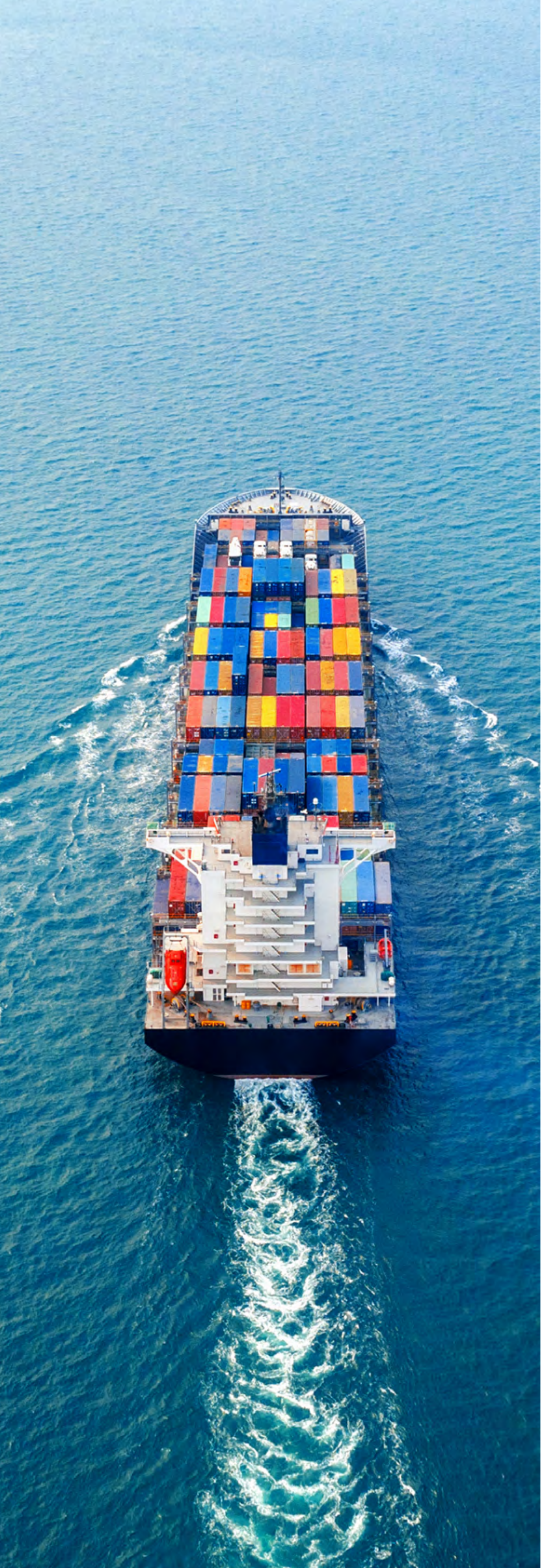
Exporting Dried Tropical Fruits from Cambodia to Europe

Content



The EU market for dried tropical fruits

Accounting for more than a third of total global imports[1], the European Union is the world's largest market for dried fruit. As import volumes gradually increase, the area offers great opportunities for developing countries' exporters aiming to expand their businesses.

The European market for dried tropical fruit is predicted to develop at a steady rate of 5-6 per cent per year in the medium to long term.[2]

Changes in European consumers' consumption patterns, such as a rise in demand for healthy snacking options and a decline in the consumption of sweet snacks, are anticipated to drive this growth.

Today, 98% of all Cambodian dried fruits exports are directed to China[3], and 90% of the total Cambodian production of tropical fruits is exported to Thailand and Vietnam[4], which oftem processes and re-exports them.

Cambodian producers and exporters have much to gain by cutting out these intermediaries and directly approaching end markets, such as Europe.

This guide proposes a specific focus on dried mango, banana, pineapple, and papaya, as these are the most popular dried tropical fruits in Europe.[5] You are of course encouraged to consider exporting other kinds of dried tropical fruits, such as passion fruit, pitahaya, rambutan, etc.

The objective of this guide is to raise awareness regarding opportunities in the European market for dried tropical fruits from Cambodia, as well as guide exporters on the basic steps they need to take to get their products on the market.

I Product definition

A dried fruit is a fruit from which much of the original water content has been removed. This is done either naturally or using specialised dryers or dehydrators.[6] A fruit can be either air dried, freeze fried or sun dried.

In general, the same United Nations Economic Commission for Europe (UNECE) standards apply to all dried fruits and are presented as follows.

1 Product[7]

A. Presentation of the product

This standard applies to {name of produce} of varieties (cultivars) grown from ... {Latin botanical reference in italics, followed where necessary by the author's name}, intended for direct consumption or for food when intended to be mixed with other products for direct consumption without further processing. This standard does not apply to {name of produce} that are processed by salting, sugaring, flavouring, or roasting or for industrial processing.

B. Origin of produce

Country of origin[x] and, optionally, district where grown or national, regional or local place name.[8]

C. Nature of produce:

- name of the produce
- name of the variety and/or commercial type (optional) {according to the nature of the produce}
- or {name of produce} or equivalent denomination and moisture content, where appropriate
- type or style {according to the definitions of the standard}.

Find here UNECE standards for multiple dried fruits:

https://unece.org/trade/wp7/DDP-Standards

2 Cambodian product offer

Enjoying a tropical climate all year round, it is no surprise that fruit is incredibly popular in Cambodia. From bananas to durians, the country has a wide range to choose from.

Moreover, edible fruits come in many more forms than you would expect in Europe. Fruits can be eaten ripe, sometimes green and dipped in a sauce, as well as sugar dipped and of course, dried.

A. Varieties Traded

- Mango is the most produced fruit in Cambodia. Many varieties can be found, although most of the production is concentrated in two varieties.

  Keo Romeat is the most renowned Cambodian mango and the most popular for export. Its balanced, sweet flavour taste makes it perfect for the large market.

  Keo Chen/Keo Ktis variety is much rarer and expensive. It is more aromatic, refined, and suitable for haute cuisine. It is very uncommon to consume it dry.

  Production of mango is estimated to be around 1.5 million tonnes per year.[9]

- Many varieties of bananas are grown within the country. Chek Pong Moin also called Musa aromatic or even chicken egg banana is often referred as the national fruit of Cambodia. Pisang Awak, Chek Om Boung, Amboung, Meas Snoun, and Chek Snab Mokbeing are some of the most produced varieties as well.

  Production of banana is estimated to be around 140,000 tonnes per year.[10]

- Pineapple production is far smaller than that of mango and banana at around 24,000 tonnes per year.[11]
- The green papaya is by far the most cultivated variety in Cambodia, while papaya F1 Horizon is also cultivated.
- Dragon fruit, although a very minor crop in Cambodia, can be an interesting fruit to consider as it is gaining in popularity in Europe. The total cultivated area is just a few thousand hectares, but this is expected to grow substantially in the near future, especially since Vietnamese companies are starting to buy land for this specific culture.[12]
- Dried jackfruit, longan and mangosteen are also very popular in Cambodia.

B. Sector associations and collective brands

Table 1: Mango association and cooperatives

Keo Romeat Mango Association	Committed to providing the highest quality mangoes that meet international standards for food safety.	+855 17 999 206
Kampong Speu Mangoes Association	45 families as members covering more than 4,000 hectares. Half of them are seeking recognition from the Ministry of Agriculture, Forestry and Fisheries to be able to export.	+855 92 749 147
Kirirom Keo Romiet Mango Agricultural Community	2,000 hectares of mango orchards in Kampong Speu province.	+855 92 502 422

Collective brands

An interesting thing to note is the fast development of "collective brands".[13]

Widely supported by the Ministry of Commerce, these "collective brands" are intellectual property elements based on an ecosystem of professionals, traders and businesses in the same industry or geographic region, who typically pool resources, share information, and offer various benefits to their members.

Many promising agricultural products are expected to be registered as collective marks soon, such as the Battambang pineapple, Pursat orange and Battambang waxed coconut.

The success in creating geographical indications and collective trademarks has allowed several Cambodian products to enter foreign markets and gain widespread recognition by consumers, such as Kampot pepper, Kuyteav from Phnom Penh and Skor Thnot from Kampong Speu.

Collective trademark registration has yielded many positive results such as economic stimulation, cultural promotion, tourism attraction and local development. The trend is likely to continue.

II Introduction to the EU Market

The EU internal market is one of Europe's major achievements and its greatest asset in times of increased globalisation.

By allowing people, goods, services, and capital to move more freely, it opens new opportunities for European citizens, businesses, and consumers, but also for private businesses outside of Europe that can take advantage of the potential of this huge consumer market.

As one of the world's largest economies with a GDP of 17.1 trillion USD in 2020, the European Union accounts for more than 15% of the world's trade in goods. The total value of the EU's trade with third countries has reached 4.067 trillion euros in 2020, making the EU the second largest trading power after China and ahead of the United States.

About 447 million people live in the EU in 2022. According to the European Parliament, more than 30 million of them have jobs that depend on foreign trade.[14]

1 Which tropical fruits are trendy in Europe?

The most popular dried tropical fruits in Europe are dried bananas, mangoes, pineapples, and papayas. However, other dried tropical fruits are also gaining in popularity, such as guavas, carambola (star fruit), rambutan, passion fruit and dragon fruit.

