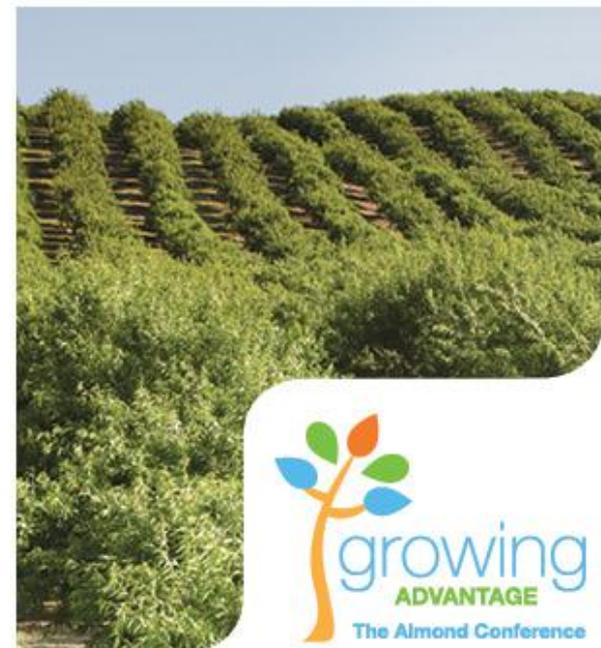




# Trade Development Challenges in Europe and Asia-Pacific





# **Trade Development Challenges in Europe and Asia-Pacific**

**Peggy Fyffe**

**Almond Board of California**



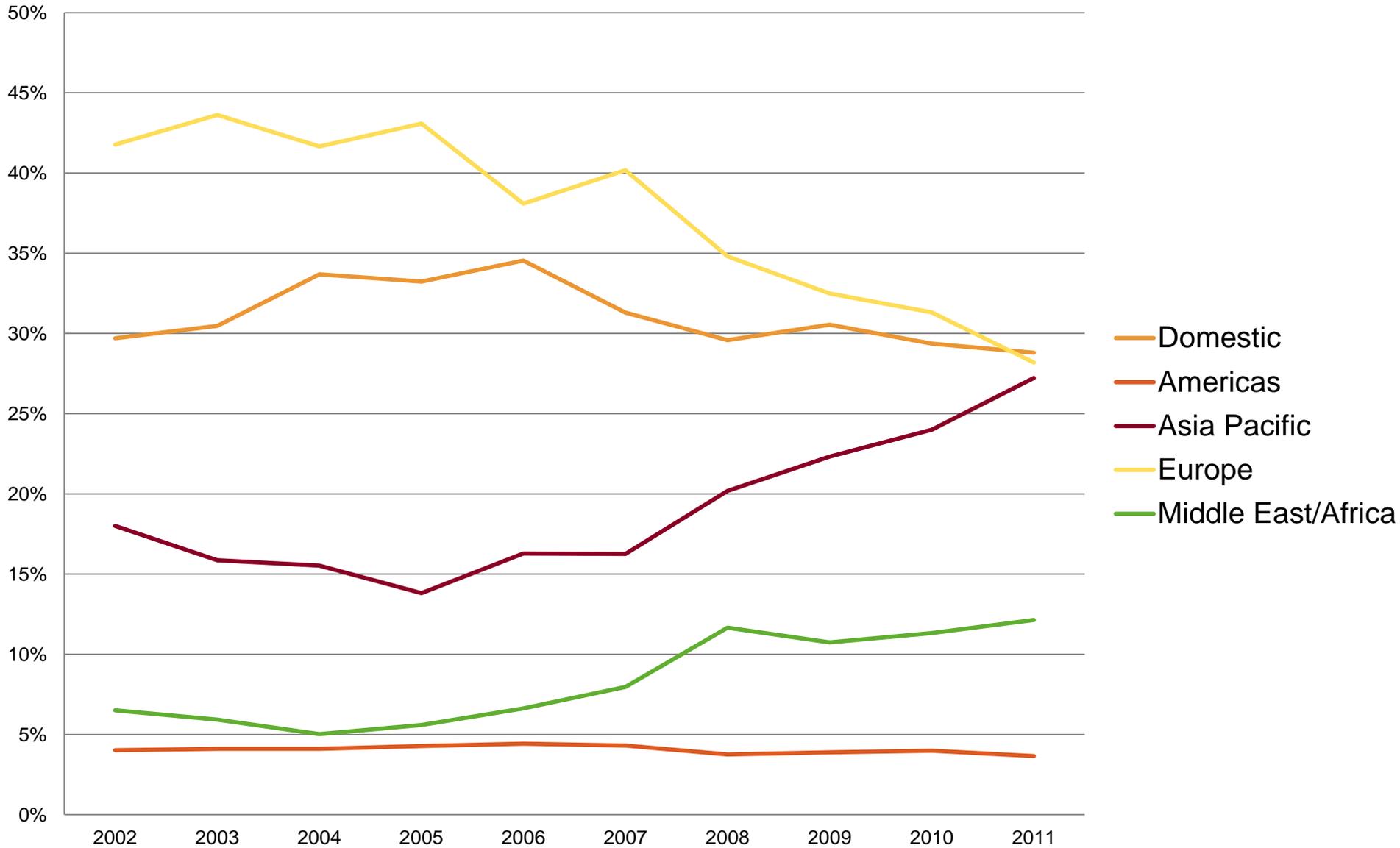
# **Trade Development Challenges in Europe**

