

# AIJN

European Fruit Juice Association

## 2012

Liquid Fruit

MARKET REPORT







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# Introduction from the President

On behalf of the European Fruit Juice Association (AIJN), I welcome you again to our bi-annual European Fruit Juice and Nectars Market Report. It is a 'helicopter view' of our industry at a moment in time. Our aim is straightforward – to offer insight and an overview of our industry to European and national legislators, non-governmental associations and all fellow stakeholders in the food and drinks industry – wherever they are in the world.

The AIJN has been active for over 54 years in Brussels as the representative association of the EU fruit juice industry, defending and promoting the interests of both processors and packers of our products. More detailed information on the AIJN structure and workings can be found at the end of this report. Suffice it to say we are active, enthusiastic and alert to the needs of the market we serve.

In the last two years challenges abound in every consumer market in the world. The juice market is not alone. Energy costs and commodity prices – especially apple and orange, which more than doubled in price – remain overall at record high levels. Pressure for the packers. The macro economic climate in the EU, where we operate, is under stress and the uncertainty surrounding the euro at the time of writing will not make it easier. Pressure for the consumer.

Thus the fruit juice industry needs not only to assist the consumer to make an informed choice to include fruit juice as part of a healthy, well balanced diet but also to strive to keep our products cost- and price-competitive. To this end, the AIJN is co-sponsoring a programme of research into health claims that can be made on citrus juices both in Europe and the US.

We also continue to explore ways to reduce import duties on the juice products we need to import into the EU. In 2011, the industry paid about Euros 500 million in customs duties, and the consumer about Euros 5 billion VAT (sales tax) on our products!! These seem to be large and illogical penalties for the consumer to pay on 5-a-day products that the EU seeks to encourage its population to include in a healthy diet. A conundrum to be solved both at EU and national levels.

Our industry itself continues to find innovative blends and mixes to keep our products exciting for consumers who deserve a choice. Re-energising the fruit juice industry is the theme of our annual meeting this year. At the same time the Brazilian citrus industry as a whole is looking to launch a worldwide initiative to promote consumption of citrus juices starting in 2013. Work to be done. Opportunities to harvest.

This report will reveal a relatively steady level of juice consumption despite the current general economic malaise. It will also highlight some of the raw material flows on which it relies. The time of abundant and cheap raw materials is over. As regards sustainability and the environment, we focus this time on the efforts of the carton industry – a packaging format the majority of juices use.

We hope you enjoy reading the report. If you are from the industry, please think what you can do to help promote our products. If you are a fellow stakeholder, please appreciate what we do. If you are simply, as we all are, a consumer, please enjoy a glass of juice – regularly, like all good things in life.



AIJN President Andrew Biles

“Our industry continues to find innovative blends and mixes to keep our products exciting for consumers who deserve a choice.”

AIJN President Andrew Biles, May 2012





# The fruit juice industry: overall fruit juice consumption

EU fruit juice and nectars consumption stood at 10.7 billion litres in 2011. If Turkey, Norway and Switzerland are included, sales rise to 11.8 billion litres, driven by the strong upwards momentum in juice and nectars consumption in Turkey. 100% juice sales represented approximately two-thirds or 7.0 billion litres of total EU sales in 2011, with nectars (25-99% juice content) making up the remainder.

On a global level, the overall fruit juice and nectars market recorded a marginal decline in 2011, held back primarily by a sharp fall in demand in North America due to consumer resistance to high price points, and a steep drop in East Europe's key consumption market Russia as consumers retrenched.

## Challenging trading conditions

Another year of exceptionally challenging trading conditions inevitably kept the squeeze on EU fruit juice and nectars sales in 2011. The ongoing hikes in commodity and logistical costs and higher concentrate prices continued to push up retail prices, leading many consumers to rationalise their purchase decisions. EU fruit juice and nectars sales dropped back by just over 2% in 2011, with the majority of countries witnessing a contraction. Turkey, however, continued to defy the trend with growth approaching double-digit levels.

## Shifting purchasing patterns

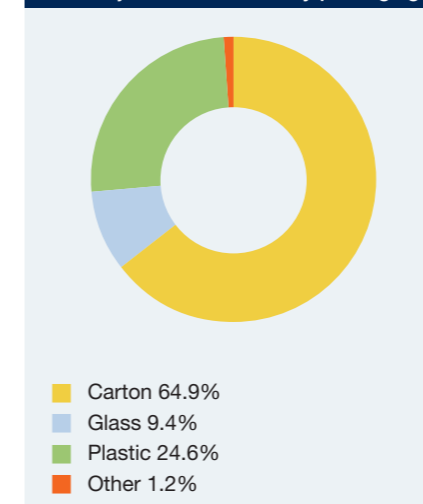
Despite the fragile consumer spending environment, juice and nectars consumption remains in tune with the ongoing consumer health and wellness trend within the region. Consumers are increasingly educated concerning the health benefits of juice and nectars consumption, and whilst spending power may have tightened are seeking out the most affordable option for their budgets. Nectars have benefitted in some countries from consumers trading down from 100% juice for reasons of economy.

## Trend to quality

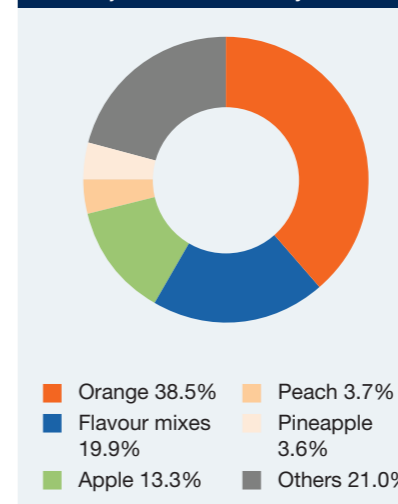
Conversely a notable trend in a number of countries in 2011 – with France and the UK being key examples amongst the major EU markets – was a shift in consumer purchasing to more premium product, boosting volume and share of the chilled juice and NFC (not from concentrate) segments. It seems that there is increasing demand for quality over quantity, with consumers prepared to pay out for the benefits of a premium juice. In addition, with from-concentrate raw material prices rising, the price differential between ambient and chilled juice is shrinking.

In the more mature high-volume juice markets, many producers have taken advantage of this trend to quality, by investing in innovation and, specifically, value-added chilled and functional juices.

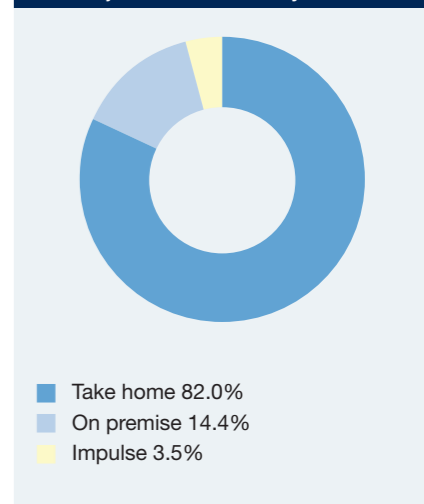
EU fruit juice and nectars by packaging



EU fruit juice and nectars by flavours



EU fruit juice and nectars by channel



# European industry trends and segmentation

The EU fruit juice and nectars market saw a third consecutive year of contraction in 2011, with the rate of decline accelerating to 2.2%. Given the precariousness of the economic situation in the euro zone, with inflation and rising unemployment key areas of consumer concern, it is perhaps surprising that the rate of decline was not higher; a fact that highlights the underlining robust dynamics of the juice and nectars market. Fruit juice continued to fare better than nectars, falling back by 1.9% compared with a fall of 2.9% for nectars.

Germany and Austria the use of local/regional apple variants has proved a popular concept with consumers. Peach and pineapple owe their top five ranking primarily to their significance on the Spanish market.

