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Client: **Embassy of the Kingdom of the Netherlands in Ukraine**
Project: **Consumer Habits: top segment fruit and vegetables**

Tebodin

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2 Introduction

The purpose of this report is to analyze the market information about *higher segment*[1] fruits & vegetables to help the Dutch exporters in the following tasks:

- Assess the volume of sales and possibilities of increasing exports of the Netherlands to Ukraine;
- Improve the knowledge about the Ukrainian consumers' behavior;
- Preparation of the efficacious market entrance / selling concept.

This report has considered the following basic crops:

1. Cucumbers (long)
2. Round tomato (red) and Tros tomato (tomato on the wine)
3. Paprika yellow/ green/ orange/ red (blocky type)
4. Aubergine (black small)
5. Apples (Elstar)
6. Pears (Conferance).

While conducting the study Tebodin analyzed the market situation, interviewed the market players and the consumers with upper middle income.

For interpretation of the results of the study and ranking of pre-selected crops Tebodin used the following methodology as described below.

Market demand was assessed based on the indicators of local sales volumes for 3-year retrospective period (2011-2013). Tebodin had ranked the crops in terms of the market demand:

- High increasing (crops with significant and increasing market demand)
- Low increasing (crops with low but increasing market demand).

Seasonality was assessed based on the analysis of imports volumes + local greenhouse production (off-seasonal products consumed in winter & spring) to the local production – exports volumes (seasonal production consumed in summer & autumn) and the consumer survey with upper middle income in terms of seasonal consumption of the pre-selected crops for the study. Tebodin ranked the crops by their seasonality of consumption in Ukraine:

- Low seasonality=year round consumption (crops with high consumption in off-season, > 30%)
- Medium seasonality (crops with medium consumption in off-season, (>10% < 30%)
- Low (crops with low off-seasonal consumption, <10%).

Potential for growth was assessed based on the indicators of Local production and Import volumes and the Dutch share in the total Imports and Sales volumes for 3-year retrospective period (2011-2013) of each of the pre-selected for the study crops. The consumer preferences as to preferred varieties and countries of origin had been taken into consideration. In this way, Tebodin had ranked the crops in terms of their import growth potential:

- High (crops which have significant potential for Dutch import growth)

[1] Under 'higher segment' = 'premium segment' = 'top segment' in this report are considered fruits & vegetables of superior quality ('Extra' Class) according to UNECE Standards

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- Medium (crops which have good potential which might be however limited by the market conditions)
- Low (crops which have insignificant potential for Dutch import growth on the market).

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- Ukrainian producers:
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- Ukrainian consumers:
  - Employees of The Embassy of the Kingdom of the Netherlands in Ukraine and Tebodin Ukraine CFI

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4 Executive summary

4.1 Key findings

Demand

The consumer basket of food products in Ukrainian agglomerations had changed significantly during last decade - it tends for the European style: more vegetables, less traditional bakery products are consumed. Despite this the consumption of fresh fruits & vegetable in Ukraine is still low being 14% vs 34% recommended by WHO.

Ukraine follows the worldwide trend of increasing demand for organic and year round food products; however, their consumption is limited by the low purchasing capacity of population.

Together with the increasing awareness of fresh food products' health and nutritional values Ukrainian customers start to put higher requirements on fresh food products as well as their safety and quality. The Ukrainian consumer is becoming more knowledgeable and, as a result, more demanding of fresh food products. Number of people within consumers of top segment production willing to test food quality and safety with NO_3 meter or via laboratories is growing.

Consumption

High market prices (as compared to EU), significant annual increase of price and high annual price volatility for off-season fresh fruits & vegetables due to insufficient volumes of local production and high production costs results in low and instable demand.

The consumption of fresh fruits and vegetables in Ukraine is highly seasonal. In winter and spring the consumption falls down significantly (12% of total fresh products consumed in this period in average). Consumption of greenhouse vegetables increases during New Year, Easter and May holidays.

According to Tebodin's survey only 40% of upper middle income (UAH >15,000 / month) consumers are satisfied with the amount of fruits & vegetables they consume, another 60% would like to consume more fresh products by 30% in average. *The group of consumers with upper middle income constitutes 1-2 % of the population (0.5-1 million people 2014).*

Sales

In 2014 there is a trend of decreasing demand for imported fresh fruits & vegetables due to hard economic and political uncertainty (South and East of Ukraine were previously large consumer markets) and decreased incomes of population. Currently, the main consumers of imported fruits & vegetables are large cities of Ukraine: Kyiv, Dnepropetrovsk, Odessa, Kharkiv, Zaporizhe, Lviv.

Though the fresh fruits & vegetables still access Crimean market via Ukraine, the supply can be stopped or suspended by Russia at any point. The consumption of fresh fruits & vegetables is stable on the peninsula.

The retail sales of fruits and vegetables are annually increasing in local currency (UAH) and decreasing in foreign currency equivalent (USD) due to national currency devaluation. The share of

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imported vegetables in the total retail sales is decreasing and of imported fruits is stable. *The imported vegetables in the total retail sales volumes constitute 15%, the domestic production being 85%. The ratio of the imported to domestic fruits in the Ukrainian retail is 50%:50%.*

The highest sales volumes of pre-selected fruits & vegetables are appropriate for tomatoes, cucumbers and apples. *The Dutch share in sales volumes of these crops is insignificant. The Netherlands are positioned as suppliers of exclusive products which are not produced locally.*

According to the information of retailers the sales of fruits & vegetables in premium retail decreased less than in mass retail in 2014. The Consumer survey conducted by the Tebodin among consumers with upper middle income revealed that 75% of respondents consume the same amount of fresh products in 2014 as in 2013, 15% have even increased consumption and 10% have decreased the consumption of fresh fruits and vegetables due to increased prices.

Consumers of the Dutch produce

Consumers of the Dutch produce are people with high and upper middle income. According to various estimations, the people with high and upper middle income (> UAH 15,000) form up to 1-2% of the country population or 0.5-1 million people as of 2014. At this, people with high and upper middle income did not decrease consumption of fruits & vegetables because their food expenses are not of so significant (15-20%) in the total spending as of the rest of the population (50%).

Consumers' behavior

Ukrainian consumers, regardless of income, prefer the seasonal and non-greenhouse fruits & vegetables. Seasonal consumption is considered by Ukrainians as more reasonable and healthy. In winter Ukrainians regardless of income consume a lot of pickles and preserves. Consumption of frozen fruits & vegetables becomes more widespread because consumers consider them as healthy.

Ukrainians prefer 'produce from nature'. Self-grown produce does not look perfect in terms of shape and size but is tasty and considered natural. Well grown produce which is graded and packed is treated as 'artificial' instead of 'by nature'. *This is explained by the prejudice to greenhouse production and the fact that freshness and taste are more important for Ukrainians that the 'perfect look' of fruits and vegetables.*

Safety and organic certificates are not recognized by the Ukrainian consumers very well. In the perception of Ukrainians if the product is grown in the soil it is organic. People often do not care about how much fertilizers and protection solutions (insecticides etc.) had been added to this soil.

Pre-packed vegetables and fruits are not in high demand as well as fresh products mixes, except of 'traffic light' sweet peppers. Ukrainians prefer to pick the vegetables and fruit out of big boxes to choose the best products and the right amount striving at value for money. Price is on the third place by importance (after freshness and taste) to the consumers with upper middle and high income. Specifics of local demand are customers' preferences of the local varieties e.g. the short & medium size cucumber, pink tomato, green apple Simirenko.

In the perception of average Ukrainian the premium product is rather associated with exotic grapes, ebony, pineapples, mango and others. High quality fruits constitute about 3% of sales and are sold

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in the premium chains such as 'Fursher Gourman', 'Le Silpo', 'Good Wine'. The premium vegetables form up to 1% of total sales of vegetables because in the perception of Ukrainians vegetables are quite ordinary products. *As a premium vegetables are rather considered cherry tomatoes, avocado, kohlrabi, artichoke, asparagus and other exotic crops which are not grown locally.*

Local production

Domestic greenhouse production of traditional crops such as tomatoes, cucumbers, sweet peppers was increasing each year since 2009. Recently in 2013-2014 this trend slowed down. Greenhouse production of aubergines, zucchini, sweet peppers, lettuce, strawberries is underdeveloped due to low and instable annual consumption and high capitalization of greenhouse production.

The interest for local green produce is increasing. The local growers' trademarks appear and domestic greengrocery increases in the retail incl. premium organic products. Annually one Ukrainian buys on average 100 kg of fresh cucumbers, tomatoes, peppers and other vegetables. *Ukrainian greenhouses are able to meet this demand only at the level of 10-20%.*

Prices

The highest prices for local greengrocery are typical for the first half of the year (January-March) with peaks during New Year, Easter and May holidays. The prices fall down in the second part of the year (June-October) due to inflow of the produce from the open ground.

Prices for imported produce are more stable through the year; however, from January till May they may vary substantially dependent on the external and internal (Ukrainian) market conditions such as demand, supply, exchange rate fluctuations, taxes, trade agreements etc.

Dutch products

Dutch produce is perceived by Ukrainians as high quality but not very tasty as compared to Ukrainian or southern countries production and 'unnatural' because it is grown in the greenhouses.

Dutch premium segment products can be purchased at the wholesalers and premium retail stores. In the mass retail the assortment of premium products is rather small and represented by Spanish and Israel products or rarely by the products transshipped in the Netherlands originated from Turkey, Spain or other countries.

The retail mark-up for the Dutch produce often exceeds substantially the mark-up for other imported products (Spain, Israel, Italy). On the boarder of Ukraine the price gap between the Dutch and other imported vegetables is not so striking as in Ukrainian supermarkets. *This might be explained by longer shelf life of the Dutch produce or willingness of Ukrainian consumers to buy Dutch produce for such high price.*

Marketing and pre-sale preparation

The store temperature of fruits and vegetables in the local retail is often lower that it is required by certain produce. Tomatoes, sweet peppers, aubergines especially of premium segment are often sold from refrigerators which is harmful for their taste & quality.

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Clear and transparent information about the country of origin of produce is sometimes missing in the retail. It happens that the labels with countries are by accident or deliberately mixed up.

Information about the product and its producer is often missing such as how and where the produce had been grown, which certificates had been received and what they mean for people health & safety.

There is limited information and promotion of healthy diet: e.g. how much fruits and vegetables should be consumed per day, which products are better to consume in particular season and which types of crops are useful for certain group of people (e.g. tomatoes contain the Lycopene which is a very useful agent that is capable of reducing the risk of cancer or red varieties of tomatoes contain more nutrients than yellow etc.).

Local infrastructure

Quality of fresh produce offered in retail chains of Ukraine (especially of mass segment) is poor. Supermarkets do not pay enough attention to presenting vegetables on the shelves and to storing them in appropriate conditions believing the price is the main factor for the purchase decision, while quality and country of origin are secondary for the customers.

Product managers often lack knowledge in selecting the right varieties and consult the customers in product qualities and advantages (e.g. for fresh consumption/ for specific dishes cooking).

Low level of infrastructure, insufficient number of modern storages, undeveloped growing technologies and transportation result in shortage of high quality fruits & vegetables available on the market and hamper the market demand.

Vegetable producers, exporters and importers rarely have sales representatives/merchandisers responsible for visiting sales outlets and taking care of the quality and the way the product is stored, presented and sold.

4.2 Market preconditions

Ukraine is agrarian country with strong traditions of fruits & vegetables growing and consumption. As soon as the market demand increases, the local production follows the trend. As to the industrial production in off-season the country has a lot of limits such as high energy and logistic costs, old fashioned techniques and technologies. In this respect the Netherlands and Ukraine have great potential for the mutual market & business development.

Taking into account significant volumes of import (official and grey) and lack of domestic off-seasonal crops production the demand for imported products in Ukraine is significant. Currently the consumption is hampered by very high prices and decreasing purchasing capacity of population.

Increasing energy prices and decreasing demand will force the local greenhouses to decrease production volumes or even close the business. On the other hand under decrease of exports to Russia and absence of alternative export markets, the strong local greenhouse vegetables growers (like Uman, Kombinat Teplichny) will concentrate on domestic consumers strengthening their brands and competition with the importers will became harder.

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Acceptance in 2015 of the Ukrainian law on the additional 10% import duty to taxes on food imports as a temporary (12 months) measure for stabilization of incomes to the Ukrainian budget will make the import prices higher.

4.3 Market potential

With ever increasing purchase prices of the fresh produce caused by the drastic devaluation of the local currency and decreasing market demand in the short-term perspective (2015-2016) Ukrainian market does not show big potential for growth incl. importing opportunities.

The imports of the Netherlands will remain stable. However the Dutch importers can struggle for acquiring the bigger share through redistribution of shares between the other importing countries. To do so, the Dutch export should be of lower price, better quality ('natural' looking, good taste & freshness) or a unique proposal - something that other importers cannot propose (e.g. focus on exclusive varieties).

The fact that the decrease in sales of premium fresh fruits & vegetables suffered less than mass produce and more stable consumption of greens by wealthy customers prove that the premium segment is not fully explored and remain attractive.

Taking into account the shortage of the local production of tomatoes, sweet peppers and aubergines in the recent periods and strong position of the Netherlands in these crops a certain increase in their imports is possible under saving of the trend at right selling approach.

Under the positive economic and political situation development, some signs of market growth might be expected in two years period (after 2016); under the absence of economic reforms the situation will worsen. In the longer perspective (2017-2025) under the positive changes the market potential will significantly increase for all crops both of local and foreign origin in mass and premium segments.

In broader view the Netherlands have good potential for related to fresh market development:

- To offer quality seeds for traditional early crops for Ukraine (tomatoes, cucumbers, cabbages).
- To supply quality fertilizers and plant protection agents of gentle regime.
- To deliver modern industrial growing solutions and technologies.
- To co-/organize the local greenhouse production of traditional crops.
- To invest in the local storage, distribution and post-harvesting capacities for vegetables and topfruits (apples & pears).

4.4 General conclusions and recommendations as for the Dutch products positioning

Production strategy:

- To suggest exclusive varieties, to supply tasty and fresh 'premium' fruits & vegetables.
- To explore possibilities of the Dutch imports of exotic vegetables like zucchini, leafy vegetables (Iceberg, Butter, Frisee), cauliflower, broccoli, Brussels sprouts, fennel, leek,

spinach, lentil, beans which are not produced locally. Among exotic fruits which require more deep investigation: avocado, cowberries, bog bilberries, blackberries, melons.

- To launch an image campaign to dethrone the myth about unnatural way of the greenhouse production. To offer film /fliers/ brochures on how the Dutch produce is grown, how the quality & safety of the produce is controlled and guaranteed. The information could be disseminated at schools, clinics, retail chains.
- To pay attention on imports of stonefruits (cherries, plums and apricots). Their imports to Ukraine increased recently because of the cold spring in 2014 when a lot of local stonefruits trees were killed by frost.

Pricing policy:

- Currently when the consumer is more sensitive to the price the Dutch exporters should carefully analyze and monitor the basic price level on the market to prevent overpricing and mispositioning among importers as a result the decrease of sales.
- To organize actions and price discounts through retail. According to local retailers, the price discount campaigns can bring 10 times increased sales under the condition of the price reduction by -20-30%. Moreover, such actions help to familiarize the customer with the produce and become more loyal.

Sales strategies:

- Focus on small and medium wholesalers and premium retailers as main sales channels for the Dutch premium produce.
- Change the direct to trader/supplier approach for direct-to-consumer approach. To organize local sales representatives which will monitor market situation, consumer behavior changes, marketable price and preferred assortment on a regular basis. To enhance tasting of the produce though retail and HoReCa to foster appreciation of the Dutch produce by the customers.
- Visit local and international exhibitions to establish the contacts with professional retailers and wholesalers.
- Propose the Dutch produce to retailers in time - better in summer period when the retailers conclude the contracts with exporters.
- Cooperate closer with retailers in informing about the Dutch produce, widening its presence on the Ukrainian shelves and promoting its quality. To consult the retailers in storing and displaying the vegetables in an attractive and correct way to the customer.
- Conclude direct contracts (on demand orders) with premium retail for products with high demand on the market, organically grown produce and gourmet items (like Honingtomaten).
- Open the local greenery sales outlets (e.g. at the wholesale markets) or premium greengroceries owned / co-owned / managed by reliable & professional salesmen.
- Cooperate closer with wholesalers and to have direct wholesalers (co-owned/managed by the Dutch traders/exporters/producers' associations). The increased number of reliable wholesalers/suppliers will balance the relations between grower and retailer. They are able to help both of them to find the "common language" in terms of food quality and transform the market from a supply oriented into a demand-oriented one.

Promotion strategies:

- To promote the off-seasonal consumption of fruits & vegetables and benefits of year round consumption of fresh products for health. Provide nutritional information about the fruits and vegetables this helps make the buyer more aware of the product value. Work with retail chains, schools and clinics to raise awareness of the importance of eating daily servings of fresh produce.
- To provide details about each type of produce to help people understanding the quality and value of the produce so they feel confident while buying. Print materials (e.g. cards, labels etc.) that briefly describe the taste of the different varieties of produce, such as sweet, crunchy or sour (see Chapter 6.6 Consumer needs and requirements), help people learn and appreciate more than just the color. Note where the produce comes from, such as the name of a local producer, to help the consumer realize the value and quality of the produce.
- Prepare fliers or brochures that explain how to handle and store various types of produce to encourage customers to buy more. Help retailers to explain the customers the better manner of use of your products: which tomatoes, sweet peppers and cucumbers goes better for Greek salad, which pear is better for making cake and which is best to be eaten fresh. Share information on how to prepare the produce so people feel encouraged and knowledgeable about what to do with their purchases.

Remove of institutional and infrastructure barriers:

- To remove possible lobby and bans on imports of fresh produce caused by the conclusions of Phitosanitary control service of Ukraine which happens in connection to the produce from the Netherlands and other countries.
- To invest in logistics & post-harvesting infrastructure to enhance the fresh market development.

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4.5 Conclusions and recommendations per crops

Cucumbers

Market demand	High increasing
Seasonality	Medium (19% off-season consumption)
Consumption per capita	total – 23 kg, incl. greenhouse – 2 kg (for comparison: EU27 – 5 kg, Germany- 7 kg)
Production (2013)	1044.3 thousand t, incl. greenhouse 262.9 thousand t
Production trend (2012-2013)	+4%
Imports (2013)	$19.5 mio; 15.6 thousand t
Importing countries (2013, $)	Turkey (90%), Spain (6%), Iran (2%)
Dutch share in imports (2013)	0.01% ($); 0.01% (kg)
Imports trends (2012-2013)	+14%
Import prices[2] (2013)	$1.3 / kg
Dutch import price (2013)	$1.4 / kg
Local producer price[3] (2013)	$1 / kg (greenhouse)
Sales volumes[4] (2013)	$1 052.8 mio; 1049.1 thousand t
Dutch share in sales volumes (2013)	0.0002% ($); 0.0002% (kg)
Sales channels	wholesale markets, open markets, mass retail, premium retail
Preferred assortment	small with pickles, medium with pickles, medium smooth
Best period for import	January-May
Conclusions	Cucumbers are imported to Ukraine during January-May. Main importers are Turkey, Spain, Iran very insignificant volumes are supplied by the Netherlands, Poland, Jordan and Albania. Price of Turkish cucumbers during January-April are within the limits of $1.2/kg, in May prices goes up to $ 1.3-1.4/kg. Price of Spanish & Dutch cucumber is a bit higher ($1.3 and $1.4/kg respectively) but their volumes are much lower. Prices of other importers are closer to the Price of Turkish produce.
Potential for growth	The Dutch cucumbers & their advantages are not known to the Ukrainian customers. Ukrainians prefer short and medium size cucumbers which are produced locally and supplied abundantly from Turkey.
Market strategy	– Be visible on the market & inform about the product quality, safety, organic origin (e.g. long cucumber as having a thin, shiny skin & that is why they are in film). – Organize the awareness and promotion campaigns, showing the advantages of the Dutch products under close cooperation with wholesale, retail and premium stores

[2] at the boarder of Ukraine
[3] without VAT, subsidies, transportation dispatching and overhead expenses
[4] The sales volumes are calculated by formula (Sales volumes = Production + Import – Export)

	- Promote taste & freshness of cucumbers - Adjust the assortment to local preferences if possible - Keep the moderate price level on the market and to perform the local price monitoring to prevent overpricing - Local production combined with Dutch expertise.

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Tomato

Market demand	High decreasing
Seasonality	Medium (16% off-season consumption)
Consumption per capita	total – 45 kg, greenhouse – 2 kg (NL & Germany – 10.5 kg, France – 15kg)
Production (2013)	2051.4 thousand t, incl. greenhouse – 241.6 thousand t
Production trend (2012-2013)	-1%
Imports (2013)	$81,1 mio; 50.2 thousand t
Importing countries (2013, $)	Turkey (75%), Spain (14%), Netherlands (6%), Poland (2%)
Dutch share in imports (2013)	6% ($); 7% (kg)
Imports trends (2012-2013)	-6%
Import prices[5] (2013)	$1.6 / kg
Dutch import price (2013)	$1.8 / kg
Local producer price[6] (2013)	$1 / kg (greenhouse)
Sales volumes (2013)	$2 105,3 mio; 2043.7 thousand t
Dutch share in sales volumes (2013)	0.3% ($); 0.2% (kg)
Sales channels	wholesale markets, open markets, mass retail, premium retail
Preferred assortment	pink, cherry / cocktail, red round on the wine (medium size), yellow
Best period for import	January-June
Conclusions	The largest importers are also Spain, Morocco, the Netherlands and Jordan. There is no significant monthly price fluctuation of all countries importers. However the cheapest are tomatoes from Turkey: in January-April their price is $1.5/kg, in May – $1.7/kg, in June - $1.8/kg. In January the price of Spanish tomatoes amounted to $1.495/kg, Dutch - $1.496 and Moroccan – $1.493/kg. In the following months their prices were increasing as compared to the Turkish prices from 0.1 to 8.2% (depending on country).
Potential for growth	Medium. The premium tomatoes of various colors and shapes, tasty and flavored have good prospects on the market. Consumption of cherry and cocktail tomatoes is limited but starts to be popular. Consumption of cherry and cocktail tomatoes is more stable throughout the year. Small size cherry plum and cherry bunch tomatoes supplied from the Netherlands should be in demand because of lack of local production and small competition of other importers. The price shall be at the level of Spanish produce which is not significantly lower at the moment (USD 0.1 = UAH 1.6 difference in price on the border of Ukraine). With reasonable pricing and actions (discounts, promotion) at good taste the imports can be increased.