**Jan Vincent Rieckmann, MBA**

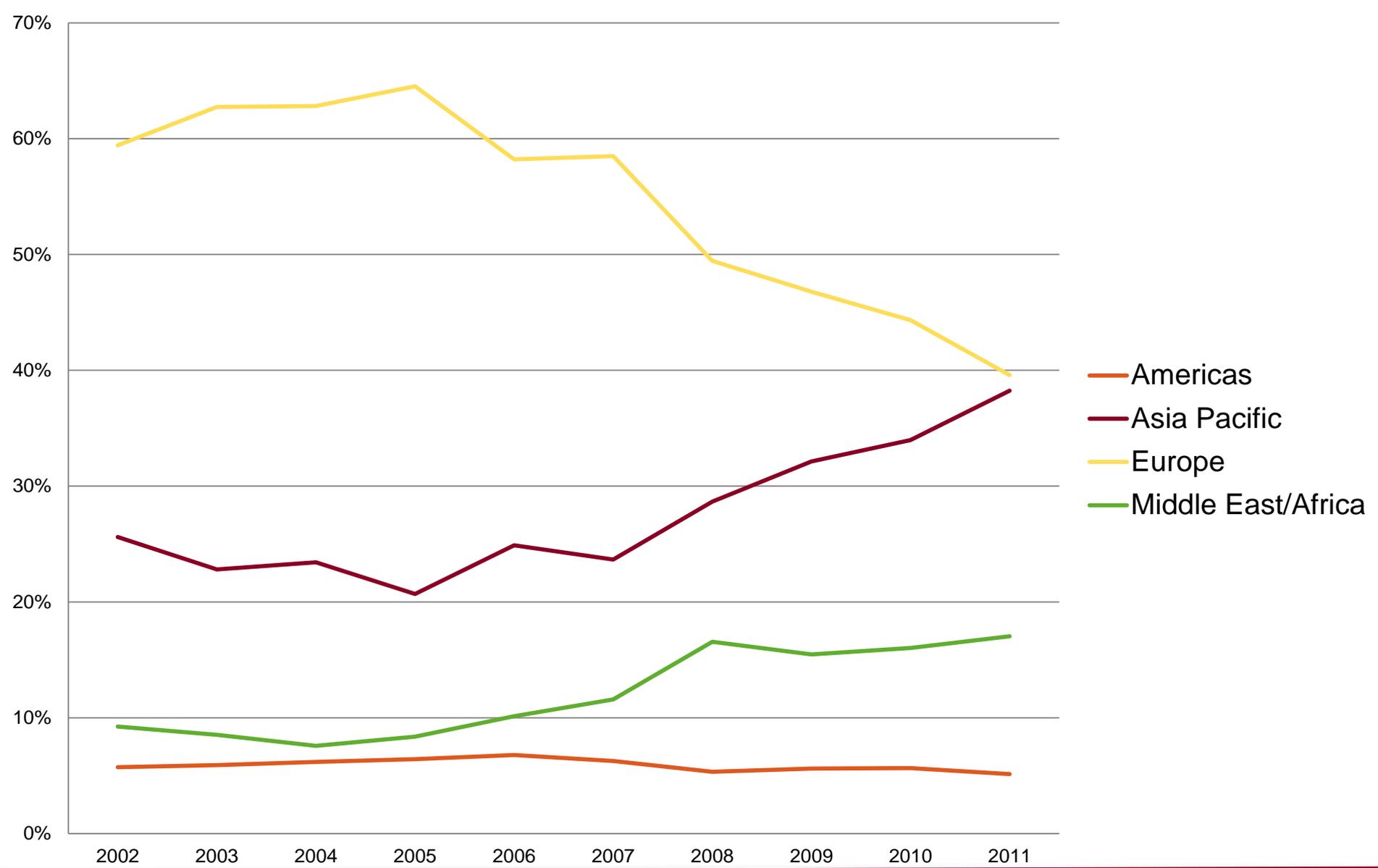
**August Töpfer & Co.  
Germany**

- **Almond Shipments**
  - **Export destinations**
  - **Changes in export markets i.e. market share**
  - **Growth in export markets**
  
- **European Market**
  - **Consumption / growth**
  - **Imports / trans-shipments**
  - **Trade barriers**
  
