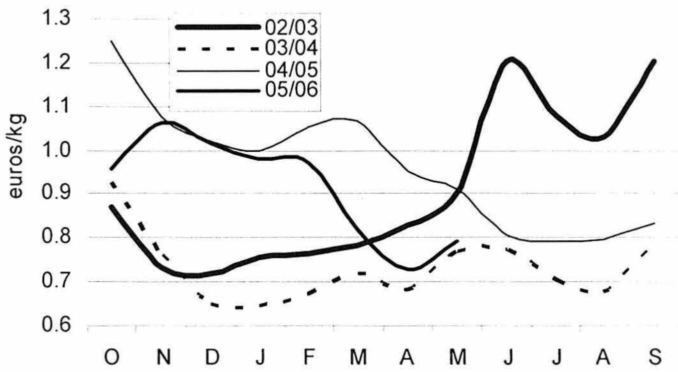
Source: French customs

France - Grapefruit - Detail of other origins



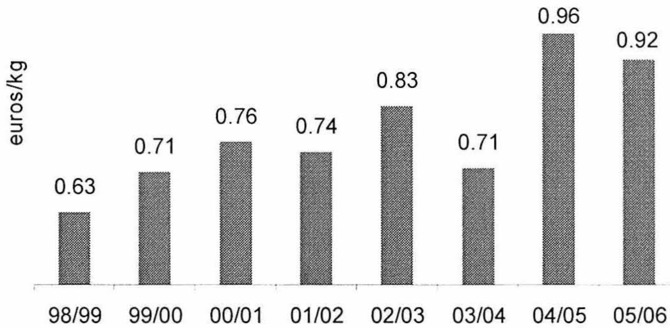
Source: French customs

France - Grapefruit - Average monthly price



Source: Cirad

France - Grapefruit
Average price - All varieties and origins



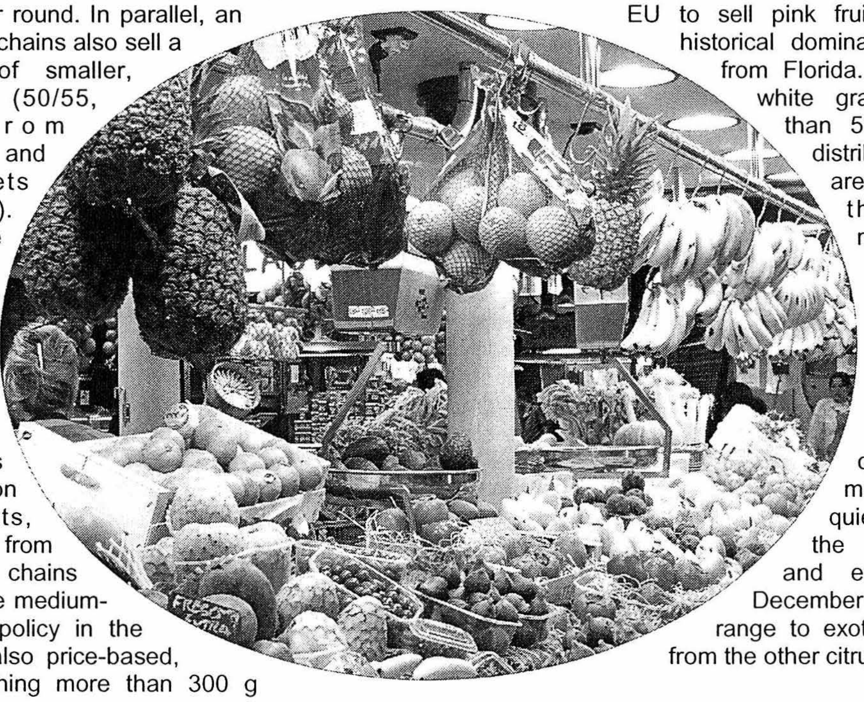
Seasons / Source: Cirad

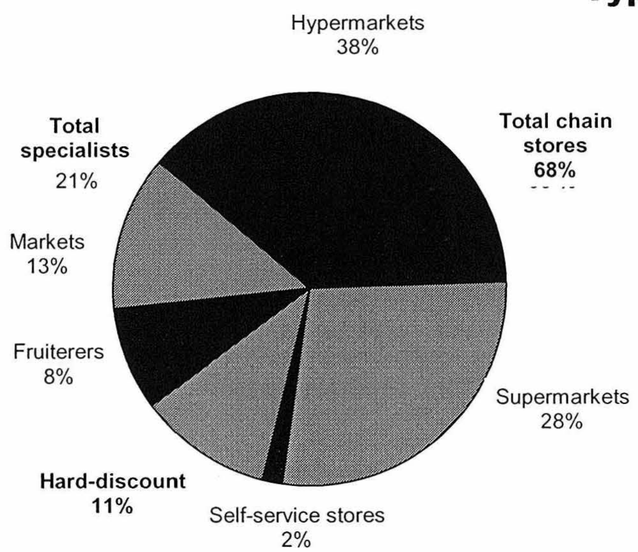
Price trend

Prices are highest during inter-season periods when supplies are more moderate. A peak is thus observed in October with the end of the summer season and the gradual start of the winter season. The increase in shipments in November and then the strong decrease in demand in December (with the change of range in supermarkets) bring prices down considerably. They then remain fairly stable at the beginning of the year in spite of the January promotion operations (to clear stocks). They rise again from March onwards with the end of the season for certain origins and a new series of special offers. They rise in May during the winter-summer inter-season and then fall markedly from mid-July into August as demand is focused on summer fruits. The strong decrease in supply during the winter season as a result of the decrease in production in Florida has considerably changed this pattern in the last two years. A serious distorsion has appeared between a strong increasing average price during the winter season since 2004/2005 and the summer situation with no major changes. The price difference in favour of Florida in relation to the Mediterranean origins increased from 