[5] at the boarder of Ukraine
[6] without VAT, subsidies, transportation dispatching and overhead expenses

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Market strategy	- Be visible on the market & regularly inform the market about assortment, novelties, terms and conditions of supply, product quality, safety, organic way of production etc. - Keep the price level closer to Spanish tomatoes and perform local price monitoring to prevent overpricing - Supply tasty exclusive varieties of specialty tomatoes (e.g. raspberry tomatoes, zebra tomatoes). - Promote taste, good look & flavor of tomatoes - Organize the awareness and promotion campaigns showing the advantages of the Dutch products in cooperation with retail and premium stores. Promote useful qualities of tomatoes for health. - Cooperate with HoReCa and catering services to extend the customers' list - Investing in the local greenhouse production of this crop near the large cities.

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Sweet pepper

Market demand	Low increasing
Seasonality	Medium (14% off-season consumption)
Consumption per capita	total – 4.5 kg (EU 27 – 5 kg, Germany – 14.9 kg)
Production (2013)	194.1 thousand t
Production trend (2012-2013)	+2%
Imports (2013)	$20,5 mio; 13.4 thousand t
Importing countries (2013, $)	Spain (32%), Israel (33%), Netherlands (20%), Turkey (11%), Jordan (2%)
Dutch share in imports (2013)	20% ($); 21% (kg)
Imports trends (2012-2013)	+11%
Import prices[7] (2013)	$1.5/ kg
Dutch import price (2013)	$1.6/ kg
Local producer price[8] (2013)	$1/ kg
Sales volumes (2013)	$214,4 mio; 207.1 thousand t
Dutch share in sales volumes (2013)	2% ($); 1% (kg)
Sales channels	wholesale markets, open markets, mass retail, premium retail
Preferred assortment	red and yellow (blocky type), red long conical type Ramiro/Capi, Red ordinar (conical type), Orange (blocky type), Light green ordinary Belozerka
Best period for import	May-June, November-January
Conclusions	From January till April the main importers of sweet pepper are Israel, Spain and Turkey, in May – July the large volumes are supplied by the Netherlands, small batch imported by Jordan, Morocco, Egypt and Iran. During January-February the import prices of all importers were almost the same (about $1.470/kg), in the following months the price of Spanish sweet pepper increased the most, in June its price was the highest and amounted to 2.2/kg, price of other importers fluctuated within the following limits: March-April – $1.46-1.55/ kg, May-July – $1.66-1.9/ kg (depending on the month and country importer). From July till September the Dutch sweet peppers were most expensive: $1.5-1.6/kg.
Potential for growth	High. Taking into account the increasing consumption in large cities and insufficient volumes produced locally, the Dutch producers have a chance to compete with Spain and Israel for the market. For realizing the chance, the Dutch prices should be optimized and do not exceed the Spanish price. The better chances are with red and yellow blocky-type, long type Capi sweet peppers and exclusive varieties.
Market strategy	- Keep the reasonable price level close to Spanish and

[7] at the boarder of Ukraine
[8] without VAT, subsidies, transportation dispatching and overhead expenses

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	Israel sweet peppers & perform local price monitoring to prevent overpricing - Supply & promote the tasty and fresh sweet peppers - To focus on exclusive varieties of sweet peppers like Capi or mini-peppers of various colors - Organization of promotion campaigns (actions), showing the advantages of the Dutch products - Close cooperation with small and medium wholesale and premium retail in the promotion/actions activities - Cooperation with HoReCa and catering services to extend the customers' list

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Aubergine

Market demand	Low increasing
Seasonality	High (5% off-season consumption)
Consumption per capita	2 kg (France- 800 g, Middle East – 10 kg)
Production (2013)	96.2 thousand t
Production trend (2012-2013)	+4%
Imports (2013)	$2,6 mio; 1.5 thousand t
Importing countries (2013, $)	Spain (52%), Netherlands (22%), Turkey (24%)
Dutch share in imports (2013)	22% ($); 25% (kg)
Imports trends (2012-2013)	+9%
Import prices[9] (2013)	$1.7 / kg
Dutch import price (2013)	$1.8 / kg
Local producer price[10] (2013)	$1/ kg
Sales volumes (2013)	$98,7 mio; 97.4 thousand t
Dutch share in sales volumes (2013)	1% ($); 0.4% (kg)
Sales channels	wholesale markets, open markets, mass retail, premium retail
Preferred assortment	black long thin, black small, black long thick
Best period for import	May-July
Conclusions	Traditionally high consumption in summer. Large import share - each forth imported aubergine is Dutch. The main competitor is Spain with price which is insignificantly lower (in average for $0.1 less per kg).
Potential for growth	High. Under the absence to the crop of the local producers and increasing consumption in the large cities of Ukraine, the import of the Dutch auberines could be extended.
Market strategy	- Keep the reasonable price level closer to Spanish produce & perform local price monitoring to prevent overpricing - Supply & promote tasty & fresh aubergines of different colors (white, pink). - Organization of promotion campaigns (actions), showing the advantages of the Dutch products - Close cooperation with small and medium wholesalers and premium retail stores in the promotion activities - Cooperation with HoReCa and catering services to extend the Clients' list - Promoting the useful qualities of produce for health - Having local greenery sales outlet / premium stores / sales point at wholesale market

[9] at the boarder of Ukraine
[10] without VAT, subsidies, transportation dispatching and overhead expenses

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Apples

Market demand	High decreasing
Seasonality	Low (36% off-season consumption)
Consumption per capita	20 kg (Germany – 17 kg, Poland – 11 kg)
Production (2013)	1211.4 thousand t
Production trend (2012-2013)	+13%
Imports (2013)	$67,7 mio; 55.2 thousand t
Importing countries (2013, $)	Poland (96%), Italy (1%), Netherlands (1%), Chili (1%)
Dutch share in imports (2013)	1% ($); 1% (kg)
Imports trends (2012-2013)	-25%
Import prices[11] (2013)	$1.2 / kg
Dutch import price (2013)	$1.4 / kg
Local producer price[12] (2013)	$0.6/ kg
Sales volumes (2013)	$766,8 mio; 1255.7 thousand t
Dutch share in sales volumes	0.1% ($); 0.04% (kg)
Sales channels	wholesale markets, open markets, mass retail, premium retail
Preferred assortment	Jonathan (B), Champion (B), Golden Delicious (D), Simirenko (D), Ligol (B)
Best period for import	March-May
Conclusions	Most popular fruits consumed on the market. Main importer is Poland (96%). The highest prices for imported apples from all countries are since December till March at the level of $1.68/kg. Starting from April till July the price of Polish apple goes down from $1.3 till $1/kg. At the same period the price for Dutch apple keeps at $1.3/kg with peak price in May $1.4/kg. The most expensive is the Italian apple reaching in average per year $1.5/kg however the share of Italian imports decreased significantly in January-August 2014. The apples of red and yellow color (like Elstar) from the Netherlands have limited chances on the market because they are plenty of the similar type of the local and Polish origin with lower price.
Potential for growth	Low. Significant domestic production and large-scale import from Poland. Some exclusive premium segment varieties (e.g. Red Chief (A), Granny Smith (D)) and also traditional varieties of good quality off-season (juicy and very crunchy) have potential for the import increase.
Market strategy	- To keep the reasonable price level - To focus on exclusive varieties, safe & organic - To focus on taste, appearance, freshness - Close cooperation with premium retail and HoReCa - Investing in production, storage and post-harvesting infrastructure for local fruitage.

[11] at the boarder of Ukraine
[12] without VAT, subsidies, transportation dispatching and overhead expenses

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Pears

Market demand	Low decreasing
Seasonality	Medium (15% off-season consumption)
Consumption per capita	3 kg (EU 27 – 4.5 kg, Austria, Italia, Portugal, Spain – 9 kg)
Production (2013)	169.4 thousand t
Production trend (2012-2013)	+5%
Imports (2013)	$6,6 mio; 5.1 thousand t
Importing countries (2013, $)	Netherlands (24%), Argentina (14%), SAR (12%), Poland (11%), Chili (9%)
Dutch share in imports (2013)	25% ($); 25% (kg)
Imports trends (2012-2013)	-13%
Import prices[13] (2013)	$1.3 per kg
Dutch import price (2013)	$1.3 per kg
Local producer price[14] (2013)	$0.9/ kg
Sales volumes (2013)	$159,0 mio; 174.3 thousand t
Dutch share in sales volumes	1% ($); 1% (kg)
Sales channels	wholesale markets, open markets, mass retail, premium retail
Preferred assortment	Beuré, Beuré Novembre, Dushesse, Conference
Best period for import	November-December, June-August
Conclusions	Pears are popular although apples, oranges and bananas are leaders of fresh fruits consumption. High volumes are imported in November-December. Second splash of demand is observed in June-August. Argentina keeps the annual stable price of $1.31/kg, while the prices of other importers are fluctuating. The highest price peak falls on April-June in average $1.41-1.46/kg. The Dutch price for this period is in average $1.39/kg with price jump in May ($1.53/kg), when the higher was only the price of Italian produce ($1.63/kg). Tough competition for the Dutch pear is made by Argentina and SAR with average price $1.31/kg and $1.21/kg respectively in April-June. In August-October the market is to Ukrainian and Polish producers with price $1/kg.
Potential for growth	Medium. The Netherlands are leaders of imports (27%). Small competition in tasty, flavor and moderate pricing on the market.
Market strategy	- To continue to keep the reasonable price level - To promote taste, appearance, freshness and flavor - Close cooperation with small and medium wholesalers, retailers and premium stores in the promotion activities - Cooperation with HoReCa and catering - Having local sales outlet / premium stores / sales point at wholesale market.

[13] at the boarder of Ukraine
[14] without VAT, subsidies, transportation dispatching and overhead expenses

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Table 1. Summary with Dutch indicators

	Imports (2013)	Importing countries (2013, $)	Dutch share in imports (2013)	Imports trends (2012-2013)	Import prices (2013)	Dutch import price (2013)	Local producer price (2013)	Sales volumes (2013)	Dutch share in sales volumes (2013)	Best period for import
Cucumber	$19.5 mio; 15.6 thousand t	Turkey (90%), Spain (6%), Iran (2%)	0.01% ($); 0.01% (kg)	↑ 14%	$1.3 / kg	$1.4 / kg	$1 / kg (greenhouse)	$1 052.8 mio; 1049.1 thousand t	0.0002% ($); 0.0002% (kg)	January-May
Tomato	$81,1 mio; 50.2 thousand t	Turkey (75%), Spain (14%), Netherlands (6%), Poland (2%)	6% ($); 7% (kg)	→ -6%	$1.6 / kg	$1.8 / kg	$1 / kg (greenhouse)	$2 105,3 mio; 2043.7 thousand t	0.3% ($); 0.2% (kg)	January-June
Sweet pepper	$20,5 mio; 13.4 thousand t	Spain (32%), Israel (33%), Netherlands (20%), Turkey (11%), Jordan (2%)	20% ($); 21% (kg)	↑ 11%	$1.5/ kg	$1.6/ kg	$1/ kg	$214,4 mio; 207.1 thousand t	2% ($); 1% (kg)	May-June, November-January
Aubergine	$2,6 mio; 1.5 thousand t	Spain (52%), Netherlands (22%), Turkey (24%)	22% ($); 25% (kg)	↑ 9%	$1.7 / kg	$1.8 / kg	$1/ kg	$98,7 mio; 97.4 thousand t	1% ($); 0.4% (kg)	May-July
Apples	$67,7 mio; 55.2 thousand t	Poland (96%), Italy (1%), Netherlands (1%), Chili (1%)	1% ($); 1% (kg)	↓ -25%	$1.2 / kg	$1.4 / kg	$0.6/ kg	$766,8 mio; 1255.7 thousand t	0.1% ($); 0.04% (kg)	March-May
Pears	$6,6 mio; 5.1 thousand t	Netherlands (24%), Argentina (14%), SAR (12%), Poland (11%), Chili (9%)	25% ($); 25% (kg)	↓ -13%	$1.3 per kg	$1.3 per kg	$0.9/ kg	$159,0 mio; 174.3 thousand t	1% ($); 1% (kg)	November-December, June-August

5 Market analysis

5.1 Market trends

The devaluation of Ukrainian currency (hrivnia) in December 2014 to December 2013 constitutes 97% (to USD) and 77% (to EUR) according to official rates of the National Bank of Ukraine. According to the Ministry of Finance of Ukraine the inflation rate in November 2014 was 21.8% (to the same month of 2013). Those factors have a very negative impact on the real income of population.

Main vector of consumer behavior change in 2014 was increased demand for cheaper produce (shift for the segment 'average minus') and to prove rationality of the purchasing behavior. As a result the visits of shopping and entertainment centers decrease, population economize on non-essential groups of goods, the share of emotional purchases significantly felt down.

At the same time, decrease in consumption of fresh fruits and vegetables is not related to people with high and upper middle incomes (the food expenses in the structure of their budget is not significant as to the rest of population).

Main consumers of imported fruits & vegetables live in cities of Kyiv, Dnepropetrovsk, Odessa, Kharkiv, Zaporizhe, Lviv. Demand on imported fresh fruits & vegetables in Ukraine felt down significantly due to worsened economic situation and shortening of previously large consumer markets - Eastern (Donetsk, Luhansk regions) territories.

Though the fresh fruits & vegetables still access Crimean market via Ukraine, the supply can be stopped or suspended by Russia at any point. According to information from open sources the consumption of fresh fruits & vegetables is stable on the peninsula.

Tomatoes, cucumbers and apples are the leaders of the local production. Production of sweet peppers, aubergines, pears is low and do not exceed 0.2 million tons. In 2013 it was a visible decrease in production dynamics of tomatoes by -10%, aubergine by -2% and other crops. At the same period, the imports of tomatoes, sweet peppers and aubergine increased by +5%, +13% and +32% respectively. The interest for local greengrocery is increasing. Local growers' trademarks appear and strengthen. Presence of domestic fruits & vegetables incl. premium organic products is increasing in the local retail.

Instability at the boarder of Ukraine (extended procedure and increased control at the custom clearance) increased the share of contraband (smuggled) import which is a big issue for official importers and barrier for the sector development. Demand from wholesale and retail on imported produce is low because of decreased demand from the population and substantial local currency (hrivnia) devaluation. During 2014 they continuously decreased the volumes of purchase.

The retail sales of imported vegetables decreased more than fruits; however, the import volumes of vegetables decreased significantly lower that the import volumes of fruits for the 9 months of 2014. This mean the share of sales of imported vegetables through other than retail channel e.g. wholesalers, distributors, open markets is increasing. The sales of fruits though retail remain stable.

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The imports of vegetables in January-September 2014 decreased by -5%, imports of fruits decreased by -34% as compared to the same period 2013.

The retail sales of imported vegetables decreased by -11% in UAH and by -47% in USD in January-September 2014 as compared to January-September 2013. Though the sales of fruits increased by +12% in UAH and decreased by -34% in the same period because fruits increased more in price than vegetables for the last period.

The prices for imported fruits & vegetables (by basic crops subject of the study) decreased by -17% in average (in USD) and increased by +36% in average (in UAH) for January-August 2014 as compared to the same period of 2013.

During 11 months of 2014 the domestic prices for local greenhouse vegetables have increased by +20% in UAH and decreased by -36% in USD. Prices for local fruits increased by +10% in average in UAH and decreased by -42% in USD.

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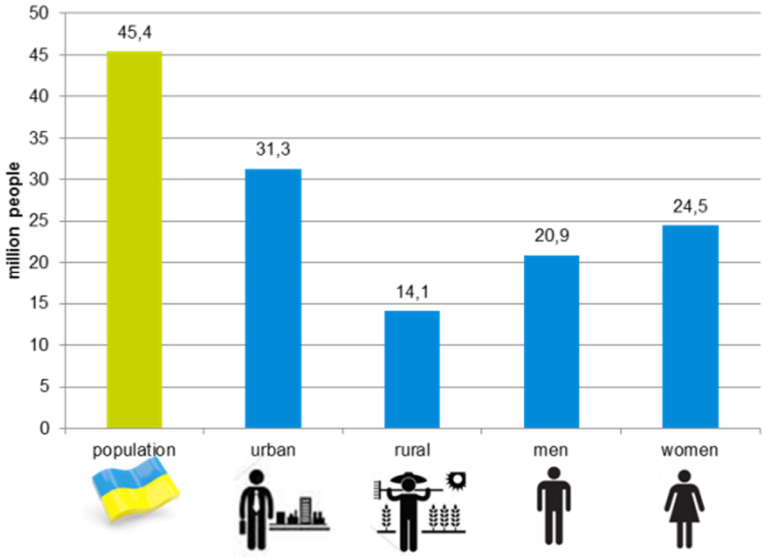
5.2 Population

The total population in Ukraine is estimated to be 44.84 million in 2014, down from 45.55 million in 2013. This figure makes it the 31st most-populated country in the world.

In 2014 Ukraine partially lost the consumer markets of Donetsk and Luhansk regions (about 5 million people). Risks of losing Crimean sales market (about 2 million people) are not excluded. Despite the fact that a certain share of these population moved to other regions of Ukraine, the overall consumers' market is shrinking.

Figure 1. Structure of Ukrainian population, 1st January 2014



Source: State Statistics

The population growth rate, as of 2012, is estimated to be -3.1%. The negative growth rate indicates a decline in the population.

The main mortality reasons (can be used for promotion of fruits & vegetables consumption) are given in **Figure 2** below.

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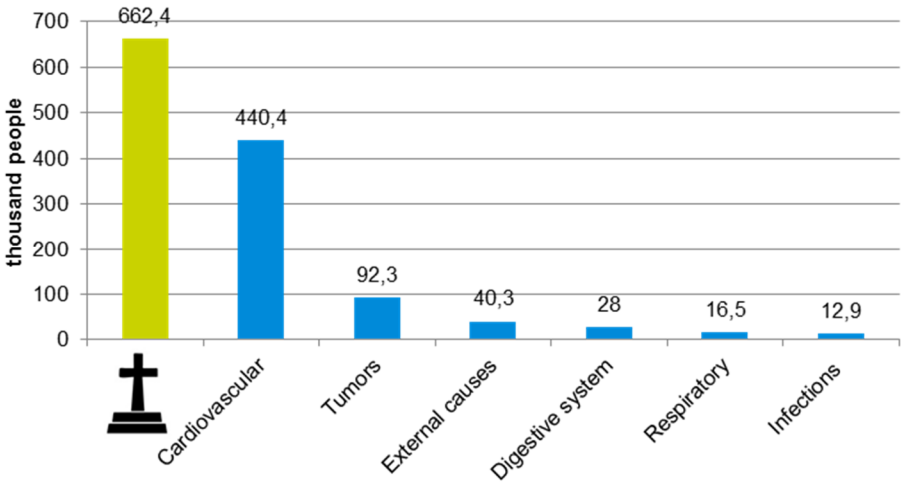
Figure 2. Mortality of Ukrainian population, 1st January 2014



Source: State Statistics

5.3 Incomes

According to the information of the State statistics service of Ukraine, the real wages in October 2014 as compared to the same period of 2013 has decreased by -13% and this trend increases each month.

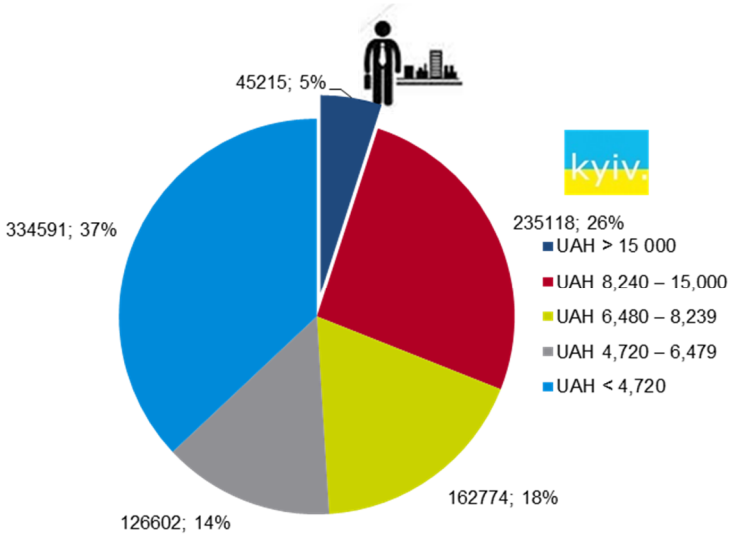
Registered unemployed people increased by +2% and amounted to 402.7 thousand people.

According to the research of the American Research Institute Gallup, the income of Ukrainians in 2006-2012 ranged between $323 per month, and the Ukrainian households - $923. This data are presented in the form of the median income.[15]

The number of households in Kyiv amounts to 904 300 in 2014. The distribution in terms of welfare of Kyiv residents (data of UTG) is given in the **Figure 3** below.

[15] That means these incomes are located in the middle of the Ukrainian wages list - 50% of people receive more than that level and 50% - less. (This approach is more correct in the countries with great gap between the smaller and bigger wages).