## Sales by outlet

Juice and nectars are heavily skewed to take-home consumption due to the dominance of the modern retail channel. Some 70% of purchases are made via the large modern and discount outlets alone. The share of on-premise has been eroded by falling footfall and reduced tourism in the turbulent economic times.

## Country ranking

Germany heads up the EU juice and nectars market ranking, with a 26% share of consumption. France, the UK, Spain and Italy follow, together accounting for a further 46%. In terms of litres per capita, the top five positions are taken by northern European markets, with Germany again at the forefront.

## Competitive pricing across both branded and private label products

Whilst consumers have been forced to manage their budgets, it is notable that in 2011 both private label and brands declined in line with the overall juice and nectars market average. Promotional offers of branded product at highly competitive prices are now commonplace in the supermarkets, narrowing the price differential with private label.

## Segmentation and flavour profile

The growing cost of from-concentrate raw materials is also serving to shrink the price divide between from-concentrate and not-from-concentrate fruit juice. As a consequence, trends reversed in 2011 with not-from-concentrate recording a healthy increase at the expense of from-concentrate. Chilled fruit juice also made gains over ambient as the narrowing price gap encouraged some consumers to shift to more premium product.

Orange continues to top the flavour ranking of the combined fruit juice and nectars market, followed by flavour mixes. Innovation in flavour mixes has increased as producers seek both to manage production costs and respond to consumer preference for the functional benefits fruit combinations can offer. Apple ranks third in terms of importance – in markets such as



EU: Total fruit juice and nectars		Population: 504.4 million				
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>11,310</b>	<b>11,326</b>	<b>11,177</b>	<b>11,017</b>	<b>10,771</b>	<b>-2.2%</b>
Private label	4,362	4,632	4,864	4,821	4,714	-2.2%
Branded	6,948	6,694	6,313	6,196	6,057	-2.3%

Fruit juice (100% juice content)						
Total fruit juice	7,294	7,228	7,208	7,170	7,037	-1.9%
Private label	3,153	3,210	3,341	3,317	3,233	-2.5%
Branded	4,141	4,018	3,867	3,853	3,804	-1.3%
Chilled	1,248	1,281	1,283	1,321	1,354	2.5%
Ambient	6,047	5,947	5,924	5,849	5,683	-2.8%
From concentrate	5,911	5,717	5,624	5,525	5,281	-4.4%
Not from concentrate	1,384	1,511	1,584	1,645	1,756	6.7%

Nectars (25-99% juice content)						
Total nectars	4,016	4,098	3,970	3,847	3,734	-2.9%
Private label	1,209	1,422	1,523	1,504	1,481	-1.5%
Branded	2,807	2,676	2,446	2,343	2,253	-3.8%

Largest EU FJN market by volume consumption, 2011

Country	Million litres
Germany	2,733
France	1,713
United Kingdom	1,369
Spain	1,068
Italy	808
Others	3,079
<b>Total</b>	<b>10,771</b>

Largest EU FJN market by per capita consumption, 2011

Country	Population (million)	Litres per person
Germany	81.5	34.0
Finland	5.3	31.4
Austria	8.4	28.5
Netherlands	16.7	27.9
Sweden	9.3	27.5

Largest FJN markets by volume consumption by region, 2011

Region	Million litres
East Europe	5,568
Latin America	3,404
North America	9,755
West Europe	9,831
Asia Pacific	6,815
Africa & Mid East	3,576
<b>Total</b>	<b>38,948</b>
EU 27	10,771

Largest FJN markets by per capita consumption by region, 2011

Country	Population (million)	Litres per person
East Europe	400.3	13.9
Latin America	599.5	5.7
North America	345.1	28.3
West Europe	415.4	23.7
EU 27	504.4	21.2
Asia Pacific	3,927.7	1.7
Africa & Mid East	1,261.7	2.8

# A global trade

At a quayside in the Belgian port of Ghent, a ship has docked and is preparing to discharge its unseen cargo. Containers do not line its decks, for this is a tanker. It has not, however, travelled west through the Suez Canal and the Mediterranean from the oilfields of the Persian Gulf, but east from the Brazilian port of Santos.

Its holds are refrigerated and contain not oil but orange juice. In a year it will make 10-11 transatlantic crossings. On each transit its exclusive cargo going east will be orange juice, concentrated or not. On its journey west, it will be empty.

It is not alone. As many as a dozen like it ply the oceans. Sometimes a second tanker is drawn up at an adjacent dock, for Ghent is home to two of the four leading OJC importers and they are neighbours.

Brazil is thought, in any one year, to supply comfortably more than 80% of the demand for orange juice in the EU.

The scene is repeated in Rotterdam and Antwerp, where two more importers are based, and in Zeebrugge, Amsterdam, Vlissingen, Avonmouth and other ports, primarily around the coasts of Northern Europe. Here, importers, processors and even brand owners have located their facilities to maximise the efficiency of landing the raw materials and to minimise the time delay in getting the products of Brazil's plantations into the hands of their expectant European consumers.

### European and global customers

Many importers and processors have customers beyond the EU and the rest of mainland Europe and by no means all of the OJC landed in the Low Countries is destined for European tables. But the majority is and Brazil is thought, in any one year, to supply comfortably more than 80% of the demand for orange juice in the EU.

It will take up to three days to discharge between 12,000 and more than 30,000 tonnes of juice, some NFC (not from concentrate), some concentrate, some frozen concentrate. Temperature control equipment on the ships allows all varieties to be carried. Once emptied, the tanker recrosses the Atlantic to repeat the trip in just over a month. Each crossing takes two weeks.