Some varieties of fruit suit best the European consumer:

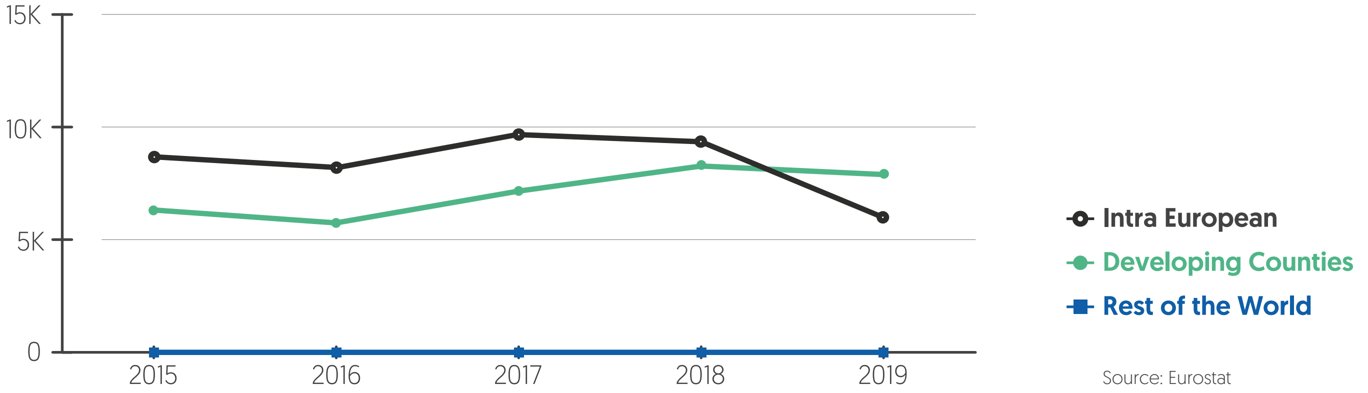
- The Cavendish banana, for instance, represents the vast majority of European banana's imports. It is indeed considered superior to many other banana varieties. It is seedless, has a strong peel and is very productive, making it perfect for exports.
- As European consumers have a strong preference for fibreless mangoes, the Kent and Keitt varieties are the main ones traded on the market. This preference can be a disadvantage for Cambodian varieties. The Kirirom mango, for instance, is de-fibered manually before export to meet this specific taste.
- Representing over 80% of all European imports, the hybrid pineapple variety named MD2 is by far the most widely consumed pineapple in Europe. It has a very sweet taste, high vitamin C content and long shelf life. Most other pineapples you can find on the market are of the types 'Smooth Cayenne', 'Sugarloaf', and 'Victoria'.
- The leading varieties of fresh papayas available on the European market are the Solo, Solo Sunrise, Golden and Formosa.

According to the European Statistics Handbook - Fruit Logistica 2021, 14,209,000 tonnes[15] of fresh fruits have been imported from outside of the EU in 2020, while dried tropical fruits account for only 15,000 tonnes.[16]

Thus, although very trendy throughout the whole continent, the imports of dried tropical fruits still represent a tiny share (about 0.1%) of the total imports of fruits.

Considering the continuous rise in dried fruit consumption, this represents huge opportunities of growth for Cambodian producers.

Figure 1: European imports of dried tropical fruit, by origin without dried mangoes and pineapples



Before declining slightly in 2019, tropical dried fruit imports had been growing steadily by about 7% per year in volume until 2018, to between 25,000 and 30,000 tonnes. It is important to note that these volumes also include trade within the EU single market.[17]

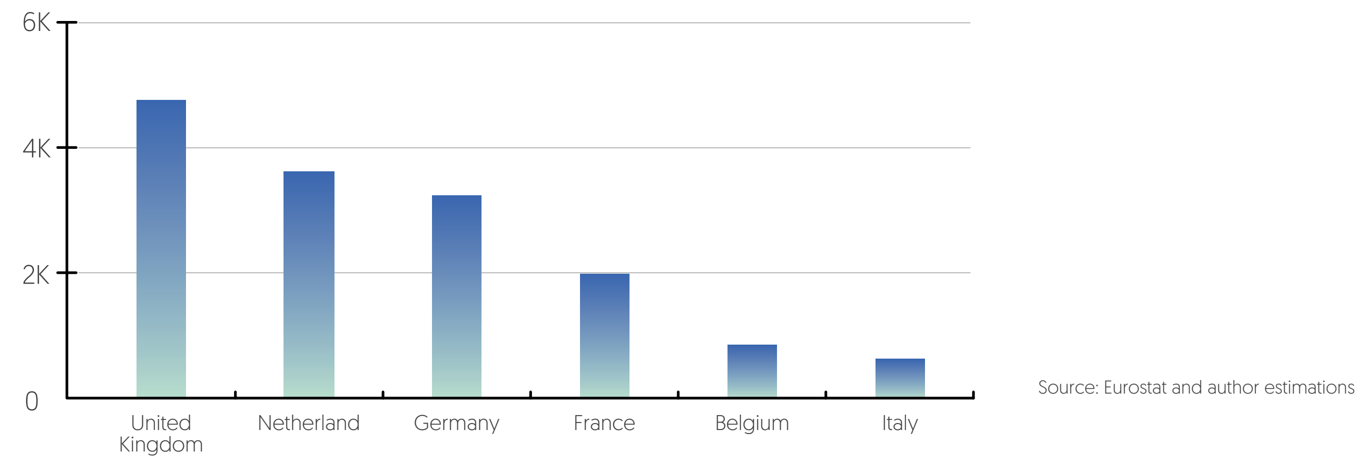
The volume strictly imported from developing countries was 14,864 tonnes in 2019, which indicates that about half of the imported dried tropical fruits are re-exported within the European Union.

The 2019 decrease should be considered with caution, as it only shows the average supply of imported dried fruits. Healthy perceived products such as dried mango and dried pineapple continued to increase in 2019, while tropical sweetened fruits have seen a decline. Analysis shows that this trend did not last more than a year as all dried fruit consumption and imports were boosted in 2020, probably due to a more vigilant and healthy approach of European consumers towards snacks and the COVID-19 pandemic, which seems to have accelerated this trend.

As shown in the graph above, almost all non-EU imports come from developing countries. Although demand in Europe is expected to increase by about 6% per year over the next few years, imports will continue to be affected by the volumes harvested and price fluctuations.

2 Who are the largest importers of dried fruit, the biggest player in the EU market?[18]

Figure 2: Main European importers of dried tropical fruit in 2019, in tonnes



The largest importing countries

The UK, the largest importer

Although not part of the European Union anymore, the UK is worth mentioning as it is currently Europe's largest importer of dried fruits, with an estimated annual consumption of about 5 thousand tonnes. The largest part of these imports is consumed domestically, with a very small amount being exported to other markets.

The Netherlands, importing to re-export

In 2019, the Netherlands has become the second-largest importer of dried fruit in Europe, mainly due to a strong increase in imports of dried bananas. The particularity of the Dutch market is that at least 70% of its imports are then exported through the European Union, mainly in Germany and France.

The imports from the Netherlands are characterized by high imports of sugar-infused dried tropical fruit, mostly from Thailand. The consumption of these products is projected to gradually decline in the coming years to make way for no-added-sugar products.

The Netherlands is a very concentrated market in which at least 90% of all locally traded dried tropical fruits are distributed by supermarket's private labels (Jumbo, Albert Heijn etc), health retail chains (Holland & Barrett) or discounters (Lidl).

Germany: A large and fast-growing consumer market

Germany is a fast-growing market: the second-largest consumer market of dried tropical fruits in Europe (and first in the EU) and the third-largest importer.

Until a few years ago, most of these products were distributed in specialised/high-end shops, but like their Dutch neighbour, German retail chains have decided in 2019 to propose dried mango as a snack, which considerably increased the overall consumption of dried tropical fruits in the country.

This is true for all kinds of stores and supermarkets, from discounters such as Aldi to big supermarkets chains. It is expected that the annual consumption of dried fruits in Germany will catch up with that of the UK in the coming years.

As it is the largest organic European market, Germany is very attractive for organic dried tropical fruits and preservative/sugar-free products. The fruit bar segment offers very special opportunities there as many distributors launch bar and snack products that contain dried tropical fruit. Examples include Alnatura, Lubs, and DM. Breakfast cereal mixtures are also trendy in most European countries, and even though today the usage of sugar-infused dried tropical fruits is larger than that of natural ones, it is predicted that the situation will soon be reversed.

Popular German dried tropical fruit brands include: Farmer's, Kluth, Seeberger and MorgenLand.

France: fast-growing and ethically aware market

With an increase of about 15% per year over the last 5 years, France is one of the fastest-growing markets for dried tropical fruits. It imports in large part from West African countries, such as Mali, Burkina Faso, and Cote d'Ivoire.

The French dried fruit market is characterized by a huge market share held by the private label brands of big retailers (such as Auchan, Carrefour or Leclerc). Organic fruits also has a significant market share with brands like Daco Bello or Juste Bio.

Dried tropical fruits are also distributed in most supermarkets without brand, often by weight. You can easily find mixes of dried tropical fruits to make homemade muesli.

Even though a large part of French dried tropical fruit is imported from the Netherlands, an increasing number of companies are looking to work directly with producing countries. Such companies, such as Direct Producteurs Fruits Secs and Agro Sourcing, are often players in the ethical segment.

Belgium: importing from the Netherlands

The Belgian market of dried tropical fruit vastly relies on its imports from the Netherlands. Exporters from developing countries could take advantage of this situation by directly supplying to the Belgian market. Current Belgium suppliers are mostly west African countries and Thailand.

Dried tropical fruits retail sales are largely dominated by Delhaize supermarket chain and its multiple private labels. Still, some independent brands such as Nuts about Nuts, Bonner and Adya manage to thrive.

As Belgian consumers increasingly value ethical products, some importers such as Oxfam-Wereldwinkels and Jua are gradually raising their investments in sourcing destinations such as Uganda.

Italy: growing imports and re-exports

Dried tropical fruits imports are increasing in Italy, where they are primarily consumed as snacks.

As in most European countries, sales are led by supermarkets such as Conad, Carrefour, Coop and their private labels. Large volumes in imports are also made possible by the very appreciated cheap packages (1€ for 100g). Life, Ventura, Semplicemente as well as Noberasco are all independent brands you can find in Italy.

Italian dried fruit re-exports to other European markets are also quite significant and are possible thanks to the presence of strong Italian companies, such as Besana, and the establishment of strong brands (Noberasco), able to sell in others European countries.