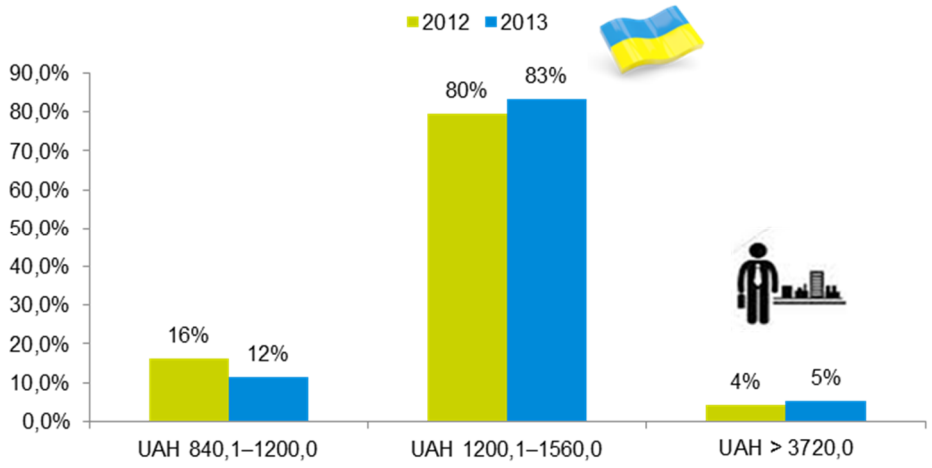
Figure 3. Structure of Kyiv households by monthly income in UAH



Source: UTG

Redistribution of population by the level of average person income according to State statistics[16] is given below in **Figure 4** below.

Figure 4. Structure of Ukrainian population by monthly income in UAH



Source: State Statistics

[16] Data of the official Statistics are given for the reference because any reliable unofficial data had been identified. In the reality people earn more than the Statistics reports.

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From the Figures 3 & 4 above it can be roughly concluded that population with high & upper middle incomes (consumers of the Dutch premium products) forms up to 1-2% of population (0.5-1 million people 2014).

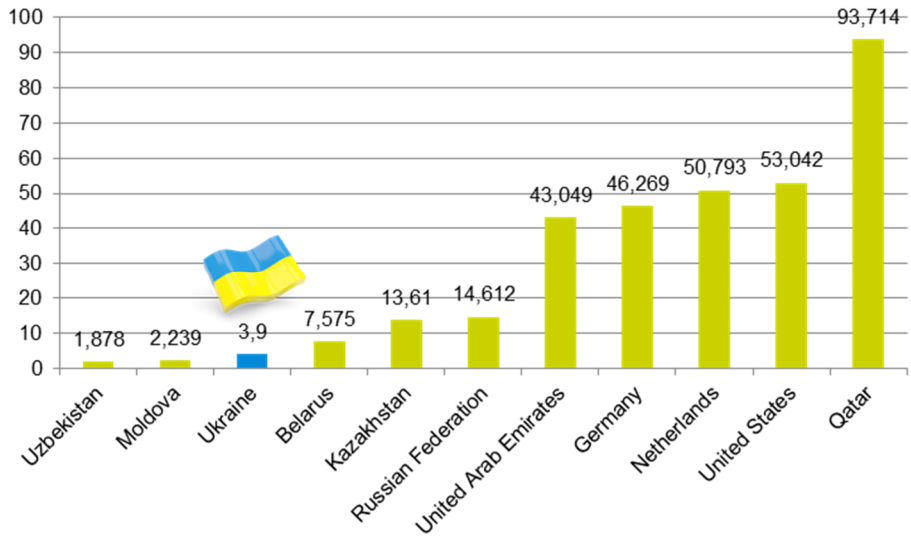
In the ranking of the World Bank (2013) in terms of gross income per capita - one Ukrainian has gross annual income of $3,900. Ukraine ranked 136th place. The researchers divided the countries in terms of income into four categories: the rich, upper-middle, lower-middle and low-income. Ukraine entered the group of countries with gross income below average. In terms of welfare Ukraine is side by side on the list with Moldova, Uzbekistan and Georgia.

Table 2. GDP per capita[17] (current US$)

Country	2010	2011	2012	2013
Luxembourg	102,857	113,739	106,023	110,697
Qatar	71,510	88,861	92,801	93,714
United States	48,377	49,803	51,496	53,042
Netherlands	50,338	53,541	49,128	50,793
Germany	41,723	45,871	43,932	46,269
United Arab Emirates	33,886	38,930	40,444	43,049
Russian Federation	10,710	13,324	14,091	14,612
Kazakhstan	9,071	11,358	12,120	13,610
Belarus	5,819	6,306	6,722	7,575
Ukraine	2,974	3,575	3,873	3,900
Moldova	1,632	1,971	2,047	2,239
Uzbekistan	1,377	1,545	1,719	1,878

[17] GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. *Source:* *http://data.worldbank.org/indicator/NY.GDP.PCAP.CD*

Figure 5. GDP per capita (current US$)

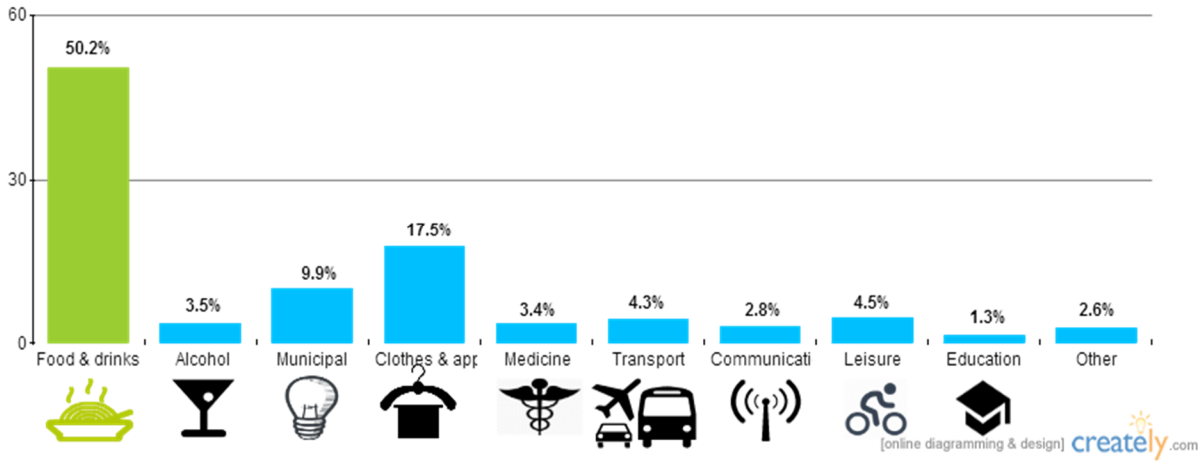


Source: World Bank national accounts data, and OECD National Accounts data

5.4 Consumer expenditures

According to information of UTG '69% of Kyiv family income falls on the consumer expenditures. Only 17% of the capital city population had reconsidered their approach to the planning and distribution of the budget due to economic and political situation in 2014. While in other cities of one million citizens, this figure increased from 42% to 63%'[18].

Figure 6. Consumer expenditures of Ukrainians 2013



Source: State Statistics, Tebodin's infographic

[18] *Source: http://www.trademaster.ua/articles/1487*

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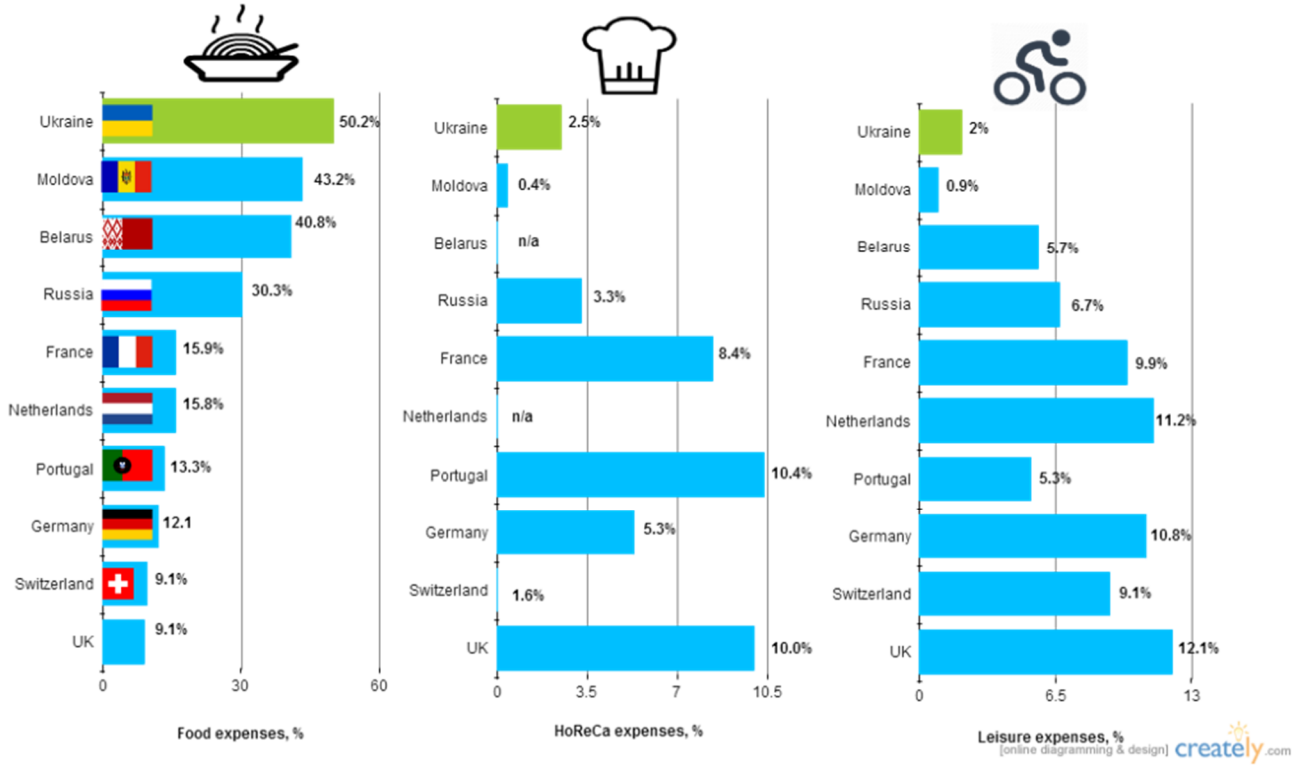
Ukrainian citizens spend on food 50% of annual income. UK residents spend on food 9% of their annual income, Switzerland - 9.6%, Germany - 12%, France - 15.9%, the Netherlands - 15.8%. It is worth noting that in addition to expenses for food in consumer spending in European reports there is a column 'catering', which is comparable in proportion to the cost of food, and sometimes even exceed it - for example, in the UK and Portugal amounts to 10 %.

Here it should be noted that the share of food in the expenses of wealthy population of Ukraine (consumers of Dutch premium produce) is significantly lower (at the range of 15-20%) and the economic situation will not affect this item of consumer expenses in the short term perspective.

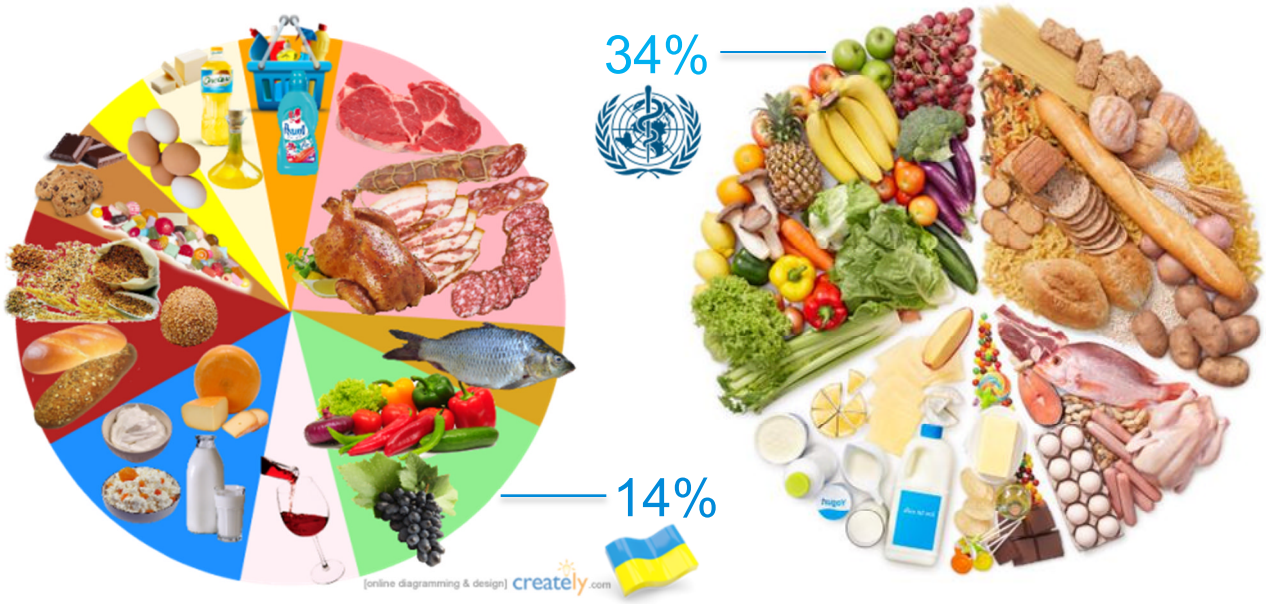
Figure 7. Food expenditures by countries 2013



Source: Ranking of countries by the share of expenditure on food, RIA Rating, Tebodin's infographic

The consumer basket of food products in Ukrainian large cities had changed significantly: it tends for the European style: more vegetables, less traditional bakery products etc. Despite this fact the consumption of fresh fruits & vegetable in Ukraine is still low - 14% vs 34% recommended by WHO (**Figure 8**).

Figure 8. Ukrainian food expenses vs balanced diet recommended by WHO



Source: Tebodin's infographic

5.5 Retail sales

The retail sales of fruits and vegetables are annually increasing in UAH and decreasing in USD due to local currency devaluation. The share of imported vegetables in the total retail sales is decreasing and of imported fruits is stable.

The imported vegetables in the total retail sales volumes of Ukraine constitute 15%, the domestic production being 85%. The ratio of the imported to domestic fruits in the Ukrainian retail is 50%:50%.

During 9 months of 2014 the retail sales of imported vegetables decreased in UAH by -11% and in USD by -47%; of imported fruits – increased in UAH by +12% and decreased in USD by -34% as compared to the same period of 2013 (**Figures 9 & 10**).

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Figure 9a. Retail sales of vegetables (excl. potatoes) in UAH

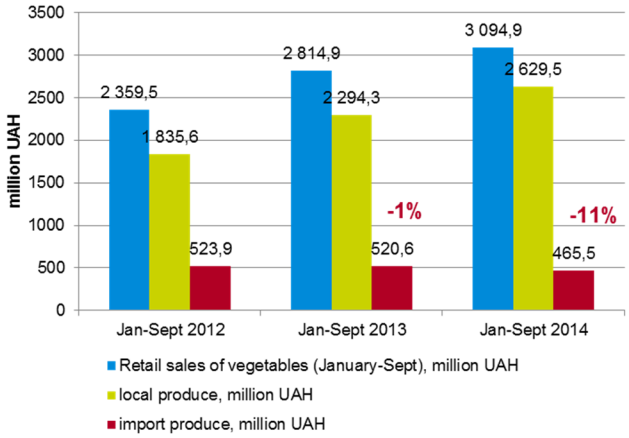


Figure 9b. Retail sales of fruits in UAH

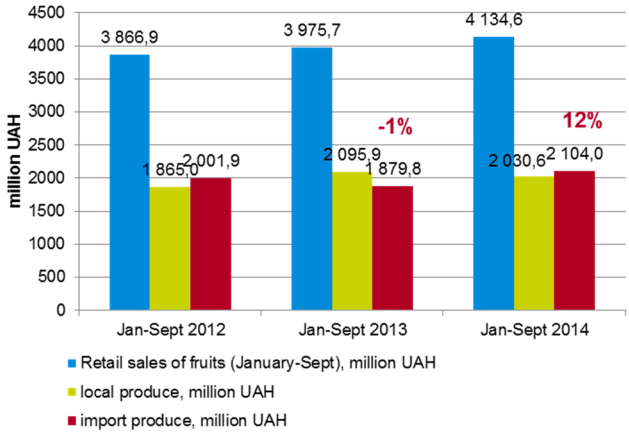


Figure 10a. Retail sales of vegetables (excl. potatoes) in USD

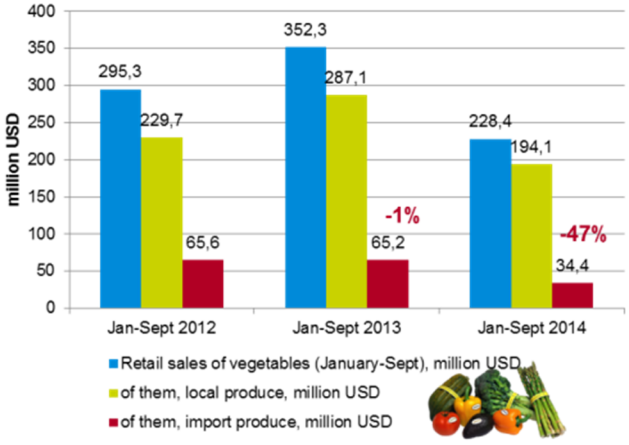
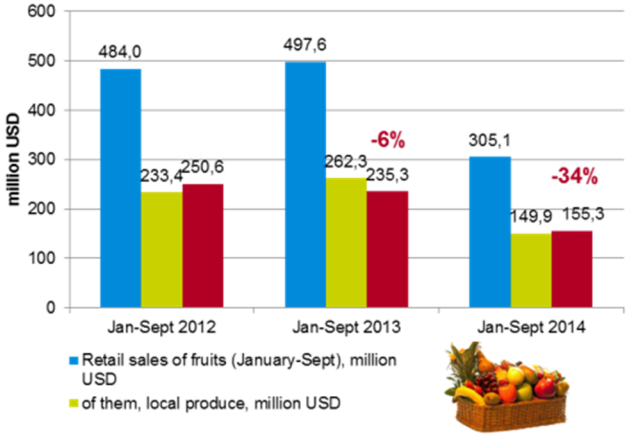


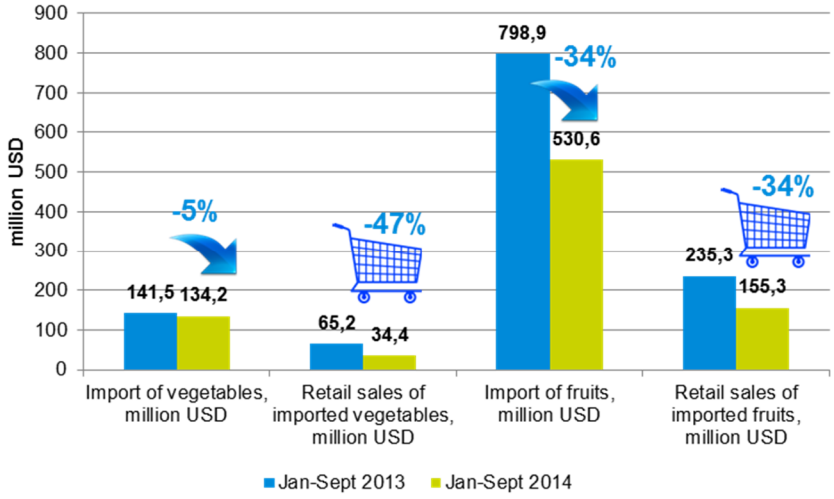
Figure 10b. Retail sales of fruits in USD



Source: State Statistics

The retail sales of imported vegetables decreased more than fruits -47% (for vegetables) vs -34% (for fruits); however, the import volumes of vegetables decreased significantly lower (by -5%) that the import volumes of fruits (by -34%) in January-September 2014 (**Figure 11**).

Figure 11. Imports and retail sales of fruits & vegetables (excl. potatoes) in January-September 2014



Source: State Statistics

According to the information of the retail chain 'Furshet' the imports from the Netherlands felt down significantly: *'In 2011-2012 the retail chain imported weekly 20 tons of apples, bell peppers, zucchini, packed tomatoes, of them 2-3 tons of apples. In 2014 the chain imports only 5-7 tons of Dutch produce per week, incl. 200-300 kg of apples for premium store 'Furshet Gourmet'.* Such decrease of import volumes is explained by the shortage of local demand and necessity of keeping high prices to compensate losses of the fresh produce which is not moving very fast at the moment.

In 2013 Ukrainian producers sold 118.2 thousand tons of greenhouse vegetables which is by -7.4% less than in 2012. The most significant decrease in sales falls on January-March and November-December (periods when a lot of heat and electricity are required for heating and growlight). In January 2013 it was sold in 2.1 times less, than for the same period of 2012, in February - by -31.5% less, in March – by -15.7% less, in April – by -3.5% less respectively.

According to the recommended rational norms of consumption of vegetables a person per year shall eat 94 kg of fresh vegetables: of them 48 kg - from the field, 33 kg - from storage, quick-frozen vegetables - 3.5 kg; greenhouse vegetables - 10 kg incl. of cucumbers - 4.3 kg, of tomatoes - 2.8 and other vegetables - 2.9 kg; processed vegetables - 40 kg incl. canned - 29 kg, sour and salty - 9 kg (cucumbers, cabbage, tomatoes) and dried - 2 kg. [19]

Each year, one Ukrainian buys an average 100 kg of fresh cucumbers, tomatoes, peppers and other vegetables. Ukrainian greenhouses are able to satisfy this demand only at the level of 9-18% (depending on the greenhouse product).

[19] *Source: http://www.ovoschevodstvo.com/journal/browse/201404/article/1075/*

The Consumer survey conducted by the Tebodin revealed that 75% of respondent consume the same amount of fresh products in 2014 as in 2013, 15% - increased consumption and 10% - decreased the consumption of fresh fruits and vegetables due to increased prices. The share of premium production in total consumption of fresh fruits and vegetables is estimated by requested consumers at 10% in average.