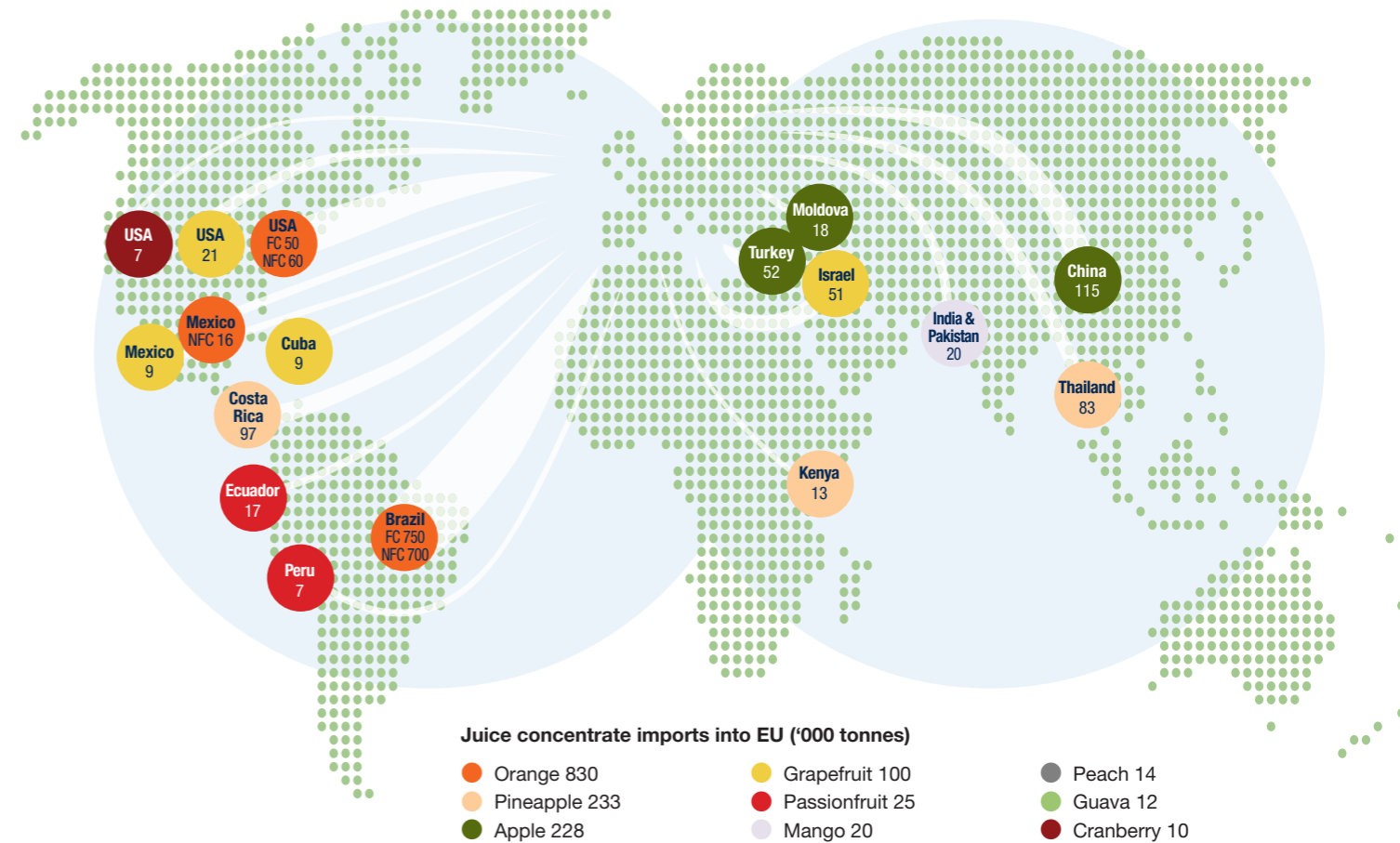
The NFC juice will be packed in a matter of days if not hours, commonly dispatched from the quayside in road tankers or in metal drums. In Zeebrugge, site of a major quayside processing facility, there is no need of intermediate logistics. Frozen concentrate (FCOJ) will be reconstituted at its final destination or close by, forming the basis of the many blends that are now offered to increasingly sophisticated European consumers.

Who would have thought that European demand for orange juice concentrate, frozen or fresh, would be of such a scale as to justify this investment in dedicated vessels?

### Concentrates also in containers

Concentrates also arrive in smaller containers, drums most commonly, from 10kg to 1,000kg. Thus many concentrates, including the more exotic ingredients – maracuja (passionfruit), cranberry, mango and guava – find their way to the port-based

Juice import flows into the EU ('000 tonnes concentrate and NFC orange)



blenders and processors via the traditional route, the decks of container vessels.

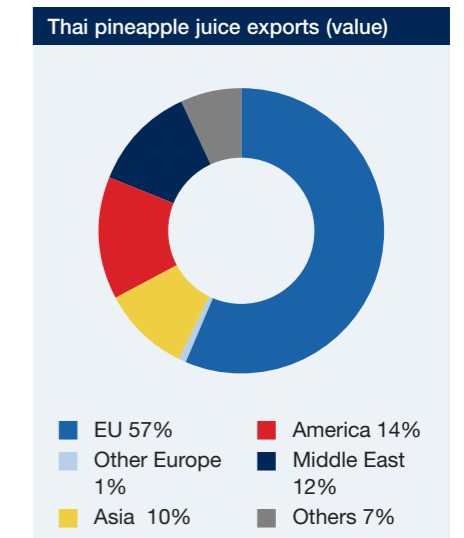
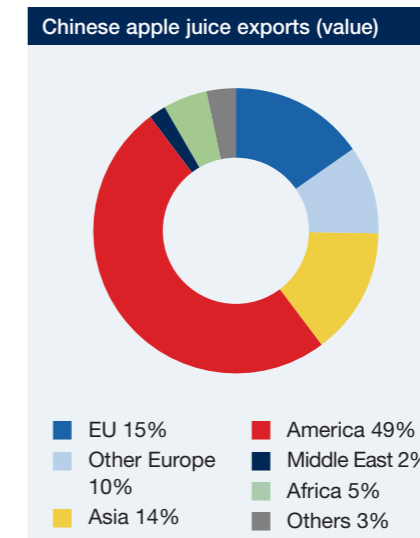
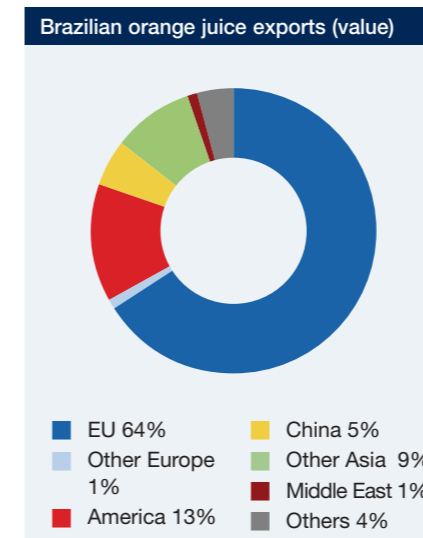
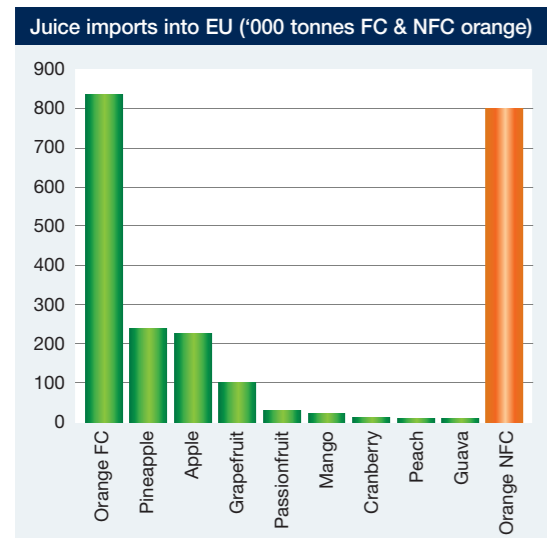
Soon a picture emerges of a substantial and diverse international trade in juice concentrates, originating from all points of the compass, but funnelled through a small number of transit points. Florida, Wilmington (New Jersey) and Japan operate as hubs also, but Europe dominates the trade profiles of juice exporters large and small.

Brazil reports that as much as two thirds of the value of its orange juice concentrate export trade is realised in the EU. 70%

of the volume lands in Europe. The EU also accounts for well over half of the value of Thai pineapple concentrate exports and, after the US, is the second ranked source of export revenue for Chinese apple concentrate producers.

### Year-to-year variation

Of course, these are natural products and harvests per geography can vary substantially from year to year. In these circumstances, it is important to have more than one source of raw materials, if at all possible. In previous years, for instance,





China has been a more important source of the apple juice concentrate (AJC) used by EU based packers, but latterly a greater proportion has been sourced from within the EU, principally from Poland, Germany and Austria. Yield, cost and quality play linked roles in the sourcing decision.

This rebalancing may be constant, but demand has risen to such levels for some ingredients that imports from beyond the EU will continue to represent the greater part of sourcing. This is true for the most traded juice concentrate, orange, but also for grapefruit and pineapple amongst the most popular flavours, and for passionfruit, cranberry, mango and guava amongst up-and-coming varieties. For apple juice and especially grape juice the EU has historically sourced the majority of its needs from within its own borders.

**Orange juice concentrates**

In any given year, imports of **orange juice concentrates** into the EU from beyond its borders can total more than 800,000 tonnes. Brazil contributes more than 90%. The US takes up much of the remainder. Confirming the significance of Belgium and the Netherlands as twin gateways to the European industry, just under 90% of this combined volume was landed in one or other country.