Eastern Europe

Although the aforementioned markets are by far the largest, it seems that the central and eastern European countries will experience the highest growth of dried tropical fruits imports over the next years. Over the last several years, countries such as Slovakia, Romania, Latvia, Lithuania, and Finland all experienced growth superior to 15%.[19]

A specific focus on these countries - and the Central/Eastern European market in general - could be of great interest.

One of the best ways to enter new Eastern European markets is through importers in Western Europe who have expanded their businesses into Eastern European markets.

3 Distribution channels: how to get your dried tropical fruit on the European market?

In this industry, the specialized importer is the favoured channel for market entry. It is also very common for importers to do the packing and engage in trading and wholesale activities.

Until a few years ago, tropical dried fruits were not very popular in Europe and were therefore mainly sold in high end/specialized shops.

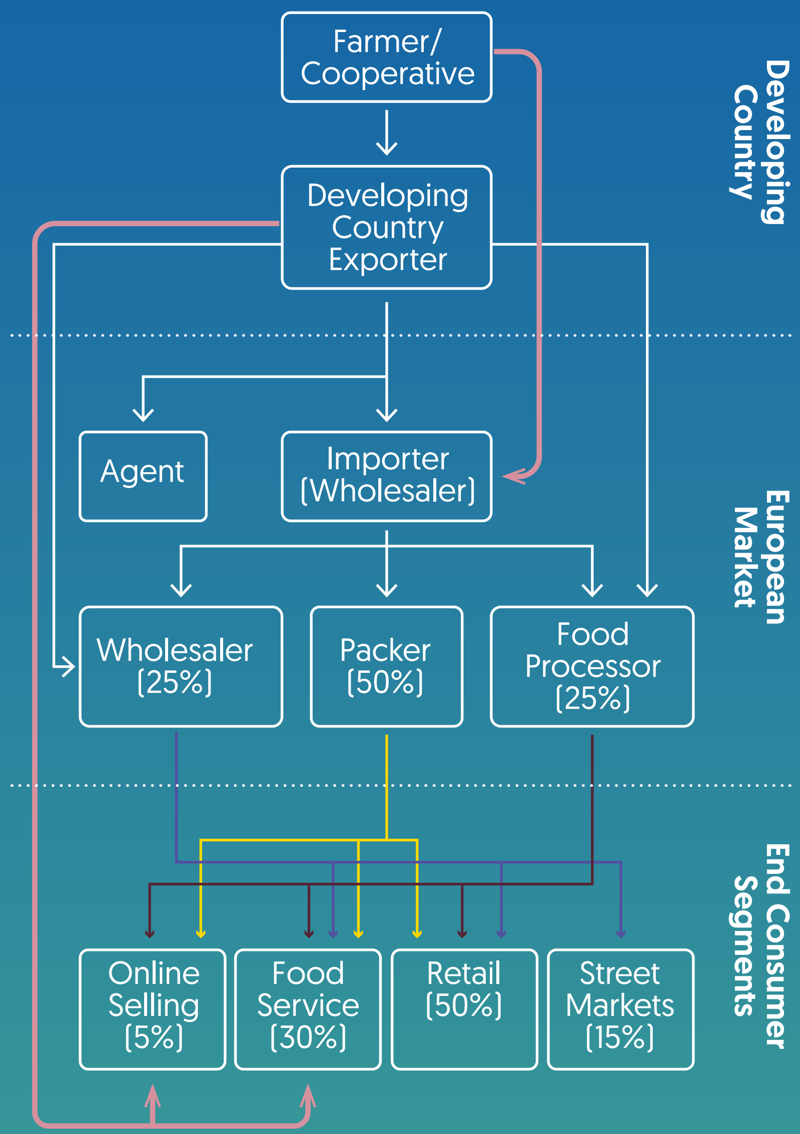
However, the European consumers' increasing demand for this kind of product and the recent availability of dried tropical fruits in supermarkets and even discounters quickly changed the game.

Nowadays, half of the dried tropical fruits consumed by Europeans are bought through these relatively new channels.

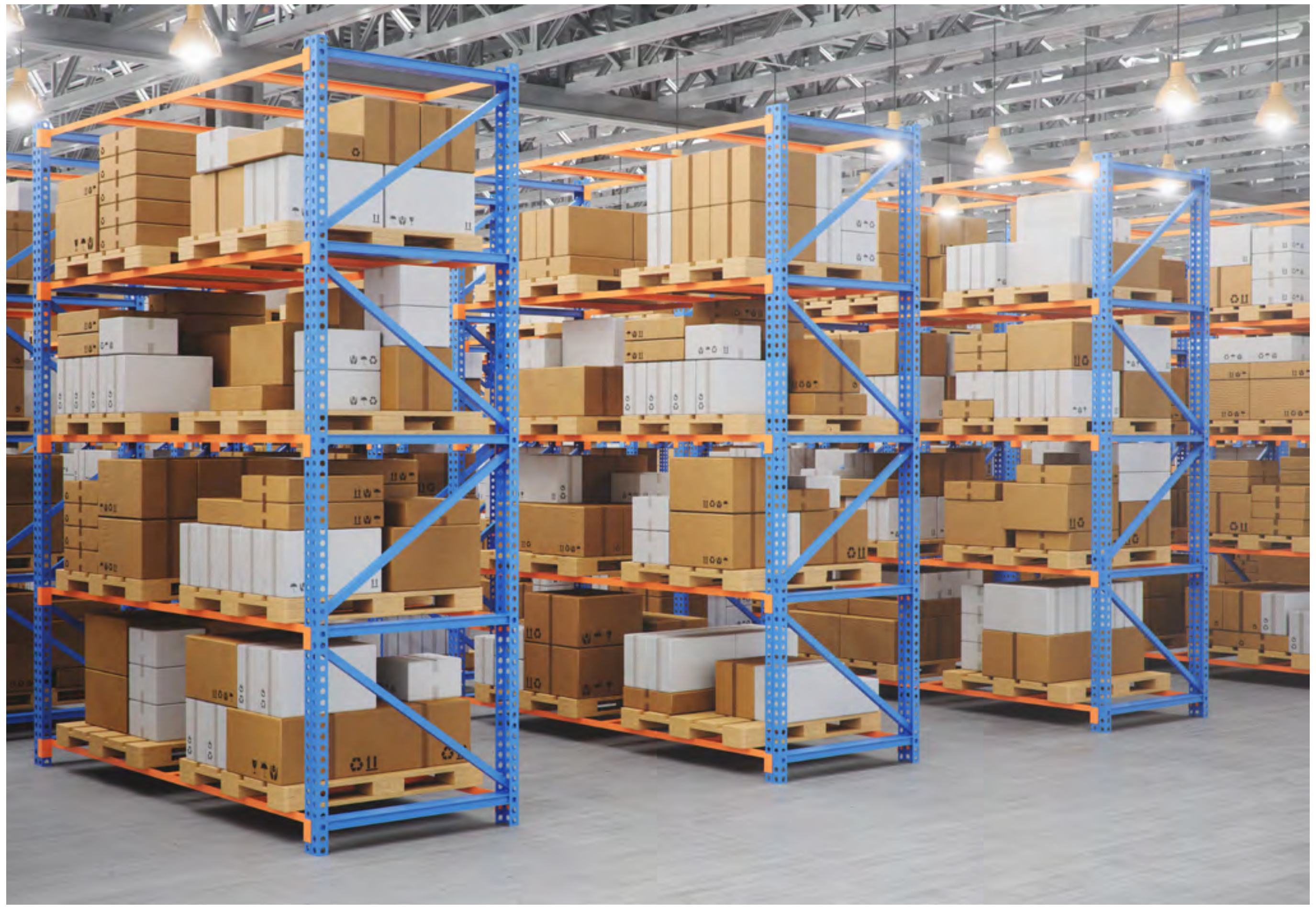
As shown to the right, imported products are then distributed to various market segments.

Although this does not happen frequently, it is possible for exporters from developing countries to skip the importer as an intermediary and directly deal with the end consumer segments.

European market channels for dried fruit[20]



Importers/wholesalers



Importers often serve as wholesalers and trade their dried tropical fruits to packaging companies, who act as an intermediary between the importer and the final consumer. Importers/wholesalers are truly interesting partners to work with. Working with small and large volumes, they are a good match for SMEs and should be your favoured contact within Europe.

They usually have a better customer base than companies in developing countries and have therefore a good knowledge of the European market. They are also usually aware of the latest developments in sourcing markets.

They will be able to inform you and provide useful information and advice about exports, some even provide technical advice.

Moreover, they may have access to market segments and national markets that you as an exporter would have difficulties reaching.

A way to increase your competitiveness would be to offer - in addition to dried tropical fruits - other types of dried fruits and edible nuts, as those products are often imported by dried tropical fruits importers.

Importers must continually adapt to the end consumers' changes in habits and needs, and are increasingly put under pressure by retailers, who are at the forefront of these changes in demand. This pressure coming from consumers is converted into added value, as "organic", "natural", "fairtrade" and "sustainable" products. This results in a crucial need for transparency in the supply chain process and encourages many importers to build long-lasting relationships with their trusted suppliers.

Dried fruit packers

Most European dried fruit packaging companies import dried tropical fruits from supplying countries directly. As these companies very often already work with suppliers, the difficulty for new entrants is to build long-lasting relationships with them. Many exporters trying to enter the European market find that they must supply products of the same quality but at a lower price. Most brands will require you to adhere to their specific code of conduct/quality and hygiene requirements as they are under constant pressure by the retail industry, as mentioned before.

Agents/brokers

2 different types of activities are usually performed by brokers and agents.

They work as independent companies and act as the intermediary between buyers and sellers, negotiating on behalf of their clients and getting commissions of around 2 to 4%.

Agents are also well-positioned when it comes to supplying the private labels of the European retail network. For most exporters in supplying countries, this is rather difficult to engage with the different tendering procedures. In cooperation with agents and brokers, you could be able to participate to these procedures implemented by the retail chains, which for reminder concentrate a large part of the European sales of dried tropical fruits. Examples of agents brokers in Europe are QFN Trdaing and Agency BV (The Netherlands) and Pangea Brokers (Spain).

