



The European Market for Organic Canned Pineapple

Summary of a market study

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The Objective of the study

The objective of the study was to create an overview of the market for canned pineapple as an input to a larger study to determine the feasibility of conversion of the products of a canning company in Tanzania to organic. The study consisted of: an internal analysis of the company (not for external publication and excluded from this summary by the editors); an external analysis of the relevant markets; a synthesis combining these (excluded from this summary by the editors). The study focused on France, Germany, Great Britain and the Netherlands, which are the major European import markets of canned fruit.

Market size and characteristics

The organic market for canned pineapple was estimated at 274 tons (gross weight) with an import value of 470,000 US\$. This estimate was based on reports from traders. The market consists of 3 different segments:

- The food-industry, which uses pineapple in sauces, pizzas and bakery products. This segment is dominated by a Dutch organic importer, and constitutes 2/3rds of the total market. It is served with pineapple chunks in 3.2 kg catering cans.
- The British retail segment, which is supplied by several British importers and is based on (retail) tin cans. Distribution of this product is mainly through supermarkets.
- The Dutch and German retail segments, which each depend on glass jars, and are supplied by specialized organic wholesalers. Distribution in these countries is limited to organic food stores.

At the time of this study, there were several initiatives to introduce a product in tin cans to the German and Dutch markets aimed at the specialized organic retail channel. On the European continent, canned organic pineapple is not available in supermarkets. In most countries, the product is not available at all. According to several sources, the main reason for this is lack of adequate supply.

Supply of organic canned pineapple

All canned organic pineapple available in Europe originates from Sri Lanka. There are 3 companies in this country that supply the market. Two of them package in tin cans and the third uses glass jars. The factories can only produce pineapple chunks –not slices. The Sri Lankan supply is further characterised by very high prices and irregular quality. Prices for organic pineapple were quoted at 4 to 5 US\$ per can (CIF Rotterdam), whereas the conventional product only 1 to 1.5 US\$ per can. Thus making organic pineapple 3 times as expensive. Such prices are only accepted by the core organic consumers and certain parts of the organic food industry.

The market outlook

Several traders comment that the market for organic pineapple is keeping pace with the general growth in the organic segment (of approximately 20 percent in 2001). Organic traders expressed strong interest in additional supply. The attractiveness of the preserved fruit products was reflected in the number of initiatives among organic wholesalers to introduce this new product range, including canned pineapple. Conventional traders of canned pineapple also expressed interest in expanding into organic, but always mentioned that quality and price should be competitive. The mainstream retailers will generally not accept a price that is more than 50 percent higher than conventional. They prefer a price difference of 25 percent. The market is growing strongly, and has potential to grow much more if the prices are right.

Conclusion and recommendation

The market for canned organic pineapple provides a large opportunity for anyone who can meet the requirements – especially in quality and price. The market is underdeveloped, and there is ample room to expand into new markets and channels (especially into the mainstream retail channel in continental Europe and many countries where the product is entirely new). There is also room to introduce additional canned pineapple products in markets that are already being supplied, e.g. pineapple slices and (on the continent) pineapple in tin cans, pineapple in natural juice instead of syrup, and pineapple in ring pull cans. A very competitive offer might even completely replace the existing product.