

United Kingdom

How the Market Works

Along with France and Germany, the United Kingdom (UK) is a leading European market for bananas. Its population of more than 56 million has a high per capita income and demand for fresh bananas has been increasing in recent years.

Nevertheless, per capita consumption of bananas in the UK is amongst the lowest of the EC countries. Studies suggest that UK banana consumption could increase 10% per year to 1995 and so this market could offer good opportunities for banana producers in future. Price and quality competition will be strong for new market share.

In line with the new Council Regulation on bananas, licences to import Dollar and non-traditional ACP bananas are issued by the UK Intervention Board for Agricultural Produce (Lancaster House, Hampshire Court, Newcastle Upon Tyne, NE4 7YE, United Kingdom).

Bananas are shipped to UK ports and trucked to ripening rooms. From there bananas are either sent directly to wholesale markets in their original cartons, or pre-packed and labelled for supermarkets, in which case they are normally transported from the ripening rooms to point of sale in special plastic trays. More than 60% of the UK banana trade is based on palletised handling systems and this is expected to increase in the next five years.

In the last ten years the retail distribution system for fresh fruit in the UK, including bananas, has undergone significant changes. Before the changes, small independent retailers sold most of the fresh fruit consumed in the UK. More recently, this leading role has been taken over by supermarkets and other multiple outlets.

In 1991 47.6% of bananas exported to the UK were sold through supermarkets, 24% were sold through grocers, 12.2% through market stalls and 16.2% through other outlets. Supermarkets buy and retail large quantities of bananas and are able to dictate lower wholesale prices than independent fruit retailers. Most bananas sold in the UK are imported by three major banana marketing companies who control their own ships, ripening rooms and packaging lines. These are Fyffes, Geest and Jamaica Producers. Most of the supermarkets and wholesalers have marketing agreements with one or more of the marketing companies for the supply of bananas. Some supermarkets, such as Marks and Spencer and Tesco, contract the marketing companies to pre-pack and price code bananas to their exacting specifications. Fruit that does not meet their specifications is rejected and not paid for.

More than 90% of UK banana imports come from the Caribbean (Belize, Jamaica, Surinam and the Windward Islands). Producers in these countries have long term rolling contracts with one or more of the marketing companies for the whole of their exports. Under these contracts the marketing companies undertake to sell all the fruit produced by each country up to a certain level, subject to changes in the regulation of the UK banana market. For historical reasons, the cost of bananas supplied from the Caribbean includes transport to ripening depots in the UK and this is termed the Green Boat Price.

Market Requirements

Supermarkets place great importance on high standards and detailed specifications to maintain a quick turnover of perishable fruits such as bananas. This reduces their risk and helps increase their profitability. Because of their high standards and dominance in the fresh fruit trade, supermarkets have increased the fruit quality standards demanded by most banana importers in the UK. All major supermarkets have predetermined specifications for bananas and it is essential that growers know what these are in order to be sure of a long term market in the UK.

Because supermarkets and multiples now dominate the UK banana trade, banana producers and suppliers wishing to maintain or increase their UK market share will have to place increased emphasis on:

- regularity of supply,
- consistently meeting quality specifications,
- standardising packing and presentation, and
- maintaining a competitive price in the market.

Exporters willing to make efforts in these areas in conjunction with a UK banana importer are likely to increase their share of the UK banana market. The UK market wants long, clean skinned, well packed bananas presented in hands with no latex marks or stains on the skins. Ideal finger lengths are 13 to 23 cm.

Packaging for the Market

- Most bananas supplied to the UK are delivered as hands which should be packed with kraft paper or polyethylene film separating each hand.
- Crown pads treated with the fungicide thiabendazole are normally used to preserve fruit quality during shipment and ripening.
- Most importers use 13 kilogram telescopic, corrugated cardboard cartons of stapled construction to transport bananas to the UK market.

- 20 kilogram cartons are accepted by some supermarkets and repackers.
- Because nearly 50% of bananas are repacked for supermarkets and not presented for sale in their original carton, the carton is not the most important promotional tool in the UK market. However, an attractive carton which retains its shape and printing throughout shipment is preferred.