Retail channel

Although uncommon for retailers to directly source from developing countries' exporters, it is still a possibility.

Following the decision of supermarkets chains and especially discounters to propose dried tropical fruits to their clients (ALDI's "Simply Nature" dried mango or Lidl's "Alesto" dried mango and dried pineapple), the retail sector has seen an increased polarisation. Nowadays, dried tropical fruit products are mainly found in either the high-level segment or the discount one.

The leading food retail companies in Europe differ per country. The companies with the largest market shares are Schwartz Gruppe (Lidl and Kaufland brands), Carrefour, Tesco, Aldi, Edeka, Leclerc, Metro Group, Rewe Group, Auchan, Intermarché and Ahold (Delhaize, Albert Heijn and several other brands).

Foodservice channel

Most of the foodservice channel - which encompasses hotels, restaurants, and catering establishments - is supplied by the specialised importers described above.

Business types that enjoy the fastest growth are the "new" and healthier fast foods, pop up restaurants, street food and restaurants serving international cuisine.

Table 2: European dried fruit importing companies

Country	Company	Website
Belgium	Belgafood	http://www.belgafood.be/menu.asp?id=7841&lng=fr
Belgium	Nutfully	https://nutfully.be/
France	OPA Distribution	https://www.opadistribution.fr/
France	Agro sourcing	https://www.agrosourcing.com/en/homepage/
France	**Ethical:**	
France	Pépite	https://www.pepite-fruits-secs.com/
Germany	Buxtrade GMBH	https://buxtrade.de/
Germany	Mw Nuts	http://mwnuts.de/english/about.html
Germany	Zieler	https://en.zieler.de/
Italy	Fruitimprese	https://www.fruitimprese.it/index.php
Netherlands	INZ trading BV	http://www.inz-trading.nl/
Netherlands	Jas Trading	https://www.jastrading.com/dried-fruits/
Netherlands	QFN	https://www.qfn.nl/
Netherlands	**Organic:**	
Netherlands	Tradin Organic	https://www.tradinorganic.com/
Netherlands	Smaakt	https://www.smaakt.bio/
Netherlands	Horizon	https://www.horizonnatuurvoeding.nl/index.html

4 Segmentation of the end market[21]

Table 3: End market segments for dried tropical fruit in Europe

Segment						
Snack Segment	Retail Chains	Independent Groceries	Specialty Shops	Street Markets	Online Retail	Foodservice
Ingredient Segment	Breakfast Cereals	Confectionary	Bakery	Fruit Bars	Dairy	Foodservice

In Europe, dried tropical fruits are used as a snack and as ingredients in the food processing industry. Approximately 60% of the total imported dried tropical fruits in Europe are used as an ingredient for further processing, while some 40% are re-packed and sold by retailers, or used in the foodservice segment.

Snack segment

Approximately 40% of dried tropical fruits imported into Europe are sold as snacks. Consumption of natural dried tropical fruits (including dried mango) is increasing, but the largest market share remains for sugar-infused dried tropical fruits.

Consumption of dried tropical fruits has increased as a snack due to consumer demand for healthier snacking options than chocolate and other sweet snacks.

Dried mango is currently the most popular dried tropical fruit, followed by dried pineapple.

The snack segment is supplied by packing companies (sometimes importers that also manage the packing) that import dried tropical fruits in bulk, pack and then brand it. Retail chains' private labels represent the largest share of dried fruits sold as snacks and therefore rely on these packing companies to provide them.

In general, the market is concentrated by large domestic retailers and there are relatively few companies supplying the snack segment in each European country.

The snacking segment is increasingly influenced by the 'no sugar added' and "preservatives-free" trends.

Dried tropical fruits (like mango or pineapple) have exotic flavours, a good combination of sweetness and acidity, and are high in vitamins, minerals, fibre, and phytonutrients.

An advantage that the sweetened dried tropical fruit has somehow managed to keep until today is its "less unhealthy" appearance than chocolate bars or other sweet snacks.

Ingredient segment

As previosuly mentioned, with 40% of the European dried fruit market being standalone snacks, the remaining 60% of dried fruit is incorporated as ingredients into other processed products.

Commonly, dried tropical fruits are present in:

- The confectionary industry, which uses dried tropical fruits to make sweet snacks, sometimes combined with chocolate.
- The breakfast industry, as sugar-infused dried tropical fruits is largely used in muesli and cereal. Natural tropical dried fruit should gradually replace sugar-infused ones.
- The bakery industry, for which pieces of dried tropical fruits are necessary for the making of cakes, pastries and cookies. The industry mainly uses sweetened tropical fruits.
- Fruit bars are rapidly growing in popularity and come in multiple varieties. Naturally dried tropical fruit is used as the main fruit ingredient in some fruit bars, while others consist mainly of dehydrated fruit puree.
- The dairy industry, for which tropical dried fruits are popular ingredients for yoghurts, ice creams etc.

Tips:

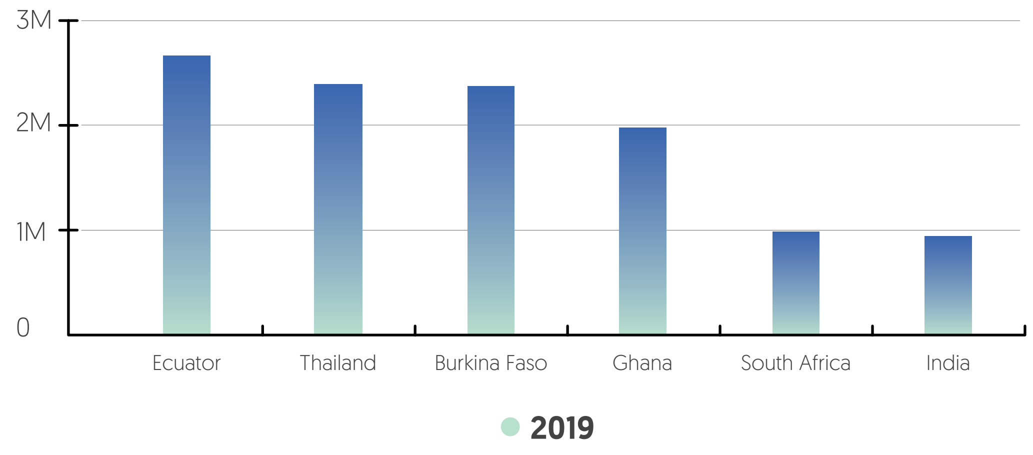
- **Look for potential buyers for your dried tropical fruits in the food ingredients segment in the list of exhibitors at the Fi Europe trade show.**
- **Visit or exhibit at ISM Cologne, Europe's leading trade fair for sweets and snacks, and explore opportunities in the dried fruit snack segment.**

5 Who are the main suppliers of dried tropical fruit in the EU?

It is important to know that the European market is subject to major fluctuations regarding its dried fruit imports. Indeed, most of the imports come from a small numbers of suppliers, whose activities can have a drastic impact on the overall market and prices. This can be an opportunity for Cambodian exporters, as importers and retailers increasingly try to find ways to reduce these fluctuations.

Main supplying countries[22]

Figure 4: Leading suppliers of dried tropical fruit to Europe



Source: Eurostat and industry estimaions

The sweetened dried tropical fruit market in Europe is dominated by Thailand, while dried mangoes are mainly imported from South Africa, Burkina Faso, and Ghana. Ghana and Costa Rica lead the way when it comes to dried pineapples. Dried bananas are predominantly imported from Ecuador.

The European dried tropical fruit market is increasing and as such, competition is too. Multiple other countries are emerging on the market as suppliers.

Competition from Thailand is particularly harsh as producers and exporters are very much supported by their government, which supports their promotional activities and ensures their presence at almost all major European trade shows. The Thai Department of International Trade Promotion (DITP) is currently making big efforts to develop the online sales of its national exporters through marketplaces such as Alibaba or Thai trade.

Conscious of the increased competition, many national governments and development agencies, like their Thai counterpart, provide funding and all kind of support to their national producers. Cambodia has launched its own export channel, Go4eCam.

Main supplying companies[23]

Many enterprises around the world manufacture, process, and export dried tropical fruits. Some of Africa's largest dried fruit processors are the consequence of European corporate investments. The same cannot be said for Asian businesses, which are primarily owned by local investors. Below is a brief overview of some of the leading corporations in each supplying country.

Thai companies

Thailand has a huge number of firms making dried tropical fruits, GCF International being one of them. It has been in operation for more than 30 years and has grown to become Thailand's largest dried fruit exporter, supplying nearly 50 countries. The company is always investing in new product development and innovation, which are often presented at Europe's largest trade shows.

Here is a short list of other Thai dried fruit companies: Phootawan, Apple's Island, Thaweephol Samroiyod, Chinwong Food Company, Vita Food, Ampro Intertrade, S.Ruamthai, Unity Food, Smile Fruit, Fruittara, Chin Huay, TanTan, Rama Siam, Fruit House, V & K Pineapple Canning and Fruit House Thailand.

Ecuadorian companies

Exotic Blends, widely known by the brand name Samai, is Ecuador's top processor and supplier of banana chips. Exotic Blends engages in ethical and sustainable production and heavily invests in its processing capabilities. The company is Rainforest Alliance accredited and supports Ecuador's indigenous communities and small-scale farmers. Samai is also engaged in making dried bananas in a more sustainable way, one good example of this is its use of banana peels as a fertilizer.

Here is a short list of other Ecuadorian dried fruit companies: TropicMax, Platayuc, Rogai and xporganic. Note that the french company Ethiquable organises and sources the production of banana chips in Ecuador.

Companies in Burkina Faso

The largest foreign investment in Burkina Faso is Timini, which is currently the largest producer of dried mangoes in the country.

Some European companies greatly participate in tropical dried fruits production within the country. The Dutch company Tradin Organic, for example, works in close collaboration with the drying facility in Banfora, while EgeSun, a German company, buys dried mangoes from Waka Group.