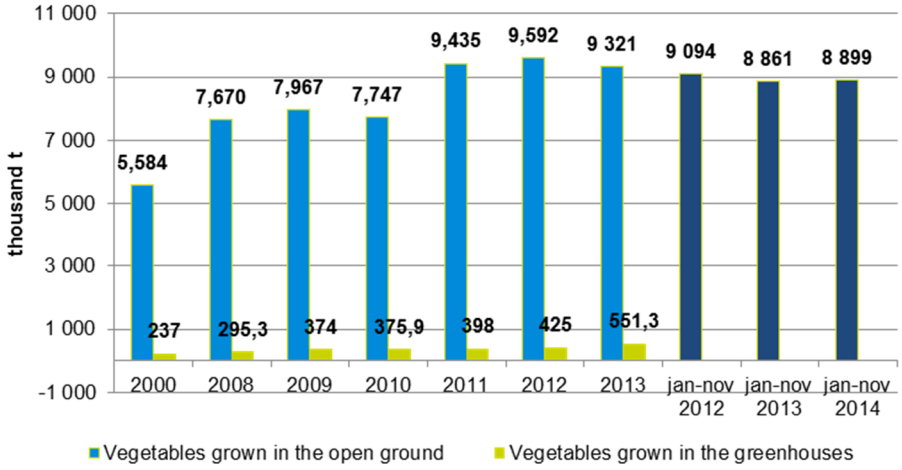
According to Tebodin's survey only 40% of respondents are happy with the amount of fruits & vegetables they consume, another 60% would like to consume more for 30% in average.

5.6 Local production

Open ground seasonal production prevails on the Ukrainian market. According to State Statistics preliminary data and forecast of market experts the vegetables production in the open ground will increase insignificantly in 2014.

Due to increase of gas price, decreased exports to RF and shrinking domestic demand, the local growers in the protected ground are decreasing their production volumes (**Figure 12**).

Figure 12. Production of vegetables



Source: State Statistics

Main industrial types of vegetables grown in the protected ground of Ukraine are cucumbers, tomatoes, sweet pepper, aubergines, leafy vegetables (dill, parsley, basil, coriander) and mushrooms.

In spring the extended assortment of vegetable crops is grown in the film greenhouses - tomatoes, cucumbers, squash, sweet peppers, aubergines, melon, watermelon, lettuce, dill, parsley, celery, beets, early cabbage, rhubarb, sorrel.

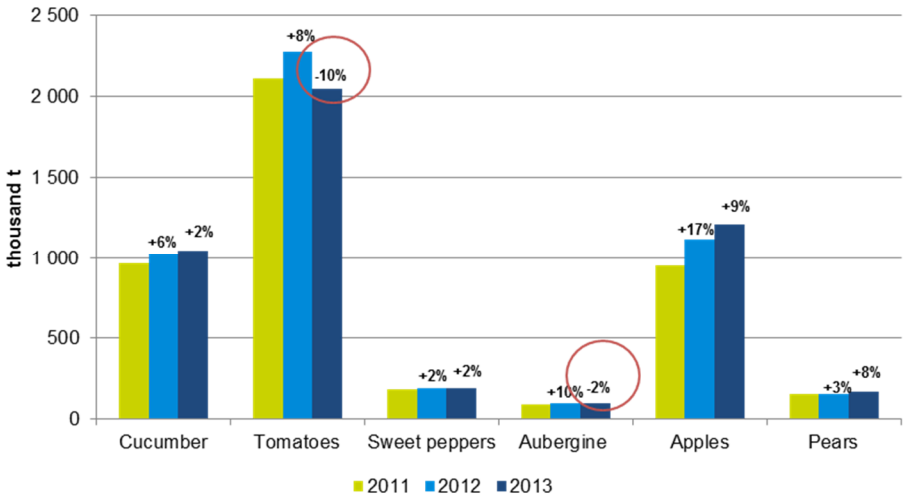
Today in Ukraine are working about 70 industrial greenhouses, the most of them are located near the large cities. They are Kombinat Teplichyi, Prolisok (Kyiv region), Teplichnyi, Zmievska Vegetable Plant (Kharkiv region), Uman greenhouse (Cherkassy region), TK Dniprovskyi (Dnipropetrovsk

region). At the end of 2012 the new greenhouse DF AGRO was commissioned in Sinkov Ternopil region.

Large greenhouses mostly grow vegetables in glass winter greenhouses with a total area of 6 hectares. According to official statistics, today under greenhouse vegetables, there are over 3.2 thousand ha. The lion's share - 93% - is used for tomato and cucumber. The rest - sweet peppers, aubergines, lettuce, greens, mushrooms.

Of the pre-selected for the study crops: tomatoes, cucumbers and apples are the leaders of the local production. Production of sweet peppers, aubergines, pears is low - their volumes do not exceed 0.2 million tons. In 2013 it was a visible decrease of production dynamics of tomatoes (-10%), aubergine (-2%) and other crops (**Figure 13**).

Figure 13. Production of pre-selected fruits & vegetables in open & protected ground in 2011-2013



Source: State Statistics

The import of tomatoes, sweet peppers and aubergine increased by +5%, +13% and +32% respectively in 2013 (**Figure 14**).

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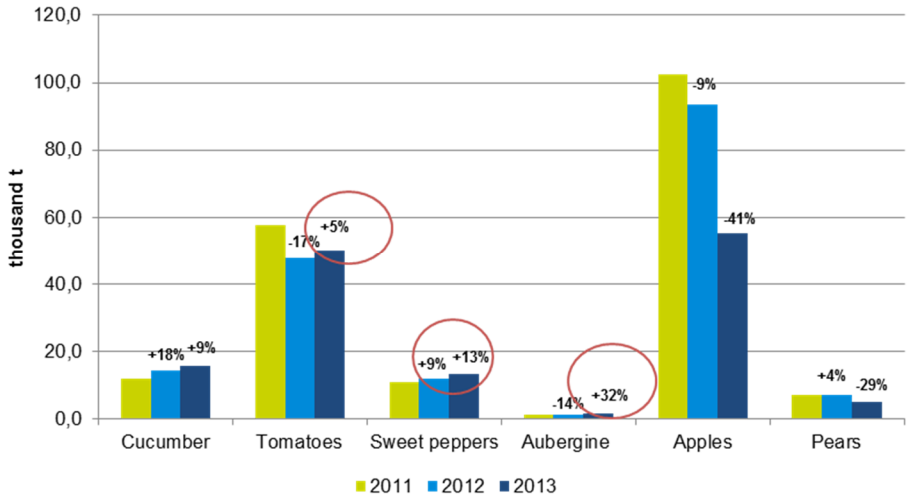
Figure 14. Import of pre-selected fruits & vegetables in 2011-2013



Source: State Statistics

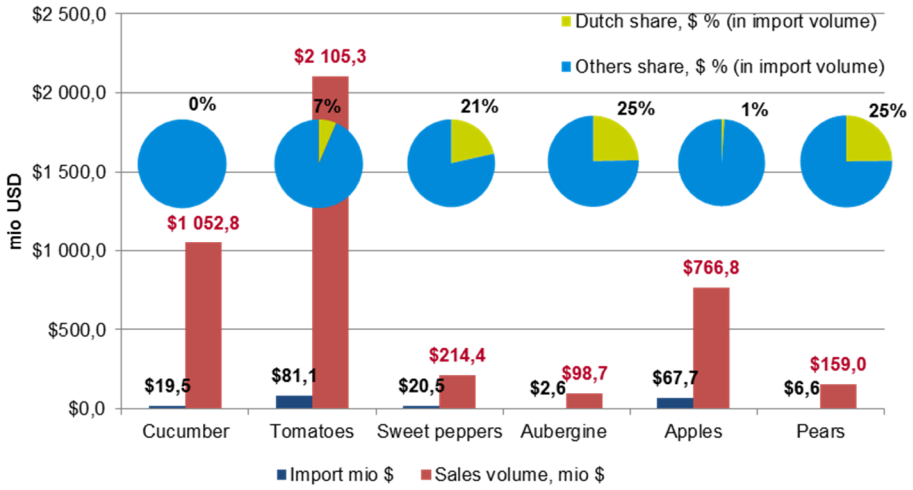
Taking into account the decreased volumes of local production of tomatoes, sweet peppers and aubergines in the recent periods a certain increase in imports of these crops is possible under condition of saving this trend.
Taking into account significant volumes of grey imports of these crops it can be concluded that the demand for imported products is still significant.

5.7 Sales (market) volumes

Tomatoes, cucumbers and apples have the highest sales volumes[20] on the market but the Dutch share of these crops is very insignificant. The Dutch share is bigger to the niche exclusive crops which are imported and produced locally in very small quantities such as sweet peppers, aubergines, pears and other rare crops for Ukraine (**Figure 15**).

[20] The sales volumes are calculated by formula (Sales volumes=Production + Import – Export)

Figure 15. Sales and import volumes (incl. Dutch share) of fruits & vegetables in 2013



Source: State Statistics

The quality of domestic greenhouse vegetables satisfies Ukrainian customer more than the quality of imported vegetables, but Ukrainians because of low incomes prefer the cheaper produce - Turkish, Spanish, Moroccan and others. Ukrainian producers of greenhouse vegetables cannot compete on price with imported as the purchase price of the imported produce together with the logistics expenses is less than the cost of vegetables grown in greenhouses Ukrainian. For example, the cost of early Turkish (greenhouse) vegetable considering transportation and customs costs is -25-30% lower than Ukrainian.

Such high prices for their products the greenhouse owners explain by the high price of gas. In 2007 the cost of 1 thousand cubic meter of gas was UAH 700, in 2009 - already UAH 2,600, in 2010 – UAH 3,038, in 2011 – UAH 4,000, in 2012-2013 - more than UAH 4,000, in 2014 – UAH 4,800.

The main competitor of the local growers of greenhouse vegetables is Turkey (44% of the total imports in 2013). Thanks to the favorable climate this country has much better conditions, and therefore lower energy costs.

In winter period the local greenhouse production is almost stopped. In October-November greenhouse owners ends the growing cycle, clean the greenhouse and grow seedlings for the new season.

5.8 Imports

State statistics reports in January-September 2014 the imports of vegetables decreased by -5% in money terms (USD); imports of fruits decreased by -36% (**Figure 16**).

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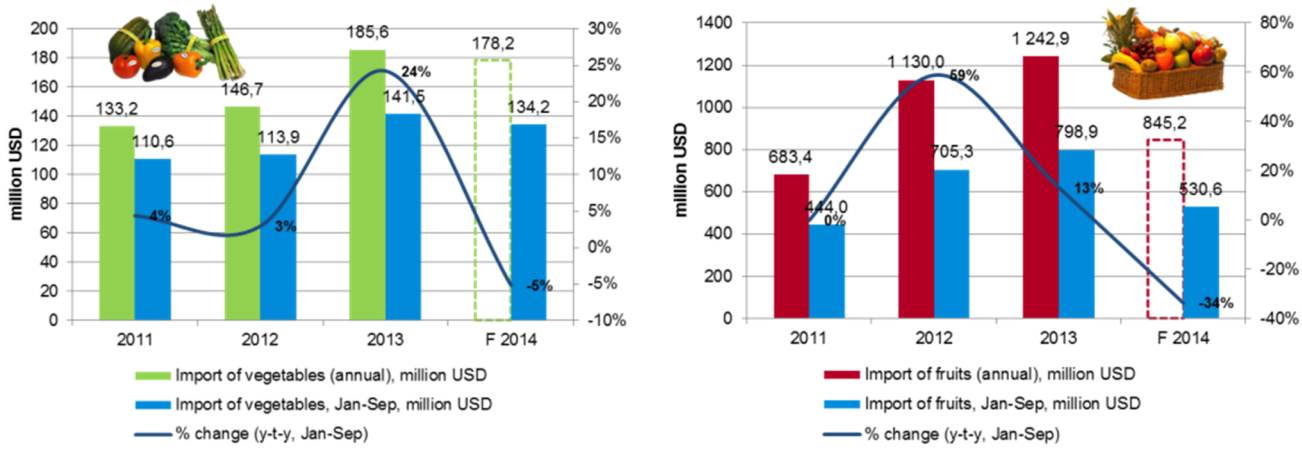
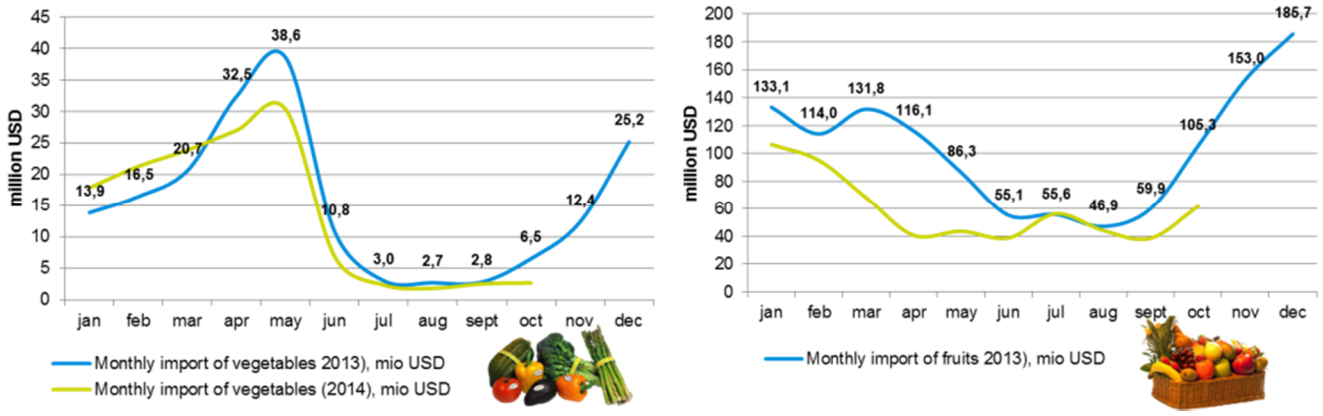
Figure 16. Imports of fruits & vegetables



Source: State Statistics

Figure 17 gives impression about seasonality of imports of fruits and vegetables to Ukraine in 2013-January-October 2014. Imports of vegetables increase since October-November (when the local greenhouses have break) till April-May. Fruits imports are more stable and significant in volumes, they start growing at September will December. The seasonal and holiday splashes of imports reduced in 2014 due to decreased demand.

Figure 17. Seasonality of imports of fruits & vegetables in 2013



Source: State Statistics

The largest volumes of imports belong to tomatoes, cucumbers and sweet peppers. Dutch share in the imports of sweet pepper – 21%, aubergine – 25%, pears – 25% (**Figure 18**). In sales volumes the Dutch share is insignificant: sweet peppers - 2%, aubergine and pears - up to 1% both (**Figure 19**).

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Figure 18. Dutch share in imports of fruits & vegetables in 2013

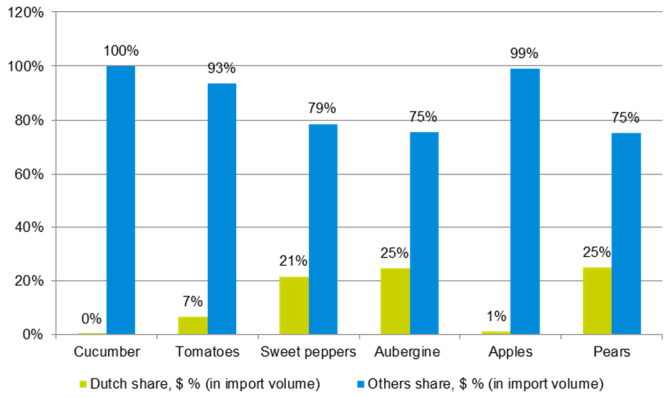
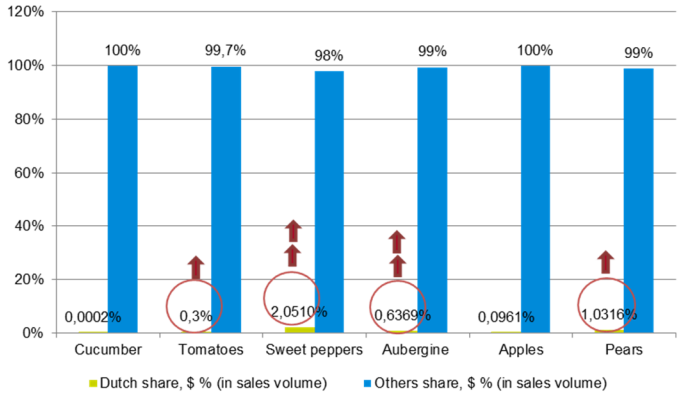


Figure 19. Dutch share in sales volumes of fruits & vegetables in 2013



Source: State Statistics

Taking into account strong position of the Netherlands in exports of sweet peppers, aubergine, cherry tomatoes and pears the Dutch exporters have chance to retain and increase their positions on the market.

5.9 External competition

Main competitors of the Netherlands in import of fresh fruits & vegetables to Ukraine are Turkey, Spain and Poland.
Importing countries competitions and analysis of imported volumes in 2013 and 8 months of 2014 (as compared to the same period in 2013) are described and depicted in **Figure 20** and **Annex 1**.

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Aubergine
The Netherlands have strong positions in the import of aubergines (25% in 2013); main competitor is Spain (51% in 2013). Import volumes and prices decreased for 8 months of 2014. To retain its positions the Netherlands decreased the prices for 15%.

Sweet peppers
Dutch sweet pepper has good position on the market (21% in 2013, 25% for 8 months of 2014). The main competitors are Spain and Israel. For the last year Spain strengthen its positions in the group. To keep the market positions the Dutch producers decreased the price by -15%. Sweet pepper import volumes remain the same and general market price decreased by -5% for 8 months of 2014.

Cherry tomatoes
Dutch cherry tomatoes have strong positions on the market. The Dutch cherry tomatoes are competing with Spanish, Israeli and Italian production. Dutch cherries are appreciated by the consumers for their small size and 'red ripe' appearance.

Pears
Traditionally the Netherlands have strong positions in import of pears. In 2014 the Netherlands strengthen its leader's positions (27% import share in 8 months of 2014 against 22% in the same period of 2013). Prices decreased insignificantly in January-August 2014, the supply volumes are stable. The Netherlands has god chances to retail its positions for pears in Ukraine.

Cucumber
The market of imported cucumbers is dominated by Turkey (90% in 2013 and 92% for 8 month of 2014). The prices remain stable, volumes of import decreased for 8 months of 2014. In autumn there were the sharp price decrease of cucumbers due to increased volumes of product from Turkey and local supply. The Netherlands are not an important player on this market.

Tomatoes
The main importer is Turkey (75% in 2013 and 80% for 8 months of 2014). In January-August 2014 the tomatoes significantly decreased in price (-25%) and the import volumes decreased by -6% as compared to the same period of 2013. The Turkish tomato significantly pushed aside the Spanish and Dutch tomato. Turkey brought a lot of tomatoes in 2014 and was obliged to decrease the price for -28%. Moreover, the competition from the local growers of tomatoes increases every year and especially due to the Russian trade bun. The positions of the Netherlands in traditional tomatoes are not strong on the market of Ukraine.

Apples
Poland is a major importer of apples to Ukraine (95% in 2013). Poland due to the lost Russian export market had reconsidered its prices (by -54%) in January-August 2014. Volumes of import also decreased significantly (by -30%). There is a large local competition of apples supply. The positions of the Dutch players are weak in this group.