- **Conclusion**
  
- **Discussion Q&A**

# Almond destinations CY 2002-2011

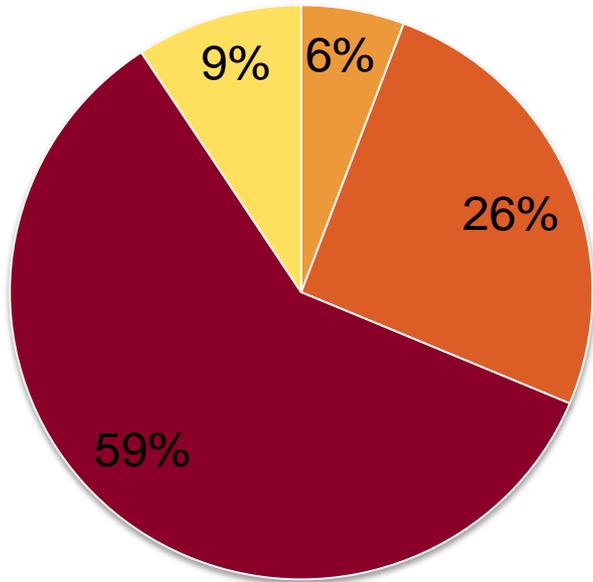


# Export destinations CY 2002-2011

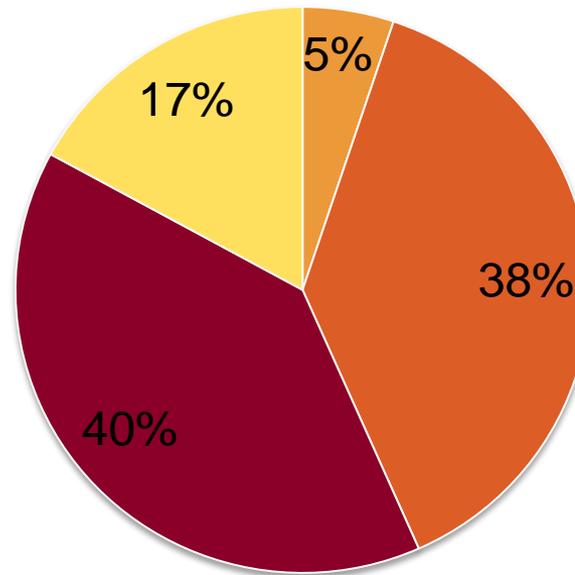


# Export markets CY 2002-2011

**2002 CY**



**2011 CY**



- Americas
- Asia Pacific
- Europe
- Middle East/Africa

## Change of market share of export destinations CY 2002-2011

Americas

**- 1 %**

Asia Pacific

**+ 12 %**

Europe

**- 19 %**

Middle East/Africa

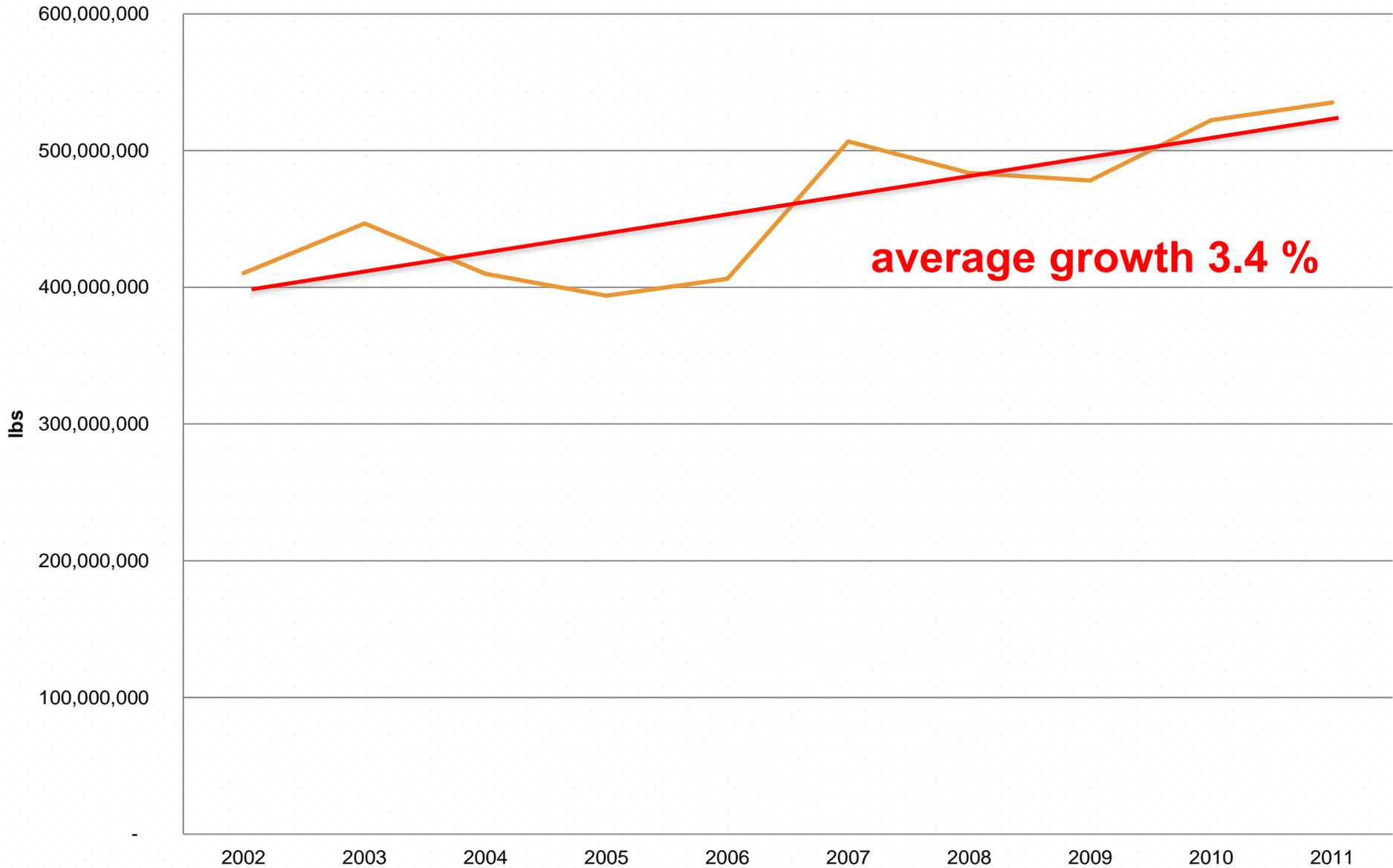
**+ 8 %**

# Growth export markets CY 2002-2011



Destination	Growth total	Growth average p.a.
Americas	<b>75.4 %</b>	6.8 %
Asia Pacific	<b>192.3 %</b>	14.3 %
Europe	<b>30.4 %</b>	3.4 %
Middle East/Africa	<b>260.7 %</b>	17.9 %

# European imports / growth CY 2002-2011



# EU imports – examples West Europe



Destination	Imports		Population		lbs/head
Spain	156.988.456	33%	45.958.000	12%	3.4
Germany	116.523.755	25%	81.305.000	21%	1.4
Italy	45.272.670	10%	60.221.000	15%	0.8
Netherlands	38.795.451	8%	16.531.000	4%	2.3
France	28.305.965	6%	62.616.000	16%	0.5
United Kingdom	24.514.429	5%	61.838.000	16%	0.4
Belgium	22.856.863	5%	10.789.000	3%	2.1
Denmark	9.209.584	2%	5.529.000	1%	1.7
Greece	8.903.521	2%	11.283.000	3%	0.8
Sweden	8.440.898	2%	9.302.000	2%	0.9
Switzerland	5.987.733	1%	7.731.000	2%	0.8
Norway	5.680.059	1%	4.827.000	1%	1.2
Portugal	1.845.000	< 1%	10.632.000	3%	0.2
Finland	1.325.962	< 1%	5.338.000	1%	0.2

# European trans-shipments

Destination	Imports		Population		lbs/head
Spain	156.988.456	33%	45.958.000	12%	3.4
Netherlands	38.795.451	8%	16.531.000	4%	2.3
Belgium	22.856.863	5%	10.789.000	3%	2.1

## Spain

is the biggest importer of almonds in the EU and biggest producer of abc's in the EU and major supplier to European industry.

## Netherlands

Rotterdam is the biggest port in the EU and therefore port of entry for many goods.