**Not from concentrate (NFC)**

However, that is not the full story. Consumer demand for premium and freshly squeezed orange juice, strongest in the UK but also increasingly evident across the Continent, has also led to a dramatic rise in the EU's requirement for NFC orange juice, a need that can now never be met from EU plantations alone.

Brazil has responded and total imports now approaching 700,000 tonnes per year are more than six times what they were as recently as 2002. The more recently commissioned dedicated vessels are capable of transporting orange juice from South America in a range of formats, upgrading from those that only handled FCOJ. This second wave of investment by the Brazil-based processors continues, an ongoing response to NFC OJ demand. Spain remains an important NFC source, but it now ranks well behind Brazil. Again, a proportion is sourced from the US.

Not forgetting both that trade levels can vary notably from year to year and that some of the volume landed in the EU is then

re-exported, what does all this mean for EU consumption and, in particular, where the orange juice that we all drink is coming from?

**Finished products**

Calculating how much finished product uses ingredients sourced either from within the EU – principally Spain but with some contribution from other Mediterranean markets, or from Brazil and other trade partners – is complicated. Conversion factors, both of FCOJ and weaker concentrates to RTD and the variation in the juice content of orange-based nectars make direct comparisons impossible. Again, the specific gravity of OJ needs to be taken into account when attempting to convert kgs (reported trade unit) into litres (reported consumption unit).

Taking into account all these factors, Canadean calculates that in any given year, at consumed volume, around 3.5 billion litres of OJ in the EU has been sourced from outside its borders.

This means that the EU sources from within its borders, principally from Spain, around 500 million litres of the OJ that Europeans consume. The balance in sourcing will vary from year to year according to availability, price and quality, but is unlikely to deviate much from this 1:7 split within/without the EU.

**Apple juice concentrate**

**Apple juice concentrate** (AJC) arrives in the EU from near and far. For some time, the leading country of origin has been China, with EU import data reporting 2011 volumes at just over 115,000 tonnes. After China, external trade partners are much closer geographically – sources show more than 52,000 tonnes came from Turkey, nearly 18,000 tonnes from Moldova and another 7,500 tonnes from the Ukraine. Completing the top 5 on just under 9,000 tonnes was Chile, with this quintet taking an estimated 88% of 2011 AJC imports from outside the EU.

Within the EU, the leading source of AJC is Poland. Data shows that Poland exported around 145,000 tonnes of the 263,000 tonnes of AJC it produced in 2011 to its EU neighbours.

With the principal providers of AJC being close at hand (Poland) or well placed to make use of the established, intercontinental container trade (China), price is a key determinant of where processors source their raw materials, not just from year to year but also from consignment to consignment. Poland has recently grown in importance as Chinese AJC has increased in price.

Another factor in the sourcing decision is the higher acidity of EU AJC, making it more versatile, not to say essential, for products with 100% or high apple juice content.

**Pineapple, grapefruit and grape**

Illustrating the global character of the juice trade, the two leading origins of **pineapple juice concentrate** (PJC) have yet to be mentioned. Between them, EU sources show that Costa Rica and Thailand account for more than three quarters of a reported 232,000 tonnes of PJC brought into the EU from beyond its borders, 97,000 tonnes from Costa Rica, 83,000 tonnes from Thailand. Processors also source from Kenya, the Philippines and Indonesia, with smaller quantities obtained from South Africa and Ghana.

Around 96% of the **grapefruit juice concentrate** (GfJC) imported for use in RTD juice in the EU is sourced from just five markets. Israel is the most important of them, thanks in part to blending Cypriot imports into domestic concentrates, contributing 50% of a total import volume which Canadean estimates will have exceeded 100,000 tonnes in 2011. The US accounts for another 21%, with 8% to 10% sourced from Cuba, Mexico and South Africa, in that order.

Reported imports of **grape juice concentrate** (GJC) totalled only 2,750 tonnes in 2011. Undoubtedly, the majority of GJC is sourced from Spain, Italy and France, and much is traded within the EU, but exports beyond its borders are also significant and the EU is definitely a net exporter of this commodity.

**Other juice concentrates**

All other imports of **juice concentrates** are recorded under a range of generic definitions intended to capture a whole range of ingredients, purees and concentrates. The best way to track them is to look at country of origin and assign volume according to known exports.

For instance, Ecuador is known to be the major source of **passionfruit** purees and concentrates used in juices, both in the EU and elsewhere in the world. Sources accessed by Canadean suggest that imports from Ecuador total around 70% of a 25,000 tonnes total, with Peru making up most of the remainder.

**Mango concentrate** destined for juices is more difficult to track, but reliable sources suggest that the EU accounts for around 20%

of an international trade of around 100,000 tonnes. Almost all single-strength mango purees are sourced from South East Asia, principally India and Pakistan. Most are destined for the large numbers of Indians, Pakistanis and Bangladeshis working in Saudi Arabia and the GCC, but Canadean calculates that around 20,000 tonnes are landed in the EU, with 50% of this volume then consumed in the UK.

**Cranberry juice concentrate** is primarily, although not exclusively, sourced from the US, where around two thirds of the world's cranberries are cultivated. Most of the rest are grown in either Canada or Latin America. Canadean believes EU imports would be 10,000 tonnes for 2011.

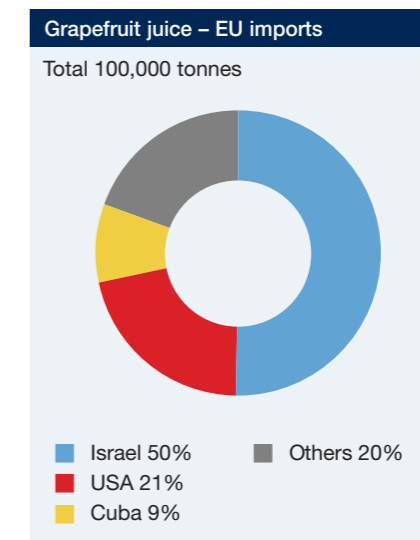
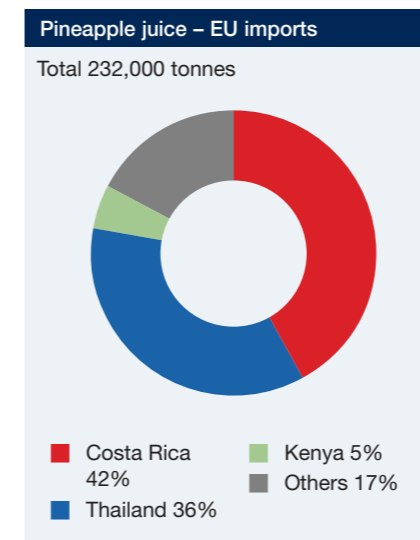
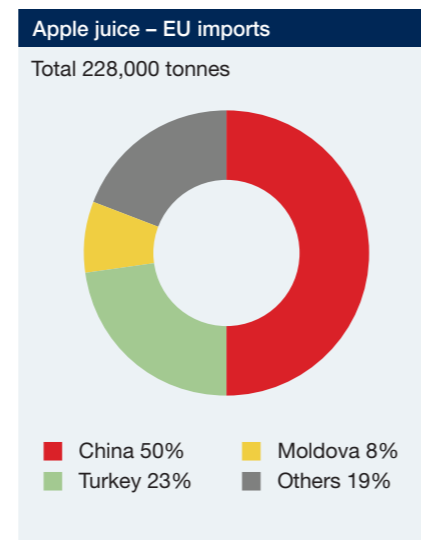
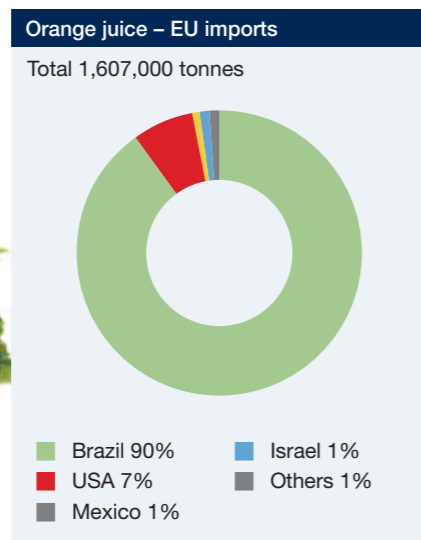
Flavours completing the top 10 are likely to be **peach** and **guava**. Each is sourced from a number of different markets, China, Turkey and India being prominent suppliers of each, with Malaysia also believed to be of consequence to the guava trade. Absolute volumes are very difficult to determine, but Canadean would estimate respective totals of 14,000 tonnes (peach) and 12,000 tonnes (guava).