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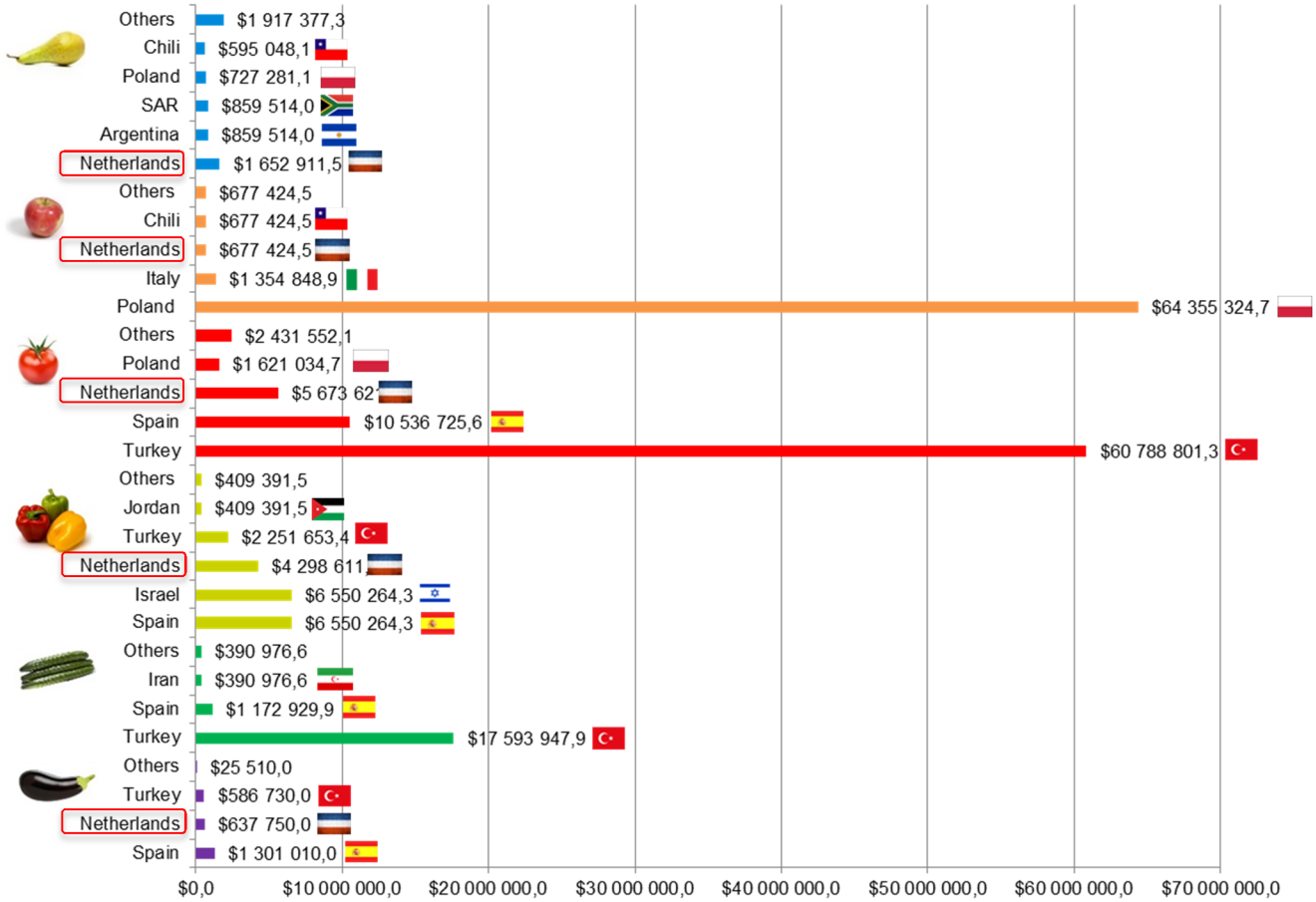
Figure 20. Imports of fresh products to Ukraine in 2013



Source: State Statistics

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5.10 Prices

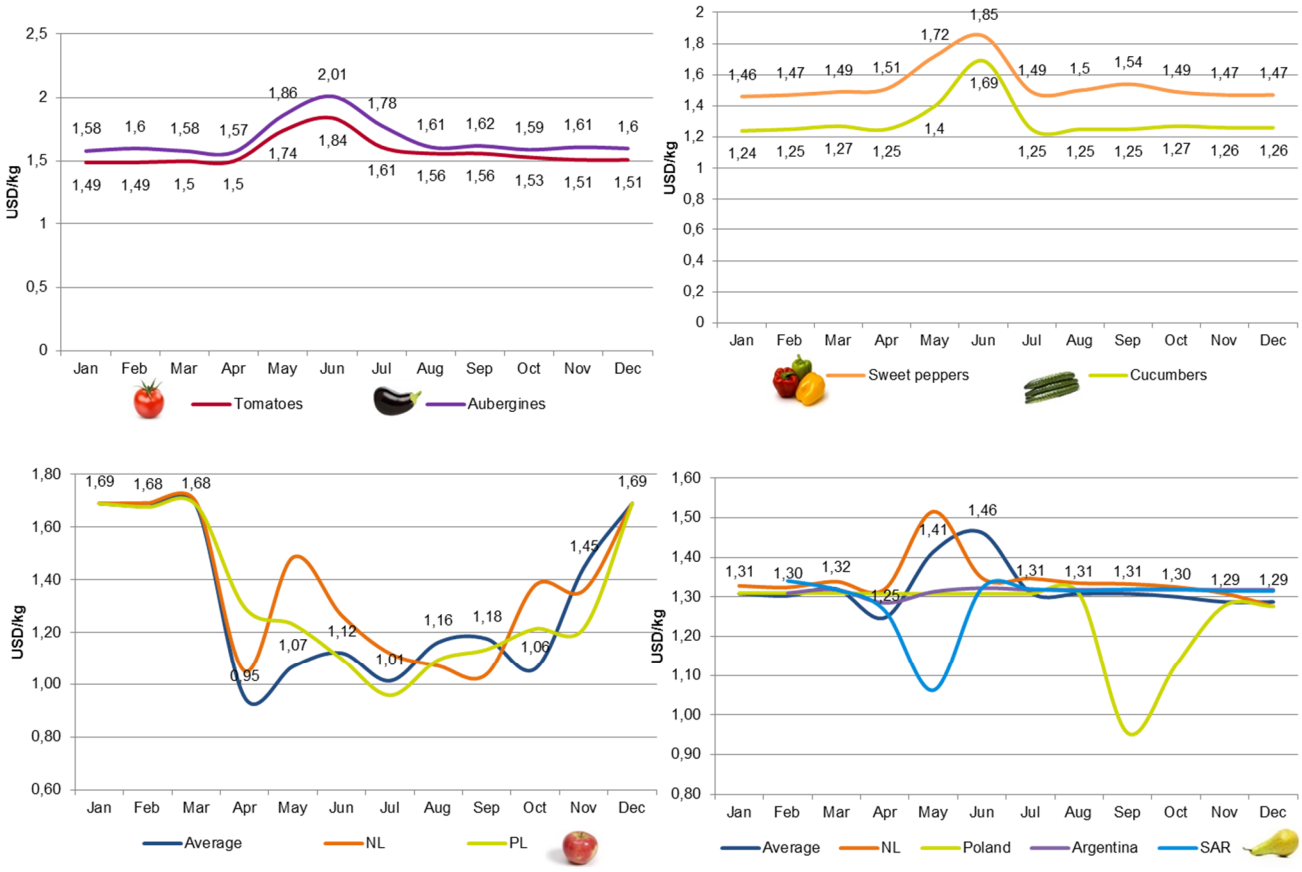
Insufficient volumes of local production and high production costs in off season lead to high market prices and significant price volatility especially in the peak consumption periods.

The highest prices are typical for the first half of the year (January-May) with peaks during New Year, Easter and May holidays. The prices go down from June till September due to significant volumes of open ground vegetables. However, depending on crops and country supplier the price fluctuations might be different.

Import prices

The prices for imported fruits and vegetables (pre-selected products) have decreased by -17% in average (in USD) and increased by +36% in average (in UAH) in January-August 2014. The import produce prices are fluctuating depending on season, volumes available and foreign currency exchange rate (**Figure 21**).

Figure 21. Average monthly import prices[21] of fruits & vegetables in 2013



Source: State Statistics

[21] on the boarder of Ukraine

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The price of the Dutch vegetables was in average +10% higher than the produce of other countries in 2013 (**Figure 22**). For January-August 2014 the price ratio of the Dutch products to the price of products from other importing countries reached 20% (**Figure 23**). The prices for Dutch fruits are the same or even less than prices of other importers in both periods.

Figure 22. Average import prices[22] of fresh fruits & vegetables by countries, 2013

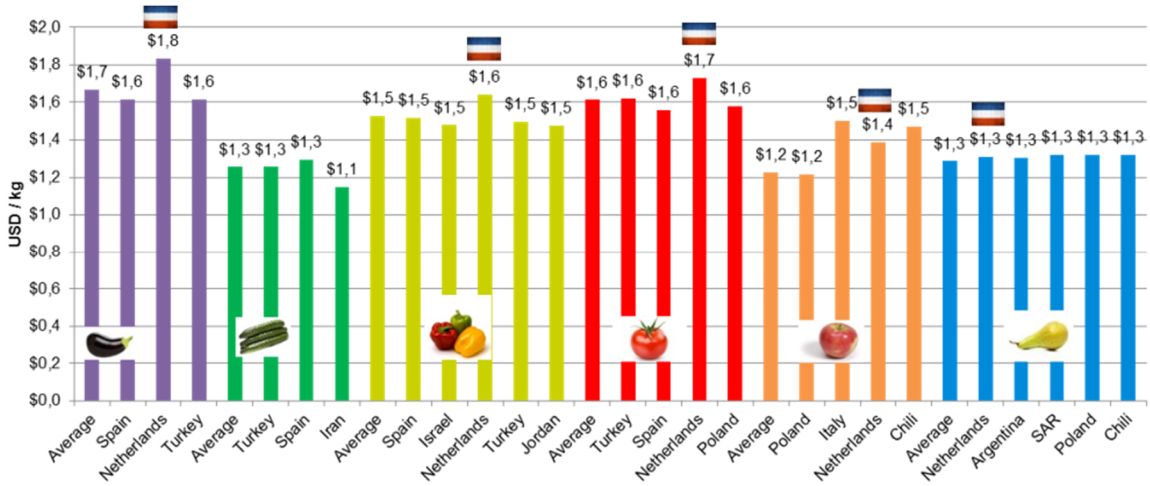
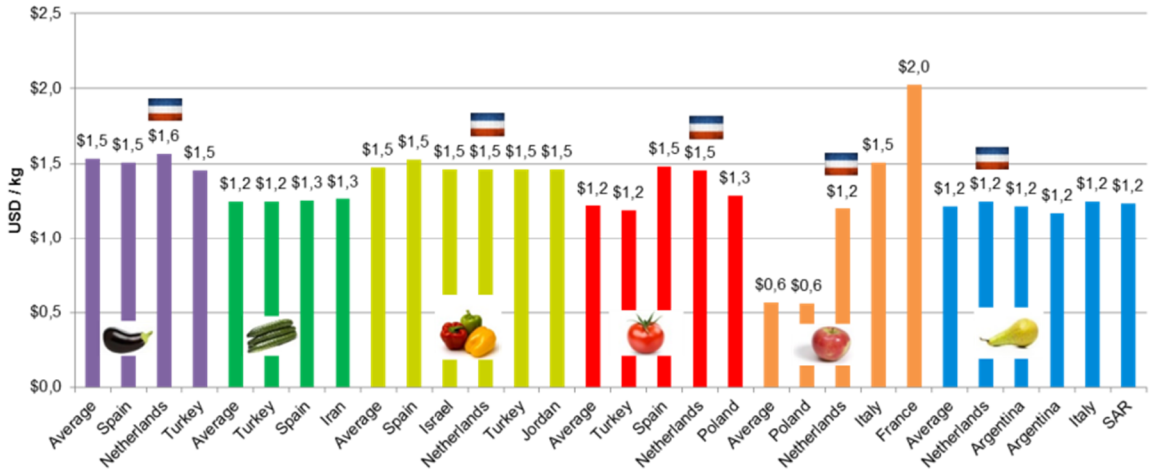


Figure 23. Average import prices of fresh fruits & vegetables by countries, January-August 2014



Source: State Statistics

Review of imported product prices in 2013 and January-August 2014 are given in **Annex 2.**

[22] on the boarder of Ukraine

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Domestic prices for local production

During 11 months of 2014 the domestic prices for local greenhouse vegetables have increased by +20% in UAH and decreased by -36% in USD. Prices for local fruits increased by +10% in average in UAH and decreased by -42% in USD.

Local prices are also subject of fluctuations depending on seasonal demand and number of available products on the market (**Figures 24 & 25**). Local producers are less dependent on foreign currency exchange rate fluctuations however the energy and logistics costs are constantly increasing. Moreover, the local growers try to keep prices on the level of imported products or even higher because of the customers' preference to buy more national products which are more tasty, natural and fresh.

Figure 24. Average monthly domestic selling prices[23] of local greenhouse vegetables in 2013

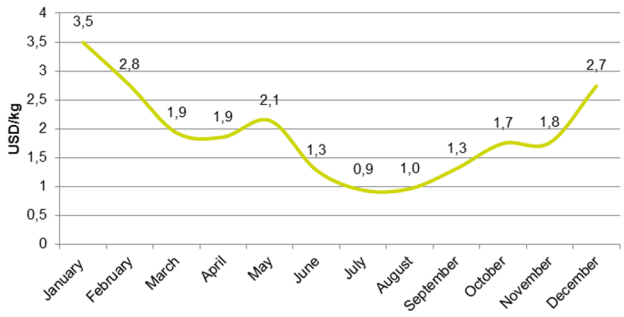
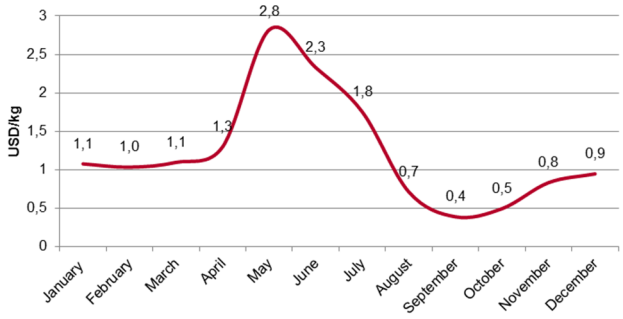


Figure 25. Average monthly domestic selling prices of local fruits in 2013



Source: State Statistics

Winter greenhouse vegetables grown in Ukraine cost more than imported, because of small number of local greenhouses. Today domestic producers say that it makes no sense to compete with Turkish producers, since the purchase prices of Turkish tomatoes is UAH 7-8 / kg, transportation and customs fees add to the initial price UAH 10 / kg, so the selling price is UAH 17-18 / kg. Before the New Year 2013 the price of Spanish, Moroccan and Dutch tomatoes was UAH 20/kg.

For the large Ukrainian greenhouse complexes the price of UAH 20/kg (USD 2.5/kg) is unprofitable because of very expensive heating and lighting costs of the greenhouse.

Domestic wholesale and retail prices for local and imported production

The averaged local prices for local and imported production as of December 2014 are given in **Table 2** below.

In December 2014 the mass retail prices for fruits & vegetables are +25% higher than the wholesale prices. However for mass products which are often directly imported by the retailers (e.g. cucumbers

[23] excluding VAT (20%), subsidies, dispatching and overhead expenses

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& tomatoes) the retail price is equal or less than the wholesale price. The mark-up of the mass retail for fruits & vegetables amounts in average to 30% for vegetables and 10 % for fruits. The prices for fruits & vegetables in the premium retail are in average 100% higher as compared to the mass retail.

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Table 3. Average local prices in Ukraine in December 2014, per kg incl. VAT (20%)

Product	Wholesale price (Stolichnyi market)		Mass retail purchase price (Fozzy Group)		Mass retail sale price (Fozzy Group, MegaMarket, Auchan, Silpo)		Premium retail sale price (Good Wine, Furshet Gourman)		Mass retail purchase: Wholesale price	Mass retail sale: Wholesale price	Mass retail sale: Mass retail purchase price	Premium retail sale: Mass retail sale price
	UAH / kg	USD / kg	UAH / kg	USD / kg	UAH / kg	USD / kg	UAH / kg	USD / kg	Price ratio, %			
Aubergine	43,7	2,8	50,0	3,2	57,5	3,6	82,0	5,2	14%	32%	15%	43%
Cucumber long in film	n/a	n/a	n/a	n/a	60,0	3,8	n/a	n/a	n/a	n/a	n/a	n/a
Cucumber medium & small	27,5	1,7	20,0	1,3	20,1	1,3	65,0	4,1	-27%	-27%	1%	223%
Sweet Peppers	42,3	2,7	40,0	2,5	48,7	3,1	140,7	8,9	-5%	15%	22%	189%
Round tomato	57,4	3,6	30,0	1,9	48,0	3,0	59,3	3,8	-48%	-16%	60%	23%
Round tomato organic bio	n/a	n/a	105,0	6,7	120,0	7,6	220,0	14,0	n/a	n/a	n/a	n/a
Cherry tomato Class 1	96,0	6,1	60,0	3,8	99,3	6,3	n/a	n/a	-38%	3%	66%	n/a
Cherry tomato Extra Class	286,5	18,2	n/a	n/a	n/a	n/a	550,0	34,9	n/a	n/a	n/a	n/a
Apples	9,3	0,6	21,7	1,4	21,4	1,4	55,5	3,5	133%	131%	-1%	159%
Pears	28,0	1,8	31,5	2,0	38,4	2,4	53,0	3,4	13%	37%	22%	38%
Average Veggies	**92,2**	**5,8**	**50,8**	**3,2**	**64,8**	**4,1**	**186,2**	**11,8**	**-21%**	**1%**	**33%**	**119%**
Average Fruits	**18,7**	**1,2**	**26,6**	**1,7**	**29,9**	**1,9**	**54,3**	**3,4**	**73%**	**84%**	**10%**	**98%**
Average V & F	**55,4**	**3,5**	**38,7**	**2,5**	**47,4**	**3,0**	**120,2**	**7,6**	**26%**	**43%**	**22%**	**109%**

Source: Tebodin's survey

In December 2014 the local wholesale and retail prices for the Dutch produce are significantly higher than of other imported products: Dutch produce had been in average +3% higher than Italian, +25% higher than Spanish and +71% higher than Turkish production (**Table 4**).

Table 4. Wholesale prices of the imported fresh produce, per kg incl. VAT (20%)

Product	Country of origin	Wholesale price			Price ratio , %		
		UAH / kg	USD / kg	EUR / kg	NL/Turkish	NL/Spain	NL/Italy
Aubergines black small	Netherlands	40,0	2,5	2,1		11%	
Aubergines black small	Spain	36,0	2,3	1,9			
Round tomato Kumato	Netherlands	87,0	5,5	4,5		24%	
Round tomato Kumato	Spain	70,0	4,4	3,6			
Round tomato yellow	Netherlands	55,0	3,5	2,9	72%	38%	
Round tomatoes red	Spain	40,0	2,5	2,1			
Round tomatoes red	Turkey	32,0	2,0	1,7			
Cherry tomato packed Class 1 200 g	Netherlands	100,0	6,3	5,2		25%	
Cherry tomato packed Class 1 200 g	Spain	80,0	5,1	4,2			
Pear Abbat	Netherlands	35,0	2,2	1,8			3%
Pear Abbat	Italy	34,0	2,2	1,8			
Average Veggies		**60,0**	**3,8**	**3,1**	**72%**	**24%**	
Average Fruits		**34,5**	**2,2**	**1,8**			**3%**
Average V & F		**47,3**	**3,0**	**2,5**	**72%**	**24%**	**3%**

Source: Tebodin's survey

Detail review of local prices of fruits & vegetables in December 2014 are given in **Annex 3**.

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5.11 Sales channels

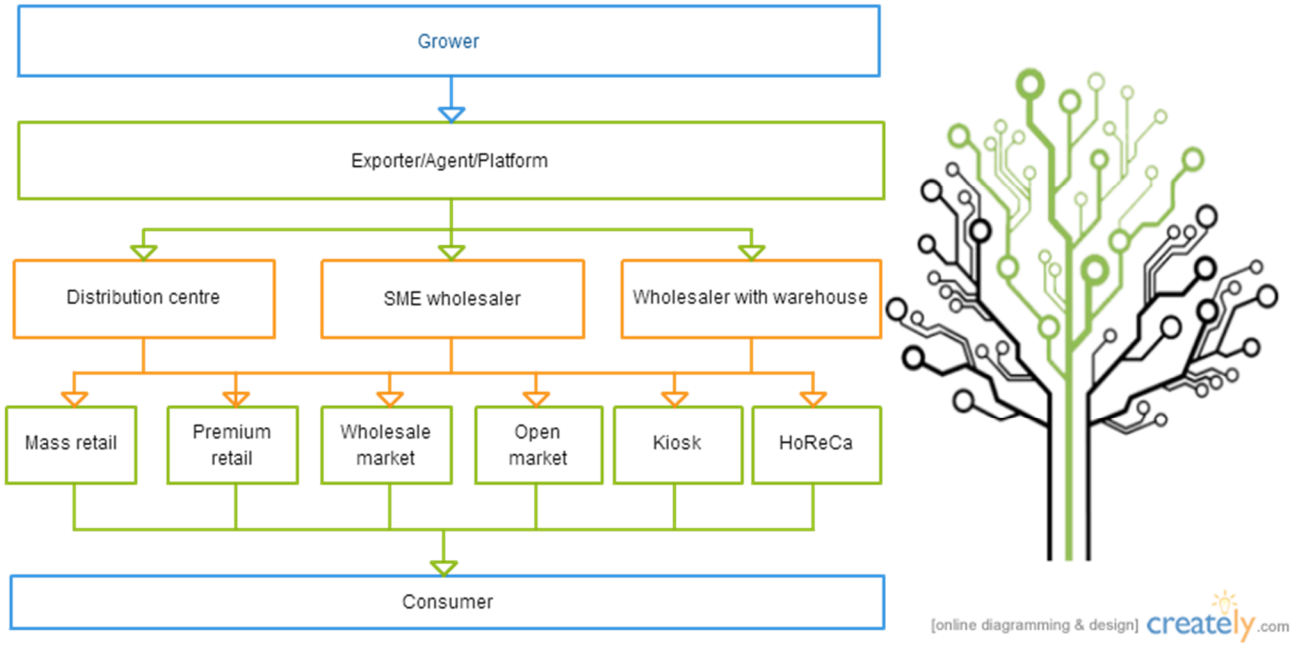
The distribution market of fresh fruits and vegetables is not well structured. The shares of the market players are changing. The supply volumes are fluctuating. The market of suppliers is under transformation and restructuring.

Instability on the custom results in more importers than retailers' role in the imports of fruits and vegetables. According to official statistics about 70% of imported fruits and vegetables are sold by importers and 30% - by retailers.

The supply chain of imported fresh fruits & vegetables is long and complicated. Small number of large professional wholesalers and a lot of small intermediaries make the produce very expensive and not really fresh at the end of the chain.

The supply chain of imported fresh produce is presented in **Figure 26**.

Figure 26: Fresh products supply chain in Ukraine



Source: Tebodin's infographics

Large wholesalers & importers like Ukrainian Fruit Company, Euro Fresh Fruit and few others possess own warehouses with special cooling and packaging equipment. They process large volumes of produce of mass demand. The large wholesalers do not have strict requirements regarding food quality and takes care of logistics - mainly transportation and storage. They pay in cash immediately (100%) after the purchase is made.

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Small & medium wholesalers / importers are the main players on the market (e.g. Ekzotic, Fenix, Fruiktovy Krai, Greenery & a lot of others) which might be focused on mass, premium or both segments production, to be representatives of one or few importers etc. Case: company 'Ekzotic' is a small wholesaler which is concentrated purely on the premium segment exclusive fruits & vegetables (mainly Dutch products) at high price with good margin. The company has two selling outlets at Stolichnyi (Kyiv) and Shuvar (Lviv) modern wholesale markets. Each of the outlets has about 200 regular customers which require stable supply of quality products. The customers of 'Ekzotic' are people with upper middle income and HoReCa. Despite difficult times and decreasing demand on the market the company didn't lose its customers and its sales volumes were stable throughout 2014 in tonnage though the profit margin slightly decreased.

