AIJN

European Fruit Juice Association

2014

Liquid Fruit

MARKET REPORT

Contents

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Introduction from the president

Welcome to the 2014 European Fruit Juice Association (AIJN) Market Report – and a special welcome to those new to our world of juice. This report is designed to be a brief current snapshot of our industry. Our aim is quite simple – to offer insight and an overview of our industry to European and national legislators, non-governmental institutions and all fellow stakeholders or interested parties in food and drink – wherever they are around the globe.

Worldwide, the food and beverage industry is increasingly in the spotlight of consumer legislation and media attention. Our juice industry is no exception. Transparency, accountability, and clarity have always been central to the way our members run their businesses and create and improve their products. Consumers are confronted with a plethora of food and drink choices on a daily basis, and with media messages which can conflict and confuse. As a result, our industry now increasingly needs to present and market its products so consumers can appropriately choose to include fruit juices as part of their healthy diets and, hopefully, physically-active lifestyles.

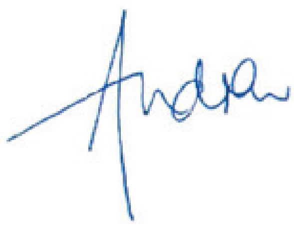
In 2013, the AIJN, along with the SGF and IFU, hosted its first main JUICE SUMMIT in Brussels – not for profit and organised for our industry by our industry. It was a resounding success-well attended by industry leaders and decision makers from all over the world. A resultant conclusion was a "wake-up call" for all of us to re-focus on the promotion of fruit juices - not just as individual companies but, as an industry as a whole. As this report confirms, average consumption of fruit juice and nectars has reached a plateau. In many mature markets it has declined markedly. Time for action.

During the Summit, there was much debate about how to deal with the increasing abundance of the so-called "negative press" which quickly circulates the world. Rather than attempt to respond to each media article as it emerges, it was determined that the AIJN should coordinate a Public Relations initiative. This campaign will highlight the positive aspects of fruit juice and the role it can play in a healthy lifestyle. In the USA the Juice Products Association has launched a similar campaign. We are not alone.

With the initial budget and encouraging support of Citrus BR to get started, the AIJN, with the help of marketing experts from our member companies, is preparing a professionally co-ordinated and sustained PR campaign. An initial three year commitment is envisaged. Additional co-funding will be needed from all levels in our supply chain as we roll out activities. Some actions are planned to kick-off this autumn. This initiative is exciting but overdue. A full update will be given at the JUICE SUMMIT 2014 in October.

Concurrently, we are continuing with two other key initiatives. Firstly, we continue to work with the FDOC and Brazilian Industry on a programme of research into health claims that can be made on citrus juices both in Europe and the USA. Secondly, we are also focussing on the Fruit Juice CSR Platform which has the objective to inspire and support juice companies to integrate corporate social responsibility in all stages in their supply chain no matter how large or small the business.

More information on the AIJN and our members can be found at the end of this report. We thank all of those who contribute their time to our Board and Committees. The AIJN and fellow EU National Associations are much under-valued assets for our members. With better funding and strategic commitment, I feel that all juice companies could achieve more by working together through their associations rather than individually. The moment to come together is now. Let's make this a priority. We look forward to welcoming you in Antwerp to the JUICE SUMMIT 2014 on October 15 and 16 – an efficient and unique forum to network and review, debate and shape the destiny of our important industry.



July 2014

AIJN President Andrew Biles

"The food and beverage industry is increasingly in the spotlight of consumer legislation and media attention. Our industry is no exception. Time for action."

The fruit juice industry: overall fruit juice consumption

Fruit juice and nectars consumption in the EU stood at just over 10 billion litres in 2013. If Turkey, Norway and Switzerland are included the total rises to approaching 11 billion litres, buoyed by strong growth in Turkey's nectars market. 100% juice accounted for approaching two-thirds of the EU fruit juice and nectars market total in 2013, equivalent to 6.5 billion litres.

On the global stage, the overall fruit juice and nectars market started to pick up momentum in 2013, recording a near 1% increase, to 38.9 billion litres. Higher growth was curtailed by sharp falls in East and West Europe's key fruit juice and nectars markets, Russia and Germany, undermined by cautious consumer spending and changes in consumption behaviour. With Russia and Germany ranking within the top four fruit juice and nectars markets globally, a steep contraction in their sales is felt strongly.

Trading conditions remain challenging

Trading conditions in 2013 remained difficult, in a climate of continuing economic instability across the region. Raw material and logistics price hikes served to push up average prices, leading many consumers to down-trade if the price points were too high for their budget. Overall EU fruit juice and nectars consumption declined by 4.2% in 2013. Few countries recorded any uplift in sales.

Changes in consumer behaviour

Whilst juice and nectars are in tune with the health and wellness trend, producers are having to contend with changing patterns in consumption behaviour. Perception of the 'naturalness' and functional benefits of juice consumption is increasing, but spending constraints have resulted in many consumers seeking out the most affordable option – be it a discounted juice brand, a Private Label juice or a nectar. Nectars have benefited in some countries from down-trading from 100% juice; price point taking precedence over juice content. Consumption occasions are also changing. Breakfast, which was once considered the most important meal of the day, in countries such as Germany and the UK, has fallen out of favour eroding what is a key consumption occasion for juice.

Quality vs quantity

A key trend in many of the major fruit juice and nectars markets has been a shift to consuming less in quantity, but better in quality. As a result volume and share of the chilled and NFC (not from concentrate) segments has been boosted at the expense of ambient, and continues to perform ahead of the overall fruit juice and nectars market. Many consumers appear to be prepared to pay for the 'naturalness' and functionality of a premium juice, whether it be for health reasons or indulgence. In addition, a high level of discounting in many markets has narrowed the price differential between chilled and ambient product, encouraging consumers to trade up to chilled and NFC juices. The increasing demand for quality over quantity is prompting many producers to invest in development of functional and value-added chilled juices targeted at specific consumer groups.

EU: Total fruit juice and nectars — Population: 510.1 million

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**11,272**	**11,115**	**10,809**	**10,459**	**10,017**	**-4.2%**
	Private label	**4,875**	**4,800**	**4,680**	**4,555**	**4,302**	**-5.6%**
	Branded	**6,397**	**6,315**	**6,129**	**5,904**	**5,715**	**-3.2%**
Fruit juice (100% juice content)							
Total fruit juice		7,230	7,191	7,018	6,780	6,470	-4.6%
	Private label	3,352	3,332	3,229	3,092	2,894	-6.4%
	Branded	3,877	3,858	3,789	3,688	3,576	-3.0%
Chilled		1,288	1,321	1,356	1,397	1,399	0.1%
Ambient		5,942	5,870	5,662	5,383	5,072	-5.8%
From concentrate		5,670	5,590	5,302	5,008	4,668	-6.8%
Not from concentrate		1,560	1,601	1,716	1,773	1,803	1.7%
Nectars (25-99% juice content)							
Total nectars		4,042	3,924	3,791	3,678	3,547	-3.6%
	Private label	1,522	1,468	1,451	1,463	1,408	-3.7%
	Branded	2,520	2,457	2,340	2,216	2,139	-3.4%

Largest EU FJN market by volume consumption, 2013

Country	Million litres
Germany	2,486
France	1,620
United Kingdom	1,277
Spain	985
Italy	726
Others	2,923
Total	10,017

Largest EU FJN market by per capita consumption, 2013

Country	Population (million)	Litres per person
Germany	81.1	30.7
Finland	5.3	28.3
Netherlands	16.8	27.8
Austria	8.5	25.0
France	66.0	24.6

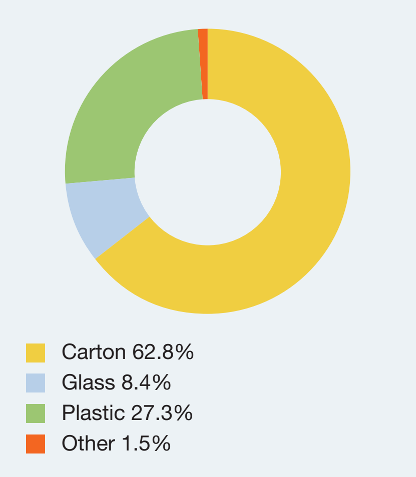
Largest FJN markets by volume consumption by region, 2013

Region	Million litres
North America	9,742
West Europe	9,163
Asia Pacific	8,151
East Europe	4,921
Africa & Mid East	3,514
Latin America	3,490
Total	38,980
EU 28	10,017

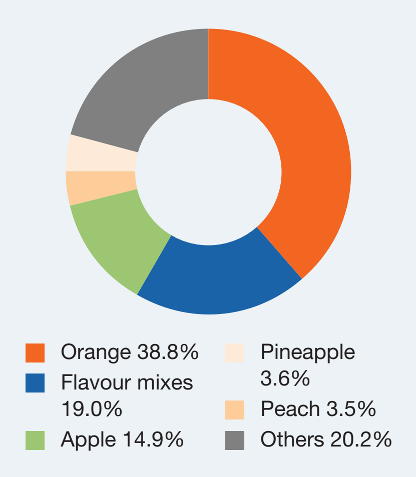
Largest FJN markets by per capita consumption by region, 2013

Country	Population (million)	Litres per person
North America	351.2	27.7
Asia Pacific	3,994.3	22.7
West Europe	417.1	22.0
EU28	510.1	19.6
East Europe	401.0	12.3
Africa & Mid East	1,309.2	7.5
Latin America	572.4	6.1

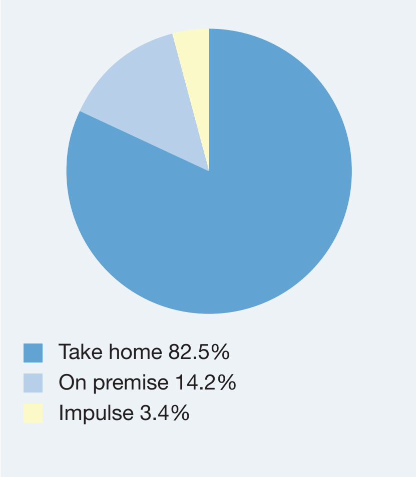
EU fruit juice and nectars by packaging



EU fruit juice and nectars by flavours



EU fruit juice and nectars by channel



European industry trends and segmentation

2013 saw the EU fruit juice and nectars market contract for a fifth consecutive year, with the rate of decline accelerating again to 4.2%. Volatility in juice concentrate costs and the ensuing price pressures, along with still weak macroeconomic indicators and the stringent government austerity measures being meted out in many markets made for a tough trading environment. Nectars continued its recent track record of a 3-4% drop, while fruit juice fell by 4.6%.

Segmentation and flavour profile

These overall results, however, disguise some healthy internal dynamics in the fruit juice and nectars market. The rising cost of from concentrate (FC) raw material has served to diminish the price differential with not from concentrate juice (NFC). As a result the market is seeing increasing polarisation in consumption trends, with NFC making gains at the expense of FC product. In 2013 EU NFC fruit juice registered a 1.7% increase on 2012, vs a 6.8% fall in FC. Chilled juice also continued to outperform ambient, albeit less strongly than in 2011 and 2012, due to a reduction in promotional pricing activity.

Orange continues to head up the flavour profile of the combined fruit juice and nectars market, followed at a distance by flavour mixes. The share of flavour mixes is edging up in both the fruit juice and nectars categories. Producers and retailers are increasingly innovating with mixed fruits to respond to consumer demand for the functional benefits these combinations offer. Multi-flavours also allow the producer more room to manage raw material costs and differentiate their products from the competition. Apple ranks third overall, frequently benefitting from its local heritage, for example in markets such as Austria, Germany, France and Poland. The inclusion of peach and pineapple within the top five flavours is primarily due to the traditional propensity for these flavours on the Spanish market.

Brands outperform Private Label

2013 saw a reversal in trend with the decline in Private Label exceeding the fruit juice/nectars market average, while brands held up better. Private Label in many markets has found it harder to balance volume and the need to sustain margins with the hikes in juice concentrate prices than the brands. Promotional offers of branded products in modern retail at very competitive prices continued to be highly visible across the region, encouraging consumers to trade up to more premium product.

Channel profile

The distribution profile for fruit juice and nectars is heavily weighted to at home consumption due to the role of modern retail. Approaching three-quarters of purchases are made via large modern retail outlets and discount stores. The share of fruit juice and nectars sold through on-premise has been eroded since the start of the economic downturn in 2008, by the severity of the fall in footfall in key Horeca markets such as Italy, Spain and the UK.

Country Ranking

Over 70% of the EU fruit juice and nectars market is represented by just five markets. Germany tops the ranking accounting for one-quarter of consumption. France, the UK, Spain and Italy follow, together accounting for a further 46%. In terms of per capita consumption, however, Germany remains the highest consuming market. If Norway is included, the ranking changes: Norway overtook Germany in 2012, driven by growing consumer interest in healthy beverages and significant innovation in chilled juices.

A focus on EU sourcing

The world is now, reportedly, a smaller place. Physically it has the same dimensions, but technology and logistics have conspired to shrink it. It is now very possible to experience the sights, tastes and smells of the unfamiliar at the click of a mouse. Travel, once an indulgence of the few, has become the expectation of the many. And, if travel broadens the mind, it also tickles the taste buds and encourages each of us to try something new. Having done so, we relive our adventures through the foods we eat and the drinks we enjoy.

But the foods and drinks we consume can also reinforce our connection to our own homes and regions, to our own terroir. The quality and provenance of local ingredients and the output of our European neighbours resonate just as strongly with us as the exoticism of passionfruit from Ecuador, pineapples from Costa Rica or mangoes from India. Juice processors put the extraordinary and unusual within arm's reach. They also offer us the very best of what they find close at hand.

This industry is, therefore, as much about home-grown as it is about international stories. It is as accurate to define the fruit juice industry in terms of local sourcing, intra-EU trade and support for EU agriculture and farmers as it is to emphasise its trans-continental reach. Picked fresh, processed caringly and packed quickly there are many fruity ingredients that never take to the air or the high seas before being drunk in the households and restaurants and on the streets of Europe.

Take orange juice. Granted, in any given year, seven eighths of the orange juice consumed by EU citizens has been sourced from outside its borders. However, that still leaves regional supply of around 500 million litres, much of it the premium quality NFC for which demand is growing. In this category, EU sourced ingredients account for the greater part of consumption. 60% of this comes from Spain, where the proceeds of agricultural cultivation sustain the economies of a number of regions, as vital a source of income today as in days gone by. Italy and Greece are also prominent, while Portuguese oranges are frequently processed in Spanish facilities.

The climate of the Southern EU may favour citrus fruits, but the North and Centre are home to many varieties of the Rosaceae – apples, pears, plums, strawberries and raspberries.

> Picked fresh, processed caringly and packed quickly, there are many fruity ingredients that never take to the air or the high seas before being drunk in the households and restaurants and on the streets of Europe.

Some of this genus is still more commonly found in the Southern EU – peaches, apricots and cherries. Vitaceae (grapes) while they are more prolific in the South can also be found continent-wide. Sunshine is essential, yet as many fruit crops are grown in the North of the continent as in the South.

So just how much fruit is grown in the EU? If we take 16 crops, the answer is just over 74 million tonnes. This includes grapes grown for wine and all tomatoes. Removing these two takes the total down to around 34.4 million tonnes across 15 crops, with table grapes still included. Add in some imports and take away some exports and the total for these 15 crops sits at just shy of 35 million tonnes. Of course, most of this is consumed as fresh fruit – more than 80% – but this leaves more than 6 million tonnes available for further processing and of this a little over one quarter or 1.46 million tonnes is processed into juice. Tomato juice raises this total to nearer 1.6 million tonnes.

What are these **16 crops**? Aside from tomatoes and grapes they are apples and pears, peaches (including nectarines) and apricots, cherries, strawberries, raspberries, blackcurrants and other berries and currants, lemons (including limes), grapefruit (including pomelos), oranges, other (easy peeler) citrus such as mandarins, tangerines and clementines and plums. So, around twenty or so varieties of fruit.

Top production countries

Excluding tomatoes, Italy takes the largest share of output at an estimated 30%, ahead of Spain at 23%. Each produces all of the specified crops and they frequently rank as the top two. By virtue of its importance to the EU apple market, Poland ranks third with 10% of output ahead of France on 9% with Greece completing

Production countries

	1st	2nd	3rd
Apples	Poland	Italy	FRA
Pears	Italy	Spain	Belgium
Peaches	Italy	Spain	Greece
Apricots	Italy	France	Spain
Cherries	Poland	Italy	Spain
Plums	Romania	France	Italy
Strawberries	Spain	Poland	Germany
Raspberries	Poland	UK	Spain
Blackcurrants	Poland	UK	Germany
Lemons	Spain	Italy	Greece
Grapefruit	Spain	-	-
Oranges	Spain	Italy	Greece
Table Grapes	Italy	Spain	Greece

Fruit production (Unit is '000 tonnes except Liquid (Million Litres))

	Production	Imports	Domestic Consumption	Exports	For Processing	Liquid
Apples/pears						
Apples	11,100	750	7,200	1,500	3,150	400
Pears	2,250	350	2,025	375	200	60
Stone fruits						
Peaches (inc Nectarines)	3,710	40	3,195	375	180	45
Apricots	520	30	415	45	90	30
Cherries	655	45	455	30	215	45
Plums	1,600	50	1,400	30	220	113
Citrus fruits						
Lemon (inc Limes)	1,370	400	1,400	100	270	15
Grapefruit (inc Pomelos)	120	325	405	20	20	5
Oranges	6,600	700	5,600	400	1,300	500
Other citrus (Mands/Tangs/Clems)	3,000	320	2,565	405	350	50

the Top 5 with an 8% share. Around 80% of EU production across these 15 crops (excluding tomatoes and including only table grapes) comes from these five countries. Romania (apples and plums), Germany (apples) and the Netherlands (apples and pears) take 5%, 4% and 3% respectively taking the Top 8 aggregate beyond 90%.

> Around 80% of EU production across these 15 crops comes from Italy, Spain, Poland, France and Greece.

For 14 of 15 varieties, Italy, Spain or Poland is the leading source, with Romania leading for plums. Italy is the leading source in stone fruits – peaches (and nectarines) and apricots – as well as pears and table grapes. Spain leads for each citrus variety – lemons (and limes), oranges, grapefruit (and pomelos) and other citrus – as well as strawberries, while Poland leads for the raspberries, blackcurrants, cherries, berries and currants categories (except strawberries) as well as apples.

The UK is second-ranked for raspberries and blackcurrants, Germany third-ranked for strawberries and blackcurrants. Scandinavia is the second-most important source of other berries and currants, Belgium the third-ranked source of pears.

Poland leads apple production

The biggest harvest, aside from grapes (for wine) and tomatoes, is for **apples**, which is estimated to be around 11.1 mln tonnes in 2013. Adding in imports takes availability closer to 12 million tonnes, of which around 60% is consumed within the EU as fresh fruit. Another 13% is exported, leaving more than 3 mln tonnes for processing. The market for NFC single-strength apple juice in Europe is thought to total around 400 mln litres, Germany accounting for around two thirds. This total does not include another 400,000 tonnes of apple juice concentrate (AJC) which is made annually in Europe and accounts for much of the remainder of the harvest made available for processing. The leading producers of apples are Poland (29%), Italy (19%), Spain (14%) and Germany (10%).

Poland has long been a primary provider of AJC and has grown in importance as Chinese prices have risen and the quality of Polish AJC has become more widely known. EU AJC has a higher acidity, making it more versatile, not to say essential, for products with 100% or high apple juice content. Poland accounts for more than 50% of all AJC produced in the EU. Other important sources of AJC include Italy at around 12% to 13%, Hungary (10%), France and Spain at 7.5% each and Germany at about 4%. Close to the borders of the EU, Turkey, Ukraine, Moldova and Russia produce around 230,000 tonnes of AJC, roughly equivalent to Polish output, per year.