**Greater choice for adventuresome consumers**

As the consumption data will show, the years since the Millennium have seen an explosion in the range of RTD juices readily available to EU consumers. As travel and the internet have shrunk the globe, so consumers' knowledge and expectations have deepened. They have shown themselves more than willing to experiment with increasingly exotic ingredients, either singly or in blends, in 100% juices or in nectars.

This phenomenon has placed exciting demands on the participants in the fruit juice sector. Trading relationships have multiplied, new geographies have been penetrated and product offerings have been constantly updated. Ethical and sustainable initiatives, undertaken by raw materials suppliers and fruit juice bottlers, with practical on-the-ground applications, represent a constant theme in this expansion.

The EU fruit juice industry is now, truly, a global business inasmuch as ingredients sourced from many countries, on every continent, are being processed within its factories for the benefit of its consumers. Even with recent challenging economic conditions, there is little sign of choice contracting and, as a consequence, the EU fruit juice industry will continue to talk to the world.





# Beverage cartons and climate protection

Ever since climate change has become a global issue, consumers increasingly question a product's contribution to climate protection. Stakeholders in a business value chain have a responsibility to make measurable and certifiable progress in greening their operations and products, and to ensure their suppliers do likewise.

## Using a natural and renewable resource

The beverage carton industry is focused on making every step of the life of the beverage carton work with and for nature, from the sourcing of the wood fibre to the disposal of the used carton.

On average, a beverage carton is 75% paperboard, which is made from wood fibre – a natural and renewable resource when sourced from forests that are responsibly managed. The beverage carton industry and its Scandinavian carton suppliers insist on management practices that support biodiversity, uphold and exceed environmental legislation and do not deplete valuable resources for future generations.

Most of the wood fibre for European beverage cartons originates from Finland and Sweden. The remaining fibre comes from Russia, the Baltic countries, South America and European

countries, including Norway, Germany, and in very small amounts, the UK and Denmark.

## Strong traceability criteria

The paperboard in all beverage cartons produced in Europe by Tetra Pak, SIG Combibloc and Elopak is traceable to legal and acceptable sources of wood. Beverage carton manufacturers have committed voluntarily to have this traceability extended globally by 2015. Traceability is one of the industry's most important strategic means to combat illegal logging and to avoid using unacceptable sources of wood. It is independently verified according to 'chain-of-custody' standards set by the FSC (Forestry Stewardship Council) and/or the PEFC (Programme for the Endorsement of Forest Certification Schemes).

## Resource-efficient processes

From the choice of raw materials to the design of packaging, energy efficiency measures and use of renewable energy in production, beverage carton producers strive to reduce carbon emissions at all stages of the life cycle.

At the production stage, the highly energy-efficient processes used by carton manufacturers reduce reliance on fossil fuel energy consumption, and manufacturers increasingly use certified renewable energy in their operations.

## Low carbon footprint

To assess the carbon footprint of beverage cartons, numerous Life Cycle Assessments (LCAs) have been undertaken by the industry and by leading environmental research institutes. Studies have shown that beverage cartons have the lowest carbon footprint in the core categories of milk and juice.

The beverage carton has a low carbon footprint for a number of reasons:

- the high share of biofuels at the European paperboard production sites (more than 80%)
- the low carbon intensity electricity mix in the countries where paperboard is produced
- the shape and weight of beverage cartons reducing CO<sub>2</sub> emissions
- the energy efficiency measures along the supply chain
- recycling (as opposed to landfill) reducing the product's carbon footprint.

The low global warming potential of the beverage carton was crucial to the positive assessment made in 2000 by Germany's environmental agency (UBA). The agency considered the beverage carton to be one of a limited number of 'ecologically advantageous' packages for the purpose of German packaging law.

## Recycling rates growing

Recycling of beverage cartons in Europe (EU-27, Norway and Switzerland) has grown steadily over the last 15 years, with around 350,000 tons (over 13 billion cartons) recycled in 2010. This represents a recycling rate of 36% for all cartons sold in Europe, with some countries like Belgium or Germany having rates twice this average or more.

Combined recycling and energy recovery rates for the whole region reached roughly 650,000 tons (a 66% recovery rate). These figures reflect a clear long-term growth trend in beverage carton recycling since 1992, when only 6,000 tons were recycled.

Recycling plays its part in reducing greenhouse gas emissions generated at landfills. Besides avoiding the waste of valuable paper resources, the 350,000 tons of beverage cartons recycled in 2010 amount to a prevention of emissions of around 310,000 tons of CO<sub>2</sub> equivalents.

Though not subject to specific legal targets in the EU or most of its member states, the beverage carton industry has achieved this vastly improved environmental performance through the manufacturers' own initiatives and by working closely with stakeholders.

“Traceability is one of the industry's most important strategic means to combat illegal logging and to avoid using unacceptable sources of wood.”



# Health and nutrition

Fruit and vegetable juices are recognised as valuable contributors to a healthy diet. They are good sources of vitamins, minerals, and other beneficial micronutrients – for example, phytochemicals such as carotenoids, limonoids and lycopene – as well as being enjoyable and easy to consume. Therefore the consumption of a serving of juice is often recommended to help increase fruit and vegetable consumption.

## One of your five-a-day

In the Eurodiet study carried out at the request of the European Commission that served as the basis for the development of EU guidelines for healthy diets and lifestyles, the following recommendation was made:

“...fruit and vegetable consumption should be increased to at least 400g/day on a population basis. ‘Fruit and vegetables’ are loosely defined as excluding potatoes and equivalent starchy roots but including a portion of fruit juice.”<sup>ii</sup>

The consumption of a portion of a fruit or vegetable juice is more often than not part and parcel of the worldwide accepted five-a-day strategy. General dietary advice, including five-a-day recommendations, has been published by the majority of European countries (UK, France, Germany, Sweden, Austria, Finland, Poland, Norway, Ireland, Denmark, Italy, and Spain). The Australian government and Canadian dietitians note fruit juice as an appropriate part of a healthy diet.<sup>iii</sup> In the US, the Dietary Guidelines for Americans

2010<sup>iv</sup> advises people to choose 100% juices as part of a healthful diet, with the majority of the fruit recommended coming from whole fruits. The World Cancer Research Fund promotes year-round consumption of a variety of vegetables and fruits, translating to five or more servings of fruit and vegetables daily (or 7% or more total energy), whereby fruit juice can count as one serving.<sup>v</sup>

## Daily consumption

In general, a 200ml glass of 100% fruit or vegetable juice counts as one portion. A recent study indicates that American children aged 2–18 years consume on average 109ml of 100% fruit juice, contributing 55kcal to their diet, whereas those that are exclusive 100% fruit juice drinkers consume some 225ml per day, contributing 113kcal to their diet.<sup>vi</sup> Germany, which has the highest EU per capita consumption, has an average daily intake of 70ml, just 40% of the recommended daily serving. In the UK’s National Diet and Nutrition Survey for children (4–18 years), boys

“Dietary Guidelines for Americans 2010 advises people to choose 100% juices as part of a healthful diet.”

drink on average 117ml and girls 107ml (or respectively 63% and 58% of the recommended intake). Note also that 93% of fruit juice in the UK is consumed with a meal.