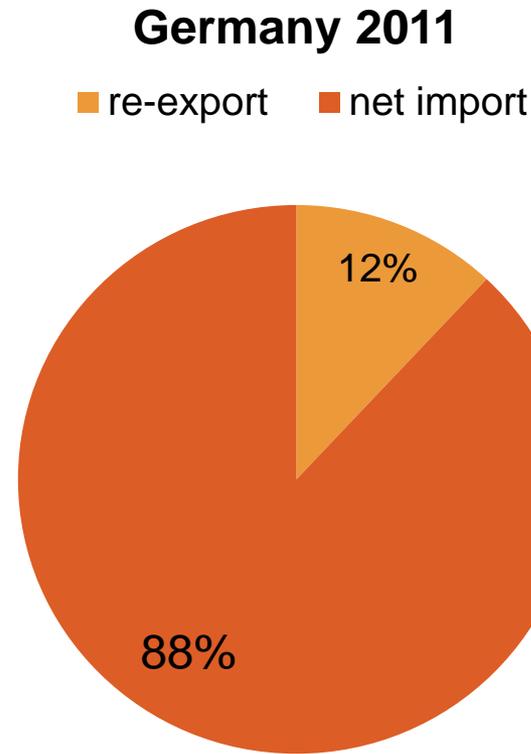
## Belgium

Antwerp is also one of the big ports and used for transshipment also to Germany, France and other countries.

# Trans-shipment example Germany

- Below table shows German trans-shipments 2002-2011
- 2011 approx. 12 % of the imports were re-exported / trans-shipped

year	re-export
2002	6%
2003	5%
2004	6%
2005	6%
2006	7%
2007	8%
2008	7%
2009	12%
2010	13%
2011	12%



# Conclusion trans-shipments

- **Major trans-shipments countries have:**
  - **major European entry ports**
  - **major European industry**
  
- **Trans-shipments difficult to measure:**
  - **not much data available**
  - **consumption very different throughout Europe**
  
- **Destination in position report indication only**
  
- **Imports are not consumption !**

# Trade barriers from EU perspective



# Food safety measures

**Food safety is important, but measures are strongly divergent world wide !**

- **Overall high food safety standards in EU**
- **Aflatoxin testing in Europe (VASP)**
- **Requirements on conformity of packaging material**
- **Pesticides - customers requesting tighter MRLs than legislation**
- **Salmonella - rising attention & imminent implementation of safety measures**

- **Documentation requirements are increasing causing additional efforts for all.**
- **Documentation is not harmonized.**
- **Increasing requests of end-users for producers to be certified as per IFS, BRC, ISO, etc..**
- **VASP - increasing food safety but decreasing flexibility of European buyers.**

# Competitive environment

- **Food safety and documentary requirements:**
  - made European customers less attractive
  - have increased prices of products prices in Europe
  
- **Changed balance of power / market share**
  - Europe's importance has decreased
  - Europe growth potential is small
  
- **Europe has to adopt to keep pace with other markets !**

# Conclusion / summary



## Mature market

- Growth is slow and potential is small
- Economy is going through recession



## Trade barriers

- Less efforts and costs exporting in other markets
- European end-users more pretentious



## Competitive environment

- Europe lost approx. 20% market share in 10 years
- Europe not leading the market anymore



**Thank you  
for your attention!**

**Looking forward to your  
questions and comments.**

**Jan Vincent Rieckmann, MBA  
August Töpfer & Co.  
Germany**



# **Trade in India Trends and Opportunities**

**Sudarshan Mazumdar**

**India Regional Program Manager**

**Almond Board of California**

# India: A Growing Market

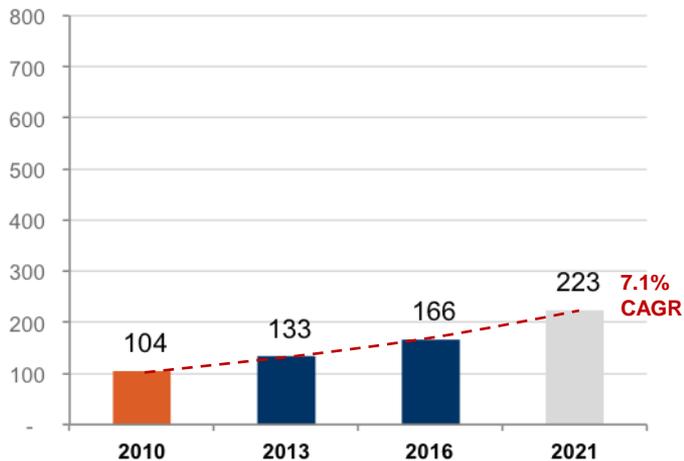
## Total Consumption



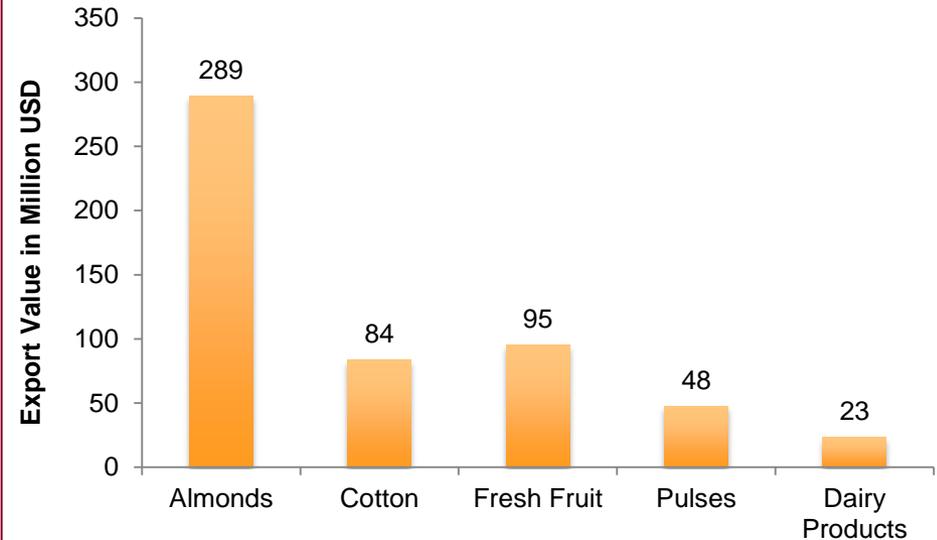
<b>2010 Consumption:</b>	<b>104.5 M lbs</b>
% of Global:	5.0%
<hr/>	
<b>Per Capita:</b>	0.09 lbs
Population:	1,216 M
<hr/>	
<b>Per Addressable:</b>	0.21 lbs
Addressable Pop.	505 M
% of Total Population	42%

- Only 5 percent of almond retail sales in packed form.
- Almonds accounted for almost 42% of all US agricultural exports to India in 2011\*\*
  - *(Total agriculture exports in 2011: \$695 Mn)*