Italy leads pear production

Pears like apples have seen a significant proportion of output diverted to the cider category, which has recently grown strongly in a number of EU markets. The belief remains that ciders may also appeal to younger consumers in those Eastern European markets where beer consumption has long been the tradition. Increased production has also found its way into the juice and nectar category, commonly as a component in a blend rather than as a mono-flavour. It is a popular flavour in the Low Countries and pears are increasingly being used in salads, snacks and cooking.

The leading source markets are Italy (35%) and Spain (19%), but a top six completed by the Netherlands (12%), Belgium (11%), France and Portugal (7% each) tales around 90% of an

output of 2.25 mln tonnes annually, enhanced to 2.6 mln tonnes by imports. Well over three quarters of this is consumed fresh, around 14% is exported, leaving 200,000 tonnes and more available for processing in any given year. In 2013, an estimated 60 mln litres of pear juice was pressed, perhaps 30% then sold as single strength or purées.

Stone Fruits production in EU

Peaches (and nectarines) are primarily grown in two markets. Italy is the global number two behind China, Spain ranks fourth behind the USA. Between them, these two markets account for more than three quarters of EU output, with Greece (13%) and France (7%) completing the regional Top 4. Amongst others can be found Hungary, Portugal and Bulgaria at around 1% each. In Italy and Spain, most peaches and nectarines are consumed fresh, while in Greece the 'clingstone' varieties are destined for processing.

The EU is a net exporter and imports only a fraction of the peaches (and nectarines) it consumes, of which 85% are eaten fresh. The crop is more vulnerable than others, with output more volatile, because most of the growing regions lie in a meteorological band prone to hail, which can severely damage the crop. With only around 180,000 tonnes available for processing in any one year, only around one half is processed into liquid and purées, almost all of which is concentrate.

Apricots are grown in a limited number of localities – Italy, France, Spain and Greece – and are particularly at the mercy of the vagaries of the weather. A 2013 estimate of 520,000 tonnes output is an average of the 2012 and 2013 seasons, with 2013 output down as much as 28% according to some estimates, falling more than 40% in Greece and by more than one third in Italy. Imports will have made up the difference to provide for domestic consumption of around 415,000 tonnes. Some output may well be exported, in spite of the supply issues, leaving less than 100,000 tonnes available for processing. Of this, roughly one third will be processed into liquid and purées.

Cherries are grown in many EU countries, from as far north as Norway all the way down to Greece. Poland, Italy and Spain are the principal sources, Germany ranks fourth, with cherries also an important crop across South Eastern Europe, notably in Serbia, not yet an EU member. Sweet cherries are usually consumed fresh and are often considered seasonal, with sour cherries destined for processing, much of the output destined for the spirits industry. Production of around 650,000 tonnes rises to 700,000 with imports – chiefly from Turkey – with around two thirds consumed fresh and only 4% to 5% exported, leaving north of 200,000 tonnes available for processing. In any given year around one fifth becomes juice concentrate.

The triopoly of Italy, Spain and Poland is broken by Romania for the **plum** crop, with France second and Italy ranked third. As with cherries a significant proportion of that available for processing finds its way to the spirits industry, particularly in central and South Eastern Europe. 1.4 mln tonnes are consumed fresh out of a total of 1.65 mln tonnes (including minimal imports). Exports are small and plum juice, much of it in concentrate form, accounts for roughly half of all the output available for processing. In France, a significant proportion becomes prunes.

Berries sourcing in EU

Strawberries are a perhaps surprisingly plentiful crop in the EU, with 1.1 mln tonnes grown and another 200,000 tonnes imported. 85% and more is consumed fresh. The leading sources are Spain (34%) and Poland (16%), but Germany is not far behind (15%) and Italy accounts for another 14%. Strawberries are grown in season in almost all EU countries and consumed fresh in the summer months, with citizens not permitting too many to escape beyond the EU's borders – total exports are just 25,000 tonnes, around 2% of output.

Around 14% of output is available for processing, but only about 10% of this becomes liquid. Most goes into jams and preserves and baking.

Even fewer **raspberries** make it across the borders of the EU, just

5,000 tonnes or 3% of output is exported. 165,000 tonnes are harvested, more than half in Poland, around one eighth in the UK and half that in Spain. Raspberries and loganberries, while appearing delicate, are a crop capable of being grown farther North than many and Scotland and Scandinavia are significant growing regions.

Raspberries are one of the few varieties of fruit in which domestic consumption as fresh is not met by EU output and imports total around 55,000 tonnes. This leaves around 25,000 tonnes available for processing, much of which goes the way of strawberries into jams and preserves and baking, but a third or so, 8,000 tonnes, is made available as liquid, sold primarily as a concentrate to flavour blends. Some, of course, finds its way into mildly alcoholic crème de cassis and often accompanies champagne in a Kir Royal.

"With domestic consumption as fresh upwards of 80% of output, it follows that the fruit made available for further processing is commonly either a surplus or not of sufficient commercial quality."

Around 150,000 tonnes of **blackcurrants** are grown each year in the EU, roughly two thirds in Poland. With only half consumed fresh and one sixth exported, 60,000 tonnes are available for processing and nearly two thirds of these – the highest proportion for any fruit – are then processed into liquid concentrate.

Blackcurrant is a leading flavour choice in squashes and syrups, Ribena the flagship brand. All of its blackcurrants are sourced from a small number of growers in the UK. Although the brand has now changed hands, passing from GSK to Suntory, sourcing is not likely to reorient. With more than 150 varieties to choose from, many originating in Scotland, ten are used and the currants are usually pressed within 24 hours of being picked. For freshness, that's difficult to beat! Most are sourced in either Kent or Norfolk. For transport, tankers, yes, but with wheels rather than propellers.

As well as currants, many berries are also grown in the EU. A total is difficult to quantify, but it is thought to be in the order of 65,000 tonnes with another 20,000 tonnes imported and 10,000 tonnes exported. Of the 75,000 tonnes balance, two thirds is consumed fresh, with 50% of the remainder processed into liquid. Once again this is invariably used as a component flavour in blends bringing an element of sweetness or sourness, depending on the variety, to a wide range of juices and smoothies. Poland is again prominent, but Scandinavia is also renowned for its berries and currants, many used in cuisine, while these fruits are also popular in the UK.

Citrus EU production

When it comes to the citrus crops, Spain is the leading grower of each. It takes about 50% of orange, lemon and grapefruit output and two thirds of easy peelers (mandarins, tangerines and clementines). All told, about 11 mln tonnes of citrus is grown in the EU every year and more than 6 mln tonnes is harvested in Spain. 30% comes from Italy and 11% from Greece. About 250,000 tonnes is sourced in Portugal and the same volume comes from Cyprus.

Imports take total citrus fruit available to nearly 13 mln tonnes, of which nearly 10 mln tonnes is consumed fresh and approaching 1 mln tonnes is exported beyond the EU's borders, leaving just under 2 mln tonnes available for processing. Around 600 mln litres is processed as liquid, primarily NFC, with all but about 12% of this orange juice.

The vine fruits – grapes and tomatoes

Grapes are a confusing category. **Table grapes** are grown and Italy is a leading supplier ahead of Spain and Greece, taking 70% of EU output. This excludes all grapes intended for wine, which totals more than 24 mln tonnes in any one year. Domestic consumption is well in excess of output and so well over 500,000 tonnes of table grapes are imported and around 120,000 tonnes are exported, leaving the amount available for further processing at zero! However, grape juice concentrate and grape must (GJC) is produced by a number of specialists in Italy and Spain. Where does it come from? Well, for the most part, it comes from those 'ingredients' of the grape harvest not used in making wine. So there is a liquid concentrate demand, estimated at around 125 mln litres in any one year but it is, unusually, a by-product of the wider wine/grape industry rather than an intended use for the grapes that are grown.

Tomatoes are, after wine grapes, the second largest harvest in the EU and commonly see annual output approaching 16 mln tonnes of which around 43% is consumed fresh. So tomatoes, almost uniquely, are a crop primarily grown for processing – once again across the Mediterranean – although the great majority of those available for processing still find their way into cans, either diced, peeled or just skinned or as concentrated paste. Only around 100 mln litres or so end up as liquids.

Consumers love it 'fresh'

This should also be borne in mind when thinking of the destiny of individual fruits and crops. With domestic consumption as fresh upwards of 80% of output, it follows that the fruit made available for further processing is commonly either a surplus or not of sufficient commercial (read aesthetic) quality. So it can be said that few crops are grown specifically for liquids/juice but all are welcomed in such form by consumers who are fully aware of the benefits of fruit being made available in all its forms.

The fruit juice industry is thus one of the leading users of the annual fruit bounty delivered by thousands of growers to consumers and industrial processors alike. It not only takes a significant proportion of what is available, but it also supports concentrate processing businesses in many EU countries, a significant number in the newer member states.

Increasingly, peaches from Piedmont, cherries from Extremadura and apricots from the Languedoc are to be found alongside the passionfruit from Ecuador, the pineapples from Costa Rica and the mangoes from India in exciting blends that take the best of near and far, support the wellness and enrich the imaginations of all the EU's many millions of citizens and consumers. Not so much multi-culturalism as muli-cultivationism. The weather plays its part in determining good and not so good harvests but, rain or shine, juice gives a taste of a tropical or a weaker European sun all the year around, with no compromise on either flavour or naturality.

Health aspects of juice consumption

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Fruit and vegetable juices provide a wide range of micronutrients that fit well in a healthy diet. However, they also contain intrinsic sugars. In recent years, sugars – those naturally occurring as well as added – have been under scrutiny with regard to their potential contribution to overweight and obesity, with beverages receiving significant focus, primarily when consumed in large quantities. The body of scientific evidence on this issue of beverages and overweight and obesity is inconsistent and contradictory. More work needs to be done in order to reach clear conclusions. However, survey data does demonstrate that consumers who drink 100% fruit juice in moderation have healthier lifestyle habits and more positive health outcomes.

Vitamins, minerals, and other beneficial micronutrients

Like whole fruits and vegetables, juices are rich in potassium, magnesium, folate, vitamin A and vitamin C. In a study which compared individuals who consumed juice (100% from fruit) to those who did not, it was found that juice consumers have a more adequate nutrient intake[1]. Juices also contain other bio-available plant components, such as polyphenols; compounds that have strong antioxidant and anti-inflammatory activity. Even dietary fiber can be part of a juice. Due to its high vitamin C levels, juice consumption contributes to the normal functioning of the immune system and helps increase iron absorption. Overall, juices provide an easy-to-consume beverage with a broad variety of beneficial components, naturally derived from fruit, especially when compared to soft drinks.

Juices and obesity

Despite the evidence that juices contribute to a healthy diet, some have suggested that the sugars in juice, especially fructose-containing sugars, play a causal role in the growing obesity and diabetes type 2 epidemics. Much like their whole fruit and vegetable counterparts, 100% juices contain similar concentrations of micronutrients and total carbohydrates, but the sugar content per portion is higher. The question remains, therefore, whether juice consumption does in fact affect individual weight and related chronic diseases[2]. Although some data suggests that sugar-sweetened beverages are associated with greater body weight, there is no data which links a role of juice consumption to weight gain. One reason may be that frequent 100% juice consumers appear to have a healthier lifestyle, i.e. also consume more whole grain foods, exercise more and smoke less. A recent review indicates that overall energy intake and expenditure seems much more important to consider in terms of weight gain, than a particular macronutrient, food or beverage type[3].

Misconceptions about sugars in juices

Media reports about sugars in juices have labeled the sweet compounds as toxic. Basic principles of toxicology, however, advocate that overconsumption of any nutrient, even water, may prompt adverse effects to health. It is therefore important to understand at what dose sugars from juices cause harmful metabolic effects. In the US, 95% of individuals consume less than 19.5% of fructose as part of their total energy intake[4]. In Europe this figure appears to be lower. Most studies showing adverse effects of pure fructose have been done with dosages substantially higher than this level. Moreover, in real life we very seldom consume pure fructose and many of the effects seen in "isolated fructose studies" are not being present when consumed together with glucose as present in sugar of HFCS[3].

Very recent findings give additional strong support for this observation. Tsilas et al (June 2014)[10] presented data from a meta analysis of 7 prospective cohort studies in which they tested the hypothesis from ecological studies that fructose containing sugars (fructose, sucrose, HFCS) contribute to the etiology of type 2 diabetes. It was concluded that there is no such an effect. In addition, Cozma et al (June 2014)[11] presented data from a systematic review and meta-analysis of controlled dietary trials showing that when fructose is isocalorically exchanged for another carbohydrate, the impairment seen with fructose supplementation in excess, hypercaloric diets, is likely more attributable to excess energy, than fructose.

Finalizing considerations

A surplus of unbalanced reports on the topic of health aspects of juice consumption have appeared in the media. When looking at evidence regarding juice consumption, as described in recent peer-reviewed research papers, moderate juice consumption appears to be beneficial for health. While fruit juice does contain naturally occurring sugars, 100% fruit juice is also rich in nutrients and healthful compounds. Although scientific findings suggest that excessive caloric intake from any source, including sugar, can contribute to weight gain and related health outcomes, any statement which says that the consumption of juices contributes to the global obesity epidemic is not supported by scientific consensus. The juice industry, however, should pay more attention to the nutritional aspects of consuming a regular, moderate quantity of juice. Fruit and vegetable juices can be considered as a means of encouraging adequate hydration along with water[5].

Scientific data shows that 100% juice contains no added sugars, and at present, no causal relationship between being overweight and juice consumption has been proven[6,7]. Drinking 100% fruit juice is associated with a more nutritious diet overall, including a reduced intake of dietary fat, saturated fat and added sugars[8,9].

1 O'Neil CE, Nicklas TA, Zanovec M, Kleinman RE, Fulgoni VL. Fruit juice consumption is associated with improved nutrient adequacy in children and adolescents: the National Health and Nutrition Examination Survey (NHANES) 2003–2006. Public health nutrition. 2012;15(10):1871-8.

2 Xi B, Li S, Liu Z, Tian H, Yin X, Huai P, et al. Intake of Fruit Juice and Incidence of Type 2 Diabetes: A Systematic Review and Meta-Analysis. PloS one. 2014;9(3):e93471.

3 van Buul VJ, Tappy L, Brouns FJ. Misconceptions about fructose-containing sugars and their role in the obesity epidemic. Nutrition research reviews. 2014:1-12.

4 Vos MB, Kimmons JE, Gillespie C, Welsh J, Blanck HM. Dietary fructose consumption among US children and adults: the Third National Health and Nutrition Examination Survey. Medscape J Med. 2008;10(7):160.

5 WICProgram. Preventing childhood obesity - Limiting Juice Intake 2010. Available from: http://www.nal.usda.gov/wicworks/Sharing_Center/MD/2010/2Obesity/2dChildObesityLimitingJuice.pdf.

6 O'Neil CE, Nicklas TA. A review of the relationship between 100% fruit juice consumption and weight in children and adolescents. American Journal of Lifestyle Medicine. 2008;2(4):315-54.

7 Pereira MA, Fulgoni III VL. Consumption of 100% fruit juice and risk of obesity and metabolic syndrome: findings from the national health and nutrition examination survey 1999–2004. Journal of the American College of Nutrition. 2010;29(6):625-9.

8 Nicklas TA, O'Neil CE, Kleinman R. Association between 100% juice consumption and nutrient intake and weight of children aged 2 to 11 years. Archives of pediatrics & adolescent medicine. 2008;162(6):557-65.

9 Nicklas T, O'Neil C, Kleinman R. The relationship among 100% juice consumption, nutrient intake, and weight of adolescents 12 to 18 years. Am J Health Prom. 2010;24(4):231-237

10 Tsilas C, I. Sievenpiper L, et al. et al. No relation between total sugars intake and incident diabetes: A systematic review and meta-analysis of cohorts. 2nd intl Symposium on Diabetes and Nutrition, June 25-27, DNSG, Reykjavik, Iceland. Book of abstracts, page 18; 0-02-12

11 Cozma A. Sievenpiper L, et al. Effect of Fructose on Whole-Body Insulin Sensitivity: A Systematic Review and Meta-Analysis of Controlled Dietary Trials. 2nd intl Symposium on Diabetes and Nutrition , June 25-27, DNSG, Reykjavik, Iceland. Book of abstracts, page 18; 0-02-12

Roll out of the fruit juice CSR platform

The European Fruit Juice Industry, represented by AIJN, is committed to taking on the responsibility for ensuring that its operations positively impact society and the environment as a whole.

To enhance its activities in the field of sustainability, AIJN joined the Fruit Juice CSR Platform together with its partners (IDH – Sustainable Trade Initiative, UTZ Certified, Sociability and AZTI Tecnalia). The aim of the project is to inspire and support the European fruit juice industry to integrate corporate social responsibility (CSR) in its smaller as well as larger business.

The need for a sector-wide approach is becoming more and more apparent, as the European Commission strives to ensure that companies abide by its CSR strategy, which it believes is becoming increasingly important to the competitiveness of companies and to society as a whole. Due to this, the Fruit Juice CSR Platform was one of the few project proposals selected to receive funding from the European Commission.

The European Commission would like to see CSR applied in the daily operations of all companies. Poor performance in CSR not only carries negative effects on the environment and the workers involved, but reflects poorly on the image of the industry as a whole.

Leaders in the CSR field include Coca-Cola Hellenic, with initiatives such as the 2012 Danube Day, where the public in 11 countries was encouraged to get active with initiatives such as riverbank clean-up activities, a wetlands restoration project, and study tours of nature parks and wildlife reserves.

Innocent's sustainable sourcing approach is another great example of CSR in the fruit juice industry. Innocent sources from all types of farms, including ones from the Amazon rainforest area and has developed three principles that help in sourcing responsibly: initial due diligence concerning the ways in which fruits are grown and processed, compliance with ambitious and stretching social and environmental standards, and purchasing solely from independently certified sources.

Hans Zipperle AG also has a rigorous CSR environmental policy in place. In order to reduce costs, but to include ecological considerations as well, they started disposing of organic residue from fruit processing by drying it and using it to generate energy.

Although CSR is most often associated with environmental awareness, it goes beyond that and also incorporates social and economic aspects. An example of CSR in a social sphere is AMC Group's work with several universities. AMC Group engages students with a technical profile in their last years at college as trainees. This gives the students valuable insight into the industry as well as an opportunity to start building their careers within the food industry.

Due to its commitment and belief in CSR, but also due to the significance which both the EU and the consumer place on it, AIJN will seek to continue working on the CSR Platform. It has already developed a CSR website (www.juicecsr.eu), created a monthly CSR newsletter for key contacts and stakeholders, and successfully organised a first set of best practice exchange workshops on CSR in the fruit juice sector in Poland and in Spain. Our goal is to enable and inspire CSR for all businesses across the sector regardless of size.

To date, members of the Fruit Juice CSR Platform are: CitrusBR, Coca-Cola, Refresco Gerber, Firmenich, Friesland Campina, AMC Group, Rynkeby and Tetra Pak. AIJN is always looking for additional participants who are interested in joining the platform. To get involved, please e-mail us at: hello@juicecsr.eu for further information.

[1] "A renewed EU strategy 2011-14 for Corporate Social Responsibility", COM(2011) 681 final
[2] "The Coca-Cola Hellenic Magazine: Journey", Vol. 9, No. 2, August 2012
[3] Hans Zipperle AG, "Zipperle: Environmental Statement"

Conclusions and Outlook

With economic recovery in Europe fragile, unemployment still rife and austerity policies remaining in play in many markets, the EU fruit juice and nectars market is forecast to contract by 2.9% in 2014. The rate of decline is expected to continue to decelerate through 2015, with the market stabilising by 2018. By 2019, the EU fruit juice and nectars market is predicted to be 9.4 billion litres. Over the intervening years to 2019, while Germany and Norway are forecast to maintain the highest per capita consumers, the strongest increases are expected in the Baltics, Croatia and Slovenia, fuelled by rising consumer disposable income levels and growing interest in health and well-being.