Promotion in the Market

The three major banana marketing companies in the UK, Fyffes, Geest and Jamaica Producers, were instrumental in establishing an association in 1984 to promote bananas in the UK called the Banana Group. The aims of the group are to:

- stimulate banana consumption by consumer promotion;
- encourage retailers to display more bananas and
- develop a long term strategy for an ongoing generic campaign to increase banana consumption.

The fund is maintained by a levy from the member companies on a per tonne basis. In addition to the generic campaign undertaken via the Banana Group, the three marketing companies also undertake a limited amount of promotion under their own names. Company promotion of bananas includes point of sale promotion, in-store merchandising, trade press advertising, and financial assistance to retailers', advertising involving the company's name. Brand labelling of fruit bunches is becoming increasingly common, particularly in supermarkets.

The UK banana market is sophisticated and demanding, requiring expensive promotional campaigns in order to be effective. The two main positive messages to promote about bananas in the UK market are the healthiness of bananas and their convenience as a snack food.

Key Market Contacts

The enterprises included in this list, which is not exhaustive, are key traders in the UK banana market. However, it should be noted that all exporters should carefully assess the capability of any company with whom they hope to trade, since the Commonwealth Secretariat takes no responsibility for the financial standing of these enterprises.

MAJOR BANANA IMPORTERS

FYFFES LTD,

12 York Gate
Regents Park
London NW1 4QJ

Phone: +44-71-4874472
Telex: 25392
Fax: +44-71-2240618

JAMAICA PRODUCERS

120 Main Road
Sidcup
Kent DA14 6NH

Phone: +44-81-3090056
Fax: +44-81-3090396

GEEST PLC

(BANANA MARKETING SECTOR)

White House Chambers
Spalding
Lincolnshire PE11 2AL

Phone: +44-775-761111
Telex: 329272
Fax: +44-775-712977

THE BANANA GROUP

c/o Beechy Morgan Ass.
Althorp Studios
5-6 Althorp Road
London SW17 7ED

Phone: +44-81-6822482
Fax: +44-81-6822488

MAJOR SUPERMARKETS

ARGYLL GROUP PLC

6 Millington Rd
Hayes, Middlesex UB3 4AY

Phone: 081 848 8744
Telex: 934888
Fax: 081573 1865

J SAINSBURY PLC

Stamford House
Stamford Street
London SE1 9LL

Phone: +44 71 921 6000
Telex: 264241
Fax: +44 71 9217610

SAFEGWAY STORES

6 Millington Road
Hayes, Middlesex UB3 4AY

Phone: 081 848 8744
Telex: 934888
Fax: 081573 1865

ASDA STORES LTD

Asda House
South Bank
Great Wilson Street
Leeds LS11 5AD

Phone: +44 532 435435
Fax: +44 532 418666

TESCO PLC
Tesco House
PO Box 18
Delamere Road
Cheshunt
Waltham Cross
Hertfordshire EN8 9SL

Phone: +44 992 632222
Telex: 24138
Fax: +44 992 637794

WAITROSE LTD
Doncastle Rd
Southern Industrial
Area
Bracknell

Phone: +44 344 424680
Fax: +44 344 488195

**LITTLEWOODS CHAIN
CHAIN STORES LTD.**
Atlantic Pavilion
Albert Dock
Liverpool
Merseyside L70 1AD

Phone: +44 51 242 6000
Fax: +44 51 242 6406

BUDGEN STORES LTD
PO Box 9
Stonefield Way
Ruislip
Middlesex HA4 0JR

Phone: +44 81 422 9511
Fax: +44 81 864 2800

GATEWAY FOODMARKETS LTD
Hawkfield Business Park
Whitchurch Lane
Bristol BS14 0TJ
Berkshire RG12 8YA

Phone: +44 272 359359
Fax: +44 272 780629

MARKS AND SPENCER PLC
Michael House
47-67 Baker Street
London W1A 1DN

Phone: +44 71 935 4422
Fax: +44 71 487 2679
Telex: 267141

WHOLESALE/IMPORTERS

**BLUEBELL
INTERNATIONAL LTD**
12 Sidmouth Road
Willesden Green
London NW2 4JX

Phone: +44 81 459 4466
Fax: +44 81 459 4000

CONDOR FRUIT LTD
Block B
29/33 Wholesale Fruit and
Vegetable Market
Prescot Road
Liverpool L13 2EB