Wouol Association (a cooperative), Sanle Sechage, NAFFA, Fruiteq and Mango-So are examples of successful mango producers and exporters in the country.

Emerging dried tropical fruit

India, the Philippines, and South Africa are currently increasing their production of tropical dried fruits.

Here are some examples of their operating companies:

- India: Krishnakath Foods, Saraf Foods, Yesraj Agro Exports, Jainys Cereals and Sresta.
- The Philippines: El Coco Manufacturing, LTA Food Manufacturing, Prime Fruits,B-G Fruits, Gold Chips and Celebes.
- South Africa: Cape Dried Fruit Packers, Cecilia Farms, Taste Africa Foods, Westfalia Fruit, Cape Mango and Landman Dried Produce.

Information on indirect exports

In 2020, Cambodia exported $3.17M of dried fruits, making it the 54th largest exporter in the world.[24] Much of this goes to Thailand, Vietnam and China.

Mango provides a case study for the role of Vietnam and Thailand on Cambodian products.

According to the Cambodian Ministry of Agriculture, Forestry and Fisheries, exports of fresh and dried mangoes amounted to 242,483.76 tonnes and 17,879.82 tonnes in 2020, up 148.38% and 179.30% respectively year-on-year.[25]

Vietnam was the main buyer of fresh mangoes with 199,077.38 tonnes, followed by Thailand, with 38,419.28 tonnes. These countries alone represent 98% of Cambodian fresh mango exports.

As for dry mangoes, China accounts for 80% of imports, while Thailand accounts for 8.5%.

Thailand, Vietnam and China being some of the world's top dried fruit exporters, it is quite obvious that a significant share of Cambodian tropical fruits exports to these countries is then processed and reexported to third markets, such as the EU.

Key takeaways

- Competition is fierce. You must be well prepared to enter the EU market and provide a real value add.
- Try to understand why EU buyers purchase from specific countries. What do they offer? How can you provide additional value?
- Study your competitors. To enter the market, you must be at least as good.
- Gather other Cambodian dried fruit producers and try to get support from the Cambodian government (promotional activities, presence at major trade fairs etc).
- Consider collaborating with EU companies, as African and Latin American companies sometimes do.
- Fair trade accreditations are very trendy and could give you a serious boost. Measure the finance required and consider getting one.
- The EU imports of dried tropical fruits is subject to major fluctuations. Take advantage of this by always being ready to ship.
- Keep an eye on competing countries and companies. Some issues (climate, drought, political instability, logistics problems) might affect them. You should be able to take advantage of such situations.

III Trends and consumer needs

The dried tropical fruit market is one of the fastest growing in Europe, sustained by a shift in consumption habits and a desire to consume better, healthier products.

The increased consumer interest in dried tropical fruit in Europe is mostly driven by a rising demand for healthy snacking and product innovation.

Moreover, the sustainable and ethical aspects should be strongly considered, as the market shares of these products are expected to grow substantially.

Dried tropical fruit is used in many forms, such as in the food industry, in hotels/restaurants and of course, at home, where it is primarily used as a snack or cooking ingredient.

Consumption of dried tropical fruits in the EU currently offers opportunities for new suppliers from developing countries. Although these products represent small volumes, they are relatively pricey, which means more profit.

Investing in more sustainable production and partnering with European buyers to develop and promote healthy and sustainable products will increase opportunities for exporters from developing countries

1 The Organic/sustainable trend

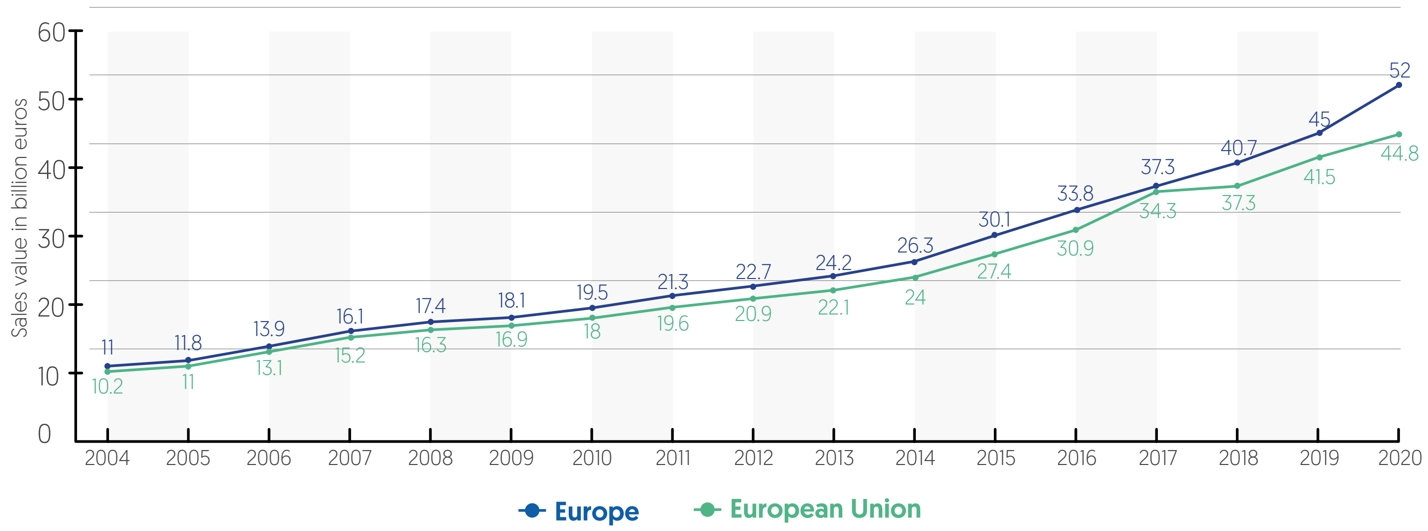
A few figures on the European organic market

420,000 organic producers in Europe - **350,000** in the EU.

85 000 organic processors in Europe - **78 000** in the EU.

+6,800 importers in Europe - **5,800** in the EU.

Figure 5: Organic retail sales value in the European Union and Europe from 2004 to 2020 In billions of euro[26]



Sustainability has become one of the most important topics in the world, due to the risk of global nature loss in a short time and customers' interest in clean and healthy food.

This benefits the lucrative organic food industry in Europe. In 2020, the market reached 52 billion (of which 44.8 billion in the European Union), an increase of 15% compared to 2019.

While the average per capita expenditure on organic food in the continent was 85 euros in 2019, large disparities between countries exist. Germany followed by France and Italy are the largest markets for organic food, while the highest consumption per capita are found in the Alps countries (Switzerland, Austria) as well as in the Nordic countries.

Per capita spending on organic consumption has more than doubled between 2011 and 2020. This already huge increase does not take into account the COVID-19 crisis, which saw an additional strong increase in demand for organic products.

Several sustainability initiatives are already in place in the EU and the countries that produce dried tropical fruits. Consumers and retailers, in general, are becoming more interested in sustainably produced fruit items, such as dried tropical fruit. The EU farm to fork strategy is an example of such a sustainability initiative. It "aims to accelerate our transition to a sustainable food system that should: have a neutral or positive environmental impact, help to mitigate climate change, adapt to its impacts and reverse the loss of biodiversity."[27]

Organic sales are booming, which is absolutely not the case of organic production within the EU. Indeed, organic production rarely exceeds 15% in almost all EU countries.

Thus, the EU vastly depends on imports, especially in the organic segment. This offers good opportunities to newcomers as importers need to identify and tap new sources.

Even for conventional producers, it may be promising to engage in an organic transition, as there are usually more opportunities for SMEs and less fierce price driven competition.

CSR and sustainability

It is a little-known fact, but in environmental and CSR matters, the European Union plays the role of a a leader, both with regard to its member states and on a global level. Companies wishing to export to Europe would greatly increase their chances by implementing sustainable initiatives and CSR practices.

Eco friendly production

From the use of rainwater, water recycling, organic farming, integration with farmers, to the use of solar energy, more sustainable production is possible through many aspects.

Sustainable packaging is rapidly gaining in popularity throughout Europe and is part of the aforementioned European Farm to Work Strategy.

A recent study made by the European Consumer Organisation confirmed that more than half of European consumers are influenced by sustainability when buying food, and 57% of them want sustainability information to be compulsory on food labels.[28] Sustainability claims on products and packaging are on the rise. The more common are “eco-friendly”, “plastic free” and “carbon neutral”.

However, your main contact in Europe will not be the final consumer but probably an importer, packer or retailer that will impose strict standards regarding the packaging. Conscious of the importance of sustainability, these actors want to create a positive image by reducing plastics, you will thus likely have to follow the trend and limit the use of plastics.

Published by the European Association of Fruit and Vegetable Processors, the article Towards a Greener Europe offer interesting examples of sustainable production.

Reading the brochure could give you ideas on how to produce organic goods efficiently and gain very needed competitive advantages to enter the EU market.

People’s management and fair labor conditions

The importance of treating your employees fairly and equally should not be underestimated. Potential buyers in Europe will be much more likely to work with you if fair labour conditions are respected, and your brand image could benefit from a serious boost. On the other hand, your reputation can be affected quickly if you fail to implement such basic practices, leading to more difficulties in closing sales and more struggle to find business partners and investors.

If sustainability is important to attract European consumers, promotion is too. One of the best ways to captivate them is by putting light on your good practices/CSR.

Social medias and the internet in general are great ways of sharing these good practices.

The importance of storytelling

According to an Innova Market Insights study, 60% of people are keen to know more about “where their food comes from and how it is made”.[29]

European consumers - especially the younger generations - are increasingly interested in knowing the history of the products they buy. Storytelling in gaining in importance and you should use every means at your disposal to make it known.

Telling a story related to your products or services creates a completely different perception in your customers. It also increases trust, which is a key factor in closing a sale. The packaging is of a crucial importance, and you should use it to tell your story. If you decide to do some online marketing, you can score extra points by simply posting content in the form of photos or videos that tell a story. Show your teams, tell about your satisfied customers, your products etc.