Volume vs Value

Producers and retailers have been employing a range of strategies in order to negotiate the difficult choice between volume and margin growth. Rising commodity costs and logistical overheads are squeezing producer margins, but in a climate of still cautious consumer spending the management of consumer prices is paramount. Product reformulation, range rationalisation and pack downsizing whilst maintaining price point have all been witnessed. A high level of promotional pricing, although lower than 2012 as producers curbed activities in order to protect their margins, continued to characterise the fruit juice and nectars market in 2013. The main victims of these strategies were the B-brands, which found themselves under siege from brand discounting on one side and Private Label on the other.

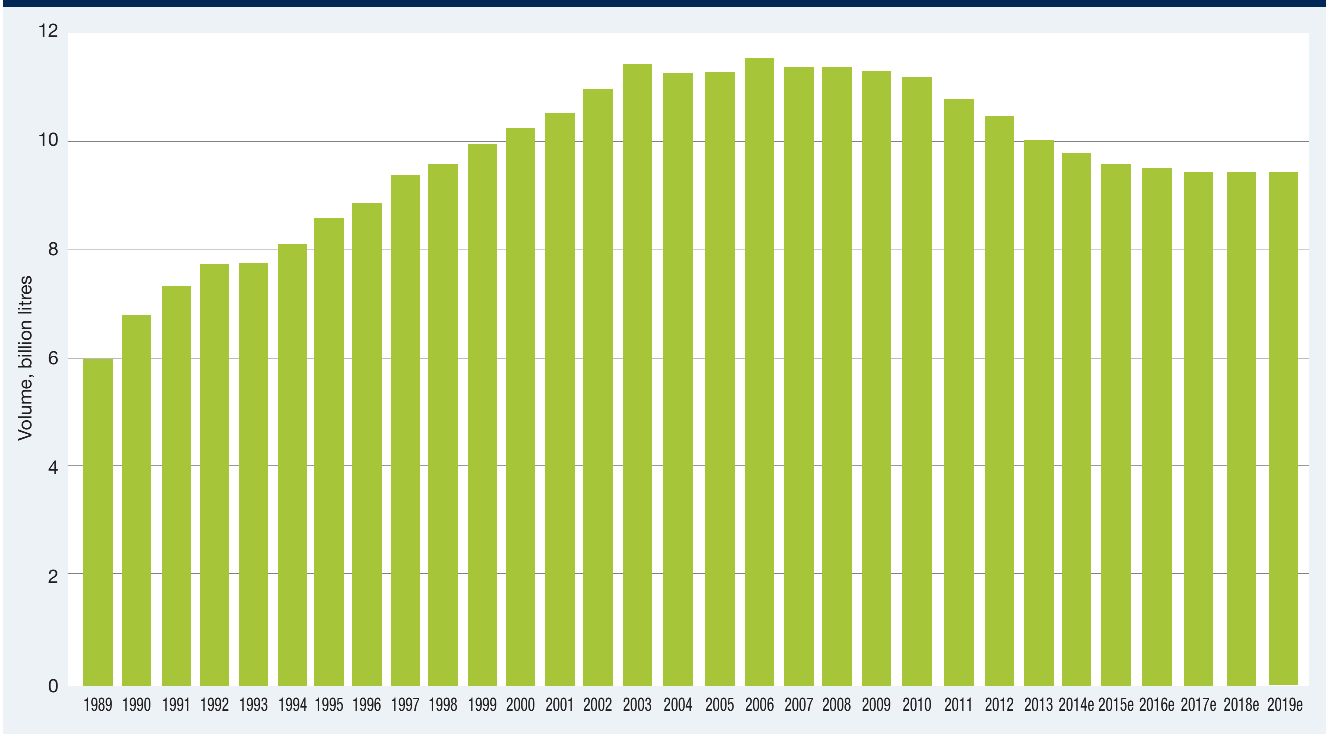
After a return to value growth in 2012, both EU fruit juice and nectars volume and value fell in 2013. The drop in value was however less pronounced than in volume, supported by the growing shift from ambient to chilled and NFC juice in many high volume markets.

Globally the EU represented just over one-quarter of juice and nectars consumption in 2013. By 2019, this share is expected to have shrunk to around one-fifth, as demand and population growth in emerging markets alters the global fruit juice and nectars vista. Consumption in Asia is expected to overtake the EU by 2017. In value terms, the EU represents 25% of global fruit juice and nectars, exceeded only by North America (34%); a reflection of the higher price per litre in these regions.

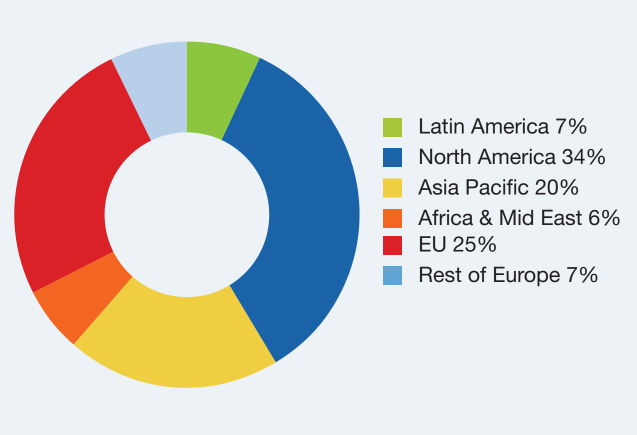
The 'natural' appeal...

The rising growth in chilled and NFC fruit juice and nectars underlines the growing propensity of consumers for 'natural' and high quality products – and the trend to premiumisation in higher volume markets. The fruit juice and nectars market offers

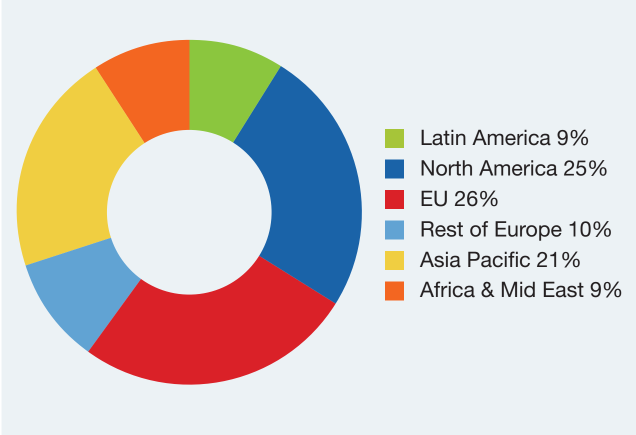
Total EU fruit juice and nectar consumption 1989-2019e



Juice and nectars – value share (total value 94.3 billion EUR)



Juice and nectars – volume share (total volume 38.9 billion litres)



significant opportunities for value growth through investment in development of value-added products with a targeted consumer positioning, emphasising their 'natural' and healthy functionality. Transparency of origin (organic, Fair Trade) and provenance are ticking the sustainability and ethics boxes, offering further potential for premiumisation. Increasing sophistication in consumer taste can be seen in the interest being generated by cold-pressed juices.

Flavour innovation is expected to continue to focus around flavour mixes. 2014 has already seen a plethora of dual and triple mixed flavours, featuring exotic or fruit/vegetable or berry components. Further activity in exploiting the 'naturally healthy' attributes of coconut water is also anticipated in 2014.

...offers promising growth prospects

2014 will undeniably bring its challenges in the form of continued volatility in juice concentrate prices, economic uncertainty still rife in many markets, and the ongoing sugar debate being thrashed out by governments and the media on the effects of natural and hidden sugars on health. But with ongoing investment in innovation and communication to raise awareness of the functional benefits of juice consumption, the future for fruit juice and nectars looks promising. Lifestyle changes including 'on the go' consumption and consumer nutritional requirements in countries with an aging population base, will continue to offer increasing potential for new juice blends and pack formats to address different drinking occasions and individual needs.

Austria

Population: **8.5 million**

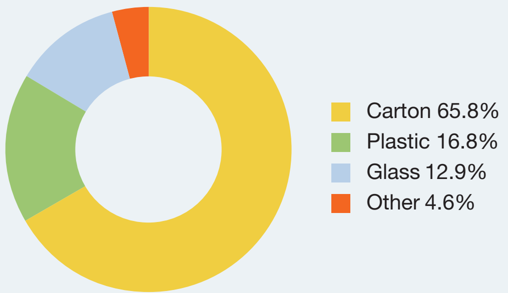
Juice consumption has been falling since 2007, largely due to the high price positioning of 100% juice products which has led lower income consumers, in particular, to reduce their consumption of packaged juice. The decline is however forecast to slow, with juice benefiting from the predicted rise in real wages. Whilst ambient FC accounts for the majority share, chilled NFC juice is expected to continue to gain share, boosted by growing consumer appreciation of 'natural goodness'. Sustainability is forecast to become increasingly important to consumers, leading to the growing use of organically produced local fruit or in the case of exotic fruits, fruit sourced from Fairtrade suppliers.

Nectars are on a long-term downward trajectory. Growing consumer health-consciousness and desire for 'natural, healthy' consumption is seeing nectars sales eroded by not only 100% juice, but stevia sweetened soft drinks alternatives. Introduction of new flavour combinations will serve to mitigate the decline, but marketing investment is expected to remain comparatively low due to squeezed margins.

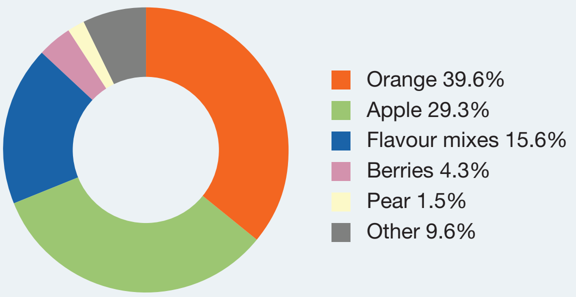
Smoothies are still very much in their infancy, but have been responsible for the recent growth in NFC juice. Although fruit smoothies are in line with the continuing health and wellness trend, development has been curtailed by their premium pricing in an uncertain economic climate.

"Chilled NFC juice gaining share."

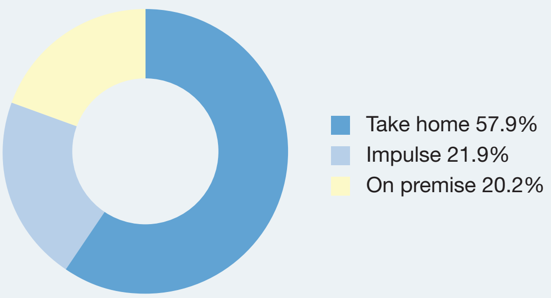
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Total fruit juice and nectars

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**250**	**242**	**233**	**229**	**211**	**-7.6%**
Fruit juice (100% juice content)							
Total fruit juice		161	160	155	153	143	-6.3%
	Branded	93	87	85	85	83	-2.4%
	Private label	68	73	70	68	60	-11.2%
Ambient		144	143	139	136	127	-6.6%
	Branded	83	77	76	75	73	-2.4%
	Private label	61	66	63	61	54	-11.9%
From concentrate		144	140	136	133	124	-6.5%
	Branded	83	74	73	72	71	-2.0%
	Private label	61	66	63	61	54	-11.9%
Not from concentrate		0	3	3	3	3	-11.7%
	Branded	0	3	3	3	3	-11.7%
Chilled		17	17	17	17	16	-3.6%
	Branded	10	10	9	10	9	-2.4%
	Private label	7	7	7	7	7	-5.2%
Not from concentrate		17	17	17	17	16	-3.6%
	Branded	10	10	9	10	9	-2.4%
	Private label	7	7	7	7	7	-5.2%
of which are smoothies		2	2	3	3	3	3.1%
	Branded	2	2	3	3	3	3.1%
Nectars (25-99% juice content)							
Total nectars		89	83	78	76	68	-10.1%
	Branded	56	49	46	45	42	-6.5%
	Private label	32	33	32	31	26	-15.2%
Ambient		89	83	78	76	68	-10.07%
	Branded	56	49	46	45	42	-6.5%
	Private label	32	33	32	31	26	-15.2%
From concentrate		89	83	78	76	68	-10.1%
	Branded	56	49	46	45	42	-6.5%
	Private label	32	33	32	31	26	-15.2%

Belgium

Population: **11.1 million**

Juice is currently on a negative trend as consumers are sensitive to price points. There is little differentiation in the consumer's mind between juice and nectars and therefore price point tends to be the key to the purchase decision. Brands' being on offer has become such a habit that consumers are blasé towards price promotions, and Private Label is continuing to offer increasing competition to brands.

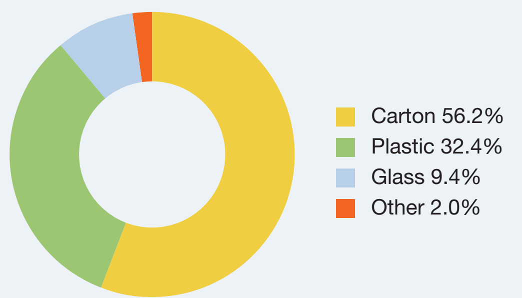
Chilled juice NFC products are likely to continue to perform ahead of ambient, particularly as Private Label lines are starting to pay more attention to this sub-segment due to its added value. The juice flavour profile is fairly conservative, with orange and apple accounting for three-quarters of consumption.

The **nectars** category behaves in a very similar way to juice as the consumer and retailer alike do not really differentiate, with the exception maybe of Delhaize which offers a specific nectars' range. Nectars benefits from the fact that its price point is slightly lower compared to juice. Nectars are often single fruit flavours such as grapefruit, orange, mango, but flavour mixes are the best performing.

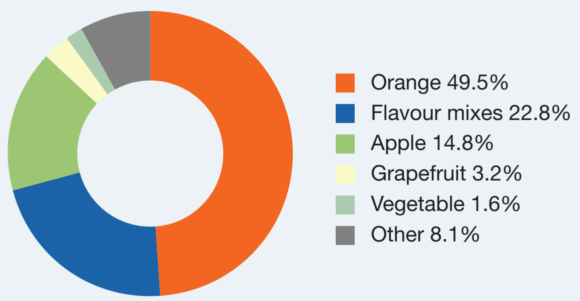
Smoothies remain a very niche concept, with few contenders on the marketplace.

> Little distinction in perception of juice and nectars.

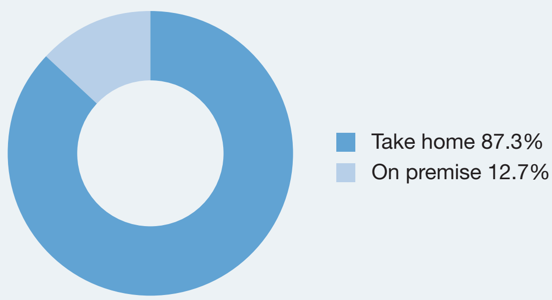
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Total fruit juice and nectars

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**228**	**222**	**220**	**211**	**210**	**-0.5%**
Fruit juice (100% juice content)							
Total fruit juice		191	186	185	176	175	-0.5%
	Branded	81	75	73	66	66	-0.8%
	Private label	111	111	112	110	109	-0.3%
Ambient		175	170	169	160	158	-1.2%
	Branded	69	64	61	55	54	-2.3%
	Private label	106	106	108	105	105	-0.7%
From concentrate		175	170	169	160	158	-1.2%
	Branded	69	64	61	55	53	-2.3%
	Private label	106	106	108	105	105	-0.7%
Not from concentrate		0	0	0	0	0	0.0%
	Branded	0	0	0	0	0	0.0%
Chilled		16	16	16	16	17	6.9%
	Branded	12	12	12	12	12	6.6%
	Private label	5	5	5	5	5	7.8%
From concentrate		0	0	0	0	0	100.0%
	Branded	0	0	0	0	0	100.0%
Not from concentrate		16	16	16	16	17	6.3%
	Branded	12	12	12	11	12	5.7%
	Private label	5	5	5	5	5	7.8%
of which are smoothies		0	1	2	2	2	8.7%
	Branded	0	0	0	0	0	0.0%
	Private Label	0	0	0	0	0	0.0%
Nectars (25-99% juice content)							
Total nectars		37	36	35	35	35	-0.5%
	Branded	24	23	22	22	22	0.6%
	Private label	13	13	13	13	13	-2.3%
Ambient		35	34	34	34	34	0.4%
	Branded	23	21	21	21	21	2.1%
	Private label	13	13	13	13	13	-2.3%
From concentrate		35	34	34	34	34	0.4%
	Branded	23	21	21	21	21	2.1%
	Private label	13	13	13	13	13	-2.3%
Chilled		2	1	1	1	1	-30.0%
	Branded	2	1	1	1	1	-30.0%
From concentrate		2	1	1	1	1	-30.0%
	Branded	2	1	1	1	1	-30.0%
of which are smoothies		1	0	1	1	0	-20.0%
	Branded	1	0	1	1	0	-20.0%

France

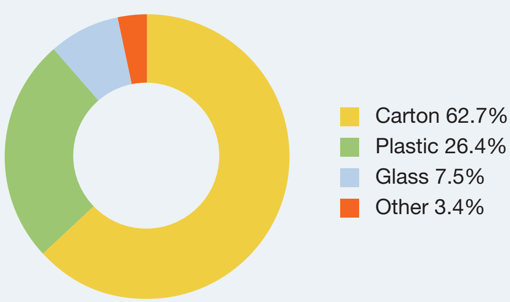
Population: **66 million**

In 2013 the **juice** market shed nearly 3% in volume due to the declining volumes of ambient from concentrate juice. The current state of the economy may have had some impact as generally consumers prefer to buy reduced amounts of juice but of high quality. Health, pureness and freshness are at the top of consumers' agenda when it comes to juice. Using fruit that is grown locally and without requiring further processing fits the trend of 'state of the art nutrition'. Premium juice is forecast to be the driving force in 2014, while shrinking FC and ambient volumes will continue to be a drag on the total category volumes. The long-term trend of households switching from FC and ambient juice to NFC and chilled juice is set to continue, unabated, in 2014 and beyond.

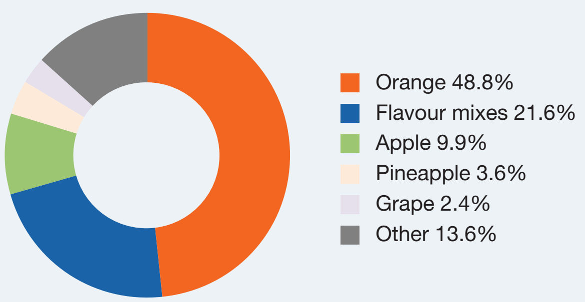
Nectars faced stiff competition from juice and still drinks in 2013. The sugar content of products and the forced price rise due to the sugar tax introduced in January 2012, gave nectars a poor image compared to juice and still drinks. Some producers are trying to reformulate by replacing sugar with fruit that has naturally occurring sugar or by using stevia, thus making them exempt from the sugar tax.

Smoothies remain a niche market. Demand dropped slightly in 2013 due to fact that smoothies are no longer 'new' and few innovations took place.