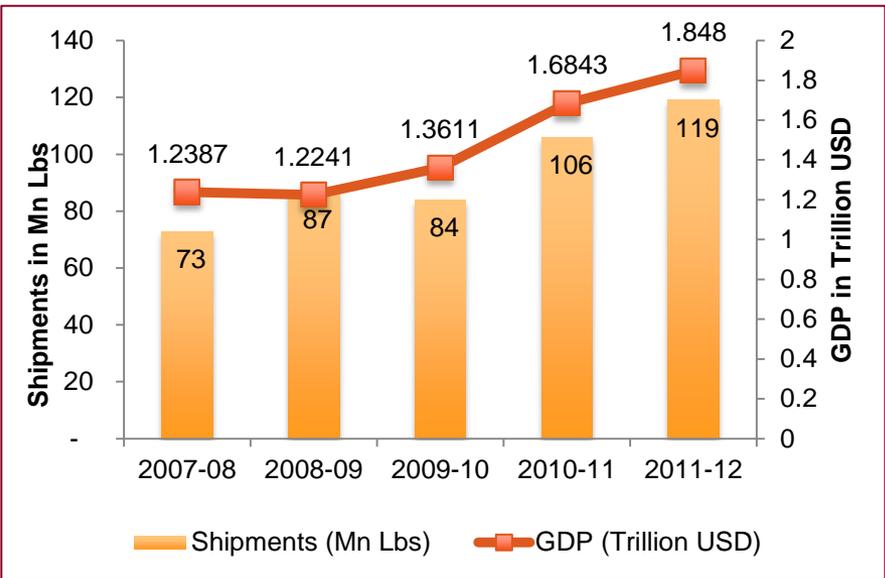
## Annual Almond Consumption (Millions of Lbs)



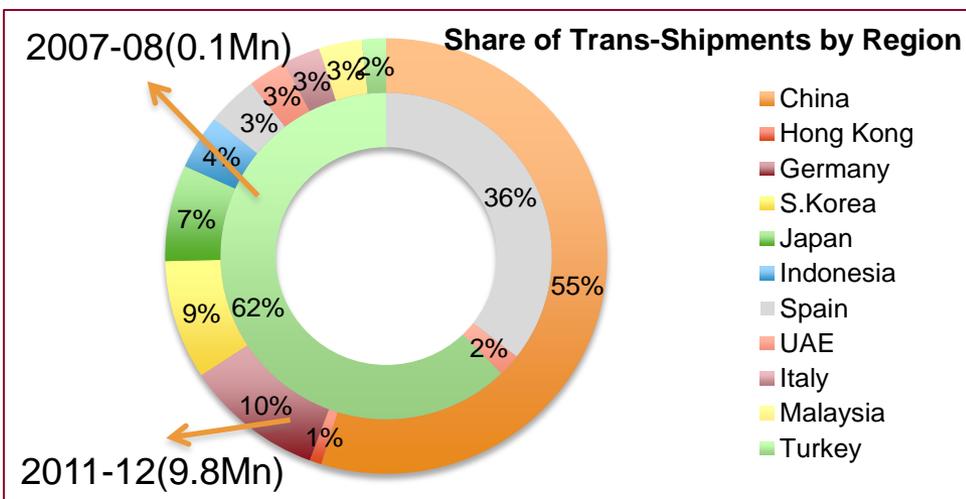
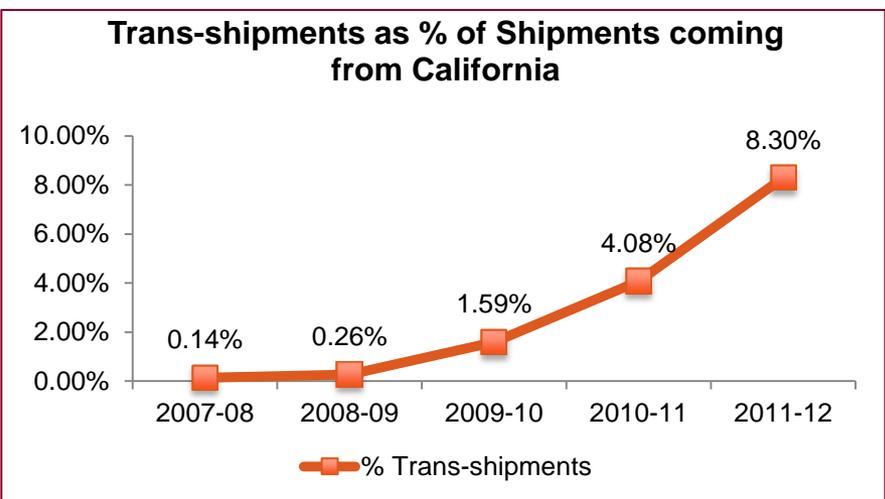
## Agricultural Exports from US to India