10-20% until 2003/2004 to 20-40% in 2004/2005 and 2005/2006. A very strong decrease in average price is now observed in March-April with the early end of the season in Florida. In contrast, the later start of exports from this origin tends to accentuate the October price peak.

Market characteristics

Supermarkets prefer sizes 40 or 45/48 for loose fruit sales all the year round. In parallel, an increasing number of chains also sell a budget reference of smaller, prepacked fruits (50/55, generally from Mediterranean origins and available in nets containing 2 kg). Fruiterers seek large fruits (sizes 32, 36 or 40) that generally come from Florida in the winter and from South Africa in the summer. Hard discount chains favour low prices above all by playing on size (small fruits, generally prepacked, from Aldi) or origin for the chains like Lidl that sell loose medium-sized fruits. Buying policy in the catering industry is also price-based, favouring fruits weighing more than 300 g each. The French market is practically alone in the EU to sell pink fruits, a mark of the historical dominance of 'Ruby Red' from Florida. It is probable that white grapefruit forms less than 5% of the volumes distributed (Florida fruits are only distributed in the high-quality market segment). Demand is seasonal, peaking in early January and in March-April when supermarket chains run large-scale promotion operations. The market is particularly quiet from mid-July to the end of September and even more so in December with the change of range to exotics and competition from the other citrus fruits.