Distribution centers (DCs) are independent or belonging to retail entities (e.g. Logistics Plus, Logistics Service, DC of Fozzy group & few others). The primary role of a retail DC is to receive large quantities of products and ship them in small quantities to particular stores. However, its secondary and still very important role is to store fresh products. The DC's in Ukraine are not numerous and not always properly equipped with refrigeration and air conditioning, leading to losses and causing dissatisfaction among retailers' representatives.

Mass retailers (Fozzy Group, Auchan, Furshet, Silpo, Velyka Kyshenya, METRO, Billa, ATB, Novus, Megamarket, Karavan, ECO market, VARUS etc.) might be direct importers or client of the large wholesalers / importers. Mass retail is interested in the large volumes of the cheap produce of mass demand. Under current unfavorable conditions this trend became even more intense. The retailers tend to optimize the assortment, to minimize prices and to work with the most flexible suppliers. Ukrainian retailers are working with suppliers without advance payments; the postponement of the payment for the supplied products is usually 7-14 days and sometimes comes up to 21 days. When wishing to become a supermarket supplier, a producer/vendor must have his fresh food products certified by any institution that is accredited by the central authority in the sphere of agriculture to do so in the country. The producer/supplier will then receive the certificate of conformity with the commonly accepted and legally adopted regulations existing in the country[24] as well as the quality certificate[25] for fresh food products.

Premium retail like Le Silpo, Furshet Gourman, VK Select, Cosmos, Delight, Good Food were the most dynamic segment of the national retail in 2012-2013. According to the information of Ukrainian premium retail '*the sales in the premium stores decreased by -10-15% in 2014"*. The supermarkets for wealthy people are mainly located in Kyiv, Odessa and Dnepropetrovsk. They are interested in small volumes of quality products of exclusive varieties.

Wholesale market is a sales platform for large and small producers, wholesalers, exporters/importers. Of the planned 25 wholesale market 'Shuvar' (Lviv region, 500 thousand tons of vegetables and fruits) and 'Stolychnyi' (Kyiv region, 225 thousand tons of vegetables and fruits) wholesale market are fully functioning.

Open markets are used as a sale place by small intermediaries (re-sellers) and rarely by small farmers and households producers. Fresh fruits and vegetables in the open markets better (more

[24] Ukrainian:„сертифікат відповідності"
[25] Ukrainian:„сертифікат якості"

fresh) due to daily deliveries directly from trader or producer. There is bigger choice and assortment of the fresh fruits and vegetables, and one always can taste the product and negotiate the price. During the cold and rainy weather the number of customers decreases for the benefits of supermarkets.

The lists of relevant importers & retailers are given in **Annex 4 & 5**.

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6 Consumer Habits Analysis

6.1 Customers habits

Significant part of the Ukrainian population is not used to buy vegetables year-round. In winter and spring the consumption falls down. Moreover, seasonal consumption is considered by Ukrainians as the more reasonable and healthy. Ukrainian consumers, regardless of income, prefer the seasonal fruits & vegetables and eat a lot of pickles and preserves in off-season. Consumption of frozen fruits & vegetables becomes widespread.

Picture 1. Local competitors of the imported produce in off-season

Consumption of greenhouse vegetables increases during public holidays New Year, Easter and May holidays. In early spring industrial greenhouses experience high competition by open ground agricultural farms, in summer and early autumn – a lot of Ukrainians grow their own vegetables in open ground on their dachas.

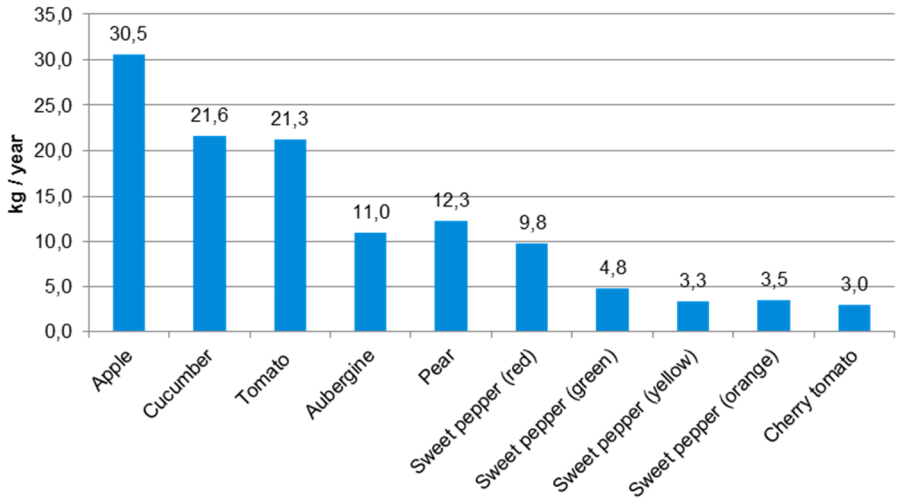
Ukrainians prefer 'produce from nature'. Self-grown produce does not look perfect in terms of shape and size but is tasty and considered natural. Well grown produce which is graded and packed is starting to look like 'artificial' instead of 'by nature'. Specifics of local demand are customers' preferences of the local varieties: the short & medium size cucumber, pink tomato, apple Simirenko.

Picture 2. Local varieties at premium store

In the perception of average Ukrainian the premium product is rather associated with high quality fruits like grapes, ebony, apples, pineapples, mango. High quality fruits constitute about 3% of sales and are sold in the premium chains such as 'Fursher Gourman', 'Le Silpo'. The premium vegetables form up to 1% of total sales of vegetables. In the perception of Ukrainians vegetables are quite ordinary products. As a premium vegetables are considered the cherry tomatoes, avocado, broccoli, kohlrabi, artichoke, asparagus and other exotic crops which are not grown locally.

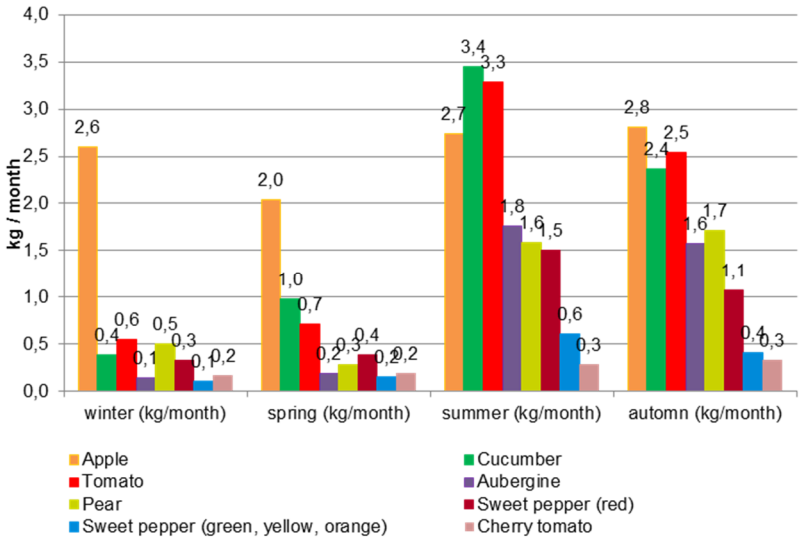
Tebodin's survey of the pre-selected products revealed that apples, cucumbers and tomatoes are the leaders of year-round consumption. The share of premium fresh fruits & vegetables is estimated to 10% in average in the consumption of fresh fruits and vegetables. Consumption of premium cherry tomatoes, sweet peppers and aubergines is considered to be higher than of other products above 10% in average. Year round consumption of fruits and vegetables is higher to the customers with higher income. Of the pre-selected crops the apples, sweet peppers and cherry tomatoes are the most stable products in terms of year-round consumption (**Figures 27 & 28**).

Figure 27. Annual consumption of fresh fruits & vegetables per capita in Kyiv



Source: Tebodin's survey (questioning of customers with upper middle incomes)

Figure 28. Seasonal consumption of fresh fruits & vegetables per capita in Kyiv

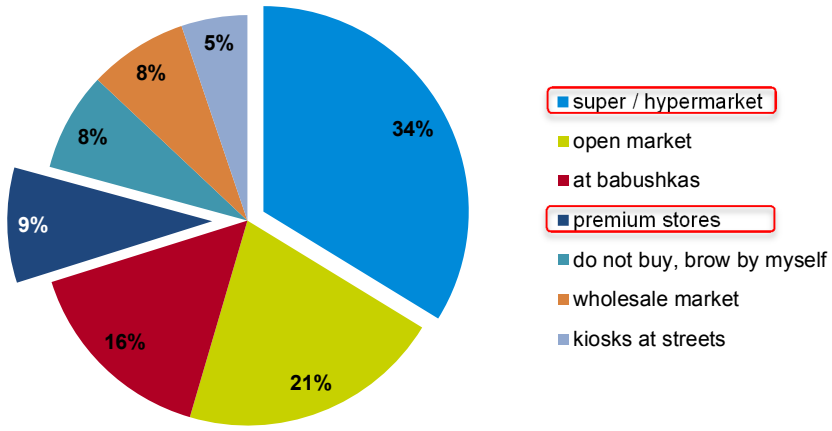


Source: Tebodin's survey (questioning of customers with upper middle incomes)

Purchasing habits of fruit & vegetables is still quite authentic: the supermarket or open markets. Purchase in supermarkets was increasing during last periods but slowed down in 2014 due to economic situation.

According to the Tebodin's survey the Ukrainian consumers with upper middle income mainly buy fresh fruits and vegetables in supermarkets (34%). Significant part still prefers to purchase the vegetables at open markets (21%) or at babushkas selling nearby metro and open markets (16%) (**Figure 29**).

Figure 29. Sales channels preferred by the customers for buying fresh fruits and vegetables in Kyiv



Source: Tebodin's survey (questioning of customers with upper middle incomes)

6.2 Criteria for assessment of quality

Price and quality are synonymous in fruit and vegetable production. Quality judgment often varies to producers, suppliers & consumers. Ukrainian consumers have strict criteria by which they judge produce quality, including flavor, ripeness, odor, and the presence of chemical & fertilizers.

The main criteria for assessment of quality of fresh fruits & vegetables by the Ukrainian consumers according to survey conducted by the Tebodin among the people with upper middle income are given in **Figures 30 & 31**.

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Figure 30. Important criteria for assessment of quality of fresh fruits and vegetables

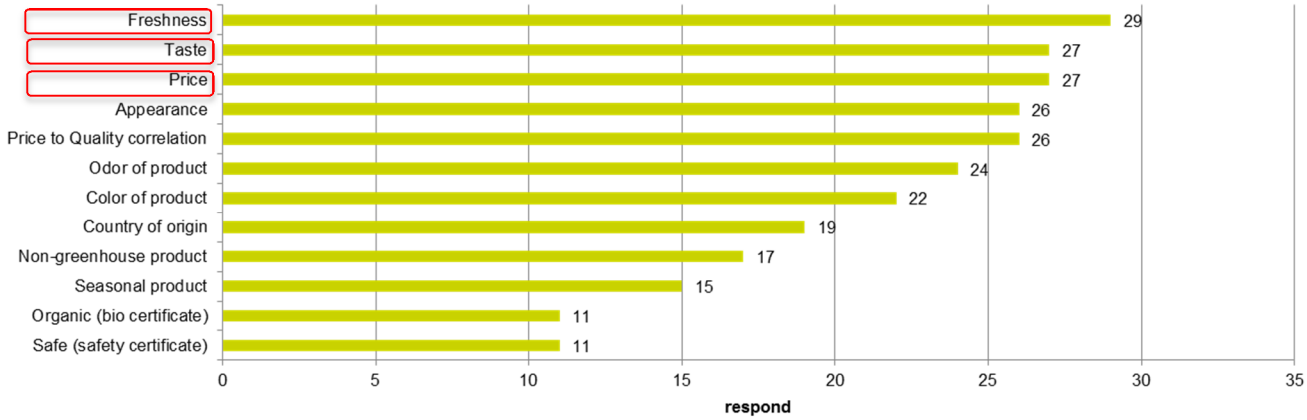
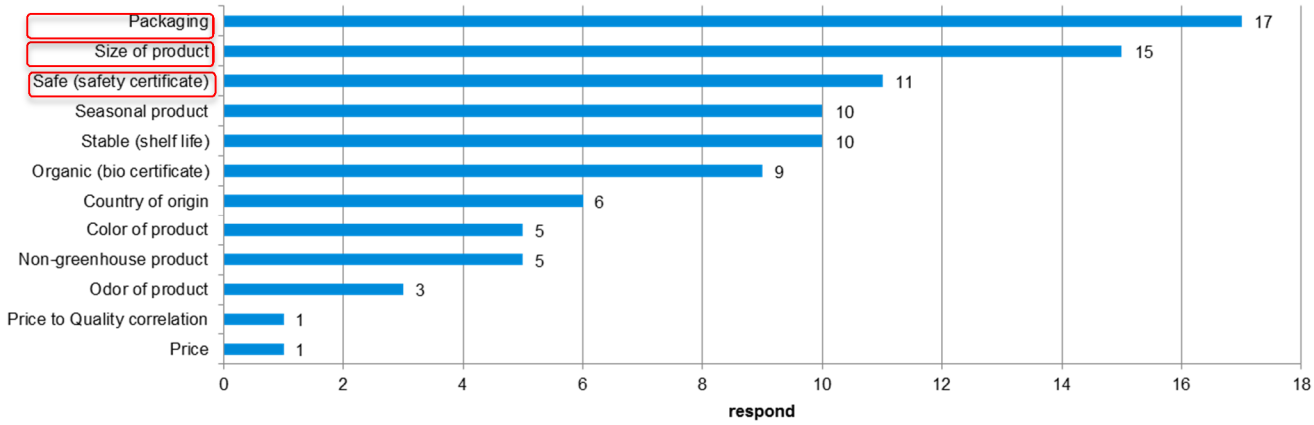


Figure 31. Ignored criteria for assessment of quality of fruits and vegetables



Source: Tebodin's survey (questioning of customers with upper middle incomes)

Conclusion from the survey:

- Freshness, taste and price are essential for Ukrainians while choosing crops.
- Fact that the non-greenhouse growing is more important than the seasonal product tells that Ukrainians want to consume off-seasonal production but prefer it would be grown in the open grown.[26]
- Country of origin is not critical aspect for Ukrainian customers.

[26] Remark: if we will ask the same questions to people with below average incomes (that are 95% of population) for them the most important criteria most probably will be: price, taste, non-greenhouse method of growing and seasonal production.

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- Packaging and size of product are not perceived by the requested customers as important factor of choice. That is also explained by the fact that Ukrainian customers like examine color and smell (both quite important criteria) the product carefully before buying. Moreover in the prejudice of certain customers packaging is perceived as non-environmentally friendly and not fresh / started perishing product. According to the opinion of retailers: '*Packaging might be important for tomatoes and tomatoes on the wine because the wine can pierce the product and it starts perishing'.* In this case packaging should be as much transparent as possible.
- Safety and organic certificates are not recognized by the Ukrainian consumers very well. Part of the consumers doesn't know about the food certification, part of them does not believe in the transparency of certification procedure. (Because of the low confidence in controlling of food quality and safety, the wealthy customers use the NO3 meters and the testing laboratories).
- In the perception of Ukrainians if the product is grown in the soil it is organic. The people often do not care about how much fertilizers and protection solutions (insecticides etc.) had been added to this soil.

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6.3 Customers of Dutch products

The customers of the Dutch products are people with high and upper middle income and HoReCa.

Customers with high income are foreign citizens, Ukrainian high officials, business people and their families. They are constant buyers of the Dutch produce.

People with upper middle income are Ukrainian higher and middle management of foreign companies and leading national & institutional organizations. They are rather casual or infrequent buyers of the Dutch fruits & vegetables. Under availability they prefer domestic green products and can easily switch for the produce of other country-importer.

HoReCa till recently regular customer of the Dutch premium products thought recently the demand from them felt down due to economic situation and outflow of the international tourists and businessmen from the country.

Consumers of premium products more value quality and time than money. They are more aware of the organic and safety issues on food. They consume more fruits & vegetables year round. The share of off-seasonal consumption of fresh products is higher to this group of customers.

According to premium store Good Wine *'their customers are more and more interested in healthy and organic food and are often equipped with the NO_3 meter'*.

Clockwise from top to the right: **Picture 3. NO3 meter**
Picture 4. Ukrainian organic cherry tomatoes in premium store
Picture 5. Imported premium tomatoes in mass retail
Picture 6. Spanish organic tomatoes in premium store
Picture 7. Dutch Cherry Honingtomaten in premium store

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6.4 Customers' perception of the Dutch produce

During the interviews the following opinions had been received about the Dutch premium segment products.

Dutch trader (exporter): *"It's a top product for cheap price, good taste and shelf live with minimum residues".*

Ukrainian trader:

- *"It is more interesting to buy the produce transshipped in the Netherlands than originally grown in the Netherlands because it is less expensive. The Netherlands are first of all powerful logistic and trade platform where you can find any product of any corner of the globe".*
- *"It's a good taste, stable quality, good correlation of price to quality".*

Retailer:

- *"It's a good product for the consumers which are looking for special quality products and not cheap price".*
- *"It's a quality product but the prices could be lower, closer to Spanish products".*
- *"The Dutch produce is not highly visible and not promoted by the traders. We would like to know about it".*

Consumer:

- *"Dutch produce is rather expensive but safe because it is thoroughly grown and controlled".*
- *"Product is not very tasty (not too sweet) as compared to Ukrainian or southern countries production".*
- *"Product is good looking and all of similar shape and size which give me impression of unnatural way of growing".*
- *"Dutch vegetables are quite expensive and grown in the greenhouses and thus are not natural. It's better to buy Ukrainian or Spanish produce which get more natural sun. Turkish production is cheaper but it is often treated with chemicals".*

Picture 8. 'Plastic' looking (in the perception of Ukrainians) Dutch bunch tomatoes

Picture 9. Natural domestic tomatoes (in the perception of Ukrainian customers)

Picture 10. Apple Alstar (very typical in terms of colors on Ukrainian market)

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6.5 Consumer preferences

Consumer preferences differ significantly among various income and age groups. Similar to other nations, young consumers tend to experiment with new products, but many of them remain at the "tasting level." Middle-aged and elderly consumers are much more conservative in their taste preferences and often treat new products with caution. Consumers of all ages and income groups are highly patriotic in their choices and often will not buy an imported product if a domestically produced one of comparable price and quality is available.

In terms of assortment of the pre-selected products the preferences of Ukrainian consumers are as following:

Figure 32. Cucumber consumer preferences

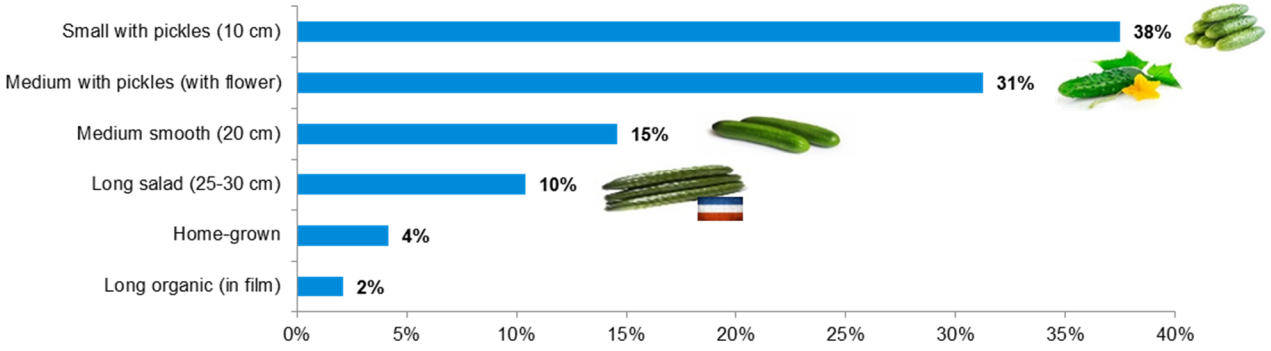

Figure 33. Tomatoes consumer preferences

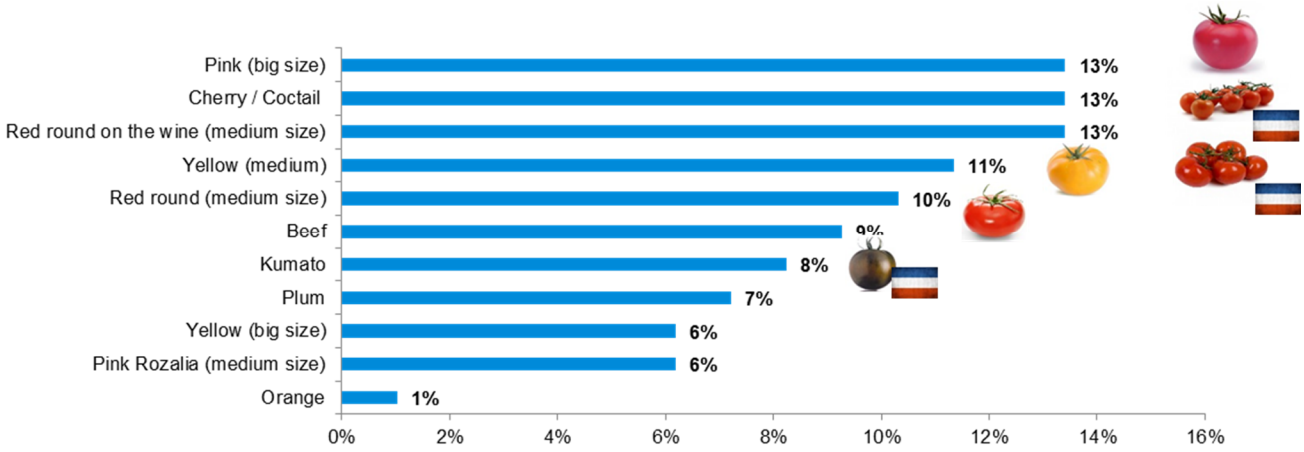

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Figure 34. Sweet pepper consumer preferences