Using storytelling in your communication means creating a universe and a brand. If you pursue a storytelling strategy, not only will you stand out from the competition and create trust, but you will also be perceived as a brand. Your customers are more likely to identify with your business and become loyal fans. The value of your business increases because you are no longer just a store, but a strong brand.[30]

Recommendations for Cambodian companies

- Although consumption of organic goods is rapidly increasing, only 15% of the organic goods consumed in the EU are produced in EU countries. Participating in filling this gap is a great opportunity for Cambodian farmers and exporters.

Fairtrade is taking an increasingly important place in Europe and should be strongly considered. In fact, demand for social certification is rising. Since last year, German retailers do not import any fresh fruit which is not socially certified, for instance.

- Consider using (non-plastic) sustainable packaging when targeting sustainably conscious markets.
- Sustainability claims on products and packaging are on the rise. The more common are "eco-friendly", "plastic free" and "carbon neutral". Live up to them and use them.
- Tell the story behind your product and its added value through promotion and labelling.

Interesting readings:

- Learn about ethical and social standards within the European Union.
- Check the International Trade Centre's Sustainability Map portal and use the ISO 26000 guidance to improve your company's sustainability.
- Read the guide named "storytelling for sustainability" to learn more about your options. Embeddingproject. (2020). Storytelling for Sustainability A GUIDE.
- You can learn more about the Farm to Fork strategy here: https://ec.europa.eu/food/horizontal-topics/farm-fork-strategy_fr

Tips:

- If you are targeting the UK ethical market, familiarise yourself with the ETI base code (https://www.ethicaltrade.org/eti-base-code) to check what ETI members require from their suppliers.
- When targeting other EU markets, it might be interesting to conduct a self-assesment to assess your company's current social performance. You can do this on the BSCI website. (https://www.amfori.org/content/amfori-bsci)

2 Reduction of sugar, additives, and artificial ingredients

The long-term trend in Europe is a reduction of the consumption of sugar-rich or sugar-added products.

As dried tropical fruit consumption is mainly increasing in Europe due to environmental and health concerns, clean labels on dried fruit packs are of crucial importance.

The sole year of 2018 showed a drastic increase in 'low sugar' (+48%), 'sugar-free' (+35%), and 'no added sugar' (+29%) labels, which was largely driven by the rise in natural fruit snacks.[31]

In general, the purpose of additives (the most common being sulphites) is to make fruit products more appealing to the final consumers. However, European consumers are inrceasingly aware of the downsides of these additives, and are increasingly happy to pay more for additives free products.

Natural options, such as lime, are starting to emerge. Indeed, lime's acidity is an excellent natural preservative. Rich in vitamin C, limes remove moisture to prevent spoilage and rotting. Many other examples of natural preservatives exist, such as nisin, essential oils, and natamycin.

Recommendations for Cambodian companies

- Cambodian producers and exporters should aim to obtain "clean" labels. It means that no additives have been added during the production process. Important labels for dried tropical fruits are gluten-free, nothing added, sugar-free, organic, 100% fruit and similar.
- Offering a fully natural product range without adding artificial preservatives, sugar, flavourings, sweeteners etc. could drastically increase your chances of entering the European Market.

3 Snacks and convenience

Correlated to the dried tropical fruit trend in Europe is the increase in healthy snacks consumption. This is largely influenced by the rising demand for healthier products than chocolate or other sugary items.

European consumers are trying to find healthier snack alternatives, whether it is for snacks between meals or even to replace full meals.

Becoming more aware and concerned about their health, Millennials and Gen Z are strongly driving this trend. About 40% of the dried tropical fruits imported into Europe are sold as standalone snacks.[32]

Recommendations for Cambodian companies

Consumers are increasingly looking for flexible, light, and convenient snacking options that they can eat on the go. The UK, France, Germany, Italy, Spain and the Netherlands are indeed opting for healthier or lighter products.[33] With their busy lifestyle, European consumers are replacing traditional lunch breaks with healthy snacking moments.

The most popular dried tropical fruit consumed as a snack today is mango, followed by pineapple.

4 Diversification and pleasure in consumption of food

European consumers are looking to diversify their eating habits and try new/innovative products. Dried tropical fruits completely fit these needs as they come in different forms, such as fruits bars, chips and different breakfast options.

Those include the following:[34]

- Soft dried tropical fruit - The use of rehydration in some types of dried tropical fruits is on the rise. It is meant to increase the water content, making them easier to eat.
- Examples of companies using rehydration include Rapunzel and Seeberger (Germany), and Frubis (Portugal).
- Tropical fruits bars - These are gaining in popularity across the continent mainly because of the dried fruit natural sweetener function, which allows sweet product makers to remove the use of added sugar - increasingly avoided by consumers.
- Examples include MÄT (Denmark) and Purafruta (Switzerland). Fruit Group AG is a good example of close collaboration between a European importer/wholesaler and a company from a developing country. Together with the Colombian enterprise Prime Foods, they launched dried tropical fruit snack bars into the EU market in 2018, made without any added sugar, additives, or flavour enhancers.
- Fruit chips – Dried bananas have been on the European market for quite a long time, but other tropical fruits are making an appearance. The US company NSI for instance proposes Dragon fruit and mango chips.
- Freeze-dried tropical fruit are gaining in popularity. They are known for holding up to 90% of the fruit's natural nutrients. European companies distributing freeze-dried fruits include Giving Tree (UK) and Lolo snacks (Hungary).

Recommendations

The above products were all presented during ANUGA 2019 (The world's largest and most important trade fair for food and beverages) in Cologne and are seing increased in demand that is expected to continue. ANUGA 2021 showcased that the desire for a sustainable yet good quality packaging is growing. It appears that the common thin plastic bags in use are somewhat good sustainability-wise, but that its ability to preserve the qualities of fruits is rather disappointing.

- Cambodian producers and exporters should be inspired by these products.
- Be aware of the new trends by monitoring Europe's biggest trade shows. (Fi Europe, ISM Cologne, Anuga).
- Try to find matching market niches for your products.
- Introduce new, innovative products, new flavours/combinations of flavours.
- Do not underestimate the importance of packaging.

5 Health and well-being

Although European consumers were already inclined in developing better health habits pre-2019, the COVID-19 pandemic further boosted this trend and has been motivating consumers to support their immune system via better drinks and foods. Product formulations are quickly evolving, increasingly using and promoting ingredients such as zinc, probiotics, vitamins C and D, etc.

According to Innova Market Insights, 3 in 5 European consumers are increasingly looking for food and beverage products that support their immune health.[35]

Recommendations

The dried fruit sector can truly benefit from the "superfoods"[36] trend in Europe as they tend to become popular "immunity-boosting" ingredients.

- Take the consumer health trend into account in your marketing efforts.
- Dried tropical fruits can be promoted as 'superfood', which are trendy among European consumers.
- Let the different vitamins/properties appear on the product.

Some Cambodian companies are doing very good on the export markets.

Table 5: Successful Cambodian dried tropical fruit companies

Company	Products	Website
Angkor Harvest CO.,LTD	Dried mango	https://angkor-harvest.com/
Hesed Cambodia	Dried mango	https://www.hesedcambodia.com
Navita	Dried mango, dried pineapple	https://navitafood.com/
Misota Group	Dried pineapple, dried mango, dried orange	https://misotagroup.com/?lang=en
CSL Enterprise	Dried longan, dried mango	https://cslsnack.com/en
Indochina agriculture processing	Dried mango, jackfruit chips	https://indochina-agriculture.com/
Cambodian harvest	Dried mango, pineapple, longan, papaya	https://cambodianharvestv3.webnode.com/

IV Requirements

1 Legal requirements

A. Tariffs and Rules of Origin

The rules of origin determine the origin of goods, their place of production and/or manufacture.

Cambodia is part of the EU's Generalised Scheme of Preferences, which aims to help developing countries in their export.

Thus, Cambodia enjoys preferential origin rules.

- 0% tariff - if imported directly
- 5.8% - if imported through a third country)

To benefit from a 0% tariff, the product must:

- Be wholly obtained and originate from Cambodia.
- Its sugar weight must not exceed 40% of the final product weight.

B. Value added tax

All dried tropical fruit imports are subject to a 7% value added tax when entering the European Union.

C. Hygiene/phytosanitary

Food products are inspected by the European Union to protect citizens, animals, and plants against diseases and pests. Any food or feed must be safe for consumption, no matter if it is produced in the EU or imported. For this, the EU has agreed on a set of regulations and schemes that cover the entire value chain. Food inspection and the issuance of a phytosanitary certificate before export is a standard method of protection.

Although phytosanitary certificates are not mandatory for dried fruits (with the exception of whole dried fruits), every exporter must meet EU regulations and directives, meaning that any player along the entire value and supply chain must comply with minimum standards regarding production, handling and trading of food products.

Food hygiene regulation no. 852/2004: https://eur-lex.europa.eu/eli/reg/2004/852/oj

D. Pesticides / Limited use of pesticides

Maximum residue levels (MRLs) for pesticides in food products have been established by the European Union. If your product includes illegal pesticide residues or higher levels of pesticide residues than permitted, it will be removed from the European market. Samples and testing are often conducted by both government and non-governmental organizations, which frequently results in public blaming and shaming of the business if residues are discovered.

The European Union provides a regularly updated list of pesticides approved for use in the EU. The European Commission passed 12 new laws in 2019, requiring adjustments to over 80 different pesticides.

List of pesticides: https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32011R0540

E. Contaminants

Contaminants in food are undesirable and hazardous chemicals that can make people sick. These compounds can be found in food as a result of various stages of manufacture, packing, transportation, or storage.

To reduce pollutants in food, the European Union imposes strict regulations by establishing limits for specific pollutants.

