

## How the Market Works

Prior to the introduction of the new Council Regulation the Italian market was restricted, with preferential access for ACP suppliers and quotas for the importation of Dollar fruit. Despite their former quota access the Dollar importers are well established and have increased their market share over the last seven years.

Bananas are shipped to Italian ports such as Livorno, Savona, Genoa, Salerno and Civitavecchia where they are sold by importers directly to ripeners, normally as break bulk cargo. Dock worker unions are very strong in Italy and oppose moves towards palletisation and containerisation of banana cargoes.

Some small shop owners, minor wholesalers and street vendors buy bananas at the portside but most buy ripened bananas directly from the ripeners. More than 80% of bananas in Italy are sold by retail markets, small stores and street vendors. Supermarkets are important only in Rome and Milan.

There are four major banana importers in Italy: Chiquita Italia SpA, Pacific Fruit Company/NOBOA (Bonita), De Nadai Trading CAMAR-SOMALITA) and SIMBA (Del Monte). Other important banana importers are COFRUTTA (Turbana) and COMAFRICA SpA (Dole).

## Market Requirements

The Italian market is split between the north of the country, where supermarkets have a significant proportion of the banana retail trade and where consumers prefer large bananas, and the regions south of Rome, where street vendors and small shops retail most bananas.

The banana market is very price sensitive because of competition from the large quantities of quality stone and pome fruits grown in Italy. However, due to the removal of taxes, bananas are now competitively priced compared to locally produced fruits. Fruit imported from Central America is generally sold in the more affluent Rome and northern Italian markets.

The current problems of ACP bananas recognised by the Italian trade involve fruit quality, delivery systems and branding.

Most importers want:

- Top quality fruit packed in clusters or hands.
- Minimum finger length of 18 cm and most bananas sold are in the 23-26 cm finger length range. Bananas smaller than this will be sold in southern Italian markets at a discount.

- Because bananas are often sold in open air markets, it is important that bananas for the Italian market are supplied firm and in good condition to extend their shelf life.
- Supermarkets prefer bananas to be vacuum packed in plastic to extend shelf life.

Fruit that ripens too quickly during periods of slow fruit sales, which often happen during hot weather, must be discounted by retailers who may then make a loss on their trade. Fruit with consistent quality and shelf life advantages is preferred by the Italian trade.

Growers must develop a strong relationship with an importer/marketeer by proving that reliable supplies of consistently high quality fruit can be provided at competitive prices.

In return, growers must demand effective brand promotion and strong support to retailers selling their product in the market. The cheaper alternative is to sell fruit to a major importer for inclusion in an existing brand. Although this provides access to the market, it is not a secure strategy and will be very dependent on maintaining a price advantage over competing fruit of the same quality. Working with an established importer/marketeer makes it much easier for growers to deal with large retailers who are more likely to support a new source of bananas if it is backed by a respected importer/marketeer.

Target market niches should be selected with the importer and a strategy jointly developed for entering the market. Tasks for implementing the plan should be assigned to producers, importers/marketeers and retailers with clear terms of reference, deadlines and budgets. In this way, growers can meet their commitments to a new marketing programme and demonstrate their reliability.

## **Packaging for the Market**

- Fruit should be packaged in telescopic, corrugated cardboard cartons of stapled construction.
- The ideal Italian market fill weight for a banana carton is about 13 kilograms.
- Both hands and cluster are acceptable in the Italian market, although in supermarkets cluster packed bananas are preferred.
- Because fruit is frequently sold from the carton in a warm climate, it is important that bananas are carefully packed in cartons with kraft paper or polyethylene plastic inserts to prevent mechanical damage to the fruit.
- The carton should include attractive graphics which are particularly important in Italy, where visual impressions are very influential.

## **Promotion in the Market**

Because most fruit is sold by small fruit shops and street vendors, attractive cartons which help promote the fruit are important. Well designed, attractive cartons are considered by the trade to assist in building customer confidence at the wholesale level.