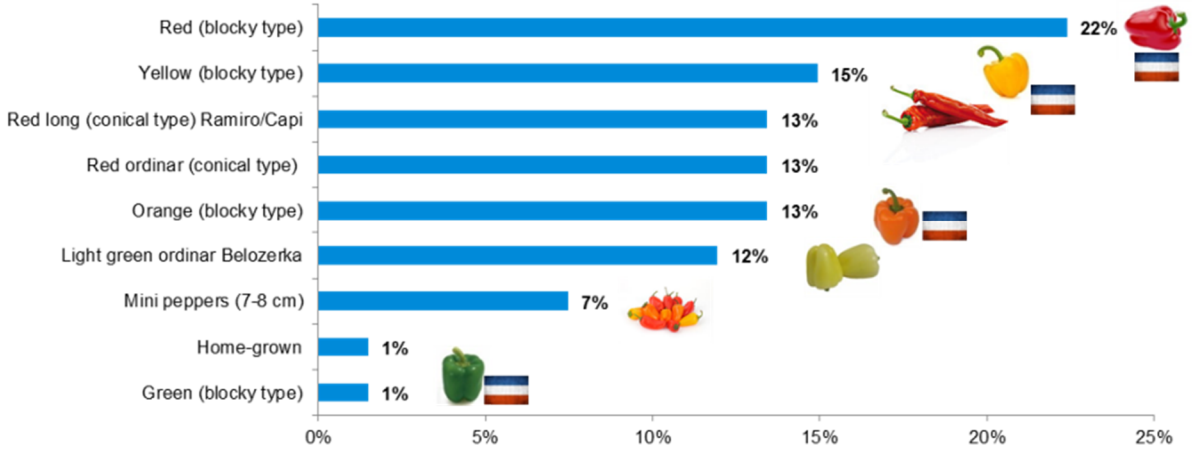


Figure 35. Aubergine consumer preferences

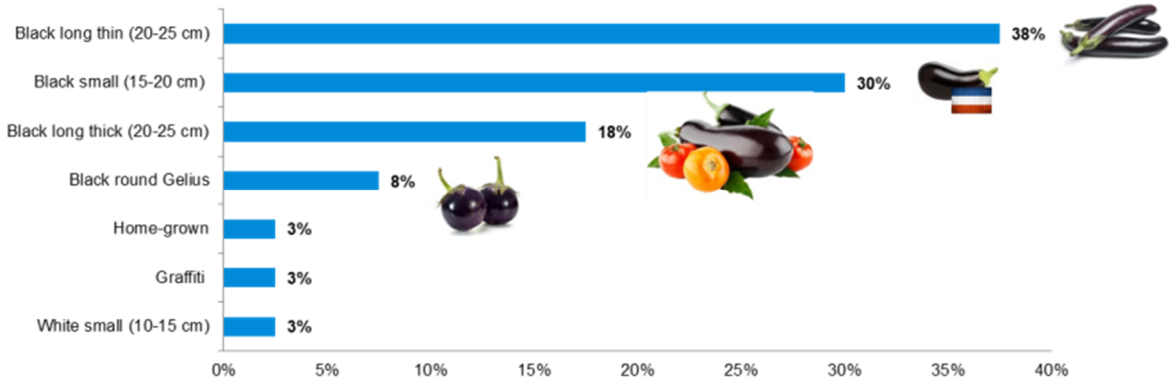


Figure 36. Apples consumer preferences

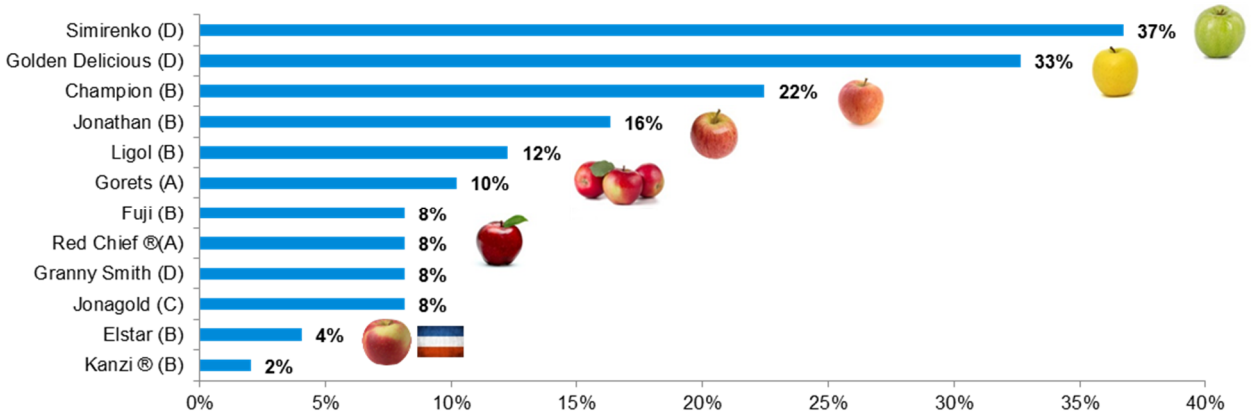
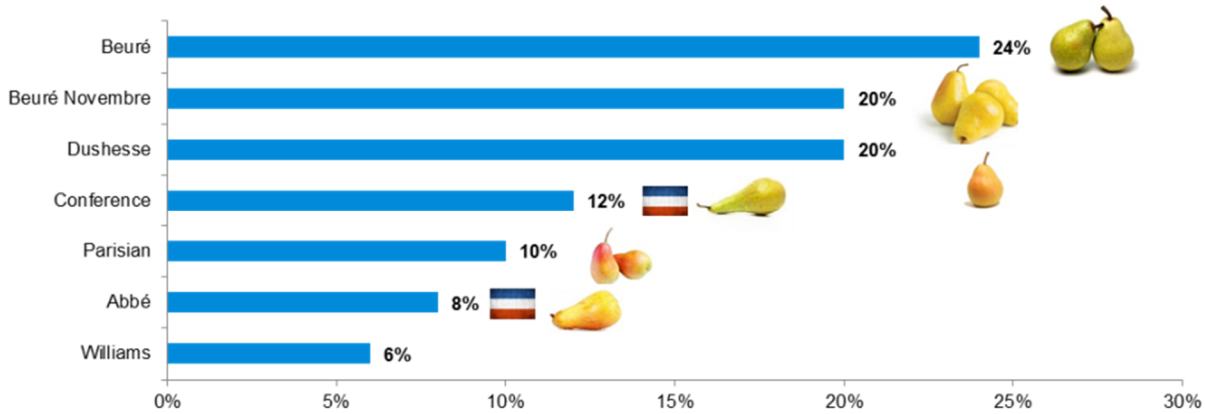


Figure 37. Pears consumer preferences



Source: Tebodin's survey (questioning of customers with high and upper middle incomes)

Conclusions over assortment survey:

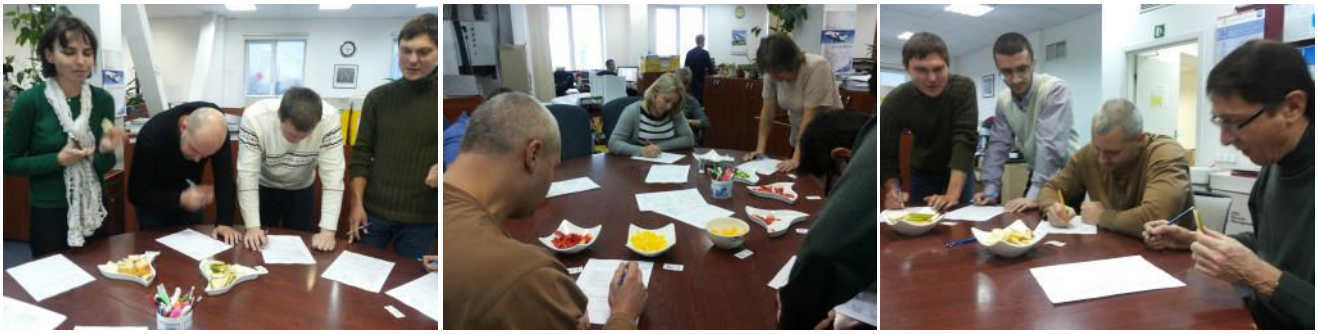
- Of the suggested assortment Ukrainians still prefer small and medium-size varieties which are traditional for the market.
- Apple Alstar in terms of color is very typical for Ukrainian customer but having strong completion on behalf of Champion, Jonathan, Ligol and other red & yellow varieties.

In terms of preferences by countries the customers preferences are:

- All local crops are preferred. The most loyalty is given to the imported sweet peppers.
- Among imported produce Ukrainians prefer Dutch aubergines, Spanish sweet peppers & tomatoes, Polish apples & pears.

6.6 Consumers' needs and requirements

The requirements of Ukrainian consumers to the fruits & vegetables in question are given below. The recommendations had been received during degustation of the pre-selected product. (This information can be used for marketing and promotion activities of the pre-selected products).



Picture 11. Degustation of the pre-selected product by Ukrainian customers

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Cucumber

- should be fresh
- should be grown near the sales place
- the smaller the cucumber, the tastier it is
- should be grown in Ukraine
- should have radiation certificate
- should be tasty and inexpensive
- should be with pickles
- should not be in the film

Cherry tomato

- should be grown in Ukraine
- should not be sour
- should have the odor
- should be bright red color

Tomato

- should be grown in Ukraine
- preferably pink
- should be big enough
- tomato should be bright, mellow, strong
- taste of the product is the most important
- must be sweet with a weak acidity
- the taste should not be watery
- should be marked with strong characteristic odor
- may be of irregular shape
- should not be all the same shape and size
- should not be wrinkled
- better grown in the open ground
- better pre-packed in the tray
- the price is not very important, but should not differ significantly from other suppliers

Sweet pepper

- should be sweet
- should be crisp with small acidity
- should be natural, grown without fertilizer
- should have pleasant natural flavor
- color should not be too bright
- color should not be pale
- should not be sluggish, soft and wrinkled
- should be fleshy

Pear

- should be sweet, fragrant, tender
- should be thin-skinned, firm and juicy
- should be bright
- should not be faded and dry
- should not be hard, tart, dry, acidic
- should have a distinct taste and aroma

Apples

- should be firm and juicy
- should be flavored and tasty
- not as boil potatoes
- should be sweet or with mild acidity
- should be of traditional Ukrainian varieties
- should not be very expensive
- should be of medium size, handy to eat

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Annex 1: Import of the fresh products to Ukraine

Product	2013			January-August 2013			January-August 2014		
	Import, tons	Import, USD	Price, USD	Import, tons	Import, USD	Price, USD	Import, tons	Import, USD	Price, USD
Aubergine	**1 531 048**	**$2 551 000,0**	**$1,7**	**989 479**	**$1 682 713,0**	**$1,7**	**848 274**	**$1 300 051,0**	**$1,5**
	Spain (52%)	Spain (51%)	$1,6	Spain (38%)	Spain (37%)	$1,6	Spain (45%)	Spain (45%)	$1,5
	Netherlands (22%)	Netherlands (25%)	$1,8	Netherlands (33%)	Netherlands (36%)	$1,8	Netherlands (37%)	Netherlands (38%)	$1,6
	Turkey (24%)	Turkey (23%)	$1,6	Turkey (27%)	Turkey (26%)	$1,6	Turkey (17%)	Turkey (16%)	$1,5
Cucumber	**15 571 926**	**$19 548 831,0**	**$1,3**	**6 165 890**	**$7 717 653,0**	**$1,3**	**3 823 372**	**$4 774 230,0**	**$1,2**
	Turkey (90%)	Turkey (90%)	$1,3	Turkey (84%)	Turkey (84%)	$1,3	Turkey (92%)	Turkey (92%)	$1,2
	Spain (6%)	Spain (6%)	$1,3	Spain (9%)	Spain (9%)	$1,3	Spain (6%)	Spain (6%)	$1,3
	Iran (2%)	Iran (2%)	$1,1	Iran (4%)	Iran (3%)	$1,3	Iran (1%)	Iran (1%)	$1,3
Sweet peppers (Capsicum or Pimenta)	**13 416 962**	**$20 469 576,0**	**$1,5**	**8 900 150**	**$13 798 197,0**	**$1,6**	**8 469 334**	**$12 497 569,0**	**$1,5**
	Spain (32%)	Spain (32%)	$1,5	Israel (31%)	Israel (29%)	$1,5	Spain (31%)	Spain (32%)	$1,5
	Israel (33%)	Israel (32%)	$1,5	Spain (28%)	Spain (28%)	$1,5	Israel (28%)	Israel (28%)	$1,5
	Netherlands (20%)	Netherlands (21%)	$1,6	Netherlands (25%)	Netherlands (26%)	$1,7	Netherlands (25%)	Netherlands (25%)	$1,5
	Turkey (11%)	Turkey (11%)	$1,5	Turkey (12%)	Turkey (12%)	$1,5	Turkey (12%)	Turkey (12%)	$1,5
	Jordan (2%)	Jordan (2%)	$1,5	Jordan (2%)	Jordan (2%)	$1,5	Poland (2%)	Poland (2%)	$1,5
Tomatoes	**50 240 456**	**$81 051 735,0**	**$1,6**	**42 181 839**	**$68 854 953,0**	**$1,6**	**39 457 056**	**$48 108 809,0**	**$1,2**
	Turkey (75%)	Turkey (75%)	$1,6	Turkey (76%)	Turkey (77%)	$1,6	Turkey (82%)	Turkey (80%)	$1,2
	Spain (14%)	Spain (13%)	$1,6	Spain (13%)	Spain (13%)	$1,6	Spain (8%)	Spain (9%)	$1,5
	Netherlands (6%)	Netherlands (7%)	$1,7	Netherlands (7%)	Netherlands (7%)	$1,6	Netherlands (5%)	Netherlands (5%)	$1,5
	Poland (2%)	Poland (2%)	$1,6	Poland (2%)	Poland (2%)	$1,6	Poland (3%)	Poland (3%)	$1,3
Apples	**55 176 448**	**$67 742 447,0**	**$1,2**	**54 175 256**	**$66 293 537,0**	**$1,2**	**37 181 329**	**$21 091 752,0**	**$0,6**
	Poland (96%)	Poland (95%)	$1,2	Poland (96%)	Poland (96%)	$1,2	Poland (92%)	Poland (91%)	$0,6
	Italy (1%)	Italy (2%)	$1,5	Italy (1%)	Italy (1.5%)	$1,5	Netherlands (1%)	Netherlands (2%)	$1,2
	Netherlands (1%)	Netherlands (1%)	$1,4	Netherlands (1%)	Netherlands (0.9%)	$1,4	Italy (1%)	Italy (2%)	$1,5
	Chili (1%)	Chili (1%)	$1,5	Chili (1%)	Chili (0.6%)	$1,5	France (0,4%)	France (1%)	$2,0
Pears	**5 139 185**	**$6 611 646,0**	**$1,3**	**3 538 555**	**$4 630 475,0**	**$1,3**	**3 607 499**	**$4 390 803,0**	**$1,2**
	Netherlands (24%)	Netherlands (25%)	$1,3	Netherlands (22%)	Netherlands (22%)	$1,3	Netherlands (27%)	Netherlands (27%)	$1,2
	Argentina (14%)	Argentina (13%)	$1,3	Argentina (20%)	Argentina (20%)	$1,3	Poland (23%)	Poland (23%)	$1,2
	SAR (12%)	SAR (13%)	$1,3	SAR (18%)	SAR (18%)	$1,3	Argentina (13%)	Argentina (12%)	$1,2
	Poland (11%)	Poland (11%)	$1,3	Chili (13%)	Chili (13%)	$1,3	Italy (9%)	Italy (10%)	$1,2
	Chili (9%)	Chili (9%)	$1,3	Italy (8%)	Italy (8%)	$1,3	SAR (9%)	SAR (8%)	$1,2

Source: State Statistics

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Annex 2: Review of imported products prices on the boarder of Ukraine

Product	2013			January-August 2013			January-August 2014			Changes, % (Jan-Aug 2014:Jan-Aug 2013)		Local competition
	Country	Price, USD	Price, UAH	Country	Price, USD	Price, UAH	Country	Price, USD	Price, UAH	Price, USD	Price, UAH	
Aubergine	**Total**	**$1,7**	**13,3 UAH**	**Total**	**$1,7**	**13,6 UAH**	**Total**	**$1,5**	**20,0 UAH**	-10%	47%	no
	Spain	$1,6	12,9 UAH	Spain	$1,6	13,0 UAH	Spain	$1,5	19,6 UAH	-7%	51%	
	Netherlands	$1,8	14,6 UAH	Netherlands	$1,8	14,7 UAH	Netherlands	$1,6	20,4 UAH	-15%	39%	
	Turkey	$1,6	12,9 UAH	Turkey	$1,6	13,1 UAH	Turkey	$1,5	18,9 UAH	-11%	45%	
Cucumber	**Total**	**$1,3**	**10,0 UAH**	**Total**	**$1,3**	**10,0 UAH**	**Total**	**$1,2**	**16,3 UAH**	0%	63%	rising
	Turkey	$1,3	10,0 UAH	Turkey	$1,3	10,0 UAH	Turkey	$1,2	16,2 UAH	-1%	62%	
	Spain	$1,3	10,3 UAH	Spain	$1,3	10,2 UAH	Spain	$1,3	16,3 UAH	-2%	59%	
	Iran	$1,1	9,2 UAH	Iran	$1,3	10,3 UAH	Iran	$1,3	16,5 UAH	-2%	60%	
Sweet peppers (Capsicum or Pimenta)	**Total**	**$1,5**	**12,2 UAH**	**Total**	**$1,6**	**12,4 UAH**	**Total**	**$1,5**	**19,2 UAH**	-5%	55%	small
	Spain	$1,5	12,1 UAH	Israel	$1,5	11,9 UAH	Spain	$1,5	19,9 UAH	3%	67%	
	Israel	$1,5	11,8 UAH	Spain	$1,5	12,3 UAH	Israel	$1,5	19,1 UAH	-5%	54%	
	Netherlands	$1,6	13,1 UAH	Netherlands	$1,7	13,3 UAH	Netherlands	$1,5	19,0 UAH	-12%	43%	
	Turkey	$1,5	12,0 UAH	Turkey	$1,5	12,0 UAH	Turkey	$1,5	19,0 UAH	-3%	58%	
	Jordan	$1,5	11,8 UAH	Jordan	$1,5	11,8 UAH	Jordan	$1,5	19,0 UAH	-1%	61%	
Tomatoes	**Total**	**$1,6**	**12,9 UAH**	**Total**	**$1,6**	**13,0 UAH**	**Total**	**$1,2**	**15,9 UAH**	-25%	22%	rising
	Turkey	$1,6	13,0 UAH	Turkey	$1,6	13,1 UAH	Turkey	$1,2	15,5 UAH	-28%	18%	
	Spain	$1,6	12,4 UAH	Spain	$1,6	12,8 UAH	Spain	$1,5	19,3 UAH	-7%	51%	
	Netherlands	$1,7	13,8 UAH	Netherlands	$1,6	12,6 UAH	Netherlands	$1,5	19,0 UAH	-8%	51%	
	Poland	$1,6	12,6 UAH	Poland	$1,6	13,0 UAH	Poland	$1,3	16,8 UAH	-21%	29%	
Apples	**Total**	**$1,2**	**9,8 UAH**	**Total**	**$1,2**	**9,8 UAH**	**Total**	**$0,6**	**7,4 UAH**	-54%	-24%	strong
	Poland	$1,2	9,7 UAH	Poland	$1,2	9,7 UAH	Poland	$0,6	7,3 UAH	-54%	-25%	
	Italy	$1,5	12,0 UAH	Italy	$1,5	12,2 UAH	Netherlands	$1,2	15,6 UAH	-21%	28%	
	Netherlands	$1,4	11,1 UAH	Netherlands	$1,4	11,1 UAH	Italy	$1,5	19,7 UAH	9%	77%	
	Chili	$1,5	11,8 UAH	Chili	$1,5	11,8 UAH	France	$2,0	26,4 UAH	38%	124%	
Pears	**Total**	**$1,3**	**10,3 UAH**	**Total**	**$1,3**	**10,5 UAH**	**Total**	**$1,2**	**15,8 UAH**	-7%	52%	rising
	Netherlands	$1,3	10,5 UAH	Netherlands	$1,3	10,7 UAH	Netherlands	$1,2	16,2 UAH	-7%	52%	
	Argentina	$1,3	10,4 UAH	Argentina	$1,3	10,5 UAH	Argentina	$1,2	15,8 UAH	-8%	50%	
	SAR	$1,3	10,5 UAH	SAR	$1,3	10,5 UAH	Argentina	$1,2	15,2 UAH	-11%	45%	

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Product	2013			January-August 2013			January-August 2014			Changes, % (Jan-Aug 2014:Jan-Aug 2013)		Local competition
	Country	Price, USD	Price, UAH	Country	Price, USD	Price, UAH	Country	Price, USD	Price, UAH	Price, USD	Price, UAH	
	Poland	$1,3	10,5 UAH	Chili	$1,3	10,5 UAH	Italy	$1,2	16,2 UAH	-5%	54%	
	Chili	$1,3	10,5 UAH	Italy	$1,3	10,2 UAH	SAR	$1,2	16,1 UAH	-3%	58%	
Average		**$1,4**	**11,4 UAH**		**$1,4**	**$11,5**		**$1,2**	**15,8 UAH**	**-17%**	**36%**	

Source: State Statistics

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Annex 3: Review of local prices incl. VAT as of December 2014