Phone: +44 51 259 1301/2
Fax: +44 51 220 1361

**CONSOLIDATED FRUIT
COMPANY LTD**

25/26 Humber Street
Hull HU1 1TS

Phone: +44 482 24058
Fax: +44 482 211968

EXOTIC FARM PRODUCE LTD

628 Spur Road
Feltham
Middlesex
TW14 0SX

Phone: +44 81 890 2222
Fax: +44 81 890 6216

**DEL MONTE FRESH
PRODUCE (UK) LTD**

Paddock Wood Distribution Centre
Paddock Wood
Kent TN12 6UU

Phone: +44 89 283 6111
Fax: +44 89 283 6055

FAGAN

Balmoral Road
Belfast
BT12 6QA

Phone: +44 232 663691
Telex: 747593
Fax: +44 232 661245

JANICE IMPORT EXPORT LTD

Orchard Court
4 Station Square
Balgores Lane
Gidea Park
Essex RM2 6AT

Phone: +44 708 766455
Fax: +44 708 732535

JOHN DENNIS FOOD GROUP LTD

Wholesale Market Presinct
Persnore Street
Birmingham
B5 6UN

Phone: +44 21 622 5473
Fax: +44 21 622 6686

J O SIMS LTD

16 Winchester Walk
Borough Market
London SE1 9AQ

Phone: +44 71 407 0756
Telex: 885386
Fax: +44 71 4034889

JOSEPH LOWE & SONS

25-27 North East Fruit Market
Team Vally Trading Estate
Gateshead
Tyne & Wear NE11 0QY

Phone: +44 91 482 2551
Fax: +44 91 491 0056

LOUIS REECE LTD

D124/129 Fruit and Vegetable
Market
New Covent Garden
London SW8 5LS

Phone: +44 71 720 6931
Fax: +44 71 627 5845
Telex: 917595

M W MACK LTD

43 North Street
Chichester
West Sussex PO19 1NF

Phone: +44 243 787646
Fax: +44 243 775795

MINOR WIER & WILLIS
Smithfield Wholesale Market
Persnore Street
Birmingham B5 5BT

Phone: +44 21 622 4987
Fax: +44 21 622 4987

**PASCUAL
(FRUIT IMPORTERS) LTD**
Paddock Wood
Tonbridge
Kent
TN12 6UX

Phone: +44 892 832333
Fax: +44 892 834874

WEALMOOR LTD
Jetha House
Springfield Road
Hayes
Middlesex
UB4 0JT

Phone: +44 232 663581
Fax: +44 232 664324

MONTANA
A130-131 New Covent Garden
Market
London W58 5EE

Telex: 888040
Fax: +44 71622 0415

POUPART LTD
Station Approach
Waltham Cross
Hertfordshire
EN8 7LU

Phone: +44 992 700711
Telex: 266351
Fax: +44 992 768233

WILLIAM MCGRATTEN & SONS
Balmoral Fruit Market
Balmoral Road
Belfast
BT12 6QB

Phone: +44 81569 1760
Telex: 888725
Fax: +44 81 569 1755

PACKING SUPPLIERS

CONSOLIDATED BARTHURST INC.

PO Box 69
Montreal
Quebec H3C 2R5
Canada
Phone: +1 514 875 2160
Fax: +44 536 400132

CORLON CASES

Arnsley Rd
Weldon Industrial Estate
Corby
Northants NN17 1QW UK
Phone: +44 536 260848

DOMTAR PACKAGING

522 Molson Street
Montreal
Quebec
Canada H1Y 3R5
DN14 8SL
Phone: +1 514 5293800
Fax: +1 541 529 3810

LIN PAC CASES

Paper Mill Road
Rawcliffe Bridge
Goole
North Humberside
Phone: +44 405 839331
Fax: +44 405 839102

METAL BOX TECHNOLOGY PLC

Downveiw Road
Wantage
Oxon. OX12 9PB
Berkshire
Phone: +44 622 883715
Fax: +44 622 883060

REED CORRUGATED CASES

SCA Packing Ltd.
Aylesford
Kent ME20 7PF
Phone: +44 235 772929
Fax: +44 235 772020

MAJOR GREEN BANANA HANDLERS

BRADSHAW'S LTD.