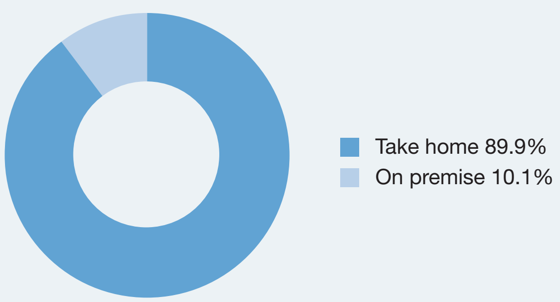
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Total fruit juice and nectars

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**1,667**	**1,693**	**1,713**	**1,681**	**1,620**	**-3.0%**
Fruit juice (100% juice content)							
Total fruit juice		1,270	1,298	1,328	1,314	1,280	-2.1%
	Branded	563	577	592	583	586	0.8%
	Private label	707	721	736	731	695	-4.6%
Ambient		1,141	1,164	1,181	1,152	1,109	-2.8%
	Branded	466	480	490	471	466	-0.0%
	Private label	675	685	691	682	643	-5.1%
From concentrate		620	603	573	544	508	-6.7%
	Branded	190	187	176	160	151	-5.4%
	Private label	431	417	397	385	357	-7.2%
Not from concentrate		521	561	608	608	601	-1.1%
	Branded	277	293	314	311	315	1.4%
	Private label	244	268	294	297	286	-3.7%
of which are smoothies		0	0	0	0	0	-8.7%
	Branded	0	0	0	0	0	-8.7%
Chilled		129	134	147	161	171	5.8%
	Branded	96	97	102	112	119	6.1%
	Private label	33	37	45	49	52	5.1%
Not from concentrate		129	134	147	161	171	5.8%
	Branded	96	97	102	112	119	6.1%
	Private label	33	37	45	49	52	5.1%
of which are smoothies		12	14	15	15	15	-1.5%
	Branded	8	9	9	8	8	-9.2%
	Private label	4	5	6	7	7	8.2%
Nectars (25-99% juice content)							
Total nectars		397	395	385	367	340	-7.45%
	Branded	101	107	106	99	96	-3.2%
	Private label	296	288	279	268	244	-9.0%
Ambient		379	376	367	346	316	-8.6%
	Branded	84	89	90	79	74	-6.9%
	Private label	295	287	277	267	242	-9.1%
From concentrate		379	376	367	346	316	-8.6%
	Branded	84	89	90	79	74	-6.9%
	Private label	295	287	277	267	242	-9.1%
of which are smoothies		4	4	3	5	4	-14.4%
	Branded	0	1	0	2	2	-22.2%
	Private label	3	3	3	3	3	-8.4%
Chilled		18	19	18	21	24	9.3%
	Branded	17	18	17	20	22	12.0%
	Private label	2	2	2	2	2	-6.0%
From concentrate		18	19	18	21	23	9.0%
	Branded	17	18	17	20	22	11.7%
	Private label	2	2	2	2	2	-6.0%
Not from concentrate		0	0	0	0	0	166.7%
	Branded	0	0	0	0	0	166.7%
of which are smoothies		0	0	0	0	0	166.7%
	Branded	0	0	0	0	0	166.7%

Germany

Population: **81.1 million**

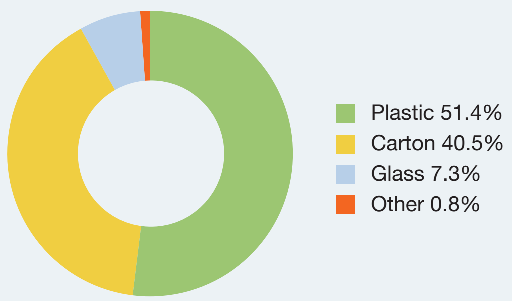
Germany is Europe's leading **juice** market and ranks second globally behind the USA. In per capita terms, Germany takes third place in Europe and fifth in the world. Germany's juice market is large and mature but has been in decline since 2003. As well as rising concentrate prices, changes in consumer behaviour are proving a challenge for the industry. Breakfast, which was once considered the most important meal of the day and a key consumption occasion for juice, has fallen out of favour. In addition, there is an ongoing trend to consumer preference for 'lighter style juice drinks', such as schorle (typically 50% apple juice and 50% mineral water).The juice market is characterised by a high level of aggressive price promotions fuelled by the activities of discounters.

Producers have been focusing on developing innovative products to mitigate the market decline, such as single-serve chilled NFC juice for 'on the go' consumption, juice with reduced fruit acid, or new flavour variants based on traditional local fruits to leverage the trend towards regional products.

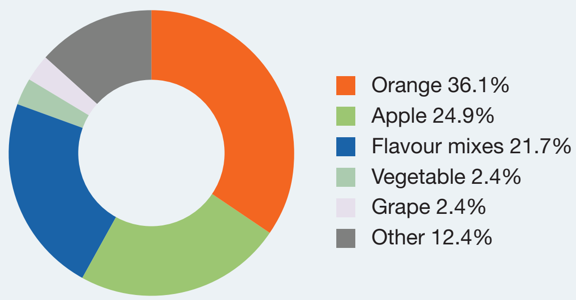
Nectars used to benefit from their lower price point, but heavy discounting has eroded their advantage and sales have been in decline since 2008. Nectars are facing tough competition from perceived healthier products such as water-based soft drinks due to the health/wellness trend.

The niche **smoothies** segment is increasingly under pressure from chilled NFC juice offering the same health benefits, but at a lower price.

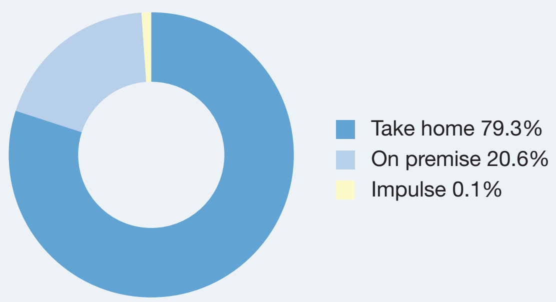
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Total fruit juice and nectars

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**2,865**	**2,810**	**2,733**	**2,607**	**2,486**	**-4.8%**
Fruit juice (100% juice content)							
Total fruit juice		1,944	1,915	1,900	1,824	1,747	-4.38%
	Branded	989	978	964	935	910	-3.7%
	Private label	955	937	935	889	838	-5.8%
Ambient		1,878	1,858	1,844	1,757	1,666	-5.1%
	Branded	931	928	915	874	835	-4.6%
	Private label	947	930	929	883	831	-5.9%
From concentrate		1,633	1,643	1,622	1,533	1,442	-5.5%
	Branded	876	893	873	824	785	-4.8%
	Private label	758	750	748	709	657	-7.3%
Not from concentrate		245	215	222	224	224	0.12%
	Branded	56	35	41	50	50	0.7%
	Private label	189	181	180	174	174	-0.1%
of which are smoothies		0	0	0	0	0	0.0%
	Branded	0	0	0	0	0	0.0%
Chilled		66	57	56	67	81	21.4%
	Branded	58	50	49	61	75	22.8%
	Private label	8	7	7	6	7	6.8%
From concentrate		28	34	33	39	42	6.7%
	Branded	28	34	33	39	42	6.7%
Not from concentrate		38	23	23	28	39	42.3%
	Branded	29	17	16	21	33	52.4%
	Private label	8	7	7	6	7	6.8%
of which are smoothies		13	10	10	10	13	31.0%
	Branded	4	4	4	3	6	74.0%
	Private label	8	7	7	6	7	6.8%
Nectars (25-99% juice content)							
Total nectars		921	895	833	783	739	-5.8%
	Branded	468	497	485	446	420	-6.0%
	Private label	452	398	348	338	319	-5.6%
Ambient		914	889	828	778	734	-5.7%
	Branded	461	491	480	440	415	-5.8%
	Private label	452	398	348	338	319	-5.6%
From concentrate		914	885	821	769	725	-5.8%
	Branded	461	486	473	431	406	-5.9%
	Private label	452	398	348	338	319	-5.6%
Not from concentrate		0	5	7	9	10	7.9%
	Branded	0	5	7	9	10	7.9%
Chilled		7	6	5	5	4	-27.1%
	Branded	7	6	5	5	4	-27.1%
From concentrate		7	6	5	5	4	-27.1%
	Branded	7	6	5	5	4	-27.1%
of which are smoothies		6	5	4	4	4	-1.9%
	Branded	6	5	4	4	4	-1.9%

Italy

Population: **61.5 million**

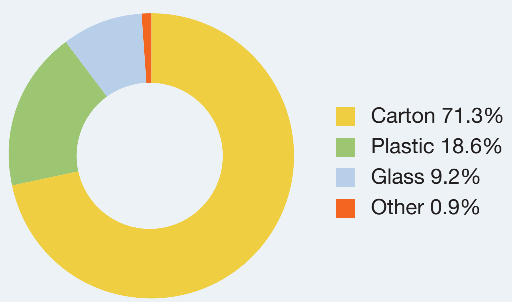
The **juice** category continues to face difficulties due to the availability of fresh fruit, the exclusion of juice during main meals, and a limited use at breakfast. However, there are signs that premium quality brands, which appeal to the higher income consumer, are carving out a growing niche in the market. Consumers remain ‘aspirational’ and premium brands can still form a part of the consumer’s repertoire, but only if they offer real added value compared to other more affordable product offerings. Educating and encouraging consumers to increase their consumption of fruit also offers an important development opportunity for packaged juice.

Nectars continues to suffer less from the negative macroeconomic climate than 100% juice, due to its more affordable price positioning and wider spectrum of flavours. The category is also seeing further expansion of alternative flavours, blending ‘wellness’ with taste appeal, to broaden the consumer base and address different consumption occasions.

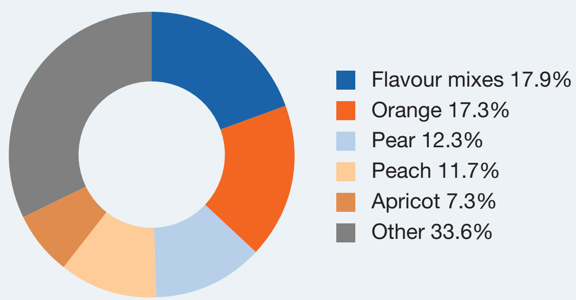
Although **smoothies** are in line with the health and wellness trend, the economic climate and premium pricing has dampened consumer interest. Smoothies would benefit from more effective category management in order to communicate better in-store the advantages of the segment, and justify the price premium compared to traditional juice to the consumer.

“Opportunities in development of value-added juice.”

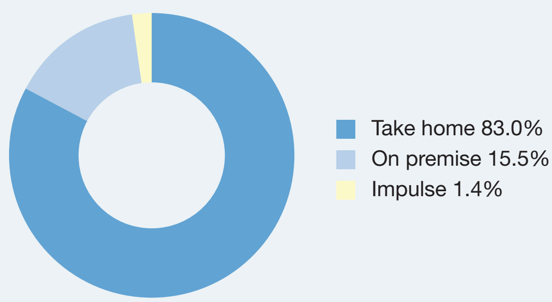
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Total fruit juice and nectars

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**836**	**807**	**808**	**774**	**726**	**-6.3%**
Fruit juice (100% juice content)							
Total fruit juice		174	172	165	155	141	-8.7%
	Branded	125	118	112	102	90	-11.7%
	Private label	49	54	53	52	51	-2.9%
Ambient		158	154	148	139	128	-7.7%
	Branded	114	106	102	93	83	-10.7%
	Private label	44	48	46	45	45	-1.5%
From concentrate		158	154	148	139	127	-8.3%
	Branded	114	106	102	93	82	-11.7%
	Private label	44	48	46	45	45	-1.5%
Not from concentrate		0	0	0	0	1	0.0%
	Branded	0	0	0	0	1	0.0%
of which are smoothies		0	2	1	1	1	-15.9%
	Branded	0	2	1	1	1	-15.7%
Chilled		17	18	17	16	13	-17.4%
	Branded	11	11	11	9	7	-21.7%
	Private label	6	7	7	7	6	-11.8%
From concentrate		1	1	2	4	3	-29.6%
	Branded	1	1	2	4	3	-29.6%
Not from concentrate		16	17	15	12	10	-13.1%
	Branded	10	10	9	5	4	-15.0%
	Private label	6	7	7	7	6	-11.8%
of which are smoothies		3	4	3	2	1	-33.4%
	Branded	3	4	3	2	1	-33.4%
Nectars (25-99% juice content)							
Total nectars		662	635	643	620	584	-5.69%
	Branded	502	474	448	407	373	-8.3%
	Private label	160	161	195	213	212	-0.7%
Ambient		662	635	643	620	584	-5.7%
	Branded	502	474	448	407	373	-8.3%
	Private label	160	161	195	213	212	-0.7%
From concentrate		662	635	643	620	584	-5.7%
	Branded	502	474	448	407	373	-8.3%
	Private label	160	161	195	213	212	-0.7%

Netherlands

Population: **16.8 million**

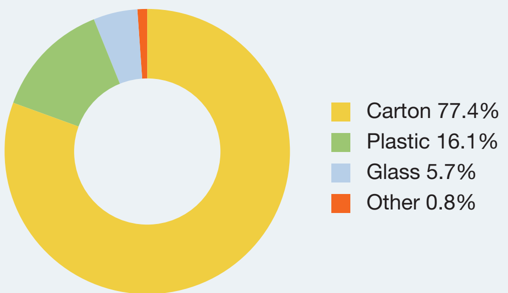
Per capita consumption of **juice** dropped to a little over 16 litres in 2013. Although juice is considered a healthy and natural product free from additives, polarisation is occurring. At one end of the scale, consumers are seeking out cheaper products in the form of Private Label ambient juice for large size family consumption. At the opposite end, consumer preference is for premium juice specifically for its freshness and health properties. With the economy recovering and interest in the health properties of premium juices increasing, the chilled and NFC segments are expected to grow.

Nectars has benefitted from consumers trading down from juice to a lower cost beverage with a similar flavour. The lower price point of nectars (under €1) has proved attractive. Private Label has consistently gained volume and share over branded product. Flavour mixes account for the majority of nectars. In order to keep costs down, it is not unusual for producers to vary the type of fruits used in their flavour mix products, depending on the price and type of fruits available at the time of production.

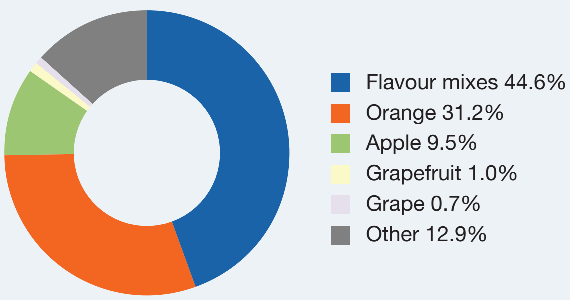
Smoothies continue to enjoy steady growth as consumers are drawn to what they perceive as healthier drinks, as well as being convenient nourishment 'on the go' as a meal replacement.

> Increasing interest in premium chilled juice.

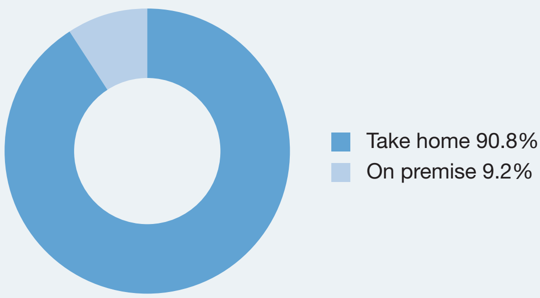
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**460**	**466**	**474**	**490**	**468**	**-4.0%**
Fruit juice (100% juice content)						
Total fruit juice	288	283	284	290	272	-6.1%
Branded	159	153	157	165	149	-9.7%
Private label	130	130	127	125	123	-1.4%
Ambient	224	217	208	203	185	-9.0%
Branded	119	113	108	109	95	-13.0%
Private label	105	104	100	94	90	-4.2%
From concentrate	224	217	208	203	185	-9.0%
Branded	119	113	108	109	95	-13.0%
Private label	105	104	100	94	90	-4.2%
Chilled	64	67	76	86	87	0.5%
Branded	40	40	50	56	54	-3.2%
Private label	25	26	27	30	33	7.2%
From concentrate	24	27	31	33	31	-4.6%
Branded	24	27	31	33	31	-4.6%
Not from concentrate	40	40	46	54	55	3.6%
Branded	16	14	19	23	23	-1.2%
Private label	25	26	27	30	33	7.2%
of which are smoothies	1	2	2	2	3	20.8%
Branded	1	2	2	2	3	20.8%
Nectars (25-99% juice content)						
Total nectars	172	183	190	200	195	-1.8%
Branded	75	84	89	91	86	-3.9%
Private label	97	99	101	109	110	0.9%
Ambient	125	136	142	153	149	-3.0%
Branded	41	49	52	56	51	-8.4%
Private label	84	87	90	97	97	0.1%
From Concentrate	125	136	142	153	149	-3.0%
Branded	41	49	52	56	51	-8.9%
Private label	84	87	90	97	97	0.1%
Chilled	48	47	48	47	47	-0.4%
Branded	35	36	36	35	34	-1.4%
Private label	13	12	11	12	12	4.2%
From concentrate	48	47	48	47	47	-0.4%
Branded	35	36	36	35	34	-1.4%
Private label	13	12	11	12	12	4.2%

Poland

Population: **38.4 million**

Juice per capita consumption remains the highest in East Europe, but increases in production costs due to rising imported concentrate and consequently retail prices have seen the market contract. Since 2005 per capita consumption has fallen by over 4 litres to 11 litres, as consumers have migrated to more affordable options such as low cost syrups, or lighter products such as packaged water and low calorie carbonates. The last few years, however, have seen a softening in the rate of volume decline, thanks to the development of NFC ambient and chilled juice by the major players, in response to the growing consumer interest in health/well-being.

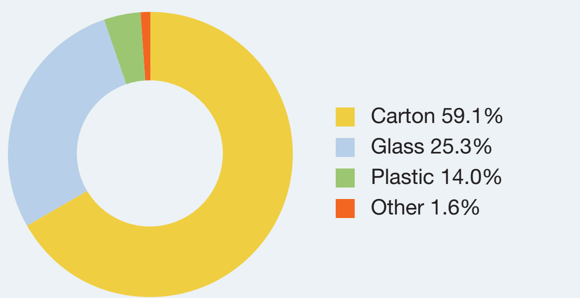
The flavour offering for juice remains relatively conservative with carrot variants, orange and apple the main components.

Nectars, with a similar flavour to juice are an alternative to a wider group of consumers interested in healthy drinks due to the lower price point compared to juice. Blackcurrant and cherry nectars, which are not available as juice due to their sour nature, are popular. Whilst the category has been in decline since 2009, as the choice of other perceived healthy beverages expands, producers are trying to stimulate demand with new flavours and pack types. Orange, grapefruit, flavour mixes, apple and blackcurrant account for the majority of the flavour spectrum..

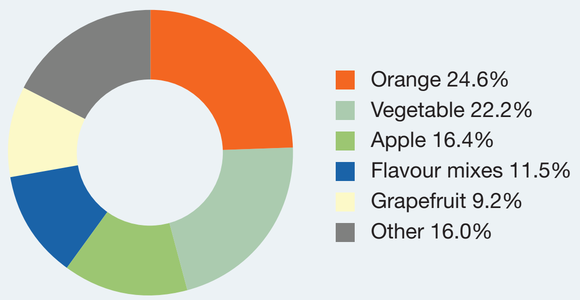
The **smoothies** segment remains niche, but is expected to continue its gradual development.

"NFC juice helping to mitigate decline."