## Balanced diet and better nutritive choices

Moreover, the US study above shows that consumption of 100% juice is associated with an increase above the usual intake of vitamins A and C, folate, Mg, P and K, with no differences in usual intake of vitamin E or dietary fibre. In fact this increases the likelihood of meeting the recommendations for shortfall nutrients.

A previous report on the relationship between fruit juice intake and obesity, based on 7,500 children between the ages of 2–18 years concluded that the “findings are consistent with many other research projects that have found no association between consumption of 100% juice and obesity.”

While obesity rates have increased in recent years, fruit juice consumption has largely remained stable, if not slightly decreased over the last years. Concern over the at-most tenuous relationship with weight has however overshadowed the contribution of 100% fruit juice to nutrient intake and diet quality.<sup>vii</sup> Consumption of 100% fruit juice has been clearly associated with improved diet quality; moreover, it does not decrease the intake of other nutrient-dense foods such as milk, meat or vegetables, but on the contrary helps to increase the intake of whole fruit.

## Fruit sugar content

Despite an overwhelming endorsement that fruit juice directly derived from fruit contributes to a healthy diet, some questions have been raised regarding its sugar content and acidity.

It is important to know that in 100% fruit juices, the sugars present are naturally occurring and impossible to remove. Sugars are generally not added to 100% fruit juices. In fruit nectars (fruit content 25–99%) sugar is sometimes needed to obtain a drinkable juice, especially where the juice in its natural state is not palatable (too acid or too concentrated).

In most cases the total amount of sugars present in these nectars will be comparable with the natural sugar content of 100% pure fruit juice.

## Healthy teeth

Consumption of fruit juice as part of a balanced diet can be compatible with good dental health.

The main factor leading to dental erosion and caries is the frequency of consumption<sup>viii</sup>, rather than the absolute amount of sugars and the acidity of the product. This led Eurodiet, for instance, to limit the number of sugary consumption moments to four a day.

As research by König and Navia published in the American Journal of Clinical Nutrition in 1995 concluded, the prevalence of caries in a population is strongly modified by other dietary, social and behavioural factors independent from the intake of sugars. Other factors that affect the development of caries include the form of the food, its overall composition, the sequence of eating, the salivary flow, the presence of buffers, the use of fluoride and other minerals, the actual bacterial and plaque flora, genetics etc.

Like many other foodstuffs, fruit juices have a low pH and high buffering capacity. However, due to the behavioural and biological factors that may cause dental erosion, it is very hard to predict erosive potential in vivo based on chemical



Consumption of fruit juice as part of a balanced diet can be compatible with good dental health.

composition. Therefore, even if fruit juices have a chemical composition that may theoretically cause dental erosion, it cannot be concluded that they actually cause erosion. If the composition of the saliva is normal and there is no extreme consumption behaviour, the effect can be minimal along with good oral hygiene practices.

Regular tooth brushing with fluoride toothpaste – the principal rational method of prevention rather than dietary measures – explains why in most highly developed countries, caries prevalence has decreased markedly irrespective of the stable if not declining consumption of either sugars or fruit juices.

In conclusion, fruit juices contain nutrients, minerals, trace elements, vitamins and phytochemicals that have many health benefits. Consumed in moderation as part of a balanced diet, fruit juices not only help us to maintain a healthy lifestyle, they might even reduce disease risks. However, we still have a long way to go to get to the recommended daily intake for each and every European.

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- ii Commonwealth of Australia (2003) Dietary Guidelines for Australian Adults; the National Health and Nutrition Research Council. Dieticians of Canada (2004) - Recommendations for School Food and Nutrition for Ontario Ministry of Education
- iii USDA (2010) The Dietary Guidelines for Americans 2010. [www.cnpp.usda.gov/DietaryGuidelines.htm](http://www.cnpp.usda.gov/DietaryGuidelines.htm)
- iv [www.wcrf.org/report/summary.lasso](http://www.wcrf.org/report/summary.lasso)
- v O’Neil CE, Nicklas TA, Zanovec M, Kleinman RE and Fulgoni III VL (2012) Fruit juice consumption is associated with improved nutrient adequacy in children and adolescents: the National Health and Nutrition Examination Survey (NHANES) 2003 - 2006. Public Health Nutrition. Doi:10.1017/S136898012000031
- vi O’Neil CE, Nicklas TA, Zanovec M et al. (2011) Diet quality is positively associated with 100% fruit juice consumption in children and adults in the United States : NHANES 2003 - 2006. Nutr J 10, 17.
- vii König KG and Navia JM (1995) Nutritional role of sugars in oral health. Am J Clin Nutr 62(suppl): 275S-283S. Anderson CA, Curzon MEJ, Van Loveren C, Tatsi C and Duggal MS (2009) Sucrose and dental caries: a review of the evidence. Obesity Reviews. Volume 10 Supplement 1, 41 - 54.



# Conclusions and outlook

With Europe still in the grip of deep economic uncertainty, exacerbated by political unrest and severe austerity measures, the EU fruit juice and nectars market is expected to see a 1.9% contraction in volume in 2012. The rate of decline is expected to continue to decelerate, with the market stabilising by 2015 and recording marginal growth by 2017. EU fruit juice and nectars consumption is forecast to stand at 10.3 billion litres by 2017. Whilst some of the more mature EU juice and nectars markets, such as Germany and the UK, are predicted to see some shrinkage in per capita levels by 2017, Turkey is forecast to register more than a 30% increase, albeit off a low base.

### Volume vs value

Producers are having to play a delicate balancing act between managing increasing overhead costs, due to commodity and logistical price hikes, and curbing retail price increases in an environment of cautious consumer spending. Differing strategies are being witnessed from reformulation, to pack downsizing – but maintaining price point – and pack lightweighting. There is also widespread promotional price activity for brands in the retail

channels, thereby narrowing the gap with private label and B-brand alternatives. This is encouraging a growing consumer shift from ambient to chilled product in many markets.

A measure of the success of these strategies was seen in 2011, with the EU fruit juice and nectars market recording a return to value growth after two years of decline. Whilst combined volumes were down by 2.2%, value is estimated to have increased by 4%. Value growth in the vibrant Turkish fruit



juice and nectars market, however, was more than double the EU average. Within both the juice and nectars categories, there is a growing trend to value share exceeding volume share in the more developed regional economies.

On a global plane, in terms of volume the EU accounted for just over one quarter of global fruit juice and nectars consumption in 2011. By 2017, despite the fast expansion of consumption in developing countries, this share is expected to be around 23%. In value terms, the EU share is even higher at 29%, reflecting the higher price per litre obtained in the region versus Asia and Latin America in particular.

### Health and wellness – a platform of opportunity

Fruit juice and nectars continue to offer significant potential for value growth through the channelling of new investment behind value-added segments such as enhanced juices offering functional benefits and targeted at specific consumer groups. The ongoing consumer health and wellness trend and the ageing population in many countries offer strong potential for increasing market segmentation. Targeted positioning and marketing, emphasising product 'health' and 'naturalness', nutritional value/benefit or, for example, organic status or regional heritage will all add premium.

Producer innovation at flavour level is expected to continue to see increasing focus on flavour mixes, due not only to the

opportunity for managing production costs, but to the intrinsic functional benefits flavour mixes can offer. In the first quarter of 2012, Germany and the UK both saw a number of apple/berry combinations being added to existing ranges by branded producers and private label.