# India: Almond Shipment Trends

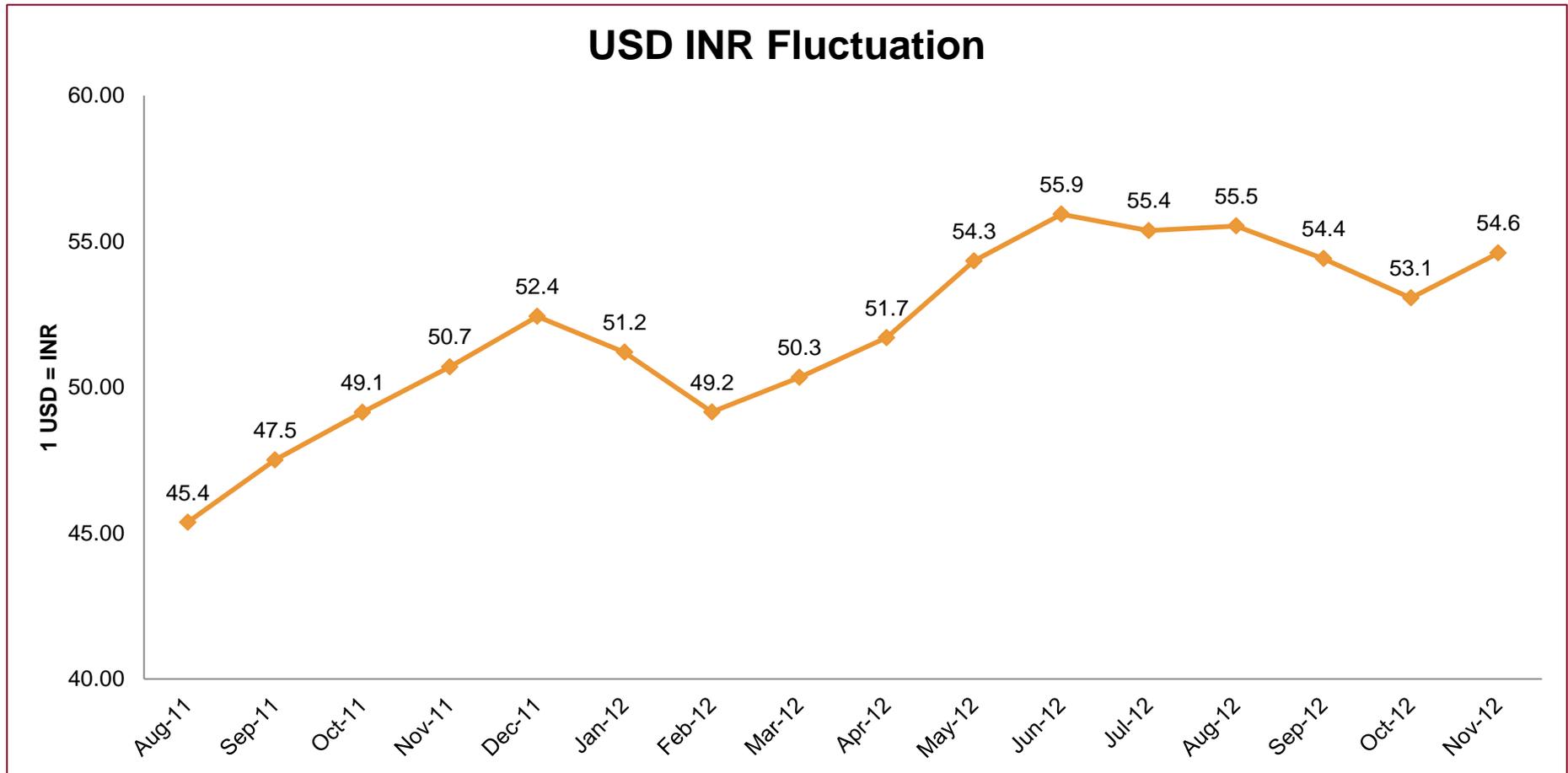


- Almond shipments growing with GDP.
- GDP expected to grow at 9.2% from FY 2011 to 2020\*
- Trans-shipments increasing. China, biggest contributor
- Australian almonds at 17mn lbs (2011). Expected to grow with crop size
- Mostly imported in-shell and hand cracked in India.



# Rupee Depreciation: Expensive Imports

Exchange rate reached an all time high of 1 USD = 57.2 INR (June 22, 2012)