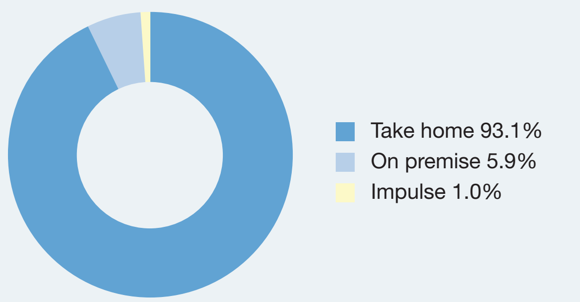
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**810**	**810**	**723**	**695**	**673**	**-3.2%**
Fruit juice (100% juice content)						
Total fruit juice	484	504	462	449	438	-2.4%
Branded	420	434	400	391	382	-2.4%
Private label	64	70	62	58	57	-2.4%
Ambient	448	457	409	392	378	-3.5%
Branded	388	391	351	338	326	-3.5%
Private label	60	66	58	54	52	-3.3%
From concentrate	444	453	405	383	365	-4.9%
Branded	384	387	347	329	314	-4.7%
Private label	60	66	58	54	51	-6.3%
Not from concentrate	4	4	4	8	14	61.9%
Branded	4	4	4	8	12	42.9%
Private label	0	0	0	0	2	0.0%
Chilled	37	47	53	58	60	4.5%
Branded	33	43	49	54	56	4.1%
Private label	4	4	4	4	4	10.0%
From concentrate	6	9	9	10	9	-1.1%
Branded	6	9	9	10	9	-1.1%
Not from concentrate	31	38	44	48	51	5.6%
Branded	27	34	40	44	46	5.2%
Private label	4	4	4	4	4	10.0%
of which are smoothies	4	7	7	8	8	-2.6%
Branded	4	7	7	8	8	-2.6%
Nectars (25-99% juice content)						
Total nectars	326	306	261	246	235	-4.7%
Branded	221	202	160	148	142	-4.4%
Private label	105	104	101	98	93	-5.1%
Ambient	323	303	258	244	234	-4.4%
Branded	218	199	157	146	141	-3.9%
Private label	105	104	101	98	93	-5.1%
From concentrate	323	303	258	244	234	-4.4%
Branded	218	199	157	146	141	-3.9%
Private label	105	104	101	98	93	-5.1%
of which are smoothies	0	0	0	0	0	0.0%
Branded	0	0	0	0	0	0.0%
Chilled	3	3	2	2	1	-42.1%
Branded	3	3	2	2	1	-42.1%
From concentrate	3	3	2	2	1	-42.1%
Branded	3	3	2	2	1	-42.1%

Spain

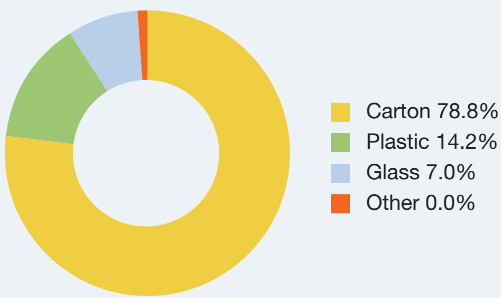
Population: **47.4 million**

The severity of the economic downturn has hit the **juice** category hard since 2008, with volumes consistently falling year on year since 2009. Weak consumer spending power has seen chilled juice and on-premise consumption in particular eroded. Consumers have been shifting their buying patterns from juice to Private Label juice to nectars, depending on price at the time of purchase. Private Label is playing a key role in limiting category losses. Juice remains very much a mono-flavour category, with orange by far the flavour of choice.

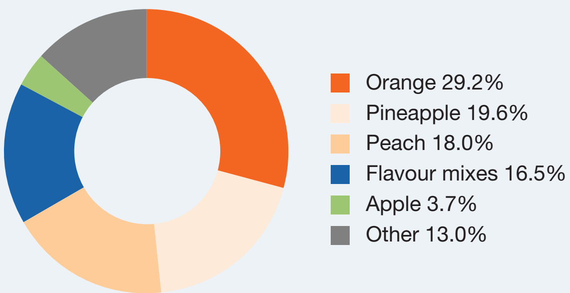
Nectars benefit not only from its price point and broader range of flavours and innovation in blends than juice, but also its low calorie products and the milk-based segment targeted at the children's market. Milk-based nectars also compete successfully with flavoured milk. Recent innovation has focused on milk-based cereal nectars targeted at the school snack segment, as a sustaining mid-morning drink or after school recovery drink. Producers of non-dairy nectars also have the children's market in their sights as a strategy towards capturing future core consumers. The low calorie/'no added sugar' segment accounts for around one-quarter of nectars consumption and has recently seen notable growth stimulated by stevia sweetened products.

Smoothies represent a tiny and dwindling segment. Current market conditions are not favourable for these premium priced products.

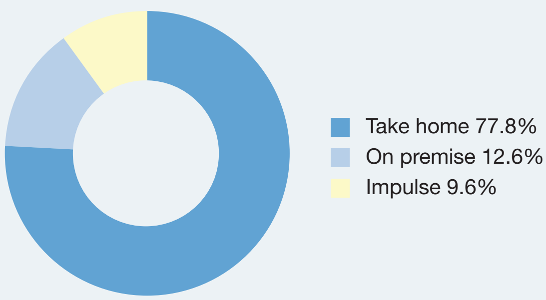
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Total fruit juice and nectars

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**1,109**	**1,097**	**1,068**	**1,046**	**985**	**-4.27%**
Fruit juice (100% juice content)							
Total fruit juice		529	512	481	444	394	-11.3%
	Branded	287	282	256	233	216	-7.18%
	Private label	242	229	225	211	178	-15.9%
Ambient		474	458	438	403	355	-11.8%
	Branded	260	256	239	217	202	-7.1%
	Private label	215	203	199	185	153	-17.4%
From concentrate		431	398	371	335	287	-14.5%
	Branded	242	231	211	191	176	-7.9%
	Private label	189	167	160	144	111	-23.2%
Not from concentrate		43	61	67	67	68	1.52%
	Branded	18	25	29	26	26	-1.04%
	Private label	26	36	39	41	42	3.17%
Chilled		55	53	43	42	39	-6.6%
	Branded	27	26	17	16	14	-8.7%
	Private label	28	27	26	26	25	-5.4%
From concentrate		31	29	19	18	18	-4.8%
	Branded	9	9	0	1	0	-31.6%
	Private label	22	20	19	18	17	-3.9%
Not from concentrate		24	24	23	23	21	-8.1%
	Branded	18	17	16	15	14	-7.8%
	Private label	6	7	7	8	7	-8.6%
Nectars (25-99% juice content)							
Total nectars		580	585	587	601	591	-1.7%
	Branded	373	384	374	372	359	-3.4%
	Private label	206	202	213	229	232	1.2%
Ambient		576	583	586	600	590	-1.7%
	Branded	371	382	373	371	359	-3.4%
	Private label	205	201	212	229	232	1.2%
From concentrate		576	582	585	600	590	-1.7%
	Branded	371	381	373	371	358	-3.4%
	Private label	205	201	212	229	232	1.2%
Not from concentrate		0	0	0	0	0	0.0%
	Branded	0	0	0	0	0	0.0%
Chilled		3	3	2	1	1	-6.7%
	Branded	2	2	1	1	1	2.5%
	Private label	1	1	1	0	0	-24.8%
From concentrate		3	2	1	1	1	-6.7%
	Branded	2	2	1	1	1	2.5%
	Private label	1	1	1	0	0	-24.8%
Not from concentrate		0	0	0	0	0	0.0%
	Branded	0	0	0	0	0	0.0%
of which are smoothies		2	2	1	0	0	-20.8%
	Branded	2	1	0	0	0	-31.7%
	Private label	0	0	0	0	0	-4.7%

Sweden

Population: **9.6 million**

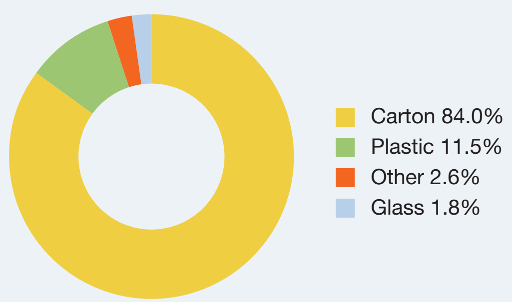
2013 was another year of decline for **juice**. Many suspect that juice is increasingly perceived as on the wrong side of the health line in the eyes of the consumer. On a positive note, the Swedes may be drinking less juice but they are also drinking better quality juice and value is outperforming volume. Attractive pricing has enabled consumers to upgrade from the ambient segment, and in 2013 more than 7 in every 10 litres of juice sold in Sweden was chilled. In 2000, chilled products made up less than one-third of the market.

Nectars grew to prominence as a low cost alternative to juice and made rapid headway until 2004, when, like juice and still drinks, it suffered a downturn as a result of negative publicity over the sugar content. 2013 saw a small growth, principally due to the popularity of a new ICA 200cl chilled HDPE bottle. Replicating the juice category, there is now a shift from ambient to chilled products in nectars.

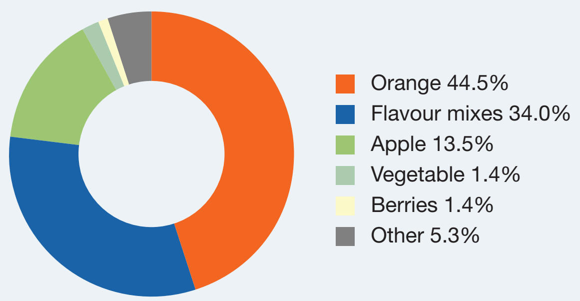
The **smoothie** segment remains small and looks to have matured relatively quickly. A plethora of brands had been present in the market but gradually only a few seem to be making the grade in a competitive marketplace.

> Chilled taking increasing share of throat.

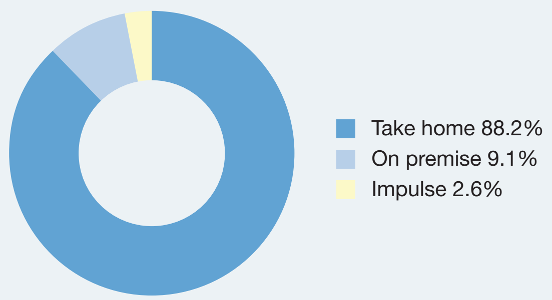
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Total fruit juice and nectars

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**254**	**257**	**252**	**243**	**236**	**-2.5%**
Fruit juice (100% juice content)							
Total fruit juice		199	201	197	190	183	-3.75%
	Branded	145	148	155	150	144	-3.7%
	Private label	54	54	42	40	39	-4.0%
Ambient		72	72	58	56	50	-9.8%
	Branded	30	30	28	27	26	-4.4%
	Private label	42	42	30	29	25	-14.9%
From concentrate		71	71	58	55	49	-10.3%
	Branded	30	29	28	26	25	-5.3%
	Private label	42	42	30	29	25	-14.9%
Not from concentrate		0	0	1	1	1	25.0%
	Branded	0	0	1	1	1	25.0%
of which are smoothies		0	0	1	1	1	25.0%
	Branded	0	0	1	1	1	25.0%
Chilled		127	129	139	134	133	-1.2%
	Branded	115	118	127	123	119	-3.5%
	Private label	12	12	12	11	14	23.9%
From concentrate		99	102	112	107	106	-1.4%
	Branded	89	93	102	99	95	-3.7%
	Private label	10	9	9	9	11	26.1%
Not from concentrate		28	27	27	27	27	-0.8%
	Branded	26	25	25	24	24	-2.8%
	Private Label	2	2	2	3	3	16.9%
of which are smoothies		2	2	2	2	1	-8.2%
	Branded	2	2	2	1	1	-6.9%
	Private label	0	0	0	0	0	-22.8%
Nectars (25-99% juice content)							
Total nectars		55	55	55	53	53	0.0%
	Branded	37	37	39	38	38	-0.8%
	Private label	18	19	16	15	16	3.9%
Ambient		39	38	35	35	32	-4.2%
	Branded	20	19	19	19	20	1.4%
	Private label	18	19	16	15	12	-18.3%
From concentrate		39	38	35	35	32	-4.2%
	Branded	20	19	19	19	20	1.4%
	Private label	18	19	16	15	12	-18.3%
of which are smoothies		0	0	0	0	0	-8.7%
	Branded	0	0	0	0	0	-4.3%
	Private label	0	0	0	0	0	-8.9%
Chilled		16	17	20	19	21	6.2%
	Branded	16	17	20	19	18	-3.0%
	Private label	0	0	0	0	3	0.0%
From concentrate		16	17	20	19	21	6.2%
	Branded	16	17	20	19	18	-3.0%
	Private label	0	0	0	0	3	0.0%

UK

Population: **63.4 million**

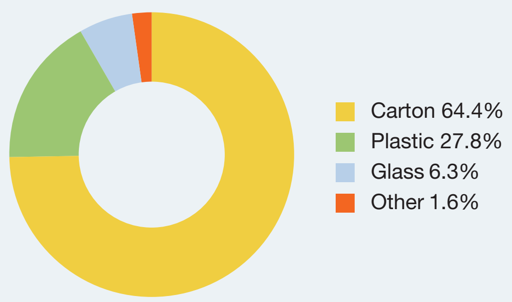
Pricing pressures due to raw material price hikes and the economic environment have undermined the **juice** market, but it is the ambient segment which has taken the hardest hit. Promotional pricing activity by the brand producers lowered the price of chilled juice, resulting in consumers opting for chilled rather than ambient product as the price differential was so narrow. Producers, however, were not able to sustain the same level of pricing activity in 2013 due to commodity price increases, but the general trend remained one of consuming less, but better quality.

2014 is forecast to see a further 5% decline, partly due to a continued slowdown in promotional pricing deals which will push up average prices, but also the ongoing sugar debate which is highlighting the negative effects of 'natural' and hidden sugars. In terms of flavour, orange and apple remain the UK's firm favourites accounting for over 80% of consumption.

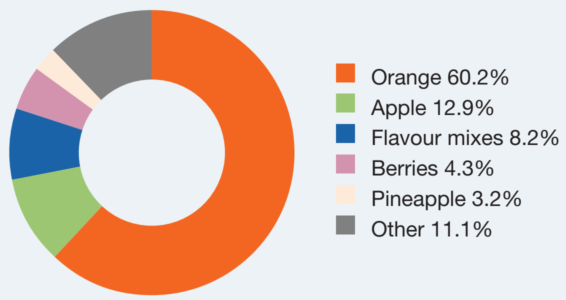
The tough trading conditions in recent years have not left nectars unscathed, particularly due to a reliance on the struggling on-premise sector. Nectars have benefitted from consumers switching from 100% juice with the reduction in juice promotional price offers. **Nectars** are, however, likely to also come under further scrutiny regarding sugar content. From a flavour perspective, flavour mixes drive the nectars category.

The **smoothies** segment has seen volumes slide consistently since 2009. Growth tends to be associated with the activities of the leading brand.

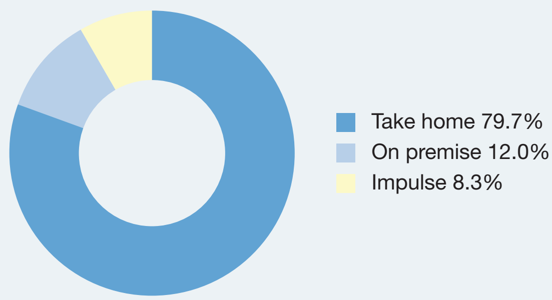
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Total fruit juice and nectars

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**1,410**	**1,405**	**1,369**	**1,329**	**1,277**	**-2.22%**
Fruit juice (100% juice content)							
Total fruit juice		1,212	1,212	1,180	1,144	1,079	-3.5%
	Branded	464	482	509	519	506	0.3%
	Private label	748	730	670	625	573	-8.4%
Ambient		578	551	503	458	404	-11.6%
	Branded	166	164	158	143	122	-14.6%
	Private label	412	386	346	314	282	-10.3%
From concentrate		578	551	503	458	404	-11.6%
	Branded	166	164	158	143	122	-14.6%
	Private label	412	386	346	314	282	-10.3%
Chilled		634	661	676	687	675	0.3%
	Branded	297	317	352	376	384	3.4%
	Private label	337	344	325	311	291	-6.5%
From concentrate		272	285	269	258	240	-6.7%
	Branded	21	20	20	18	15	-17.2%
	Private label	251	264	249	239	225	-5.9%
Not from concentrate		361	377	407	429	434	2.7%
	Branded	276	297	331	357	369	3.9%
	Private label	85	80	76	71	65	-8.4%
of which are smoothies		56	59	67	58	54	-6.2%
	Branded	50	53	61	52	49	-6.6%
	Private label	6	6	6	5	5	-3.0%
Nectars (25-99% juice content)							
Total nectars		198	193	189	185	198	7.0%
	Branded	180	175	169	163	177	8.4%
	Private label	18	18	20	22	21	-4.0%
Ambient		150	149	149	146	147	1.0%
	Branded	149	146	145	140	141	0.8%
	Private label	1	3	4	6	6	5.6%
From concentrate		150	146	146	143	145	0.9%
	Branded	149	144	142	137	138	0.7%
	Private label	1	3	4	6	6	5.6%
Not from concentrate		0	2	2	2	2	4.3%
	Branded	0	2	2	2	2	4.3%
of which are smoothies		0	0	0	0	0	0.0%
	Branded	0	0	0	0	0	0.0%
Chilled		48	44	41	39	51	24.1%
	Branded	31	29	25	23	37	37.9%
	Private label	16	15	16	16	14	-7.7%
From concentrate		48	44	41	38	37	-0.6%
	Branded	31	29	25	22	23	2.5%
	Private label	16	15	16	16	14	-7.7%
Not from concentrate		0	0	0	1	14	1,050.3%
	Branded	0	0	0	1	14	1,050.3%
of which are smoothies		18	16	16	16	16	-2.9%
	Branded	11	10	10	10	10	0.0%
	Private label	7	7	7	7	6	-7.0%

Bulgaria

Population: **7.0 million**

Per capita consumption of **juice** has fallen in recent years to the 2 litres mark, as producers have shifted production towards nectars and still drinks for cost reasons. Competition within the category, however, is fierce with key producers investing substantially in marketing and distribution to support their premium lines. In the longer term the category is expected to stabilise and post a modest growth.

The decline in **nectars** deepened in 2013, despite significant marketing investment made by companies to negate the effect of fierce competition within the category. This resulted in a move towards lower cost still drinks as manufacturers reformulated and decreased the fruit content of some of their products to achieve greater profitability. Private Label held up better than branded aided by the growing penetration of discount chains.

Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**89**	**72**	**68**	**67**	**63**	**-5.9%**
Fruit juice (100% juice content)						
Total fruit juice	20	18	16	16	14	-11.0%
Branded	0	1	1	2	2	-3.1%
Private label	20	16	15	14	12	-12.0%
Ambient	20	17	16	15	14	-10.7%
Chilled	0	0	0	0	0	-21.7%
From concentrate	20	17	16	15	13	-10.9%
Not from concentrate	0	1	1	1	1	-12.6%
Nectars (25-99% juice content)						
Total nectars	69	55	52	51	49	-4.3%
Branded	61	47	44	42	40	-4.7%
Private label	8	8	8	8	8	-2.6%

Croatia

Population: **4.5 million**

Juice is 100% ambient and almost all products are made from concentrate. The not-from-concentrate (NFC) segment is, however, starting to emerge. It seems that squeezed apple juice has opened the door to this segment as a number of brands started offering NFC flavours in 2013. Price promotions by the major local producers has supported category growth, despite the economic woes; a trend which is expected to continue in 2014, along with pack upsizing activity.

Nectars are a popular but highly brand disloyal category; consumers tend to opt for the best value-for-money products at the point of purchase. In such an environment, B-brands and Private Label have performed better than premium brands in recent years. All product is ambient.

Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**73**	**74**	**71**	**68**	**71**	**4.4%**
Fruit juice (100% juice content)						
Total fruit juice	12	11	12	12	12	5.01%
Branded	10	9	9	9	10	6.4%
Private label	2	2	2	3	3	0.0%
Ambient	12	11	12	12	12	5.0%
From concentrate	12	11	12	12	12	3.3%
Not from concentrate	0	0	0	0	0	0.0%
Nectars (25-99% juice content)						
Total nectars	60	63	60	57	59	4.2%
Branded	53	49	46	46	47	1.5%
Private label	7	14	13	10	12	16.5%

Cyprus

Population: **1.2 million**

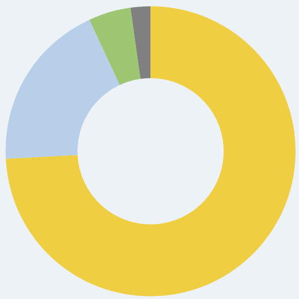
Macroeconomic challenges in the Cyprus economy resulted in a squeeze in consumers' disposable income and led to a national supermarket chains closing. As a result national **juice** producers lost a significant number of key accounts. The arrival of a multinational discounter on the island in 2013 compounded local processors' woes as the company's Private Label brands are sourced directly from the EU.

However, total juice and **nectars** production continued to increase as Cypriot processors are active in developing exports and co-packing agreements throughout the Balkans, Middle and Far East, resulting in local production being significantly higher than domestic demand in volume terms.

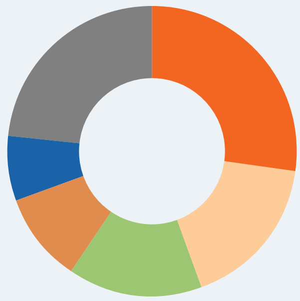
Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**32**	**32**	**31**	**32**	**30**	**-8.0%**
Fruit juice (100% juice content)						
Total fruit juice	22	21	20	21	19	-9.0%
Branded	22	21	20	21	18	-14.3%
Private label	0	0	0	0	1	100.0%
Ambient	21	21	19	20	18	-9.3%
Chilled	1	1	1	1	1	-2.8%
From concentrate	22	21	20	21	19	-9.0%
Not from concentrate	0	0	0	0	0	0.0%
Nectars (25-99% juice content)						
Total nectars	11	11	11	11	11	0.9%
Branded	11	11	11	11	10	-11.4%
Private label	0	0	0	0	1	100.0%

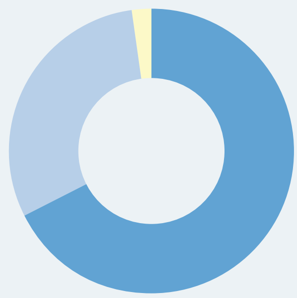
Fruit juice and nectars by packaging



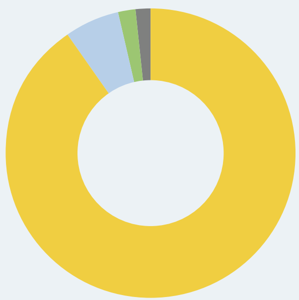
Fruit juice and nectars by flavours



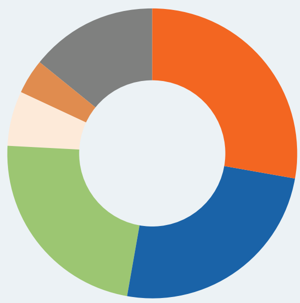
Fruit juice and nectars by channel



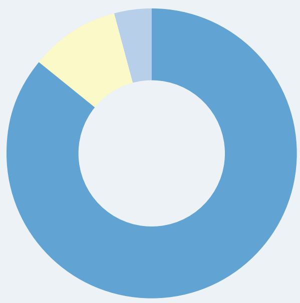
Fruit juice and nectars by packaging



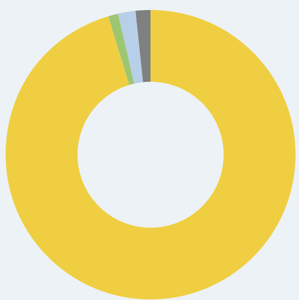
Fruit juice and nectars by flavours



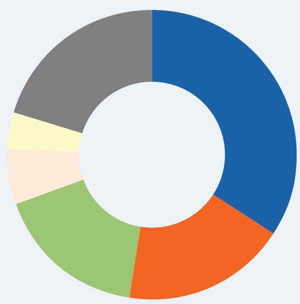
Fruit juice and nectars by channel



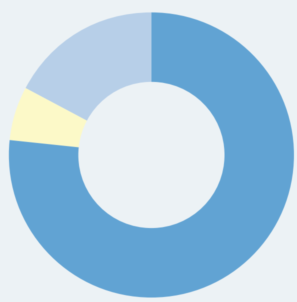
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Czech Republic

Population: **10.2 million**

The economic situation has severely challenged the **juice** market in recent years, but 2013 saw a resurgence in momentum on the back of special offers on branded products. Private Label as a consequence was further undermined as consumers are now willing to buy good quality juice for the right price, rather than imported product, like Private Label, from undefined sources. The scenario is the same in nectars, where low priced brands and brand promotions are supporting sales growth.

Chilled product has only a marginal presence in both juice and **nectars**. Smoothies entered the market in 2008, progress has been hampered by the economic climate.

Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**107**	**105**	**88**	**82**	**89**	**7.7%**
Fruit juice (100% juice content)						
Total fruit juice	70	70	54	49	51	5.8%
Branded	36	36	32	32	37	15.5%
Private label	34	34	22	17	15	-12.4%
Ambient	70	70	54	48	50	5.2%
Chilled	0	0	0	1	1	50.0%
From concentrate	69	70	54	48	48	0.6%
Not from concentrate	1	1	0	1	3	312.5%
Nectars (25-99% juice content)						
Total nectars	37	34	33	34	37	10.3%
Branded	26	23	20	22	27	20.2%
Private label	11	11	13	12	11	-8.6%

Denmark

Population: **5.6 million**

Juice consumption, per capita, is currently high at 20 litres with the market showing signs that consumers are drinking better quality but in lower volumes. The most influential development for juice in 2013 was the news that the soft drinks tax would initially be halved, in July, and abolished in January 2014. Inevitably, this will result in a surge in nectar products often positioned as low cost juices. Juice has historically been exempt from the soft drinks tax whereas now it will have to compete on an even playing field with **nectars** and still drinks which, until last year, were liable to the tax.

The **smoothie** concept is well-received and if the economic outlook improves so will demand. Pricing levels will, however, curtail volumes.

Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**122**	**119**	**114**	**111**	**111**	**-0.3%**
Fruit juice (100% juice content)						
Total fruit juice	121	119	113	110	110	-0.3%
Branded	59	59	54	57	54	-4.6%
Private label	62	60	59	53	56	4.3%
Ambient	107	106	101	99	98	-1.2%
Chilled	14	12	12	11	12	7.9%
From concentrate	112	111	105	102	101	-1.5%
Not from concentrate	9	8	8	8	9	16.0%
Nectars (25-99% juice content)						
Total nectars	1	1	1	1	1	-5.4%
Branded	1	1	1	1	1	-13.8%
Private label	0	0	0	0	0	25.0%

Estonia

Population: **1.3 million**

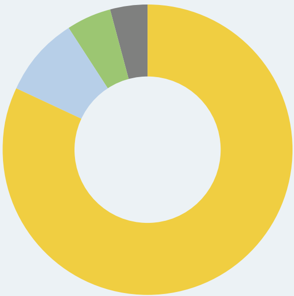
Juice consumption in 2013 increased after several years of steep decline, aided by a slight improvement in consumer purchasing power and stable juice concentrate prices. Consumption, however, is still well below pre-crisis levels. The current health and wellness trend is expected to return juice to a positive growth trend, with the fledgling chilled juice segment continuing to outperform ambient in growth terms.

Nectars conversely are continuing to see volumes contract year on year with consumers moving away from higher sugar content products. Producers are trying to counteract the trend with discounting activity and new flavour offerings.

Total fruit juice and nectars

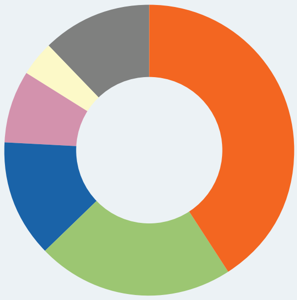
Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**34**	**32**	**29**	**27**	**26**	**-6.3%**
Fruit juice (100% juice content)						
Total fruit juice	14	14	12	12	12	3.84%
Branded	10	11	10	10	10	4.4%
Private label	4	4	3	2	2	1.6%
Ambient	14	13	12	11	12	3.6%
Chilled	1	1	1	1	1	7.7%
From concentrate	14	13	12	11	11	1.7%
Not from concentrate	0	1	1	1	1	34.4%
Nectars (25-99% juice content)						
Total nectars	19	18	17	15	14	-10.3%
Branded	17	16	16	15	13	-10.2%
Private label	2	2	1	1	1	-14.0%

Fruit juice and nectars by packaging



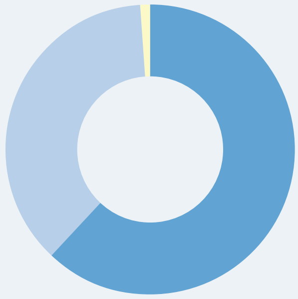
- Carton 82.4%
- Glass 8.9%
- Plastic 4.7%
- Other 3.9%

Fruit juice and nectars by flavours



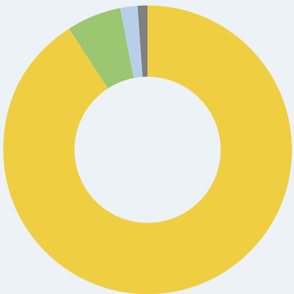
- Orange 40.8%
- Apple 21.8%
- Flavour mixes 12.9%
- Berries 8.1%
- Grapefruit 4.1%
- Other 12.4%

Fruit juice and nectars by channel



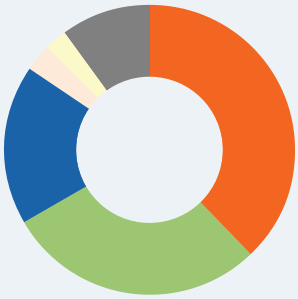
- Take home 61.9%
- On premise 37.4%
- Impulse 0.7%

Fruit juice and nectars by packaging



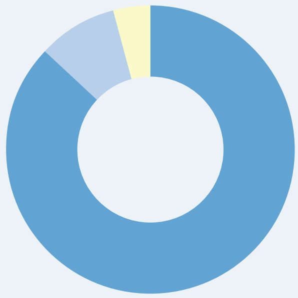
- Carton 92.0%
- Plastic 6.1%
- Glass 1.5%
- Other 0.4%

Fruit juice and nectars by flavours



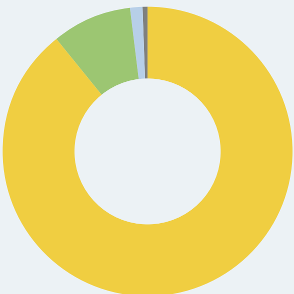
- Orange 37.9%
- Apple 29.4%
- Flavour mixes 17.7%
- Pineapple 2.7%
- Grapefruit 2.4%
- Other 9.9%

Fruit juice and nectars by channel



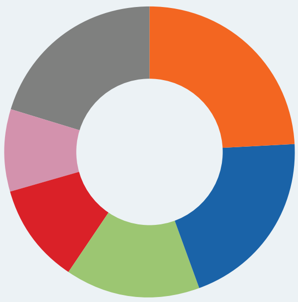
- Take home 87.2%
- On premise 8.8%
- Impulse 4.0%

Fruit juice and nectars by packaging



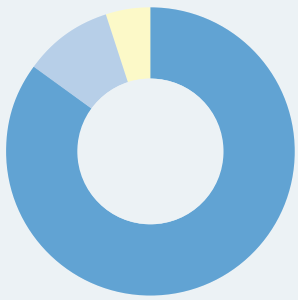
- Carton 89.4%
- Plastic 9.0%
- Glass 1.4%
- Other 0.2%

Fruit juice and nectars by flavours



- Orange 23.9%
- Flavour mxes 20.6%
- Apple 15.4%
- Tomato 10.8%
- Plum 9.0%
- Other 20.2%

Fruit juice and nectars by channel



- Take home 85.1%
- On premise 10.5%
- Impulse 4.4%

Finland

Population: **5.3 million**

With per capita consumption of **juice** ranking amongst the highest in Europe, maintaining volume levels is difficult, especially with the pressures on consumer expenditure. Chilled juice has been gaining share from ambient, particularly in the large family-size packs, as chilled and NFC products have a better image concerning health and wellness.

The small **nectars** category, after a brief respite in 2012, continues to edge downwards. With the differences between juice and nectars blurred from a consumer perspective, there is unlikely to be any significant growth for nectars in the future, unless there is a change in producer strategy to highlight the differences.

Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**167**	**166**	**164**	**155**	**149**	**-3.9%**
Fruit juice (100% juice content)						
Total fruit juice	147	145	144	135	129	-4.3%
Branded	128	128	127	119	114	-4.0%
Private label	19	18	17	16	15	-6.8%
Ambient	97	95	93	80	77	-4.2%
Chilled	49	50	50	55	52	-4.5%
From concentrate	133	132	130	123	119	-3.5%
Not from concentrate	14	14	14	12	11	-12.9%
Nectars (25-99% juice content)						
Total nectars	21	20	20	20	20	-0.9%
Branded	21	20	20	20	20	-0.9%
Private label	0	0	0	0	0	-5.0%

Greece

Population: **10.8 million**

Since the onset of the economic crisis in 2008 **juice** has been in decline. Packaged juice does not constitute a necessity for consumers. Although it fulfils the need for healthy nutrition and is 'nice to have', in the stringent economic conditions, consumers cannot afford to buy a premium-priced product like juice with the same frequency as they may have before.

Moreover, consumers seem not to have been totally convinced about the benefits of juice against other lower cost alternatives. **Nectars** are frequently consumed as a substitute for juice. Increasingly seen as a commodity, nectars are seeing losses mitigated to some extent by sustained promotional activity by the major producers.

Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**201**	**180**	**168**	**150**	**137**	**-10.5%**
Fruit juice (100% juice content)						
Total fruit juice	139	123	107	93	82	-13.71%
Branded	121	105	90	74	65	-14.5%
Private label	18	17	17	19	17	-9.6%
Ambient	101	88	79	72	65	-9.4%
Chilled	38	35	28	21	16	-21.6%
From concentrate	139	122	107	93	82	-13.8%
Not from concentrate	1	0	0	0	0	95.0%
Nectars (25-99% juice content)						
Total nectars	61	57	61	57	55	-4.3%
Branded	42	37	40	41	39	-3.8%
Private label	19	20	21	17	16	-5.7%

Hungary

Population: **9.9 million**

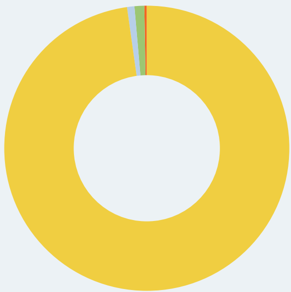
Over the last seven years **juice** has registered a fall in volume in every year, bar 2010, with the economic climate and falling purchasing power severely restricting demand. A 2% increase in VAT in January 2012 and mid-year rise in local fruit prices raised production costs significantly. Consumers continue to be extremely price-sensitive, shifting from juice to more affordable alternatives such as squash/syrups. **Nectars** are also under the same pressures; since 2004 the category has seen some 40% of its volume evaporate. Traditional flavours – orange, peach, and apple – continue to hold sway.

Smoothies are available via all modern trade channels, but volume is expected to remain negligible as their price per litre is 50-80% higher than juice.

Total fruit juice and nectars

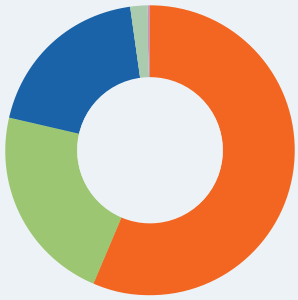
Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**110**	**107**	**102**	**95**	**91**	**-4.5%**
Fruit juice (100% juice content)						
Total fruit juice	41	43	40	37	36	-3.2%
Branded	28	25	25	24	26	10.2%
Private label	14	17	15	13	10	-27.1%
Ambient	41	42	40	37	36	-3.2%
Chilled	0	0	0	0	0	-70.6%
From concentrate	41	41	38	36	35	-1.3%
Not from concentrate	1	1	2	2	1	-39.5%
Nectars (25-99% juice content)						
Total nectars	68	64	61	58	55	-5.4%
Branded	47	45	41	36	35	-3.1%
Private label	21	19	20	22	20	-9.0%

Fruit juice and nectars by packaging



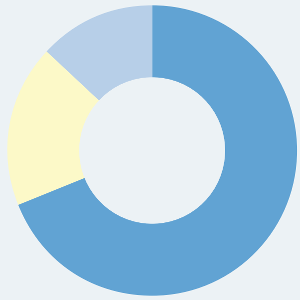
- Carton 98.2%
- Glass 0.9%
- Plastic 0.7%
- Other 0.1%

Fruit juice and nectars by flavours



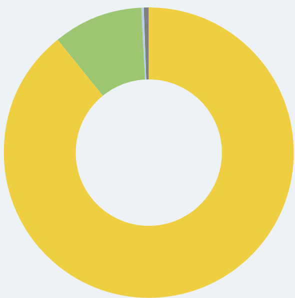
- Orange 56.5%
- Apple 21.8%
- Flavour mixes 19.6%
- Vegetable 2.0%
- Berries 0.1%

Fruit juice and nectars by channel



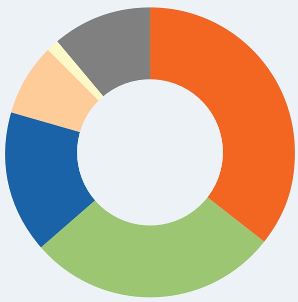
- Take home 69.3%
- Impulse 17.9%
- On premise 12.8%

Fruit juice and nectars by packaging



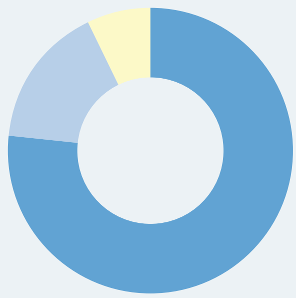
- Carton 89.1%
- Plastic 10.3%
- Glass 0.4%
- Other 0.2%

Fruit juice and nectars by flavours



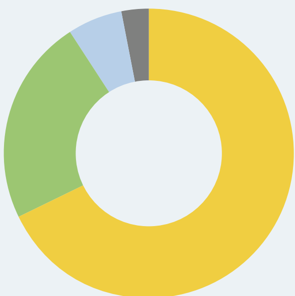
- Orange 36.1%
- Apple 27.8%
- Flavour mixes 16.0%
- Peach 7.8%
- Apricot 1.5%
- Other 10.8%

Fruit juice and nectars by channel



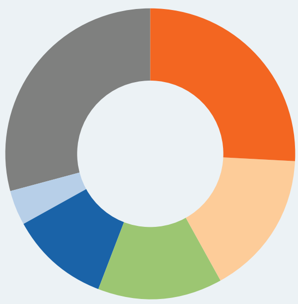
- Take home 78.7%
- On premise 14.9%
- Impulse 6.9%

Fruit juice and nectars by packaging



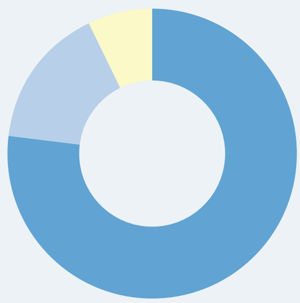
- Carton 68.2%
- Plastic 22.7%
- Glass 5.9%
- Other 3.1%

Fruit juice and nectars by flavours



- Orange 26.3%
- Peach 15.7%
- Apple 13.7%
- Flavour mixes 11.0%
- Pear 4.1%
- Other 29.2%

Fruit juice and nectars by channel



- Take home 77.5%
- On premise 15.9%
- Impulse 6.9%

Ireland

Population: **4.8 million**

Juice consumption had been growing up until the start of the economic downturn in 2008. Per capita consumption has dropped by nearly 6 litres over the intervening years to 8 litres, as consumers have switched to lower cost beverage alternatives such as packaged water. The ambient segment continues to suffer the most. Private Label brands are very competitive in the chilled segment and this has put pressure on ambient brands as the price differential has narrowed. **Nectars** are also suffering from the same pressures.