Source: SECODIP 2005 - Prepared by CTIFL

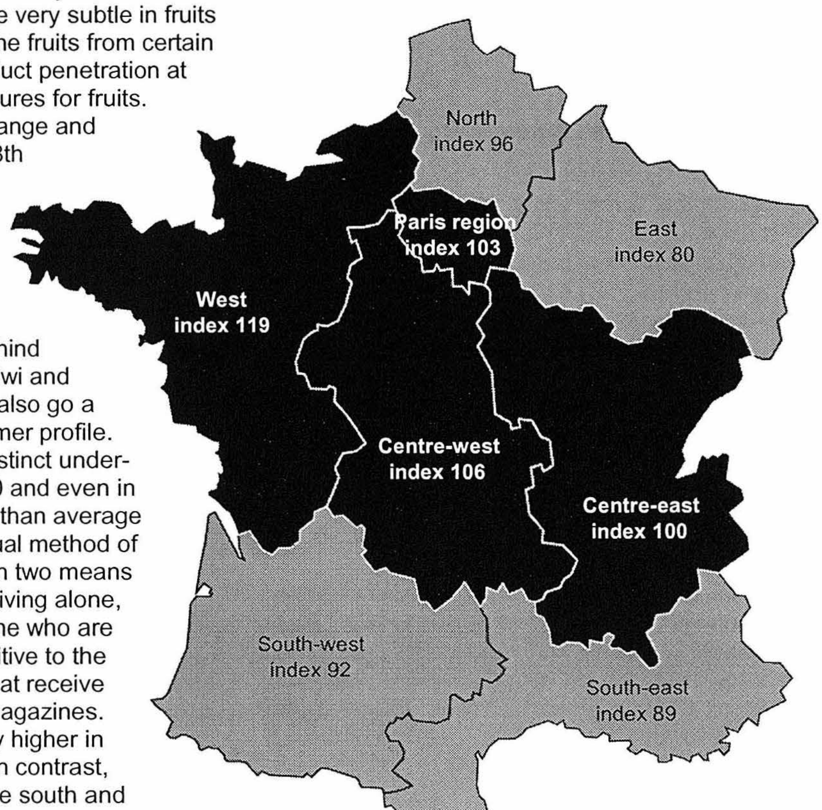
Type of retail distribution

Just like the other citrus and the less fragile fruits, grapefruit is over-represented in supermarkets (hypermarkets, supermarkets and self-service stores). In 2004, this channel still accounted for nearly 70% of the quantities retailed in France, with supermarkets tending to increase their market share at the expense of hypermarkets. However, the share of this type of retail distribution decreased noticeably in 2005, mainly because of competition from hard discount chains. The latter sold about 8.5% of the total from 2001 to 2003; this then increased to 11% in 2005. However, grapefruit is still under-represented in this category of store which accounts for some 13.5% of fruit sales in France. Probably as a result of the decrease in the supply of fruits from Florida, the main supply of high-quality fruits during the winter, the market share of specialised greengrocers has tended to decrease strongly in the last two years. The figure was 22-23% from 2001 to 2003 and then 19.5-20.5% in 2004 and 2005. The decrease affects the street markets above all, with fruit shops tending to display more resistance.

Consumer profiles

Grapefruit has a fairly distinct flavour, mainly because of the bitterness that can range from the very subtle in fruits grown in the tropics to marked in the fruits from certain Mediterranean zones. Household product penetration at some 45-46% is one of the lowest figures for fruits. Grapefruit is fairly far behind apple, orange and banana, the leading trio of fruit. It is in 8th position by volume consumed and accounts for about 4% of total purchases of fruits, at the level of much more seasonal produce such as peach and nectarine and coming after grapes. Its rank by value is even more modest as it is in 11th position, still behind peach and nectarine and at the level of kiwi and avocado. Its special taste characteristics also go a long way towards explaining the consumer profile. Families with children display distinct under-consumption. The typical client is over 50 and even in the over 65 age group, has a higher than average income and lives as a couple. The usual method of preparing grapefruit by cutting them in two means that they are of little attraction for men living alone, in contrast with women living alone who are average consumers and probably sensitive to the dietary and health aspects that receive considerable coverage in women's magazines. Geographically, consumption is distinctly higher in the western part of France as a whole. In contrast, consumption is lower than average in the south and even more so in the east.

France - Grapefruit - Consumption by region
Index (mean:100)



Source: Secodip 2005 / Prepared by: CTIFL