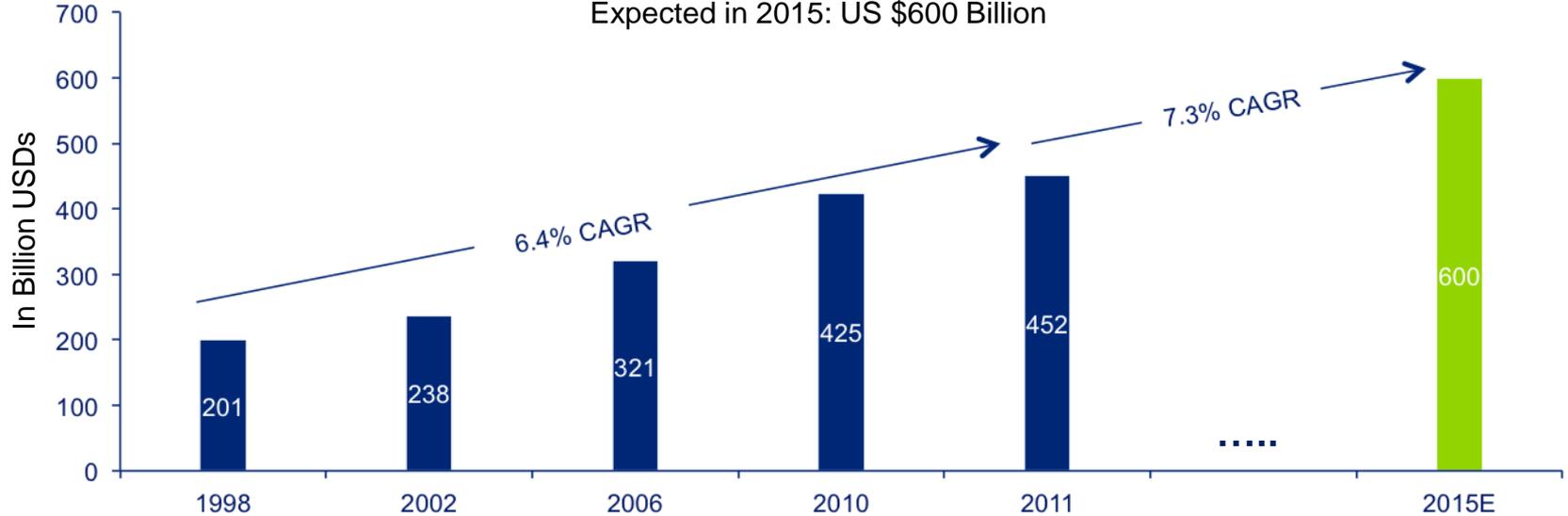




# Retail in India

# Retail Industry: Growth and Structure

**Indian retail sector in 2011: US \$450 Billion, largely un-organized**  
 Expected in 2015: US \$600 Billion

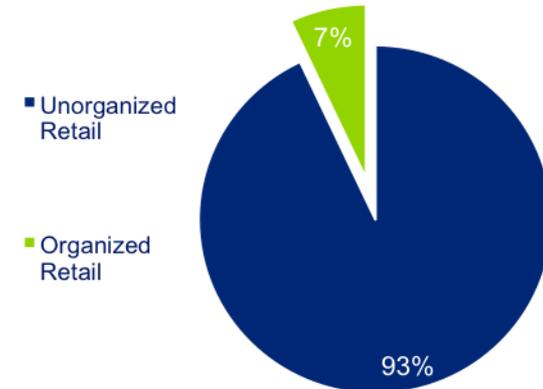
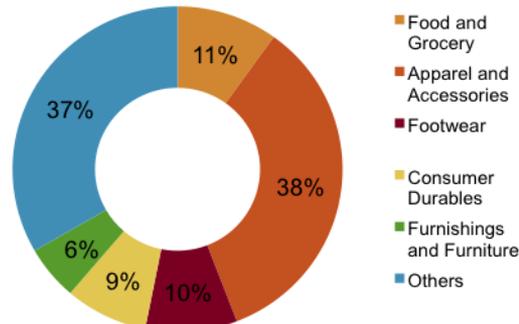
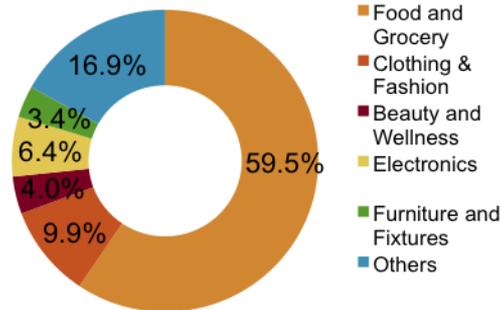


Food & Grocery is the largest category within the retail sector with more than 50% share. However, Food & Grocery only contributes to 11% of all organized retail

Organized retail at 7% expected to grow to 10% by 2014\*

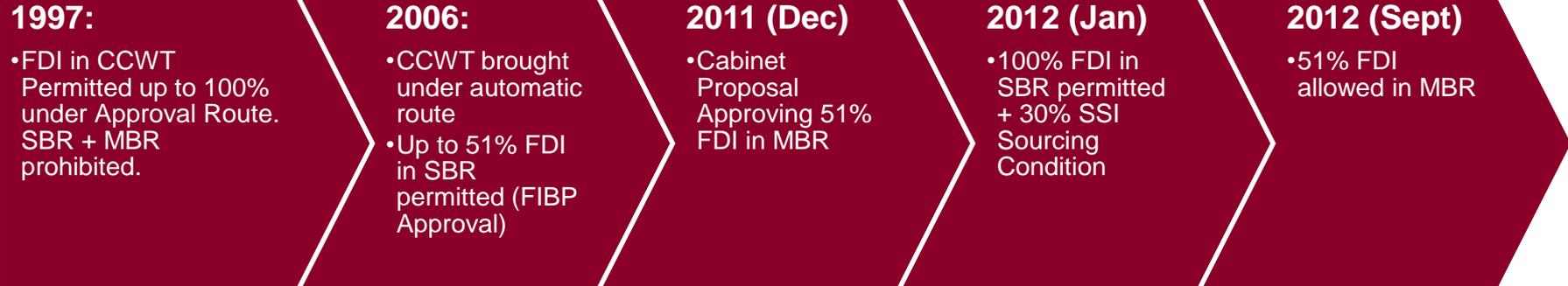
**Retail Industry Break-up**

**Organized Retail Break-up**



Source: IBEF November 2011 retail report, \*AT Kerney

## FDI Landscape Liberalizing Over Time



### Key Conditions:

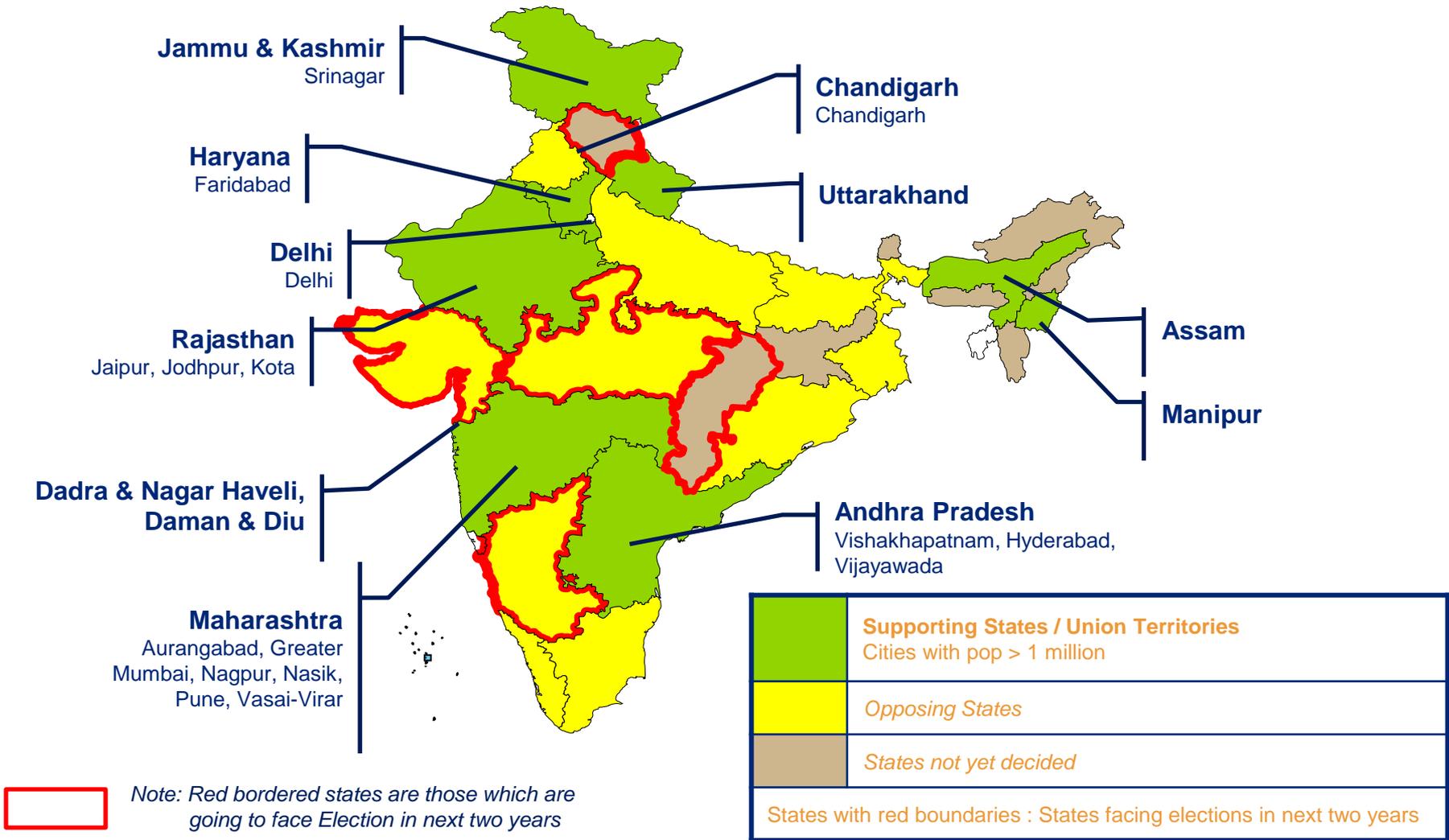
#### -Single Brand Retail:

- For FDI beyond 51%, at least 30% sourcing from Indian MSMEs\*

#### -Multi Brand Retail:

- Minimum investment of US\$100 million; 50% in back end infrastructure within 3 years.
- 30% manufactured products should be sourced from Indian 'small industries'. 5 year window allowed to achieve the 30% threshold for 1st time
- Retail outlets permitted only in cities with population exceeding 1 Mn. State Governments have final call.

# Current Political Landscape for FDI in MBRT



**Karnataka, Madhya Pradesh, Gujarat, Chhattisgarh and Himachal Pradesh may change their stance on FDI in MBRT post assembly elections in the state**

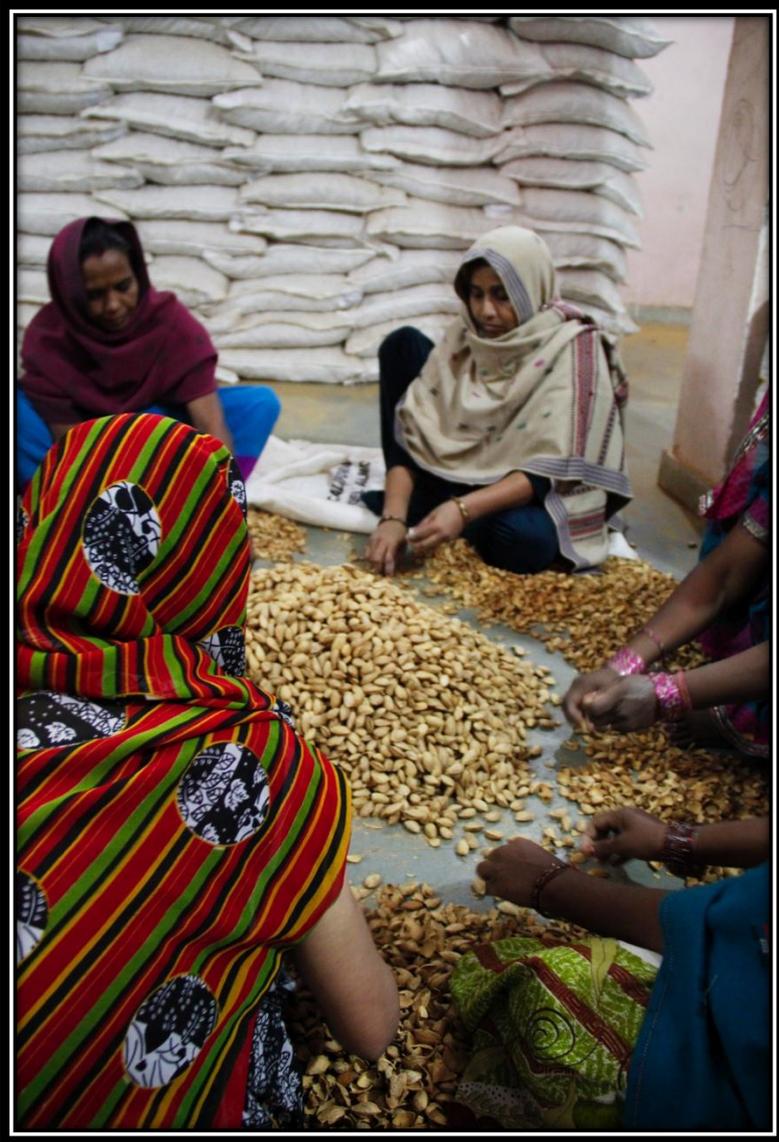


# Almonds in India

# Almonds and India

- **Almonds are an integral part of India's cultural and culinary heritage.**
- **Knowledge and perceived benefits passed on from generation to generation and deeply embedded in Indian tradition.**
- **Largest consumption is first thing in the morning, raw, soaked and peeled, given to children by mothers.**
- **Considered a prized brain food for children.**
- **Popular gifting product during festive season.**
- **Key ingredient in Indian sweets (Mithai).**

# In-Shell Almonds: Cracked in India



# Almond Market: Wholesale

## Wholesale Market



## Semi Wholesale



# Almond Market: Retail

## Mom n Pop Stores/Specialized Dry Fruit Stores



## Organized Retail



# Almonds: How Sold

## Loose by Weight



## Packaged Form



Private Labels

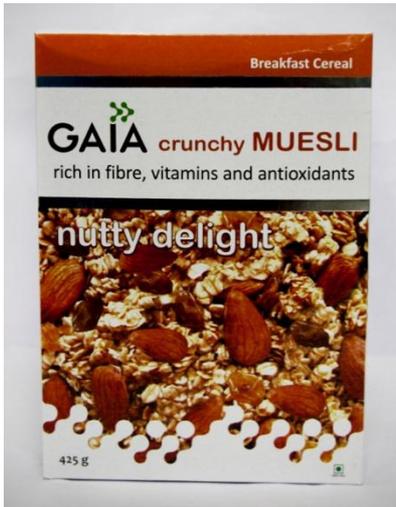
Importer Packs

Imported Packs

# Special Gift Packs for Diwali Season



# Other Almond Based Products



Muesli



Badaam Milk Mix



Badaam Milk



Almond Chocolates



Packaged Namkeen



**Thank You**



# **Trade Development Challenges in Europe and Asia-Pacific**

**John Talbot**

**Almond Board of California**