Fruit and vegetable industry

Out with segmentation and in with 'strategic assortment reduction'

'Les rencontres annuelles des expéditeurs de fruits et légumes' (Annual meetings of fruit and vegetable shippers) were held in Marseilles on 2 and 3 April at the initiative of Scoopeven. This year, stress was laid on main trade trends, the requirements of large retail chains and the question of pesticides. The considerable variety of participants and the fact that the MC often played too obtrusive a role could have resulted in an event of no interest. But this was not the case, thanks to a few contributions that made it possible to address in an open, relaxed atmosphere the main questions faced by the sector.

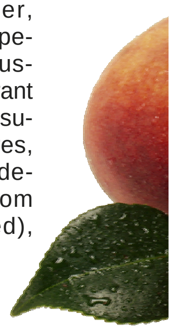
It is rare to feel satisfied after this type of meeting. As nobody wants to divulge information to his competitors, the common areas of the quality of produce and services—whatever the position of the operator in the chain—too often make discussions anaemic. This was not entirely the case in Marseilles. A few contributions made it possible to go a little further into things than usual. The most noteworthy was the talk by Jean-Luc Rodrigues, director of the Casino group's fruit and vegetables sector. He painted a very instructive picture of the groups supply and sales policy.

Profitability versus segmentation

The time when the strength of shops lay in an ever-broader range has long gone. Segmentation as a weapon for gaining market shares and increasing margins has gone out of fashion. Assortments are now 'rationalised'. Casino aims at reducing its assortment from 340 references to 200 to reduce losses both throughout the logistic chain and in the shops, to optimise sales and to make the range compatible with the different store sizes. Strategic assortment reduction is referred to here. For example, 20 references for apple have been deleted. This optimisation of the range is not the only change in the goods in the shops. Casino now goes in for intelligent customisation. It has used the store card widely used by its customers to define six consumer profiles—gourmet, in a hurry, economical, etc.—and thence assortments for each point of sale, whatever the size of the store.

The group also wishes to develop its own brands and organic goods, which have rapidly increased from 5 to nearly 30 references. Progress is fast, whatever the size of the shop. Here, the organic range is 100% associated with own brands to demonstrate the group's total engagement. The recipe for success is a simple one but is not based only on more marketed products. Prices must also be lowered to attract customers more strongly. Bananas are a good example of this virtuous circle as selling organic bananas at less than EUR 2 per kg has resulted in a 20% increase in market share for the reference.

After reorganising the department and the assortment by point of sale, Casino is now focusing on the upstream part of the chain, with the same aim—making supply rational and secure. It has therefore defined three types of supplier: strategic, standard and tactical. A strategic supplier will be linked with this retailer by a 3 to 5-year partnership with an undertaking as regards volumes and very strong transparency in relations. As not all suppliers can be strategic, a number of them will be standard. Finally, the third type will be tactical. These will be called upon from time to time when an opportunity occurs. Discussion will concern low prices first and foremost. The producer link in the chain is not forgotten as the chain's 'Casino producteur' appellation is aimed at developing a very strong upstream partnership in the future. The company Pomona TerreAzur seems to have gone a long way towards anticipating requirements. Vincent Holveck, its fruit and vegetable chain manager, showed the need for a specialised assortment by customer segment (the restaurant business, social catering, supermarkets and superstores, specialist retailers) and degree of segmentation (from standard to differentiated), etc.



Strong focus on MRLs but not on sustainability

In a very classic manner, the programme returned on several occasions to the problem of pesticide residues, the harmonisation of pesticide use and finally the opposition between organic and integrated production. I will not return to the latter point—presented in a caricatural manner by the moderator. But I would like to mention the very instructive talk by Jean-François Proust, head of the 'Forum Phyto' (www.forumphyto.fr), on pesticide residues. He shed light on EU phytosanitary regulations and the harmonisation of MRLs (maximum residue limits), on the difference between the acute reference dose (ARfD) and MRLs and the various practices in the EU when batches are declared to be not in conformity.

Still in the broad field of consumer protection, but also that of the environment, the Guadeloupe and Martinique banana production and export chain is an example of the improvement approach adopted. Sébastien Zanoletti, director of innovation and sustainable development at UGPBAN, also requested the appraisal of remote import

© Régis Domergue

chains with regard to their environmental, economic and social sustainability.