Product	Dutch price, as of Sept. 2014	Ukrainian wholesale price as of Dec. 2014		Ukrainian retail purchase price as of Dec. 2014		Ukrainian retail sailing price as of Dec. 2014		Ukrainian premium retail sailing price as of Dec. 2014	
	EUR/kg	UAH/kg	EUR/kg	UAH/kg	EUR/kg	UAH/kg	EUR/kg	UAH/kg	EUR/kg
Aubergines black small (Netherlands)	1,0	40,0	2,1	50,0	2,6	57,5	3,0		
Aubergines black small (Spain)		36,0	1,9					69,0	3,5
Aubergines graffiti (Spain)		55,0						95,0	4,9
Aubergine	**1,0**	**43,7**	**2,0**	**50,0**	**2,6**	**57,5**	**3,0**	**82,0**	**4,2**
Cucumber long in film (Netherlands) price per piece	0,2	0,0	0,0	0,0	0,0			0,0	0,0
Cucumber long in film organic (Netherlands from Turkey) price per piece		0,0	0,0	0,0	0,0	60,0	3,1	0,0	0,0
Cucumber long in film	**0,2**	**0,0**	**0,0**	**0,0**	**0,0**	**60,0**	**3,1**	**0,0**	**0,0**
Cucumber medium (Turkey)	0,2	20,0	1,0	20,0	1,0	23,0	1,2		
Cucumber small (Turkey)		35,0	1,8			17,3	0,9		
Cucumber small (Ukraine)								65,0	3,3
Cucumber medium & small	**0,2**	**27,5**	**1,4**	**20,0**	**1,0**	**20,1**	**1,0**	**65,0**	**3,3**
Pepper Bilozirka (Turkey)		38,0	2,0			46,0	2,4		
Peppers Capi (Turkey)		46,0	2,4	40,0	2,1	48,0	2,5		
Peppers green (Netherlands)	0,8								
Peppers green (Spain, Israel)		42,0	2,2	40,0	2,1	46,0	2,4		
Peppers orange (Netherlands)	0,7								
Peppers orange (Spain, Israel)		43,0	2,2	40,0	2,1	46,0	2,4		
Peppers Ramiro red & yellow (Spain)								225,0	11,5
Peppers red (Netherlands)	0,8								
Peppers red (Spain, Israel)		42,0	2,2	40,0	2,1	46,0	2,4		
Peppers red (Turkey)		42,0	2,2			45,5	2,4		
Peppers red (Ukraine)								79,0	4,0
Peppers traffic lights packed (Spain)						60,0	3,1	118,0	6,0
Peppers yellow (Netherlands)	0,7					55,0	2,9		
Peppers yellow (Spain, Israel)		43,0	2,2	40,0	2,1	46,0	2,4		
Sweet Peppers	**0,7**	**42,3**	**2,2**	**40,0**	**2,1**	**48,7**	**2,5**	**140,7**	**7,2**
Pink tomatoes (Ukraine)		60,0	3,1			46,0	2,4	32,0	1,6
Pink tomatoes (Turkey)		75,0	3,9						
Plum tomato (Ukraine)						45,5	2,4	35,0	1,8

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Product	Dutch price, as of Sept. 2014	Ukrainian wholesale price as of Dec. 2014		Ukrainian retail purchase price as of Dec. 2014		Ukrainian retail sailing price as of Dec. 2014		Ukrainian premium retail sailing price as of Dec. 2014	
Plum tomato (Turkey)		38,0	2,0						
Round tomato Kumato (Netherlands)		87,0	4,5			83,0	4,3		
Round tomato Kumato (Spain)		70,0	3,7					125,0	6,4
Round tomato on the wine (Netherlands)									
Round tomato on the wine (Turkey)						45,0	2,3		
Round tomato on the wine (Ukraine)								45,0	2,3
Round tomato red (Netherlands)	0,7								
Round tomato orange (Netherlands)						60,0	3,1		
Round tomato yellow (Netherlands)		50,0				50,0	2,6		
Round tomatoes red (Spain)		40,0	2,1	30,0	1,6	34,5	1,8		
Round tomatoes red (Turkey)		32,0	1,7	30,0	1,6	36,0	1,9		
Round tomatoes red (Ukraine)						32,5	1,7		
Round tomato	**0,7**	**56,5**	**3,0**	**30,0**	**1,6**	**48,0**	**2,5**	**59,3**	**3,0**
Round tomatoes red organic bio packed (Netherlands)	0,0	0,0	0,0	105,0	5,5	120,0	6,3		
Round tomatoes red organic bio packed 500 g (Spain)								220,0	11,3
Round tomato organic bio	**0,0**	**0,0**	**0,0**	**105,0**	**5,5**	**120,0**	**6,3**	**220,0**	**11,3**
Cherry /cocktail tomato packed 200 g (Netherlands)	0,7	100,0	5,2					0,0	0,0
Cherry tomato on the wine Cherita		81,3	4,2						
Cherry tomato on the wine Chica		118,0	6,2						
Cherry tomato on the wine Harvest of Health		119,4	6,2						
Cherry tomato on the wine packed (Israel)						120,0	6,3		
Cherry tomato on the wine packed 10*500 g P.Sweet		90,0	4,7						
Cherry tomato on the wine Tropical		83,3	4,3						
Cherry tomato packed 200 g (Spain)		80,0	4,2	60,0	3,1	83,0	4,3		
Cherry tomato plum red packed 200 g (Netherlands)						95,0	5,0		
Cherry tomato Class 1	**0,7**	**96,0**	**5,0**	**60,0**	**3,1**	**99,3**	**5,2**	**0,0**	**0,0**
Cherry /cocktail tomato (Netherlands)	0,0	250,0	13,1	0,0	0,0	0,0	0,0		
Cherry tomato on the wine USA, Honingtomatoes		323,0	16,9	0,0	0,0	0,0	0,0		

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Product	Dutch price, as of Sept. 2014	Ukrainian wholesale price as of Dec. 2014		Ukrainian retail purchase price as of Dec. 2014		Ukrainian retail sailing price as of Dec. 2014		Ukrainian premium retail sailing price as of Dec. 2014	
Cherry tomato on the wine, Honingtomatoes packed 200 g (Netherlands)				0,0	0,0	0,0	0,0	550,0	28,1
Cherry tomato Extra Class	**0,0**	**286,5**	**15,0**	**0,0**	**0,0**	**0,0**	**0,0**	**550,0**	**28,1**
Apples Aidared (Ukraine)						9,0	0,5		
Apples Champion (Ukraine)		10,0	0,5	9,0	0,5			19,0	1,0
Apples Elstar (Netherlands)	0,4								
Apples Floria (Ukraine)						9,8	0,5		
Apples Golden (imported)								59,0	3,0
Apples Golden (Ukraine)		12,0	0,6					29,0	1,5
Apples Granny Smith (Italy)						34,0	1,8		
Apples Granny Smith (SAR)								49,0	2,5
Apples Jazz (France)				50,0	2,6			95,0	4,9
Apples Pink Lady (Italy)								89,0	4,6
Apples Red Chief ® (Italy)						33,0	1,7	79,0	4,0
Apples Simirenko (Ukraine)		6,0	0,3	6,0	0,3			25,0	1,3
Apples	**0,4**	**9,3**	**0,5**	**21,7**	**1,1**	**21,4**	**1,1**	**55,5**	**2,8**
Pears Abbat (Argentina)								49,0	2,5
Pears Abbat (Italy)		34,0	1,8						
Pears Abbat (Netherlands)				33,0	1,7	47,8	2,5		
Pears Bera (Ukraine)		28,0	1,5						
Pears Conference (Netherlands)	0,3	27,0	1,4	30,0	1,6	35,0	1,8		
Pears Conference (SAR)								49,0	2,5
Pears Dushess (Ukraine)		23,0	1,2					55,0	2,8
Pears Lukas (Poland)						32,5	1,7		
Pears Lystopad (Ukraine)								59,0	3,0
Pears	**0,3**	**28,0**	**1,5**	**31,5**	**1,6**	**38,4**	**2,0**	**53,0**	**2,7**

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Annex 4: List of importers of the relevant product groups

Customer	Category	Name of contact person	Position of contact person	E-mail	Phone	Address	Web-site
'Lampochka' LLC	Importers of fruits & vegetables	Andriy Stashko	Director	-	+380 67 485 52 22	7,Haidara str., flat 167, Illichivsk, Odesa region, 68001, Ukraine	-
'Artiks' LLC	Importers of fruits & vegetables			-		1, Vadyma Hetmana str., Kyiv, Ukraine	-
'Unifresh' LLC	Importers of fruits & vegetables			-	+380 50 297 88 80	64, Kakhovska str., Kyiv, Ukraine	http://www.unifresh.com.au/index.php
'Ataman Fruit' PE	Importers of fruits & vegetables	Vadym Hrushetskyi	Director	-	+38 067 795 63 92 +38 04841 220 63	14, Bolhradska str., village Broska, Odessa region, 8663, Ukraine	-
'Kyivtorgfrukt' LLC	Importers of fruits & vegetables			-		5, Promyslova str., Vyshneve, Kyiv Region, 08132, Ukraine	-
'Akva-Delta' LLC	Importers of vegetables	Andriy Nesvietei	Director	-	+38 067 233 83 88	58, Myloslavska str., Kyiv, 02232, Ukraine	-
'Slavianka' LLC	Importers of vegetables			-	+380 4577 512 83	224a, Lenina str., Borodianka village, Kyiv region, 07800, Ukraine	-
'Natura-Brothers' LLC	Importers of fruits & vegetables			-	+380 44 585 08 60	94, Schorsa str., Belohorodka, Kyiv region, Ukraine	http://natura.kiev.ua/
'TROPIK' LLC	Importers of fruits & vegetables	Pavel Tereschenko		pavel.tropik@mail.ru lviv@tropik.ua	+380 50 430 94 46	20a, Nova, Malekhov village, Lviv region	http://tropik.ua/
'Forever Fruts' LLC	Importers of vegetables	Svitlana Poduholnikova		-	+380 44 400 82 62	10a, Bazhana ave., Kyiv, 02140, Ukraine	-
'Frutlayn Plus' PE	Importers of fruits & vegetables			psvoodessa@ukr.net	+380 482 302 321	71, Bazarna str., Odesa, 65020, Ukraine	-
'PSV Fruit' LLC	Importers of fruits & vegetables			-	+380 48 731 74 20	7, Pyshkinska str., Odesa, Ukraine	-
'Triada Systems' LLC	Importers of fruits & vegetables			-	+380 44 568-99-68 +380 44 568 84 97 +380 44 568 65 57	14a, Alma-Altynska, Kyiv, 02092, Ukraine	-
'Ufit' LLC	Importers of vegetables			UFIT2006@UKR.NET	+380 44 466 30 13	34/1, Volynska str., Office 33,Kyiv, 03151, Ukraine	https://www.facebook.com/pages/UFIT/521042951280739?fref=nf
'Eko-Tarim' LLC	Importers of vegetables			-	+380 67 484 9780	6, Parkova str., Illichivsk, Odesa region, 68000, Ukraine	-
'Ukrainian Fruit & Vegetable Company' LLC	Importers of vegetables	Natalya Kolesnikova	General Director	alekx_n@mail.ru	+380 44 503 71 81 +380 67 506 60 10	29, Schorsa str., Kyiv, 01133, Ukraine	-
'Fruit House Imperial VN' LLC	Importers of fruits			-	+38048 780 14 00 +38 048 780 14 05	3, Lenina str., Illichivsk, Odesa region,68003, Ukraine	http://www.imperial.ua/about_us.html

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Customer	Category	Name of contact person	Position of contact person	E-mail	Phone	Address	Web-site
'Fuit-Import' LLC	Importers of fruits			-	+380 48 731 74 20	71, Bazarna str., Odesa, 05020,Ukraine	-
'UFC' LLC	Importers of fruits			-	+380 44 291 55 55 +380 44 291 55 50	10-a, M.Bazhana str., Kyiv, 02140, Ukraine	http://ufc.ua/
'Golden-Fruits' LLC	Importers of fruits			-	+380 3133 243 37	2a, Robocha str., Svaliava, Zakarpattia region, 89300,Ukraine	-
'Expolot' LLC	Importers of fruits			Mar640@mail.ru	+380 67 483 76 23 +38 093 708 52 52	Paromna str., Illichivsk, Odesa region, Ukraine	http://ekspolot.ui.ua/
'Global Fruit' LLC	Importers of fruits	Volodymyr Delianov		demyanov@gorlovka.net	+380 62 455 36 12	39, Troitska str., office 11, Odesa, 65045, Ukraine	-
'Exotic' LLC	Importers of fruits & vegetables	Tetiana Lototska	Director	ekzotyk@mail.ru	+380 67 900 20 97 +380 97 498 91 09 +380 95 403 88 33	110 A, Velyka Kiltseva, Kyiv, Ukraine	www.ekzotyk.com.ua
'Euro Fresh Fruit' LLC	Importers of fruits & vegetables	Bondarenko Vadym	Director	eff.office@i.ua	+380 67 401 53 71 +380 44 594 98 44	26, Brovarska Kiltseva, Trebukhov village, Kyiv Region, Ukraine	www.eff.kiev.ua
'Fenix' LLC	Importers of fruits & vegetables	Herasymenko Ihor	Director	-	+380 44 596 48 03 +380 44 596 48 04 +380 63 463 32 69	110 A, Velyka Kiltseva, Kyiv, Ukraine	-
'Fruit and vegetable edge' LLC	Importers of fruits & vegetables	Oleksandr		-	+380 67 504 45 97	110 A, Velyka Kiltseva, Kyiv, Ukraine	-
'AIP Agrogroup' LLC	Importers of fruits & vegetables	Inna Plakhotnyuk	Commercial Director	info@aip-agrogroup.com	+380 93 320 12 34		-
'Libra Trade' LLC (Ukrainian fruit company)	Importers of fruits & vegetables	Vladimir Svistunenko	Purchasing Manager	ufc@fruit.kiev.ua	+380 44 291 55 55	10-a, M.Bazhana str., Kyiv, 02140, Ukraine	http://ufc.ua/index.php?PublicationID=3&Language=eng
'Stolichnyi Wholesale market' LLC	Importers of fruits & vegetables	Vyacheslav Zabelin	Commercial director	v.zabelin@kyivopt.com	+380 44 599 79 10 +380 66 688 18 89 +380 67 504 91 21	110 A, Velyka Kiltseva, Kyiv, Ukraine	www.kyivopt.com
'Azov-Caribe' LLC	Importers of fruits & vegetables	Kristina Amador-Volobuieva	Import Manager	importazovcaribe@gmail.com	+380 50 478 64 19	187532, Volodarske highway, Mariupol. Donetsk region, Ukraine	-
'Melnichuk' PE	Importers of fruits & vegetables	Irina Melnichuk	Owner	astra2@ukr.net	+380 33 277 06 86 +380 50 675 67 56		-

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Annex 5: List of retailers of the relevant product groups

Customer	Category	Name of contact person	Position of contact person	E-mail	Phone	Address	Web-site
Wine Bureau LLC (retail trade mark Good Wine)	importer / store	Skovoronskiy Pavel	Head of Import Department Fresh Vegetables and Fruits	skovoronskiy.p@goodwine.ua	+380 44 390 75 00	Mechnikova str. 9, 01133 Kiev	www.goodwine.ua
Trading house 'Diamant-Express Ltd." (chain of supermarket Furshet)	supermarket	Andrew Zabolotniy	Director	-	+380 50 358 45 88	6, Sosyury str., Kuiv, 02090,Ukraine	http://furshet.ua/en/
	supermarket	Lyudmila Denisyuk	Commercial director	-	+380 50 334 58 15		
	supermarket	Irina Kashtan	Category manager	irina.kashtan@furshet.ua	+380 50 384 37 78		
	supermarket	Anna	Import manager	-	+380 95 283 57 10		
Fozzy Group	cash and carry hypermarket	Maksim Didenko	Head of Fruit and Vegetables Buying Department	m.didenko@fozzy.ua	+380 44 593 03 07; '+380 67 223 62 25; '+380 50 330 99 22	13, Kalachevska str., Kyiv, 02090, Ukraine	www.fozzy.ua
	cash and carry hypermarket	Fedor Andreytsov	Senior Fruit and Vegetable Purchasing Manager	f.andreitsov@fozzy.ua	+38 (067) 223 62 02; +38 (044) 593 03 07	1 Butlerova Str. Office 406 02090 Kiev Ukraine	
	cash and carry hypermarket	Aleksey Shcherban	Head of buying division Fruit and Vegetables	a.shcherban@fozzy.ua	+380 44 593 03 07; +380 67 223 85 92	1 Butlerova Str. Office 406 02090 Kiev Ukraine	
Auchan Hypermarket Ukraine' LLC	cash and carry hypermarket	Anna Nurmukhamedova	Purchasing Deparment Specialist	gnourmoukhamedova@auchan.ua	+380 44 391 38 25, +380 44 585 97 55, +380 66 9389969	15a,Moscow Ave., Kyiv, 04073, Ukraine	http://www.auchan.ua/
	cash and carry hypermarket	Anna Dyachkova	Purchasing Department Specialist	gnourmoukhamedova@auchan.ua	+380 44 391 38 25, +380 44 585 97 55, +380 66 9389969		
METRO	cash and carry hypermarket	Tatyana Zarudnaya	Fruit and Vegetable Purchasing Manager	Tatiana.zarudna@metro.ua	+380 44 492 12 33	43, Petra Hryhorenka ave., Kyiv, 02140, Ukreine	http://www.metro.ua/
Billa (REWE Group)	Supermarket	Igor Ovramenko	Purchasing Manage	S.Buchak@billa.ua, M.Loik@billa.ua	+380 44 490 24 99, +380 44 492 03 89	3, Hryshka str., Kyiv, 02140, Ukraine	http://www.billa.ua/

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Customer	Category	Name of contact person	Position of contact person	E-mail	Phone	Address	Web-site
Velyka Kyshenia ('FoodMarket' LLC)	Supermarket	Dmytro Kashyrin	Commercial director	Kashirin.Dmitry@welcash.kiev.ua	+380 44 206-70-80, +380 44 206-70-81	57, Railway Highway str., Kyiv, 01103, Ukraine	http://www.kishenya.com.ua/ru/kiev/
Novus	Supermarket	Daryna Ivanenko	Head of Purchasing Department	Dariia.Ivanchenko@novus.com.ua	+38 044 585 41 70	26, Maskovskiy ave., Kyiv, 04655, Ukraine	http://www.novus.com.ua/en
Karavan' LLC	hypermarket	Igor Kravchuk	Purchasing Manager	igor.kravchuk@adventis.com.ua	+380 44 2073360, +380 50 3305738	72, B.Vasylkivska str., Kyiv, 03150, ukraine	http://www.icaravan.com.ua/
Nash Kray	Supermarket	Tatyana Tluchkevich	Manager	nk_commerc2@volw.lutsk.ua, nashkraj@volw.lutsk.ua	+380 332 784 851	1, Karbysheva str., Lutsk, 43023,Ukraine	http://nashkraj.ua/
Eko-Market	Supermarket	Oksana Maydanova	Purchasing Manager	maidanova.o@eko.com.ua	+380 44 393 94 00	24, Poliova str., Kyiv, 03056, Ukraine	http://www.eko.com.ua/
Evrotek	Supermarket	Andrey Pakholyuk	Head of Fruit and Vegetable Department	apaholyuk@evrotek.com	+380 32 297 70 73	5, Sotsialistychna str., Block 2, Kyiv	http://www.evrotek.com/ru/evrotek/
Absolyut	Supermarket	Roman Dopira	Purchasing Manager	dopira.ra@lia.lg.ua	+380 50 475 11 34	1b, Dzerzhynskoho str., Luhansk, 91016 Ukraine	http://absolut.lg.ua/
Tam-Tam (Kontinuum Trade)	Supermarket	Vyacheslav Forostenko	Purchasing Manager	Forostenko.v@Gmail.com	+380 44 496 55 33	30, Hrushevskoho ave., Lutsk, 43000, Ukkraine	http://tamtam.com.ua/
		Yaslynska Iryna	Purchasing Manager	iryna.yaslynska@tamtam.com.ua	+380 67 334 23 87		
Varus ('OMEGA' LLC)	Supermarket	Mikhail Magomedov	Purchasing Manager	m.magomedov@varus.ua	+380 56 787 33 00, +380 56 787 36 66, +380 98 654 77 32	104-A, Kirova ave.,Dnipropetrivsk, 49000, Ukraine	http://varus.ua/
Brusnichka ('Ukrainian Retail' LLC)	Supermarket	Lyudmila Nalbat	Perishable Products Purchasing Manager	nemayala@ur.ua, zaporozhantv@ur.ua	+380 93 340 95 52	114, Marshal Malinovsky str., Dnipropetrivsk 49022	https://brusnichka.com.ua/
Supermarket chain Barvinok' Ltd	Supermarket	Orest Fedorovich	Purchasing Department Manager	orest.fedorovych@barvinok.ua	+380 32 297 64 34	359, Horodotska Str. Lviv 79040	http://barvinok.ua/

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Customer	Category	Name of contact person	Position of contact person	E-mail	Phone	Address	Web-site
						Ukraine	
PAKKO-Holding	Supermarket	Igor Trokhimovich	Head of Vegtable Department	itrohimovych@pakko.ua	+380 332 780 190	21a. Klyma Saura, Lutsk, 43005,Ukraine	http://www.pakko.ua/
'Veresen plas' LLC	Supermarket	Elena Tarnavskaya	Category Manager	elena.tarnavskaya@veresen.com.ua	+380 522 360 423	Kirovograd, Murmanskaya Str., 37 E	http://www.veresen.com.ua/
ATB-Market' LLC	Supermarket	Sergey Tsarenko	Senior Fruit and Vegetable Purchasing Manager	tsarenko@atbmarket.dp.ua	+380 95 235 75 93	40, Kirova ave, Dnipropetrivsk, 49101, Ukraine	http://www.atbmarket.com/