### Regulation

The 2012 revision of the European Fruit Juice Directive brought additional clarity to the legislation and practices in our industry, which is renowned for self-regulation.

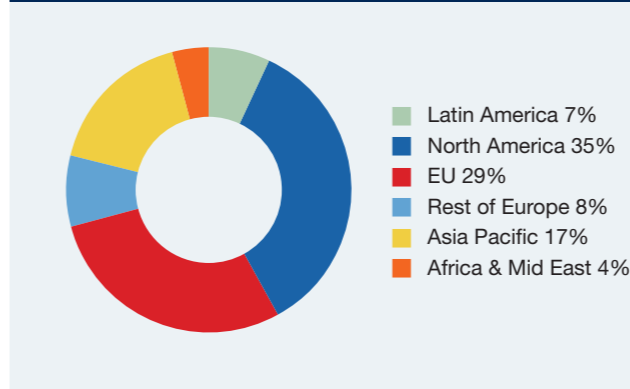
The AIJN Code of Practice Expert Group continues to be upheld as the reference standard for the evaluation of authenticity and quality of fruit juices, both in the EU and internationally. With stevia now approved for use in the EU, we could see some interesting reformulations of nectars.

### A healthy prognosis

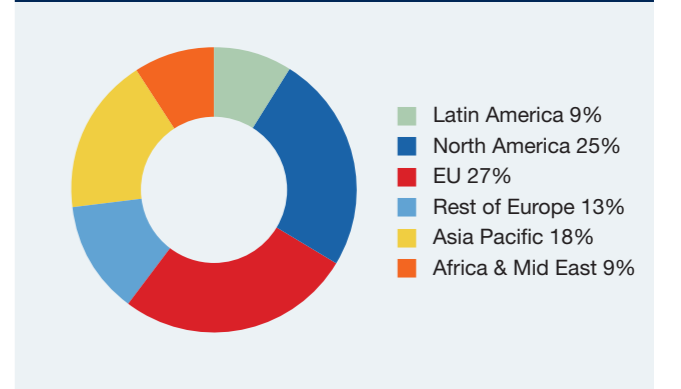
Overall, the prognosis for the European juice and nectars industry is positive. Although the volume picture is likely to be tough in the short to medium term, value gains should continue, driven by innovation in premium and functional products in particular.

At a consumer level, this trend will be supported by increasing demand for high quality and healthy products, which the juice and nectars industry is uniquely well placed to serve.

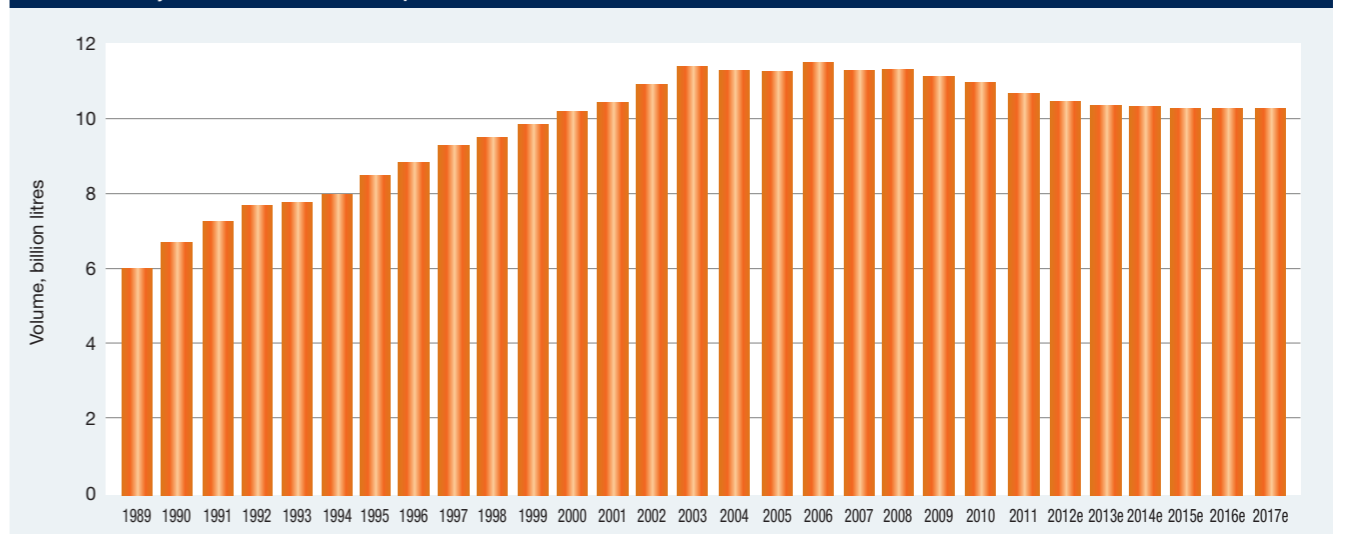
Juice and nectars – value share (total value 90.2 billion EUR)



Juice and nectars – volume share (total volume 39.9 billion litres)



Total EU fruit juice and nectar consumption 1989-2017e





# Austria

Population: **8.4 million**



**Juice** consumption has continued to grow, despite the economic uncertainty. There is a noticeable trend to 100% juice consumption at the expense of nectars, aided by competitive prices in retail channels, a strong private label presence and consumer perception of juice as a 'natural' product.

Ambient accounts for the majority of juice, which is a reflection of the wide choice of brand and private label in this format in a broad range of packaging formats.

Apple is the key flavour for the Austrian consumer in the juice category, with orange playing a secondary role. Flavour mixes are, however, gaining ground, with producers developing innovative flavour combinations.

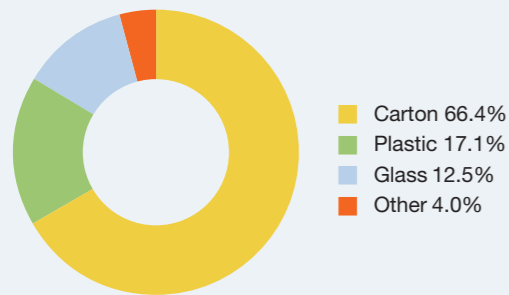
**Nectars** are on a long-running declining trend. Growing consumer health-consciousness is seeing nectars coming under increasing pressure from the consumer preference for perceived more natural products. 100% juice and more recently the stevia sweetened soft drinks alternatives are eroding nectar sales.

The flavour profile is topped by orange, followed by flavour mixes and apple.

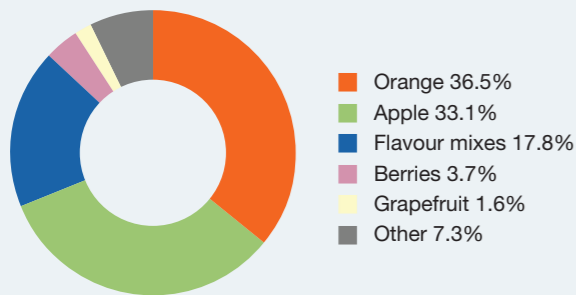
The niche **smoothies** segment has been the key element in driving chilled juice consumption, although their significance remains as yet small.