Orange remains by far the leading juice flavour. Apple has seen volume and share slippage due to higher prices, but mixed fruit products have made some ground. For nectars; berries, specifically cranberry, remain the key flavour of choice.

Total fruit juice and nectars						
Volume, million litres*	**2009**	**2010**	**2011**	**2012**	**2013**	**% change**
Total	**65**	**58**	**52**	**48**	**45**	**-7.0%**
Fruit juice (100% juice content)						
Total fruit juice	58	52	45	42	39	-7.12%
Branded	32	29	29	26	26	-3.5%
Private label	26	23	17	15	13	-13.3%
Ambient	39	33	26	22	20	-9.9%
Chilled	19	19	19	20	19	-4.1%
From concentrate	46	40	33	28	26	-8.0%
Not from concentrate	12	11	13	14	13	-5.4%
Nectars (25-99% juice content)						
Total nectars	7	7	6	6	6	-5.8%
Branded	6	6	6	5	5	-6.6%
Private label	1	1	1	1	1	1.8%

Latvia

Population: **2.2 million**

After six consecutive years of decline the **juice** market returned to growth in 2012. The fall in juice concentrates relieved the pressure on producers and suppliers, giving them more flexibility to play with prices. Strengthening consumer purchasing power, coupled with brand discounting saw continued growth in 2013.

Nectars, which benefitted from consumer down trading during the economic crisis, are now losing out to juice, as consumers prefer to stick to traditional beverage flavours (tomato, apple and orange), choosing them as juice rather than nectars. Nectars flavours tend to be preferred for cocktails, particularly ice cream cocktails.

Total fruit juice and nectars						
Volume, million litres*	**2009**	**2010**	**2011**	**2012**	**2013**	**% change**
Total	**31**	**28**	**29**	**29**	**29**	**0.6%**
Fruit juice (100% juice content)						
Total fruit juice	12	11	10	10	11	4.0%
Branded	11	10	9	9	10	5.0%
Private label	1	1	1	1	1	-7.2%
Ambient	12	11	9	10	10	4.8%
Chilled	0	0	0	0	0	-22.6%
From concentrate	11	11	10	10	10	4.3%
Not from concentrate	0	0	0	0	0	-19.3%
Nectars (25-99% juice content)						
Total nectars	19	17	19	19	19	-1.2%
Branded	17	15	18	18	17	-1.2%
Private label	2	2	2	1	1	-1.0%

Lithuania

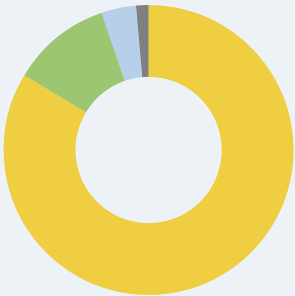
Population: **3.5 million**

After seven years of consistent decline exacerbated by the economic environment, **juice** returned to growth in 2013. With the economy stabilising consumer spending has picked up, encouraged by strong branded discounting activity. Pre-crisis levels are not, however, expected to be attained for the foreseeable future due to ingrained consumer price-consciousness, along with the falling birth rate and high emigration.

Whilst **nectars** have also been hit by declining volumes since 2007, the category benefitted from consumers trading up from still drinks, attracted by a plethora of branded price promotion campaigns, new product launches and flavour mix extensions. The juice and nectars market is virtually entirely ambient, with chilled being too highly priced for the majority of the population.

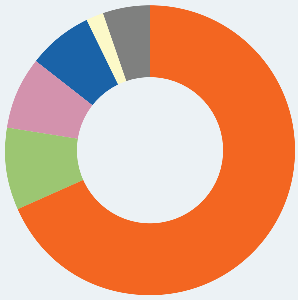
Total fruit juice and nectars						
Volume, million litres*	**2009**	**2010**	**2011**	**2012**	**2013**	**% change**
Total	**44**	**41**	**40**	**39**	**40**	**2.8%**
Fruit juice (100% juice content)						
Total fruit juice	16	16	14	14	14	0.95%
Branded	14	14	12	12	12	1.3%
Private label	3	3	2	2	2	-1.8%
Ambient	16	16	14	14	14	1.0%
Chilled	0	0	0	0	0	-71.4%
From concentrate	16	16	14	14	14	0.8%
Not from concentrate	0	0	0	0	0	9.3%
Nectars (25-99% juice content)						
Total nectars	28	25	25	25	26	3.9%
Branded	25	23	23	22	23	4.5%
Private label	3	2	2	3	3	-1.1%

Fruit juice and nectars by packaging



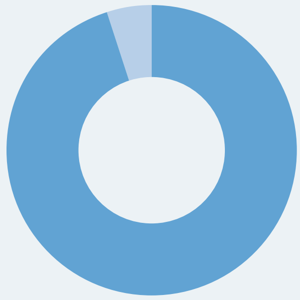
- Carton 83.9%
- Plastic 11.4%
- Glass 3.7%
- Other 1.1%

Fruit juice and nectars by flavours



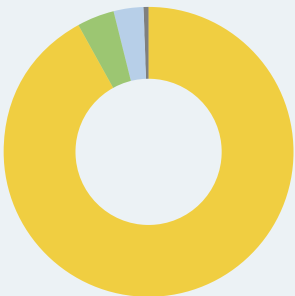
- Orange 67.6%
- Apple 9.1%
- Berries 7.9%
- Flavour mixes 7.6%
- Mango 2.2%
- Other 5.6%

Fruit juice and nectars by channel



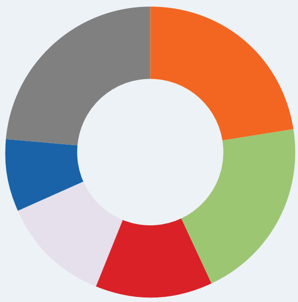
- Take home 94.4%
- On premise 5.6%

Fruit juice and nectars by packaging



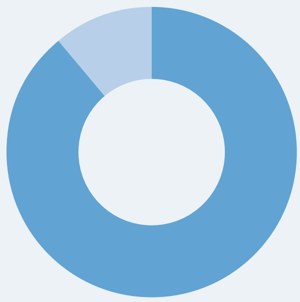
- Carton 92.3%
- Plastic 3.7%
- Glass 3.6%
- Other 0.3%

Fruit juice and nectars by flavours



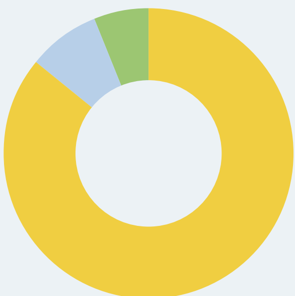
- Apple 22.4%
- Orange 20.6%
- Tomato 13.0%
- Grape 12.4%
- Flavour mixes 8.5%
- Other 23.0%

Fruit juice and nectars by channel



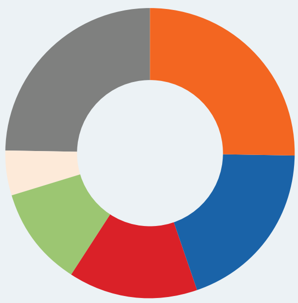
- Take home 88.7%
- On premise 11.4%

Fruit juice and nectars by packaging



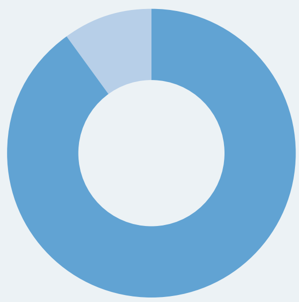
- Carton 85.5%
- Glass 8.3%
- Plastic 6.2%

Fruit juice and nectars by flavours



- Orange 25.1%
- Flavour mixes 19.4%
- Tomato 13.8%
- Apple 11.6%
- Pineapple 5.5%
- Other 24.5%

Fruit juice and nectars by channel



- Take home 90.1%
- On premise 9.9%

Luxembourg

Population: **0.5 million**

Trends in the Luxembourg **juice** market tend to be similar to those in neighbouring Belgium. Consumers and retailers alike generally do not differentiate between juice and nectars. Price point tends to be the driver behind the purchase decision, despite consumer interest in well-being and healthy consumption. More marketing and promotional activity is needed to stimulate sales and progress the chilled juice and NFC segments. Orange is traditionally the primary flavour, followed by apple and mixed flavours.

The lack of a clear distinction with juice has served to curtail the development of **nectars** over the years. Flavour mixes remain the key flavour of choice.

Total fruit juice and nectars

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**11.0**	**10.7**	**10.6**	**10.7**	**10.6**	**-0.6%**
Fruit juice (100% juice content)							
Total fruit juice		9.0	8.7	8.7	8.7	8.6	-0.5%
	Branded	4.0	3.9	3.9	3.9	3.8	-0.8%
	Private label	5.0	4.8	4.8	4.8	4.8	-0.3%
Ambient		8.0	7.8	7.7	7.7	7.6	-1.2%
Chilled		1.0	1.0	1.0	1.0	1.0	6.9%
From concentrate		5.0	4.8	4.8	4.8	4.8	-1.2%
Not from concentrate		4.0	3.9	3.9	3.9	4.1	6.2%
Nectars (25-99% juice content)							
Total nectars		2.0	1.9	2.0	2.0	1.9	-0.8%
	Branded	1.0	1.0	1.0	1.0	1.0	0.6%
	Private label	1.0	1.0	1.0	1.0	1.0	-2.3%

Malta

Population: **0.4 million**

The Maltese economy has remained relatively robust since 2009. Along with a relatively buoyant tourism market, this has maintained **juice** and **nectars** consumption levels. Juice accounts for the larger share of demand.

Local production remains confined to several small chilled producers, with even the main domestic brand still co-packed in Italy. The dominance of imports has led to a fragmented market focused on carton packaging.

The development of Private Label in recent years has been a key threat to imported manufacturers' brands, with a major European discounter establishing outlets on the island and pricing its Private Label 20-30% below branded equivalents.

Total fruit juice and nectars

Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**9**	**9**	**9**	**9**	**10**	**7.4%**
Fruit juice (100% juice content)							
Total fruit juice		5	5	6	6	6	5.6%
	Branded	5	5	5	5	5	4.1%
	Private label	0	0	1	1	1	15.9%
Ambient		5	5	5	5	6	12.9%
Chilled		0	0	0	0	0	5.4%
From concentrate		5	5	6	6	6	11.4%
Not from concentrate		0	0	0	0	0	0.0%
Nectars (25-99% juice content)							
Total nectars		3	4	4	4	4	10.0%
	Branded	3	4	4	4	4	5.1%
	Private label	0	0	0	0	0	190.0%

Norway

Population: **4.7 million**

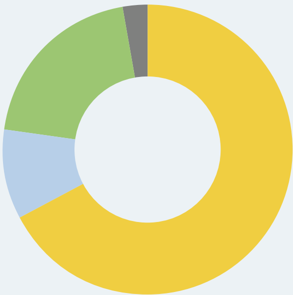
Norwegian propensity for healthy, natural beverages, has propelled **juice** per capita consumption to rank as the highest in the EU, overtaking Germany in 2012. However, the sugar debate is gaining ground and volumes are likely to be impacted. Whilst ambient remains the largest segment, it is the growth in chilled product that is driving the category. Competition between branded and Private Label is intensifying, with the latter now holding a 51% category share.

Nectars is heavily commoditised and dominated by Private Label, which to a certain extent compete with juice and lose out when price promotions are in place in the juice category. Nectars plays a minor and waning role, with volumes now less than half they were in 2002.

Total fruit juice and nectars

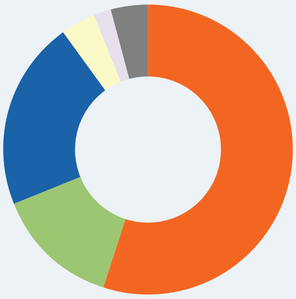
Volume, million litres*		2009	2010	2011	2012	2013	% change
Total		**155**	**153**	**153**	**154**	**150**	**-2.7%**
Fruit juice (100% juice content)							
Total fruit juice		139	138	138	141	138	-2.2%
	Branded	91	84	84	72	67	-6.0%
	Private label	48	54	54	69	71	1.7%
Ambient		80	84	82	78	71	-9.9%
Chilled		59	54	56	63	67	7.5%
From concentrate		113	115	113	112	104	-7.4%
Not from concentrate		26	23	25	29	34	18.3%
Nectars (25-99% juice content)							
Total nectars		16	15	14	13	12	-7.9%
	Branded	7	6	5	4	4	-2.9%
	Private label	9	9	9	9	8	-10.3%

Fruit juice and nectars by packaging



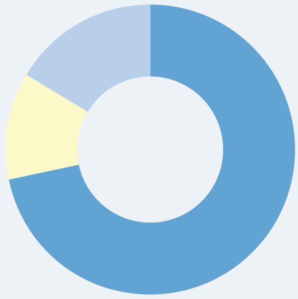
- Carton 67.5%
- Glass 10.0%
- Plastic 20.0%
- Other 2.5%

Fruit juice and nectars by flavours



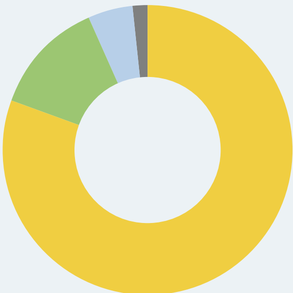
- Orange 55.3%
- Apple 14.3%
- Flavour mixes 21.4%
- Grapefruit 3.8%
- Grape 1.6%
- Others 4.3%

Fruit juice and nectars by channel



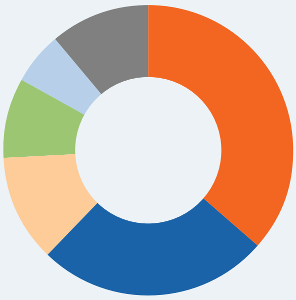
- Take home 71.3%
- Impulse 12.7%
- On premise 16.0%

Fruit juice and nectars by packaging



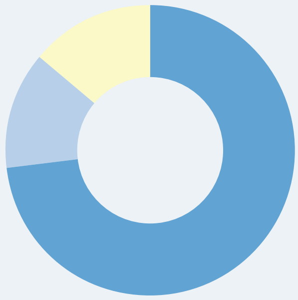
- Carton 81.0%
- Plastic 12.7%
- Glass 4.8%
- Other 1.5%

Fruit juice and nectars by flavours



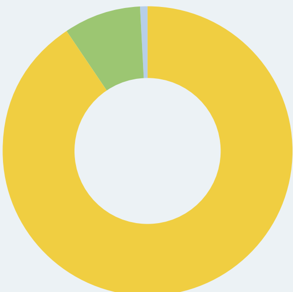
- Orange 36.8%
- Flavour mixes 25.7%
- Peach 11.7%
- Apple 8.8%
- Pear 6.2%
- Others 10.8%

Fruit juice and nectars by channel



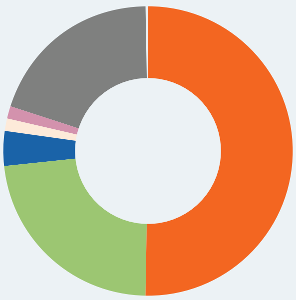
- Take home 73.5%
- Impulse 12.8%
- On premise 13.7%

Fruit juice and nectars by packaging



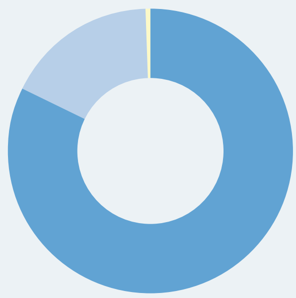
- Carton 90.8%
- Plastic 8.5%
- Glass 0.7%

Fruit juice and nectars by flavours



- Orange 50.6%
- Apple 23.3%
- Flavour mixes 3.7%
- Pineapple 1.3%
- Berries 1.3%
- Other 19.9%

Fruit juice and nectars by channel



- Take home 82.0%
- On premise 17.7%
- Impulse 0.3%

Portugal

Population: **10.8 million**

Consumers tend not to differentiate between juice and nectars; a perception that producers contribute to by putting both juice and nectars under the same umbrella brand. The economy has inevitably hit **juice** sales since 2009. With the increasing costs of raw materials producers have tended to support their nectars sales rather than juice.

Nectars far outweighs juice in volume terms and is forecast to continue to take share from juice, supported by its wider range of flavours and blends supporting different consumption occasions. The market for both juice and nectars remains heavily weighted to ambient due to cost.

Smoothies also remain niche due to premium pricing, but the outlook is one of steady moderate growth due to its added-value, nutritional image and convenience.

Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**114**	**116**	**105**	**102**	**104**	**4.4%**
Fruit juice (100% juice content)						
Total fruit juice	28	27	24	23	20	-11.73%
Branded	14	12	9	8	8	-5.6%
Private label	14	15	15	14	12	-15.3%
Ambient	25	24	22	21	18	-11.5%
Chilled	3	2	2	2	2	-13.7%
From concentrate	25	24	22	21	18	-11.5%
Not from concentrate	3	2	2	2	2	-13.7%
Nectars (25-99% juice content)						
Total nectars	86	89	81	79	84	7.2%
Branded	63	63	56	52	56	8.4%
Private label	23	26	25	27	28	2.7%

Romania

Population: **21.8 million**

After five years of declining volumes in an atmosphere of economic and political unrest, the outlook for **juice** looks more positive. Growth will, however, be at a limited rate in the medium to long-term, as juice is expensive for the majority of consumers. Private Label has become increasingly accepted and is it is expected that modern retailers will continue the winning strategy of cost-effective imports, thus sustaining consumption.

Nectars have forfeited nearly 60% of pre-crisis volume. Whilst the rate of decline has decelerated, improvement in consumer purchasing power is unlikely to see a return to growth in the short-term, despite the much broader flavour offering than juice.

Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**88**	**68**	**59**	**56**	**54**	**-3.8%**
Fruit juice (100% juice content)						
Total fruit juice	27	24	22	21	21	-1.5%
Branded	24	21	18	17	16	-7.1%
Private label	3	3	4	4	5	21.5%
Ambient	27	24	22	21	21	-1.5%
Chilled	-	-	-	-	-	-
From concentrate	27	24	21	20	19	-3.0%
Not from concentrate	0	0	1	1	1	24.6%
Nectars (25-99% juice content)						
Total nectars	61	44	37	35	33	-5.2%
Branded	55	37	30	27	26	-6.0%
Private label	6	7	7	8	7	-2.4%

Slovakia

Population: **5.5 million**

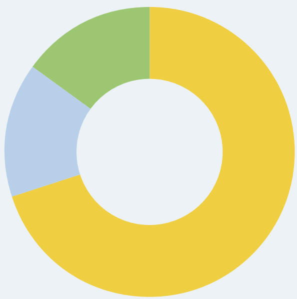
Since 2006 per capita consumption of **juice** has nearly halved, as the economic crisis and drop in consumer disposable income have taken their toll and consumers have down-traded to lower juice content alternatives. The rate of decline is, however, easing, with special offers and discounted brands winning back consumers to the category. Looking forwards, chilled NFC juices offer the best opportunity for reviving the juice category, as products are viewed as an equally healthy alternative to water-based nutraceutical products.

While **nectars** have been party to the same influences, perception by some as highly calorific means health-conscious consumers are opting for healthier alternatives. Nectars are also suffering from a reliance on Horeca sales, where growing sales of beer and beer mixes have negatively impacted on premium nectars demand.