- **Find the European Commission Regulation here**: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02006R1881-20210831
- **For concrete values on certain contaminants, you may also check the list in the ANNEX of the EU regulation** (e.g., aflatoxin in dried fruits, point 2.1.5.) https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32006R1881&from=EN
- **Follow the Codex Alimentarius Code of Hygienic Practice for Dried Fruits. In dried tropical fruit in particular, it is important to control the occurrence of insects and other parasites.**

  https://www.fao.org/fao-who-codexalimentarius/sh%20proxy/en/?lnk=1&url=https%253A%252F%252Fworkspace.fao.org%252Fsites%252Fcodex%252FStandards%252FCXC%2B3-1969%252FCXP_003e.pdf

F. Food additives

If items contain undeclared or unauthorised extraneous components, or if the amounts of these additives are too high, European authorities will reject them. Additives (such as colourings, thickeners and flavourings) are governed by specialized legislation. The Food Additives Regulation's Annex II contains a list of approved additives. Food enzymes, flavourings, and colourants are listed in the regulation's other annexes.

Food additives regulations: https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1478597149803&uri=CELEX:02008R1333-20160525

G. Packaging

Packaging used for dried fruit must:[37]

- protect the organoleptic and quality characteristics of the product.
- protect the product from bacteriological and other contamination (including contamination from the packaging material itself);
- not pass on any odour, taste, colour, or other foreign characteristics to the product.

The safety of food contact materials must be assessed to guarantee that dangerous quantities of chemical compounds do not migrate from the material to the food.

Although there is no set size for packing dried tropical fruit for export, the most typical method is plastic bags or plastic liners packed in various-sized cardboard boxes. Packaged goods should be transported in containers and placed on Euro-pallets (80 x 120 cm). Twenty-foot containers may hold up to 1,600 12.5-kilogram boxes or 2,000 10 kg cartons.

The use of stamps or papers with commercial specifications is authorized, provided that the labelling or printing has been performed with non-toxic glue or ink.

To make efficient use of pallet and container space, the packaging is often cubic. Dimensions may vary but are all compatible with standard pallet and container dimensions.

Dried tropical fruits do not need to be carried or stocked at a specific temperature, although extremely low or high temperatures should be avoided.

The contents of the package must correspond to the quantity indicated on the label.

Note: **Although some links to European Union websites have been provided, certifying bodies should always be able to provide you with detailed information.**

2 Added requirements

The most common quality requirements for dried fruit are the following:[38]

- Fruit must be free of insects, mould, damage, and blemishes.
- Moisture content: this varies depending on the type of dried tropical fruit. In general, the moisture content of natural dried fruit without added preservatives or sugars must be lower than that of fruit with added preservatives or sugar.
- Sizing: often optional. When required, size is determined by one of the following:
  - screening, i.e., minimum diameter (mm, inch)
  - count, i.e., the number of units/pieces per unit of weight
  - size range, i.e., minimum and maximum diameter (mm, inch); the size is determined by the maximum diameter of the equatorial section {Any definition using fixed-size scales or size codes should be avoided so that the standard can be used in different countries with different trade and sizing habits.

Frequent problems

- Two examples of frequent problems related to dried tropical fruit is when preservatives (for example sulphites, sodium dioxide etc) or food colourings have either been used at levels that are too high or when their presence is not declared. The food dye E110 - Sunset Yellow, which is used in dried sweetened tropical fruit, is one typical example.
- A problem related specifically to the production of banana chips is the presence of benzo(a) pyrene and polycyclic aromatic hydrocarbons (PAH).

Quality classification:[39]

No European legislation exists regarding the classification of dried tropical fruits. However, it is common among suppliers to divide their products into three classes:

- Extra class – superior quality produce that's regular in shape and appearance with only very slight defects
- Class I – good quality produce that has minor defects to the skin or shape
- Class II – reasonably good quality produce that may have one or more defects such as some bruising, damage or change in colour

For more detailed information

- General standards for dry and dried products https://unece.org/sites/default/files/2020-12/DDP_StanLayout_2020_e_0.pdf
- Non exhaustive list of dried fruits and their UNECE standards
- https://unece.org/trade/wp7/DDP-Standards
- UNECE standards for dried bananas
- https://unece.org/fileadmin/DAM/trade/agr/standard/dry/Recommendations/DDP29_Std_DriedBananas_E.pdf
- UNECE standards for dried mangoes
- https://unece.org/fileadmin/DAM/trade/agr/standard/dry/dry_e/DDP25_DriedMangoes_2013_e.pdf
- UNECE standards for dried pineapples
- https://unece.org/fileadmin/DAM/trade/agr/standard/dry/Standards/DDP28_DriedPineapples_2014_e.pdf
- UNECE standards for dried papayas
- https://unece.org/fileadmin/DAM/trade/agr/standard/dry/Standards/DDP32_Driedpapaya_2019_e.pdf

V Certifications and certifiers

As buyers and consumers increasingly demand standards above EU regulations, being certified is deeply important.

A certificate provides certainty to customers worldwide, as it attests that your management system, process, or product meets objective (internationally) recognized criteria and related obligations.

Certification can improve efficiency: your operations are more sophisticated, more efficient and easier to control. It identifies processes within your company and highlights areas for improvement.

A certificate is reassuring to the relevant authorities, as it avoids any debate about whether you are complying with rules and legislation.

Getting certified will give your product a good reputation on the (international) market. It is also an excellent marketing tool and offers many promotional possibilities.

Table 6: Most common food-related certifications

Certification Scope	Certification Program	Export Market
Organic Agriculture	EU Organic	To reach the European organic market, the whole chain of organic production needs to be inspected.
Food Safety	HACCP	Compliance to EU regulations is mandatory. HACCP is based on these regulations and proves that you respect these rules. Although not mandatory, HACCP proves that you respect EU regulations. It is strongly advised to get it. Operators need to implement and maintain a food safety management system in their facility.
	ISO 22000	Most comprehensive standard accepted all over the world. This is applicable to all organizations in the food supply chain.

1 General Certifications

Highly recommended certifications

HACCP is not mandatory but compliance with EU regulations and laws is. Although not mandatory, HACCP proves that you follow these rules. It is thus strongly advised to get this specific certification.

Most European buyers will ask for certification recognised by the Global Food Safety Initiative (GFSI). For dried tropical fruit, the most common certification programmes are:

- International Featured Standards (IFS) (common in Germany)
- British Retail Consortium Global Standards (BRCGS) (Common in the UK)
- Food Safety System Certification (FSSC 22000)

Please note that this list is not exhaustive and food certification systems are constantly under development. Most food safety certification programmes are based on existing ISO standards like ISO 22000.

ISO 22000 is a very good starting point while FSSC 22000 includes some additional requirements and technical details on production. ISO 22000 can be easily upgraded to FSSC 22000, in many cases by the same certifier that does the ISO.

Most of the mandatory requirements related to the import of processed vegetables and fruits in Europe are related to Food Safety.

For more detailed information

- Buyer requirements https://www.cbi.eu/market-information/processed-fruit-vegetables-edible-nuts/buyer-requirements
- The General Food Law, legislative framework regulation for food safety in Europe. https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32002R0178
- The European Food Safety Authority https://www.efsa.europa.eu/en (EFSA), in charge of developing particular food safety regulations and establishing frameworks for official food controls.

2 Organic Certification

For an imported product to be sold as organic, it must meet standards equivalent to those of European products. There are procedures in place for this purpose, which all importers must follow if they wish to market a product as organic. These procedures depend on the origin of the products.

Mandatory certification/certificate

- The EU Organic (EU Regulation EEC. No. 834/2007 of Organic Production) which regulates the production, processing, distribution, importation, and labelling of organic food and agricultural products - is mandatory.

https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32007R0834&from=EN.
This regulation is completed with additional rules, specifically Regulation (EC) 889/2008)

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008R0889.

This regulation covers the HACCP principles, which means you do not need to seek the HACCP certification if you already have the EU Organic one.

- The Electronic Certificate of Inspection (eCOI)), issued by your certifier in the supplying country and registered in the TRACES system, is mandatory for your products to be legally allowed in the EU.

Please find

- Detailed rules concerning the import of organic products from third countries).

https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32008R1235

EU organic logo displayed on a dried mango pack

3 Sustainability and Corporate Social Responsibility

Sustainability certifications focus on different aspects such as environmental protection and ethical behaviour toward farmers, employees, and animals. Some certificates deal with one aspect only while some cover a broader range of aspects.

The two most commonly used sustainability certification schemes are Fairtrade and Rainforest Alliance.

Examples of certifications:

- Reducing CO2 emission – Verified Carbon Standard, MyClimate, ICT Carbon Footprint Certification. Those certification schemes usually follow standards for measuring greenhouse gas emissions such as ISO 14067.
- The preservation of forest resources - Rainforest Alliance, FSC, PEFC. Those certification schemes are important for packaging materials.
- Biobased and recyclable packaging – OK biobased, DIN-Geprüft biobased, OK compost, RSB, Recycled Content Certification.
- Social and ethical impact (Monitoring and auditing) - FairTrade, SMETA, Ethical Trading Initiative, amfori BSCI, BCorp, and Fair for Life.
- A wider range of environmental aspects – Cradle to Cradle, Planet Proof, ISO 14000. These include private schemes of European retailers such as ProPlanet (REWE) or Edeka Panda (Edeka).
- Organic and pesticide-free food – EU organic, KRAV, Naturland, Demeter, AB France, Soil Association, SCS Pesticide Free, Zerya.

4 Main guidelines to get certified

1. Find a buyer.
2. Select a certification scheme that suits operational and EU requirements.

   • Make yourself familiar with the target market. Which certifications are required by your potential customers? Which may offer promising value-added?

