Tropical and Off-Season Fruit and Vegetables: an Overview

In population terms, Norway is the smallest Nordic country with 4.2 million people, 90% of whom live in the southern half, and 1.9 million in the Oslo area. Moreover, the concept of exotic product is new to the Norwegian consumer and hence the recently developed market is small. Without any significant immigrant population, there has been no 'ethnic market' to act as a catalyst in promoting tropical produce. Total sales of this category account for less than 5% of total fruit and vegetable imports. The volume of second generation exotic imports is probably less than 200 boxes a week.

Nevertheless, in Norway, as in other Nordic countries, there is a trend towards healthy eating and increased consumption of fruit and vegetables. Traditionally conservative consumer tastes and purchasing habits have been slowly changed to accept a wider range of specialised produce. This has been helped by the lack of import restrictions which gives exporters of exotic produce relatively free access. Most exotic produce is excluded from the extensive tariff restrictions applied to limited imports of mainstream fruits and vegetables during the summer season to protect domestic production. Customs duties do not apply to most developing countries, which are granted duty-free status under the GSP scheme. Special import fees levied on most fresh produce that competes with domestic production to bring prices up to domestic levels do not apply to most exotics.

A strong foundation of consumer interest in exotics now exists and the Norwegian market offers reasonable medium-term potential. Quality expectations are high. As traded volumes increase the present high price levels are likely to decline and price competitiveness will become more important.

Produce Retailing

Of all the Nordic countries Norway has the least concentrated food retailing sector. The leading companies, with their market shares, are:

NKL	23%
Reitan/Matmesteren	12%
Hagen-Gruppen	11%
Norgeskjedan	9%
FM-Norge	8%
Kjopmannskjedene	7%
Others (independent companies)	30%

NKL, the largest retailing group, is a co-operative society with 1,300 retail outlets. Its central buying organisation sources 70% of its fresh produce imports through NAF, of which it is a member. It distributes produce to its retail outlets through regional distribution centres.

Market Channels

The importation of fresh fruit and vegetables is in the hands of the following import/wholesale companies, with their estimated market shares indicated.

Bama Gruppen A/S	30%
AL Gartnerhallen	30%
NBKL	19%
Bottolfsen A/S	NA
Interfrukt	NA

Bama Group is Norway's largest private fruit and vegetable marketing and distribution organisation. It imports through Bama Trading A/S and is a member of Viking Fruckt, from which it obtains most of its first generation exotics. It has a nationwide network of eight branch offices and 30 warehouses. Of similar size is AL Gartnerhallen, a producers' co-operative which is one of the largest importers and wholesalers with a national distribution network of some secondary wholesalers, supermarkets and grocery stores. About 50% of turnover is imported through Gartnerhallen Import A/S. NKL is a co-operative union with a nationwide retail chain and uses the Nordic co-operative, NAF, for imports of fruit and vegetables. Interfrukt is a central buying organisation for 40 independent wholesalers, while Bottolfsen A/S is an exotics specialist principally serving the catering trade.

The limited number of direct sea and air freight services into Norway, coupled with the relatively small volumes of fresh fruit and vegetables imports from any one source, restrict importers' opportunities to minimise transport costs through direct supply.

Product costs CIF Holland or Germany are often only 45% of final CIF cost into Norwegian supermarkets. As a result, of increasing importance is the sourcing of large orders through NAF or Viking for direct import into the Nordic block and redistribution to Norway. Trading volume in second generation exotics is not big enough to support direct import programmes. Holland dominates as the main source of supply for these products, with Dutch standards of uniformity in colour and appearance being well established with the trade and consumers.