

How the Market Works

The Netherlands is a major importer of fresh fruits and vegetables and has a sophisticated fresh produce handling system based around Rotterdam. Much of the imported produce is re-exported to other countries, especially EC countries. This certainly happens with bananas, especially for the Northern European markets of Germany, Denmark, Austria and increasingly Eastern Europe. Rotterdam is used as a central control port by some of the major importers, with final destination of fruit on ships often decided just before unloading, to ensure the maximum responsiveness to market needs. This flexibility maintains the best prices for growers and importers alike but relies on very efficient transport and distribution systems which only the large importers have. Because of the importance of Rotterdam port, many major banana importers are based there and these are important contacts for Commonwealth banana growers, even if the Netherlands itself is not the most promising market.

The Netherlands imports almost all of its bananas from Latin America and most fresh fruit is sold in supermarkets.

Market Requirements

- The Netherlands is a wealthy and discerning market which is very price and quality conscious.
- Clusters of bananas with brand labels are preferred to bananas in hands.
- Quality must be above average.
- Fruit should at least be labelled with a brand backed by promotional work.

Dutch banana importers place high priority on fruit quality and are prepared to pay a premium to producers who consistently supply high quality bananas.

- Most importers insist that fruit is packed in clusters of 4 to 5 bananas.
- Minimum finger length of 20 cm and most bananas sold are in the 23-26 cm finger length range.
- The use of cello wrapped or vacuum packed bananas is not common in the Netherlands but the trade prefers cluster packed and brand labelled fruit.

Growers must develop a relationship with a strong importer and 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/marketee 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/marketee.

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/marketees 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

- 18 kilogram telescopic, corrugated carton of stapled construction with single corrugated base and lid with a single corrugated base insert (fitting) is used by most producers exporting bananas to the Netherlands. This carton size is preferred in the Dutch market because of handling efficiency, but presents problems for field packed fruit because of its weight.
- Labelling statements in English are acceptable.
- Like the German fruit trade, Dutch importers and wholesalers are participating in the move towards standardised Eurofruit handling systems. This includes trying to standardise carton and pallet sizes to improve fruit handling efficiency throughout the market chain between the ship and the consumer.
- Maximum horizontal dimensions of 600mm x 400mm have been proposed to fit a standard 1000 x 1200mm pallet and it is important that any exporter considering sending fruit to the Netherlands should ensure that their carton meets packaging requirements.
- Graphic design cartons is less important in the Netherlands because of the dominance of supermarket sales of prepacked bananas.

Promotion in the Market

The Dutch market is very price and quality conscious and prefers fruit of good quality which is highly competitive in terms of price relative to other fruits. Brands with a reputation for consistent quality that are competitively priced will normally attract a premium in the wholesale market. The use of brand labels, branded hooks for displaying clusters of fruit, and point of sale posters and decals helps establish a desirable product image in the Netherlands but is less important than in, say, the German banana market.

As with other mature markets, it is also possible to supply fruit to importers with established brands and sell fruit under existing brands so long as fruit consistently meets that brand's quality standards.

Key Market Contacts

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

VELLEMAN AND TAS BV

Marconistratt 19
N-3002AC Rotterdam

Phone: +31-10-4768644

telex: 22189

Fax: +31-10-4766534

CHIQUITA BANANA COMPANY BV

Stationweg 41
N-3331 LR Zwijndrecht

Phone: +31-78-253333

Telex: 28934

Fax: +31-78-191644

WEICHERT AND CO. BV,
Marconistraat 13, (P.O. Box 6742)
-3029AR Rotterdam

Phone: +31-10-4765488

Telex: 25788

Fax: +31-10-4258683

S.C. VAN RAVENSWAAIJ BV

De Doelen 2, (P.O. Box 680)
N-3900 AR Veenendaal

Telex: 37158

Fax: +31-8385-40618

NETHERLANDS
BANANA IMPORTS FROM NON-EC SOURCES
'000 TONNES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	19	32	22	32	38	55	52	22	11	14
COSTA RICA	20	18	14	11	11	12	17	18	8	6
ECUADOR	13	11	31	21	19	20	15	12	24	17
GUATEMALA	1	0.7	0.3	0.4	0.2	0.2	4	1	0.5	0.2
HONDURAS	9	8	16	12	13	16	10	4	2	0.7
NICARAGUA	0.1	0.3	10	5	7	6	1	2	3	2
PANAMA	29	24	19	23	22	21	26	33	22	1
TOTAL	91.1	94	112.3	104.4	110.2	130.2	125	92	70.5	40.9

SOURCE: EC NIMEX

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

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	7,754	15,055	9,998	12,303	13,255	18,603	18,603	8,884	4,486	3,904
COSTA RICA	9,533	9,013	7,528	5,236	5,222	5,227	6,866	8,063	3,596	2,307
ECUADOR	6,175	5,655	15,451	9,556	7,780	8,366	5,430	4,930	10,187	5,694
GUATEMALA	582	308	184	154	91	93	1,455	507	204	65
HONDURAS	4,280	4,283	8,820	5,495	6,118	6,854	4,316	2,092	1,240	206
NICARAGUA	50	170	3,050	1,883	3,082	2,816	445	279	969	521
PANAMA	14,040	11,974	10,317	11,129	10,587	9,280	9,939	14,335	9,937	411
TOTAL	42,414	46,458	55,348	45,756	46,135	51,239	47,054	39,090	30,619	13,108

SOURCE: EC NIMEX

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

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	408	470	454	384	349	338	358	404	408	279
COSTA RICA	477	501	538	476	475	436	404	448	450	385
ECUADOR	475	514	498	455	409	418	362	411	424	335
GUATEMALA	582	440	613	385	455	465	364	507	408	325
HONDURAS	476	535	551	458	471	428	432	523	620	294
NICARAGUA	500	567	305	377	440	469	445	140	323	261
PANAMA	484	499	543	484	481	442	382	434	452	411

SOURCE: EC NIMEX