   • Determine the next steps. Assess the finance required to upgrade to such certification. (Price of the certification, modification of the production set up, future plans etc)

   • To get yourself familiar with standards, you can use this website:

   https://standardsmap.org/en/identify

   • The Standards Map provides online access to a wide range of information related to sustainability initiatives, standards and trends, allowing businesses to pick the right certification or follow the right standards.
3. Develop and implement the certification system requirements in your organization.
4. Conduct an internal audit.
5. Conduct a management review.
6. Adjust according to the output of the internal audit and management review.
7. Verify the corrective actions.
8. Contact a certification body that has the accreditation to issue a valid certificate.
9. Send an application to a certifying body (e.g., Control Union)
10. The application is reviewed by the certifying body.
11. Preparation of the contract.
12. Reviewing of the contract by the applicant.
13. Sign and send back the contract to the certifying body.
14. The certifying body officially registers the applicant as a 'client' and arranges the audit.

Before the audit
Some documents need to be sent to the certifying body. These are meant to provide a basic understanding of the company's operation and its current quality management system. This information will be verified during the onsite inspection.

Factory audit
3 components
- Observation of the factory
- Worker interviews
- Documents check

If the client complies with the standards, the certificate is issued.
If not, some corrective actions need to be done.

Time limit:

Minor non-compliance:	Major non-compliance:
2 months	**1 month**

The certificate is then issued.

Potential certifiers are Control Union and Bureau Veritas.
Table 7: Potential certifiers in Cambodia

ControlUnion

N°28, Street 288, Sangkat Olympic, Chamkarmon, 12312 Phnom Penh
023 966 496
cambodia@controlunion.com
https://www.petersoncontrolunion.com/en

Bureau Veritas

#1186, St.371, Sangkat Steung Meanchey, Khan Meanchey, Phnom Penh, Cambodia.
017 555 638 / +85523 962 280
sreymarch.seng@vn.bureauveritas.com
dwijenayaka@controlunion.com
https://group.bureauveritas.com/

VI Logistics

Dried goods are subject to risks while being transported. The main ones are the development of fungus and the interference of humidity (aflatoxin).

To avoid the many pitfalls in logistics and get your products on the markets on the conditions agreed on, working with a good logistical operator is crucially important.

1 Transport/incoterms

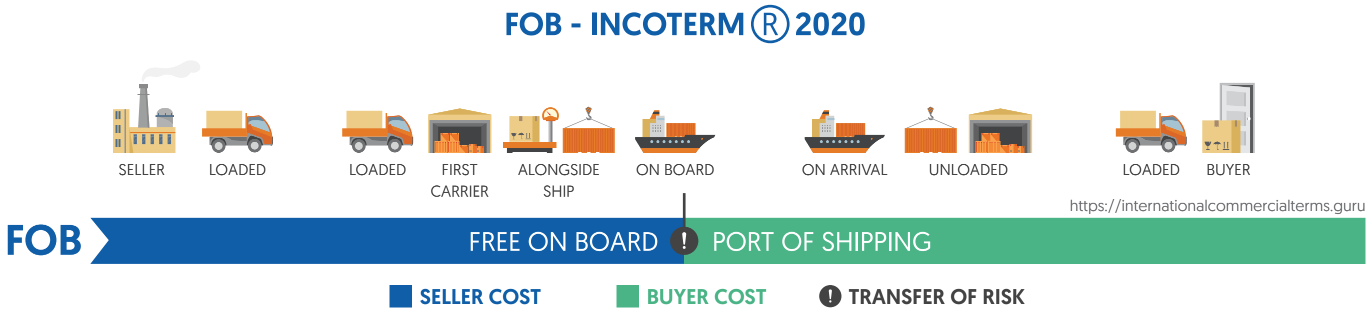
Incoterms (international commercial terms) are a codified set of standards and rules that govern the international transport of goods.

These rules define the distribution of costs, risks and import and export formalities between the seller and the buyer in the process of delivering the goods. It allows each party to make the necessary arrangements related to its obligations: insurance, costs (logistics, taxes...) and formalities (regulatory, customs...).

The most common incoterms are FOB and CIF.

- FOB/Free on Board. The seller must clear the goods through customs and deliver them on board a vessel designated by the buyer. The transfer of costs and risks takes place when the goods are on board the vessel at the port of departure.
- CIF/Cost Insurance and Freight. This incoterm requires the seller to conclude the contract of carriage on behalf of the buyer, but also to take out insurance on behalf of the buyer to cover the goods during the carriage. Thus, the goods are transported at the buyer's risk. According to this organisation, there is a gap between the transfer of the expenses which takes place at the port of arrival and the transfer of the risks which takes place at the port of departure.

It is frequently used because it allows the exporter to provide a complete solution (customs clearance, transport and insurance) without engaging its responsibility since it is the buyer who is responsible for the goods during transport.



Important

- CIF price is higher than FOB
- FOB or CIF is negotiated between the buyer and seller
- Factors to choose FOB or CIF include the relations between the producer and the shipping companies, geostrategic location etc.
- It is recommended for companies to have both prices ready (FOB and CIF) when beginning to negotiate with buyers. Price is indicated usually in container loads.
- Usually, importers in Europe are happy to take over shipments at big ports.
- Big ports include Rotterdam, Hamburg, and Antwerp in continental Europe, other ports in the Mediterranean (Valencia, Genoa).

2 Logistic

Do your research to identify the right logistics provider. Competitive pricing, good services, reliability and the ability to provide good insurance providers (if CIF) are parameters to look for. It is crucial that you familiarise yourself with some basic information before engaging with a potential buyer. How long does it take to ship to EU? What is the best route or port of destination for your target market? How about combined loads etc? Importers may have a lot of questions related to shipping options.

1. Do your research to identify the right logistics provider. Competitive pricing, good services, reliable, on time, and good insurance provider (if CIF) are parameters to look for
2. Before negotiating with your buyer, be sure to have FOB and CIF quotations ready. You may request these quotations from your logistics provider.
3. Negotiate with the buyer the terms of the shipment: products, volume, frequency of shipments, delivery time, testing, and payment. Importers often start with small orders (just a few pallets) as they want to run a trial first.
4. Usual payment instalment: 50% with all documents ready and product ready to ship, the other 50% when the product is sold.
5. Do your homework before negotiating with the buyer. Know the common length of the logistics process, how long does it take to produce one container load etc.
6. Understand the packaging. Good logistics depends on good packaging.
7. Arrange basic testing on anything relevant before shipping (MRLs, contaminants etc., organic if needed), to avoid liability issues and reinforce goodwill with the buyer.
8. Sign a contract with the buyer with payment and shipment terms.
9. Package the goods correctly (in compliance with EU law).
10. Send goods. You may have to track them. Be aware of when the product will arrive at the port of destination.

Interesting readings

- For information on the safe storage and transport of edible nuts and dried fruits go to the website of the Transport Information Service. https://www.tis-gdv.de/tis_e/ware/inhalt.htm/
- For more information on incoterms: https://www.velotrade.com/guides/what-is-incoterms2020/#:~:text=Incoterms%202020%20formally%20define%20the,listing%20import%20and%20export%20requirements.

3 Freight forwarding companies

Table 8: List of freight forwarding companies present in Cambodia

DHL	**DHL Express** 571, 575 Russian Federation Blvd. (110), Phnom Penh, Cambodia http://www.dhl.com.kh/
WORLDBRIDGE	**World Bridge Group of Companies** The Bridge level 38, Village, No 14 National Assembly Street, Phnom Penh, Cambodia https://www.worldbridge.com.kh/
DHL	**DHL Global Forwarding** 11th Floor, Heng Asia Building #22, Mao Tse Toung Boulevard (245), 12305, Cambodia http://www.dhl.com.kh/
Cam freight Delivery Solutions	**CFS Cam Freight Services Co., Ltd.** 313 Street, 85c Phnom Penh, 12152, Cambodia https://www.ups.com/kh/en/contact.page
ups	**UPS Express Cambodia** Camkocity R1, Camko Street Kongkeo Phos Village 2 Commune, Phnom Penh, Cambodia https://www.ups.com/kh/en/contact.page
MAERSK	**Maersk (Cambodia) Ltd.** No. 298, Mao Tse Toung (St. 245), Next to InterContinental Phnom Penh, Room 8A, Mao Tse Toung Boulevard (245), Phnom Penh, Cambodia http://www.maerskline.com/

SRVC Freight Services Cambodia Co., Ltd.

Tuol Kouk District Hall, Phnom Penh 12150, Cambodia

http://www.srv-cambodia.com/

DB Schenker (Cambodia) Limited

Ty Thai Heng Long Building, No. 78, 7th Floor, Mao Tse Toung Boulevard (245), Phnom Penh, Cambodia

http://www.dbschenker.com.kh/log-kh-en/company/contact_us.html

Swift Freight Logistics Limited

Plot 61, 570- St 331, Phnom Penh, Cambodia

https://www.swiftfreightlogistics.com/

CSKHA LINES CO., LTD.

2nd Floor, Kim Hap Bldg., #86EA2, Street 388, Sangkat Prey II, Toul Svay, Cambodia

http://www.heung-a.com

Endnotes

1 *Statista. Import value share of dried fruit worldwide in 2019, by leading country.*
2 *CBI. (2021). The European market potential for dried tropical fruit.*
3 *OEC. Dried fruits in Cambodia.*
4 *OEC. Tropical fruits in Cambodia.*
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6 *Wikipedia. Dried fruit.*
7 *Unece.org. 2020 Standard layout for UNECE standards on dry and dried produce*
8 *The full or a commonly used name should be indicated.*
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10 *The Phnom Penh Post. (2021). Kampong Speu mango cooperative to invest in treatment plant.*
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33 *IRI. (2017). 'on-the-go' consumers driving sales of snacks across Europe.*
34 *CBI. (2021). The European market potential for dried tropical fruit.*
35 *Innova Market Insights. (2020). COVID-19 drives prioritization of immune health.*
36 *Superfoods can be termed as food items that are superior to other food items when compared in their nutritional value. Even small portions of a superfood can supply abundant nutrition in form of nutrients, vitamins, minerals and proteins.*
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38 *CBI. (2021). Entering the European market for dried tropical fruit.*
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Exporting Dried Tropical Fruits from Cambodia to Europe