In fact it is surprising that environmental questions were only addressed at the meeting via MRLs. This is a narrow view of the potential impacts of the horticultural sector. The work on environmental labelling at the French 'Grenelle de l'environnement' meetings should partially complete the analysis. Planned for 2011, this labelling will make it possible to take into account other potential effects of the cultivation, transport and distribution of fruits and vegetables. There is currently discussion of the potential impacts of greenhouse gas emissions, loss of biodiversity, eutrophisation, etc. French professionals should now participate in the work and thus contribute to the drafting of technical references before they are imposed by others. In the longer term, there could be indicators to appraise the economic and social impacts of a specific chain. In any case, these multicriterion approaches will make it possible to fight the unflattering idées reçues circulating in the horticultural sector and that are gradually becoming fixed in the heads of European consumers ■

Denis Loeillet, Cirad
denis.loeillet@cirad.fr

Stone fruits

The first news of the 2009 harvest in Europe

The harvest forecasts made public at the MED-FEL in Perpignan on 28, 29 and 30 April confirmed the very good potential expected this year. With the exception of hailstorms that hit the Gard department from 16 to 20 April, no major meteorological phenomenon has disturbed the beginning of the season. The harvest potential in Spain, France, Greece and Italy—the four European producer countries—is currently estimated to be nearly 3 million tonnes of peaches and nectarines, that is to say 7% more than in 2008, together with 1.3 million t of clingstone peaches (+ 24% in comparison with 2008) and nearly 515 000 t of apricots (+ 12%).

Peaches and nectarines: more than enough?

This season's crop will be particularly large in Spain, with very good potential in all the production zones. In spite of a decrease in orchard areas in the south and frost and hail in the north, Spain should have the largest harvest ever at an estimated 763 000 t of peaches and nectarines, that is to say 6% more than in 2008 and 14% more than the average for the last three years. Similarly, Italian production should return to normal after last year's deficit, especially in the south (1.5 million tonnes, i.e. 6% more than in 2008). French production should also swing up and over the 300 000-tonne mark even though hail has had some effects in the Gard and Vaucluse departments. However, the crop will be 6% smaller than the average for the last three years as a result of grubbing up in preceding years. At 350 000 t, production should be much the same as in 2008 in Greece. Overall, European peach and nectarine production should be around 3 million tonnes, with substantial potential throughout the season, unlike the situation in 2008.

Very large apricot crop expected in France

Likewise, the potential should recover to close to normal for apricot after the deficits observed last year as a result of frost. European production could exceed 513 000 t, in line with the average of the last three years. At 89 600 t, Spanish crop potential might be slightly smaller than last year. Italian production is also down by 5% in comparison with 2008 and by 8% in comparison with the average for the last three years. Greek production will probably be marked by alternate bearing after a substantial harvest last year and poor fruit setting, giving 52 300 tonnes, 30% less than in 2008. In contrast, French production should attain a very good level with the second largest harvest since the 178 500 t recorded in 2004. Strong alternate bearing is expected in Rhône-Alpes where the crop was very small last year (94 750 t forecast for 2009 after only 39 400 t in 2008) and a return to normal production levels is expected in Roussillon (53 000 t) and the Provence-Alpes-Côte d'Azur region (26 027 t). Apricot production may thus be medium at the beginning of the season and then increase in July when picking starts in the Rhône-Alpes region ■

Cécilia Céleyrette, Infofruit
c.celeyrette@infofruit.fr

Peach & nectarine — Europe — Evolution of the production in the main producing countries

tonnes	2009	Comparison with	
		2008	last 3 years average
Spain	762 959	+ 6%	+ 14%
France	326 014	+ 16%	- 6%
Greece	350 000	+ 2%	+ 10%
Italy	1 511 900	+ 6%	+ 2%
Total	2 950 873	+ 7%	+ 5%

Apricot — Europe — Evolution of the production in the main producing countries

tonnes	2009	Comparison with	
		2008	last 3 years average
Spain	89 675	- 2%	- 4%
France	173 777	+ 115%	+ 36%
Greece	52 300	- 30%	- 25%
Italy	197 600	- 5%	- 8%
Total	513 352	+ 12%	+ 1%

Source: Europech