Unit 16, Wingates Industrial Park,
Great Bank Road
West Houghton
Bolton BL5 3XL
Phone: +44-942-814034
Fax: +44-942-814632

C E WILKINSON,

Fishponds Road,
Hitchin
Hertfordshire SG5 1NR
Phone: +44-462-452633
Fax: +44-462-421160

J K PETERS & CO LTD,

The Fruit Market
Bolchairn Road
Glasgow G21 2SW
Phone: +44-41-5521131
Telex: 779309
Fax: +44-41-5528974

S H PRATT & CO,

Riversend Road
Hemel Hempstead
Hertfordshire HP3 9AJ
Phone: +44-41-5521131
Fax: +44-442-62112

UNITED KINGDOM
BANANA IMPORTS FROM NON-EC SOURCES
'000 TONNES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
BELIZE	10	10	9	12	19	26	26	24	19	28
COLOMBIA	77	66	48	29	34	21	21	11	27	21
COSTA RICA	2	4	2	2	2	7	11	11	11	37
DOMINICA	27	30	33	48	61	61	46	46	48	45
GRENADA	9	8	8	8	8	9	8	8	7	6
HONDURAS	5	9	6	3	4	2	6	13	13	15
JAMAICA	24	11	13	22	34	32	39	63	70	75
PANAMA	18	14	11	5	5	3	1	1	3	1
ST. LUCIA	47	61	81	111	78	103	101	110	85	111
ST. VINCENT	31	30	41	39	36	58	63	80	61	56
SURINAM	30	31	35	35	34	33	30	28	28	30
Total	280	274	287	314	315	355	352	395	372	425

Source: EC NIMEX

UNITED KINGDOM
VALUE OF BANANA IMPORTS FROM NON-EC SOURCES
'000 ECU

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
BELIZE	4,942	6,146	6,051	6,840	9,596	12,933	14,959	11,183	9,829	15,604
COLOMBIA	40,617	36,375	25,945	14,673	18,056	9,212	8,755	5,228	13,455	8,828
COSTA RICA	857	2,381	907	895	1,018	2,849	5,382	5,521	4,846	15,770
DOMINICA	19,551	23,109	29,976	38,465	46,469	47,621	33,801	30,934	34,620	28,926
GRENADA	6,697	6,322	7,196	5,942	6,314	6,813	5,644	5,543	4,812	3,850
HONDURAS	2,680	4,974	3,319	1,517	2,204	900	3,634	5,372	5,016	5,340
JAMAICA	14,831	7,240	9,910	14,850	22,803	18,240	19,880	43,008	50,280	46,623
PANAMA	8,950	7,585	6,347	2,625	2,556	1,415	539	375	1,456	59
ST. LUCIA	33,658	46,893	71,655	85,957	58,851	64,756	72,866	73,850	60,351	70,810
ST. VINCENT	22,083	23,043	35,969	30,996	27,196	34,259	45,315	53,791	42,554	35,746
SURINAM	17,427	19,923	21,123	18,310	15,093	15,699	15,769	13,366	13,940	15,288
TOTAL	172,293	183,991	218,398	221,070	210,156	214,697	226,544	248,171	241,159	246,844

Source: EC NIMEX

UNITED KINGDOM
PRICES OF BANANAS IMPORTED FROM NON-EC SOURCES
ECU/TONNE

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
BELIZE	494	615	672	570	505	497	575	466	517	557
COLOMBIA	527	551	541	506	531	439	417	475	498	420
COSTA RICA	429	595	454	448	509	407	489	502	441	426
DOMINICA	724	770	908	801	762	781	735	672	721	643
GRENADA	744	790	900	743	789	757	706	693	687	642
HONDURAS	536	553	553	506	551	450	606	413	386	356
JAMAICA	618	658	762	675	671	570	510	683	718	622
PANAMA	497	542	577	525	511	472	539	375	485	59
ST. LUCIA	716	769	885	774	755	629	721	671	710	638
ST. VINCENT	712	768	877	795	755	591	719	672	698	638
SURINAM	581	643	604	523	444	476	526	477	498	510

Source: EC NIMEX