Tropical and Off-Season Fruit and Vegetables: an Overview

Sweden, with a population of 8.6 million, has a high consumption of fresh fruit which, mostly from imports, increased by 30% per person between 1960 and 1990. On the other hand Swedish consumers are conservative in their eating habits. Vegetables are regarded as a minor supplement to a main meat or fish dish. Coupled to the Swedish housewife's attachment to the deep freeze and round the year use of frozen produce, this means that few tropical or off-season vegetables have become widely accepted.

Apart from temperate fruits, citrus and banana, the consumption of which is well established, a number of tropical and sub-tropical fruits have gained consumer approval. These include pineapple, melon, avocado, kiwi and mango. The last three items of produce all secured consumer acceptance as a result of strong marketing campaigns in the 1970's and early 1980's. These significantly lifted demand above the 'threshold' and permitted regular supply at lower lost to a wide range of retail outlets. Despite dietary conservatism, many Swedes who have visited the tropics on holiday have developed an interest in tropical produce and to these must be added the not insignificant numbers of immigrants from Asia, Africa and South and Central America who form the 'ethnic market'. Government policies in support of Third World development and trade (duty-free import of horticultural produce except for temperate products during the Swedish growing season) also encourage imports.

Nevertheless, Sweden is a difficult market to supply. Swedish consumers demand high quality - normally only 'Extra' or Class I grades will be accepted. The best opportunities lie with additional exotic fruits, such as papaya, passion fruit and persimmon, becoming generally accepted and consumers developing a taste for year-round fresh vegetables that would open the door to sales of off-season produce such as green beans, mangetout and baby corn.

Produce Retailing

The Nordic market patterns of retailing described above apply to Sweden. Statistics on retail outlets are presented, not by type of outlet, but by the importer/wholesaler group of which an outlet is a part. The number of food and convenience goods stores, including food departments in hypermarkets, supermarkets and department stores and their market stores, was as follows in 1990.

Store	Number	Retail Market Share (%)	Estimated share of fruit and vegetable imports (%)
ICA Foretagen AB	3,391	34	33
Ko-operativa Forbundet (Co-operative Movement)	1,722	21	25
Axel Johnson/D Group	1,702	20	25
Other stores	1,388	23	N/A
Market stalls	N/A	2	N/A

A common feature of Swedish retailing is the low status of the employees in charge of fruit and vegetable sections in hypermarkets, supermarkets and department stores. Frequently the staff are trainee or junior managers who have limited knowledge of, and little interest in, fruit and vegetable retailing. Importers believe that this situation has a detrimental effect on marketing and is holding back the growth in sales.

Market Channels

Between 75% and 80% of fruit and vegetable imports are channelled through the central buying organisations of three groups - ICA, Ko-operativa Forbundet and Saba Trading (for the Axel Johnson/D Group). For mainstream produce, the first two make use of linked Nordic buying organisations, Viking and more especially NAF respectively. However, importing is not rigidly compartmentalised and produce is imported through importers in Holland and Germany, through agents and specialist importers in Sweden.

The structure of the three import/wholesale/retail groups may be summarised as follows:

ICA: A co-operative importing and wholesaling organisation owned by independent retailers. ICA retailers are member companies of ICA Forbundet (Association) which owns the parent company, ICA Hardlarnas, which in turn owns ICA Partihandel. The latter engages in importing fruit and vegetables through ICA Frukt Och Gronsaker AB and Viking Frukt AB. Imported products are supplied to 20 regional distribution centres and from these centres to its 3,300 retail stores.

Ko-operativa Forbundet: The Swedish consumer co-operative movement whose wholesaling and distribution activities are carried out by KF Handel AB. KF Frukt Och Gront undertakes central buying of fruit and vegetables, including imports, for the movement. KF makes extensive use of the Nordic purchasing organisation NAF, of which it is a member. Imported fresh fruit and vegetables are distributed centrally from Malmo to 17 regional distribution centres which in turn supply about 2,200 co-operative food stores (Konsum), departmental stores (Domus) and hypermarkets (OBS!).

Axel Johnson/D Group: (previously known as the Saba Trading Group, now its buying organisation). A large PLC group which undertakes importing and wholesaling for about 1,800 retailers. These include voluntary chain stores, B & W Hypermarkets and the Tempo-Ahlens department store group. DAGAB, an amalgamation of previously independent wholesalers, undertakes wholesaling and distribution activities while imports are handled by a number of specialised subsidiary companies. For fruit and vegetables, these are Saba Trading Group AB, Stockholm Fruktimport AB and AB Baran-Kompaniet.

Importers/Wholesalers		**Retailers**
ICA Group		
ICA Handlarnas AB		ICA shops
ICA Partihandel AB stores	ICA Frukt and Gronsuker	Nara Deg convenience
Kooperative Forbundet		
KF Co-op	KF Handel	Konsum shops Domus stores
	KF Fruk & Gront	OBS! hypermarkets
Axel Johnson/D Group		
SABA Trading	DAGAB	Ahlens Department stores B & W Hypermarkets Jour Liv stores D Group stores Independent retailers

Independent importers buy mostly from importers/agents in Holland and Germany. Eleven are members of the SFG (Swedish Association of Fruit and Vegetable Distributors), the largest being AB KA Lundbladh and Co and Sydfruktimporters AB with a 5% and 2% share of imports respectively.