The Italian market is brand conscious and the use of a well designed, attractive brand image will boost sales. Promotion at the wholesale level with merchandising and posters as well as attractive point of sale material is useful for promotion and establishment of a brand image in the Italian market.

## Key Market Contacts

The enterprises included in this list, which is not exhaustive, are key traders in the Italian 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.

### **CHIQUITA ITALIA SPA (CAMAR)**

Via Tempio del Cielo, 3  
I-00144 Rome

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Telex: 520831  
Fax: +39-6-5295499

### **DE NADAI TRADING**

Piazza de Gasperi 32/33  
I-35100 Padova

Phone: +39-49-656800  
Telex: 430007  
Fax: +39-49-779063

### **PACIFIC FRUIT CO (ITALY) SPA (NOBOA/Bonita)**

Via Benedetto Croce 40  
Rome

Phone: +39-6-5943459  
Telex: 613535

### **CAMAR SRL**

Via Circondaria 56  
I-50127 Florence

Phone: +39-55-367551  
Telex: 571336  
Fax: +39-55-367910

### **COFRUTTA SPA, (TURBANA)**

Passaggio Corner Piscopia 10  
I-35100 Padova

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**ITALY**  
**BANANA IMPORTS FROM NON-EC SOURCES**  
**'000 TONNES**

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	63	62	80	35	36	86	51	45	91	149
COSTA RICA	65	69	35	65	56	127	124	105	138	190
ECUADOR	41	48	62	45	39	86	52	66	102	196
GUATEMALA	27	33	38	24	38	28	23	0	0	36
HONDURAS	28	32	72	78	86	54	34	21	14	38
PANAMA	45	35	14	14	10	44	50	82	104	137
PHILIPPINES	3	12	0.5	3	0.3	28	10	1	0	0
SOMALIA	10	11	31	30	49	48	37	44	6	0
TOTAL	282	302	332.5	294	314.3	501	381	364	455	746

Source: EC NIMEX

**ITALY**  
**VALUE OF BANANA IMPORTS FROM NON-EC SOURCES**  
**'000 ECU**

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	31,644	30,371	43,691	18,060	17,800	37,482	20,195	20,126	43,222	60,824
COSTA RICA	33,293	35,129	19,875	39,330	29,145	55,960	49,300	47,200	67,469	82,699
ECUADOR	16,364	22,022	31,130	20,142	18,135	38,506	20,899	30,109	51,717	81,764
GUATEMALA	10,845	16,754	21,670	11,934	18,722	13,028	8,956	0	0	15,383
HONDURAS	12,098	15,827	41,998	38,559	41,677	27,437	13,357	9,471	7,754	16,121
PANAMA	20,982	17,163	7,806	6,693	5,034	20,455	20,540	36,370	52,699	58,832
PHILIPPINES	1,945	6,062	269	1,656	111	12,000	4,078	278	0	0
SOMALIA	5,323	5,498	17,819	14,227	23,060	22,434	14,706	19,309	1,963	0
TOTAL	132,494	148,826	184,258	150,601	153,684	227,302	152,031	162,863	224,824	315,623

Source: EC NIMEX

**ITALY**  
**PRICES OF BANANAS IMPORTED FROM NON-EC SOURCES**  
**ECU/TONNE**

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	502	490	546	516	494	436	396	447	475	408
COSTA RICA	512	509	568	605	520	441	398	450	489	435
ECUADOR	399	459	502	448	465	448	402	456	507	417
GUATEMALA	402	508	570	497	493	465	389	na	na	427
HONDURAS	432	495	583	494	485	508	393	451	554	424
PANAMA	466	490	558	478	503	465	411	444	507	429
PHILIPPINES	648	505	538	552	370	429	408	278	na	na
SOMALIA	532	500	575	474	471	467	397	439	327	na

Source: EC NIMEX