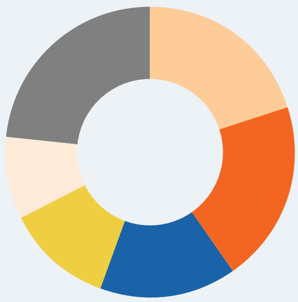
Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**47**	**47**	**39**	**36**	**34**	**-3.91%**
Fruit juice (100% juice content)						
Total fruit juice	25	27	21	20	19	-5.47%
Branded	14	14	10	9	7	-22.35%
Private label	11	14	11	12	12	6.9%
Ambient	25	27	21	19	18	-7.81%
Chilled	0	0	1	1	1	44.44%
From concentrate	24	27	21	19	18	-7.81%
Not from concentrate	1	0	1	1	1	44.44%
Nectars (25-99% juice content)						
Total nectars	22	20	18	16	15	-1.91%
Branded	15	13	12	11	11	2.83%
Private label	7	7	6	5	5	-11.76%

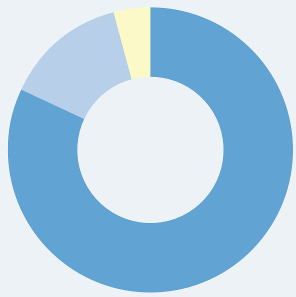
Fruit juice and nectars by packaging



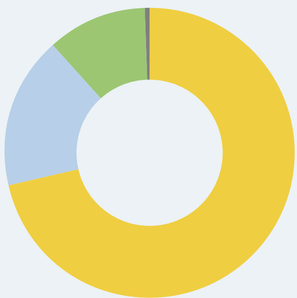
Fruit juice and nectars by flavours



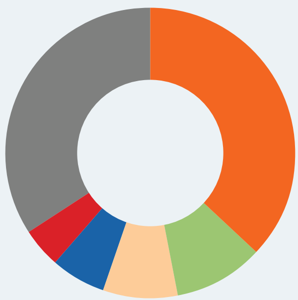
Fruit juice and nectars by channel



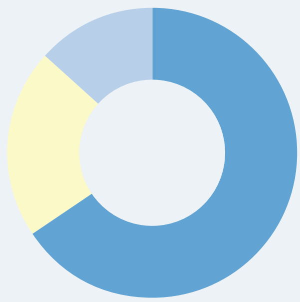
Fruit juice and nectars by packaging



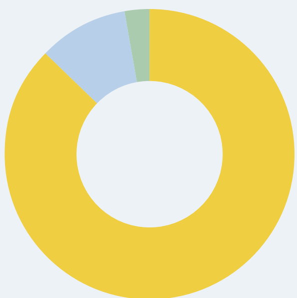
Fruit juice and nectars by flavours



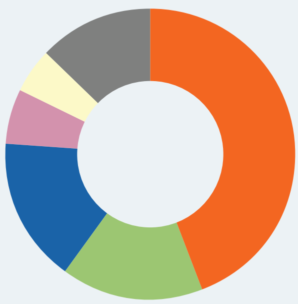
Fruit juice and nectars by channel



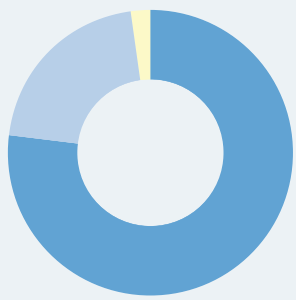
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



Slovenia

Population: **2.0 million**

Juice had been registering steady year on year growth until 2013 when poor economic conditions sparked a contraction; albeit considerably lower than the soft drinks average. Despite it being a premium category, consumers perceive juice as an added-value healthy, natural beverage. Juice is continuing to take share from nectars. 2013 saw innovation with local organic fruit.

Nectars have been on a consistently declining trend since 2006, but the rate has accelerated in the last two years. Nectars are losing out to both juice and still drinks as they do not offer a distinctive benefit for the higher price at which they are marketed.

Smoothies, introduced in 2007 remain a tiny segment, with few brands on the market, but the highest sales registered in Private Label in the discounters.

Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**41**	**41**	**39**	**36**	**33**	**-9.4%**
Fruit juice (100% juice content)						
Total fruit juice	12	13	13	13	13	-3.7%
Branded	6	7	6	6	5	-7.1%
Private label	5	6	7	8	8	-1.3%
Ambient	12	13	13	13	13	-3.7%
Chilled	-	-	-	-	-	-
From concentrate	12	13	13	13	13	-3.7%
Not from concentrate	-	-	-	-	-	-
Nectars (25-99% juice content)						
Total nectars	30	28	26	23	20	-12.8%
Branded	18	17	15	13	11	-12.1%
Private label	12	12	11	10	8	-13.9%

Switzerland

Population: **8.0 million**

Juice is a high volume market and sales have been gradually slipping back over the last few years. The small chilled segment continues to make inroads as consumer demand for high quality juice increases. Interest in organic and Fair Trade juices is contributing to the growth of the chilled segment. The polarisation between low cost versus premium product is putting pressure on B-brands.

Nectars are hampered not only by competition from juice, but also from still drinks and iced/rtd tea drinks, which are perceived as healthier. Orange dominates the flavour profile. Private Label plays a pivotal role heading up all the key flavour segments.

Total fruit juice and nectars

Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**208**	**204**	**201**	**197**	**196**	**-0.66%**
Fruit juice (100% juice content)						
Total fruit juice	158	155	153	150	150	-0.37%
Branded	84	85	83	79	78	-0.92%
Private label	74	70	70	72	72	0.24%
Ambient	144	141	138	134	133	-0.55%
Chilled	14	14	15	16	16	1.15%
From concentrate	144	140	137	133	131	-1.08%
Not from concentrate	14	15	16	18	18	4.97%
Nectars (25-99% juice content)						
Total nectars	50	49	49	47	46	-1.6%
Branded	17	16	17	15	14	-3.7%
Private label	32	33	32	32	32	-0.6%

Turkey

Population: **75.8 million**

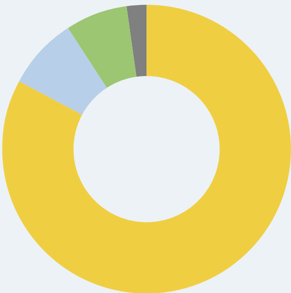
Juice has been subject to fluctuating volumes in recent years primarily due to fruit concentrate costs. In 2012 the cost of sour cherry concentrate tripled. The market is expected to pick up again in 2014 supported by the health trend and growing interest in the NFC segment. Chilled juice is also making headway, although consumer education regarding the distinction between chilled and ambient is needed to further grow the segment.

Nectars is by far the largest of the juice-based categories, and mainly consumed at home as a lower cost alternative to juice rather than as an accompaniment to meals in on-premise channels. The broader product range of nectars, compared to juice, is an important advantage for the category.

Total fruit juice and nectars

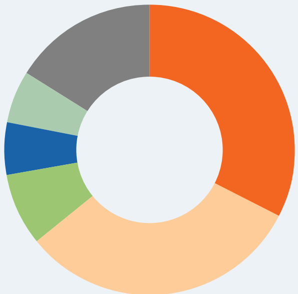
Volume, million litres*	2009	2010	2011	2012	2013	% change
Total	**586**	**624**	**678**	**632**	**658**	**4.1%**
Fruit juice (100% juice content)						
Total fruit juice	47	50	53	51	51	-1.1%
Branded	44	46	48	47	46	-1.0%
Private label	4	4	5	5	4	-1.8%
Ambient	45	47	50	47	46	-1.8%
Chilled	2	3	4	4	5	6.6%
From concentrate	41	41	44	42	42	-0.2%
Not from concentrate	7	10	10	9	9	-4.9%
Nectars (25-99% juice content)						
Total nectars	538	574	625	581	607	4.5%
Branded	482	507	544	505	528	4.7%
Private label	56	67	80	76	79	3.5%

Fruit juice and nectars by packaging



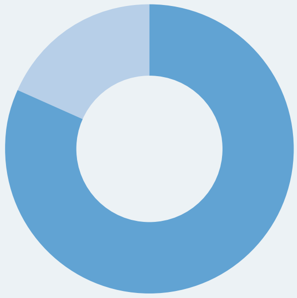
- Carton 81.9%
- Plastic 8.3%
- Glass 8.2%
- Other 1.5%

Fruit juice and nectars by flavours



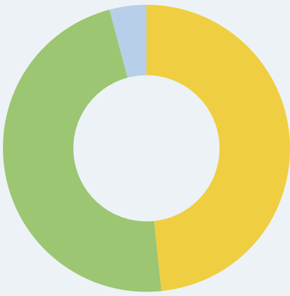
- Orange 33.1%
- Apple 31.7%
- Peach 7.7%
- Flavour mixes 5.7%
- Berries 5.4%
- Other 16.4%

Fruit juice and nectars by channel



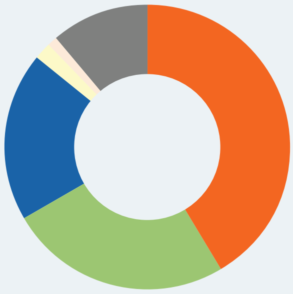
- Take home 82.0%
- On premise 17.9%

Fruit juice and nectars by packaging



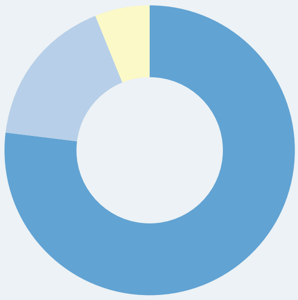
- Carton 48.8%
- Plastic 47.6%
- Glass 3.7%

Fruit juice and nectars by flavours



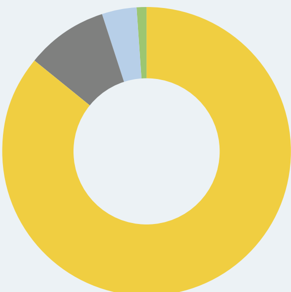
- Orange 43.6%
- Apple 23.9%
- Flavour mixes 19.6%
- Grapefruit 1.8%
- Pineapple 1.3%
- Other 9.9%

Fruit juice and nectars by channel



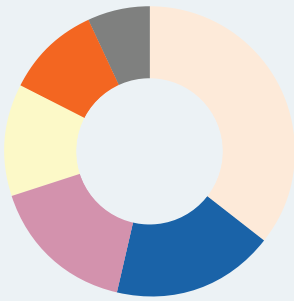
- Take home 76.9%
- On premise 17.4%
- Impulse 5.7%

Fruit juice and nectars by packaging



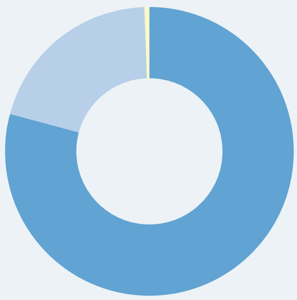
- Carton 84.8%
- Other 10.0%
- Glass 3.1%
- Plastic 2.0%

Fruit juice and nectars by flavours



- Peach 33.6%
- Flavour mixes 18.6%
- Cherry 16.7%
- Apricot 13.4%
- Orange 10.7%
- Other 6.9%

Fruit juice and nectars by channel



- Take home 78.9%
- On premise 21.0%
- Impulse 0.1%

AIJN report methodology

canadean

Within the beverage industry Canadean is recognised as the beverage information specialist and has been commissioned to produce the 2014 AIJN European Fruit Juice market report.

All data and analysis in the report have been produced using Canadean's in-depth beverage market database and our latest Annual Market Insight and Quarterly Beverage Tracker analysis reports.

The key to our methodology is that we operate in partnership both with manufacturers and their suppliers, allowing our in-country experts to cross-examine and reconcile consumption volumes through the value chain.

Canadean's research is built from brand data upward. This 'brick-by-brick' approach, as well as the cross-fertilisation with other related services, ensures that our research has an internal logic, which cross-checks from all angles – from brand volume through to corporate volume, flavour segmentation, packaging splits and on- and off-premise channel distribution.

During Canadean's annual and quarterly research cycles, leading producers in the fruit juice and allied industries are regularly contacted by our dedicated in-country researchers. This on-going dialogue and regular market observation ensures that our researchers are best placed to provide insightful value-added analysis of the juice and nectars industry worldwide.

All forecasts are compiled by Canadean from input from our researchers' trade interviews in each local market. This is then combined with an analysis of back data to create a longer range momentum forecast, weighted to the most recent period. Our EU forecasts remain cautious due to the continuing economic uncertainties within the region, but represent Canadean's latest view of the market.

Acknowledgements

Canadean would like to thank the AIJN and the European juice and nectars industry for their help and support during the research process.

Definitions

Fruit juices and nectars

Juice: 100% pure fruit juice or vegetable juice with no added ingredients, except permitted minerals and vitamins for the purpose of fortification and permitted additives. Includes products: from concentrate, not from concentrate, chilled, ambient, frozen concentrated juice, smoothies.
Excludes carbonated juice.

Nectars: 25-99% juice content. Diluted fruit/vegetable juice and pulp, to which sweetening agents (eg sugar, honey, syrups and/or sweeteners) need to be added for the purposes of production. Permitted minerals and vitamins for the purpose of fortification and permitted additives may be added. Whilst juice content is required to be equal to or in excess of 25% by volume, minimum juice content varies according to the fruit in question. Includes products: from concentrate, not from concentrate, chilled, ambient and smoothies.

Smoothies: Comprise blended fruit puree and juice drinks with a thick, smooth texture, sometimes incorporating a dairy element (yogurt) and/or functional elements (eg aloe vera, gingko, ginseng).
Both chilled and ambient products can be found. Includes packaged products and products made to order in on-premise outlets. Categorised under the juice and nectars categories, depending on juice content and/ or ingredients. Includes smoothies containing less than 50% dairy.

Not from concentrate (NFC): The fruit/vegetable is squeezed in the country of origin, lightly pasteurised and frozen or aseptically packed for shipment to where it will be sold.

From concentrate (FC): The fruit/vegetable is squeezed and concentrated through evaporation of natural water content by evaporators, before being frozen and shipped to the country for use for packaging. The product is then reconstituted to its original strength by addition of the same amount of water.

Freshly squeezed juice: Freshly squeezed fruit, not pasteurised, chilled with a shelf life of a few days.

Chilled juice: Relates to products that are distributed and sold via the chilled distribution chain. These products will be marketed and positioned as chilled products and will usually be perceived by consumers as requiring chilling (although this may or may not be technically necessary).

Ambient juice: Relates to products that are distributed and marketed via an ambient distribution chain. Note, these products may be placed in chillers at the point of sale, eg in convenience stores because consumers prefer to purchase a chilled beverage, but would not usually be perceived as needing to be chilled.

Flavour mixes: No single flavour is perceived to be dominant eg tropical mixes, red fruits, summer fruits, cocktail mix, multi-fruits.

Still drinks: Flavoured ready-to-drink, non-carbonated products, which may be fruit or non-fruit flavoured and have a juice content of 0-24.9%. Sugar, artificial flavouring and colouring may be added.

Industry terms

Take home / Off premise: Volume sold for 'subsequent consumption' away from the place of purchase, comprising: modern retail (eg supermarkets, hypermarkets, hard discount stores); traditional retail; specialist beverage retailers; home delivery.

Impulse: Convenience stores such as 7-11; petrol/gas station outlets; small food stores with long opening hours; kiosks; vending.

On premise: Volume sold for 'immediate consumption' at the place of purchase, comprising: QSR – quick-service restaurants; EDA places – eating, drinking and accommodation; institutions; other on-premise eg cinemas, street stalls and kiosks, travel and transport, leisure (including gyms/health clubs etc) and events.

Horeca: Hotels, restaurants and catering outlets.

FJN: Fruit juice and nectars

Plastic: Refers to PET (polyethylene terephthalate); HDPE (high-density polyethylene) and polypropylene (PP) packaging.

Notes: Totals may not add due to rounding.
Blank/0.0 denotes data not available or volume less than 0.05 million litres or zero.
E = estimate
Definitions are Canadean standard beverage category definitions.
Credits: Data: Canadean.

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About AIJN

AIJN is the representative association of the fruit juice industry in the EU. It represents the industry from the fruit processors to the packers of the consumer products. AIJN's foundation goes back to 1958. The AIJN office is situated in the heart of the Brussels European quarter.

Key AIJN aims and objectives

1. **Represent** the interests and promote the image of the European Fruit Juice Industry in all its contacts with EU Institutions and other relevant organizations and stakeholders;
2. **Support and lobby** European Union Institutions on all aspects of policy and legislation affecting the production, marketing, sales and trade in fruit juices and nectars in the EU;
3. **Defend and promote** juices as nutritious products which are an integral part of a healthy diet, through the AIJN PR Action Plan for Juices;
4. **Encourage and support**, through the Fruit Juice CSR Platform, juice companies to integrate corporate social responsibility in all stages in their supply chain;
5. **Provide**, in collaboration with the European Quality Control System (EQCS), mechanisms and instruments securing safe and authentic goods to maintain and increase consumer confidence in the good and healthy image of fruit and vegetable juices and nectars;
6. **Inform and advise** the fruit juice industry on all aspects of European legislation likely to affect their businesses;
7. **Liaise** with national, regional and worldwide interests representing the fruit juice industry to foster and achieve overall AIJN objectives.

Membership

The AIJN membership is composed of national fruit juice associations from 16 EU Member States and from two countries that applied for EU membership. For more information on membership benefits, please visit www.aijn.org

AIJN Executive Board

President, Andrew Biles, Industry Representative Refresco Gerber BV, UK
1st Vice-President, Jörgen DIRKSEN, CEO, Rynkeby Foods A/S, Denmark
2nd Vice-President, Angel SANCHEZ, Director General, Conserve Italia, Italy
Members, Marjan SKOTNICKI-HOOGLAND, Director Business Unit, FrieslandCampina Riedel B.V., Netherlands; Vincent DELOZIERE, General Manager, Refresco France, France; Thomas MERTENS, Managing Director Supply Chain, Wesergold Getränkeindustrie GmbH & Co. KG, Germany; Piotr PODOBA, Sales Manager and Member of the Board, Alpex-Doehler, Poland; Wolfgang SCHWALD, General Manager Fruit, Processing & Sales, Rauch Fruchtsäfte GmbH & Co OG, Austria; Bruno VAN GOMPEL, Technical Director, Coca Cola Northwest Europe & Nordics, Belgium, Helmuth BRANDSTAETTER, CEO Zipperle AG,Italy.

National Associations Members of AIJN

Austria: Verband der Österreichischen Fruchtsaft - und Fruchtsirupindustrie
Belgium: AJUNEC
Cyprus: The Cyprus Canners & Fruit Juice Manufacturers Association
Denmark: Danish Fruit Juice and Jam Industries
Finland: Juice and Preserves Industries' Association
France: Union Nationale des Producteurs de Jus de Fruits (UNIJUS)
Germany: Verband der Deutschen Fruchtsaft-Industrie e.V.
Greece: Biofresh SA
Ireland: Mulrine and Sons Sales
Italy: A.I.I.P.A., Conserve Italia Scarl, Federvini
Netherlands: FWS
Poland: Polish Association of Juice Producers (KUPS)
Portugal: Sumol-Compal
Spain: ASOZUMOS, A.I.Z.C.E.
Sweden: Swedish Juice Association
UK: British Soft Drinks Association Ltd
Serbia: Serbian Fruit Juice Producers Association (SFJPA)
Turkey: Turkish Fruit Juice Industry Association (MEYED)

In addition, there is a long list of **Observer members** that are national associations from non-European countries, individual companies who are suppliers of raw materials, packaging materials, equipment, ingredients or processing aids to the EU fruit and vegetable juices industry and/or to associations representing these suppliers. Current Observer members:

A.I.J.N.

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