“A noticeable trend to 100% juice consumption at the expense of nectars”

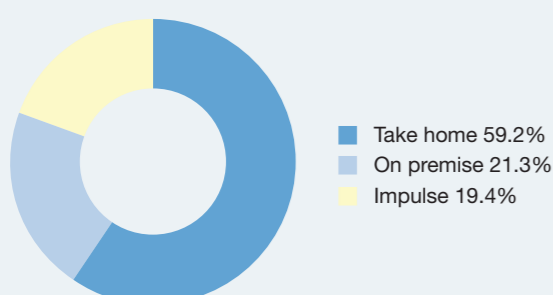
## Fruit juice and nectars by packaging



## Fruit juice and nectars by flavours



## Fruit juice and nectars by channel



Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>244</b>	<b>241</b>	<b>242</b>	<b>239</b>	<b>233</b>	<b>0.3%</b>

Fruit juice (100% juice content)						
Total fruit juice	2007	2008	2009	2010	2011	% change
<b>Total fruit juice</b>	<b>150</b>	<b>146</b>	<b>150</b>	<b>154</b>	<b>152</b>	<b>1.5%</b>
Branded	86	83	87	84	81	-1.1%
Private label	64	63	63	70	71	4.6%
Ambient	136	131	134	137	136	1.3%
Branded	77	74	78	75	72	-1.4%
Private label	58	57	56	62	64	4.5%
From concentrate	136	131	134	135	133	1.1%
Branded	77	74	78	72	69	-1.8%
Private label	58	57	56	62	64	4.5%
Not from concentrate	0	0	0	3	3	11.1%
Branded	0	0	0	3	3	11.1%
Chilled	15	15	16	16	16	3.0%
Branded	9	8	9	9	9	1.2%
Private label	6	7	6	7	7	5.3%
Not from concentrate	15	15	16	16	16	3.0%
Branded	9	8	9	9	9	1.2%
Private label	6	7	6	7	7	5.3%
of which are smoothies	0	1	2	2	2	8.7%
Branded	0	1	2	2	2	8.7%

Nectars (25-99% juice content)						
Total nectars	2007	2008	2009	2010	2011	% change
<b>Total nectars</b>	<b>94</b>	<b>95</b>	<b>92</b>	<b>86</b>	<b>80</b>	<b>-2.0%</b>
Branded	64	62	58	51	46	-5.5%
Private label	30	33	34	35	34	3.1%
Ambient	94	95	92	86	80	-2.0%
Branded	64	62	58	51	46	-5.5%
Private label	30	33	34	35	34	3.1%
From concentrate	94	95	92	86	80	-2.0%
Branded	64	62	58	51	46	-5.5%
Private label	30	33	34	35	34	3.1%

# Belgium

Population: **10.4 million**



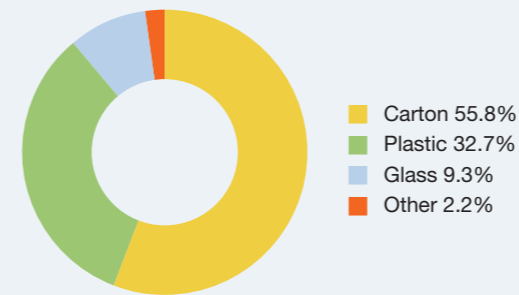
The **juice** category is large and mature and is being negatively impacted by the high cost of concentrates, in combination with inactivity by the retailers with their private label products.

The chilled juice segment is very slowly edging forward, aided by changes in pack format. Overall juice flavour development is limited, with orange, followed by apple and flavour mixes, the preferred consumer choices.

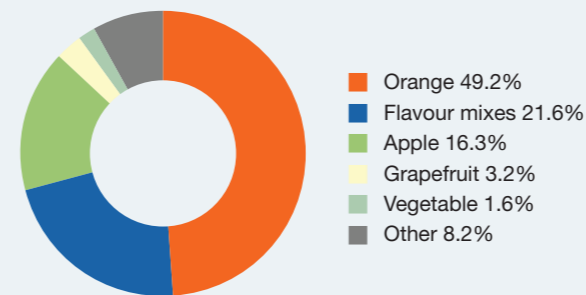
The **nectars** category is under-developed and lacks a separate identity from 100% juice. This, along with high concentrate prices, is holding back market expansion. Nectars receive little attention from the hard discounters as the low volumes involved produce limited interest; although private label still accounts for a high

“Multivitamin and multi-fruit concepts are the best performing nectar products.”

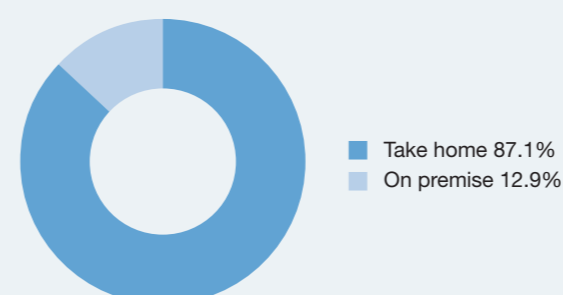
## Fruit juice and nectars by packaging



## Fruit juice and nectars by flavours



## Fruit juice and nectars by channel



percentage of category volume. This scenario is not expected to change significantly in the foreseeable future.

Multivitamin and multi-fruit concepts are the best performing nectar products.

**Smoothies** retain a very niche character which is proving difficult to change. The chilled juice and nectars market is still in its infancy and consumer acceptance of the smoothies concept is as yet low.

Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>234</b>	<b>230</b>	<b>228</b>	<b>222</b>	<b>220</b>	<b>-0.7%</b>

Fruit juice (100% juice content)						
Total fruit juice	2007	2008	2009	2010	2011	% change
<b>Total fruit juice</b>	<b>200</b>	<b>197</b>	<b>196</b>	<b>190</b>	<b>189</b>	<b>-0.8%</b>
Branded	95	92	85	80	76	-4.0%
Private label	106	105	111	111	112	1.4%
Ambient	185	181	180	174	173	-1.0%
Branded	83	80	74	68	65	-5.0%
Private label	102	101	106	106	108	1.5%
From concentrate	185	181	179	174	172	-1.0%
Branded	83	80	73	68	64	-4.9%
Private label	102	101	106	106	108	1.5%
Not from concentrate	0	0	0	0	0	-33.3%
Branded	0	0	0	0	0	-33.3%
Chilled	15	16	16	16	16	1.3%
Branded	11	12	12	12	12	1.8%
Private label	4	4	5	5	5	0.0%
From concentrate	15	16	16	16	16	1.3%
Branded	11	12	12	12	12	1.8%
Private label	4	4	5	5	5	0.0%
of which are smoothies	0	0	0	0	0	0.0%
Branded	0	0	0	0	0	0.0%

Nectars (25-99% juice content)						
Total nectars	2007	2008	2009	2010	2011	% change
<b>Total nectars</b>	<b>34</b>	<b>33</b>	<b>32</b>	<b>31</b>	<b>31</b>	<b>0.0%</b>
Branded	21	21	20	18	18	-1.1%
Private label	12	12	13	13	13	1.5%
Ambient	32	31	31	30	30	0.7%
Branded	19	19	18	17	17	0.0%
Private label	12	12	13	13	13	1.5%
From concentrate	32	31	31	30	30	0.7%
Branded	19	19	18	17	17	0.0%
Private label	12	12	13	13	13	1.5%
Chilled	2	2	2	1	1	-16.7%
Branded	2	2	2	1	1	-16.7%
From concentrate	2	2	2	1	1	-16.7%
Branded	2	2	2	1	1	-16.7%
of which are smoothies	0	1	1	0	1	25.0%
Branded	0	1	1	0	1	25.0%



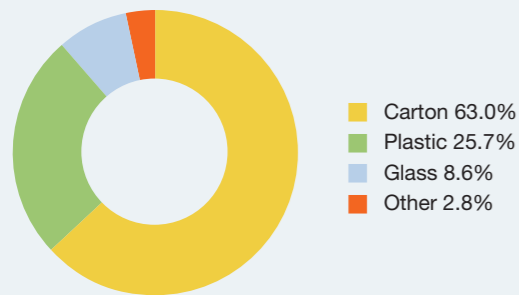
# France

Population: **65.1 million**

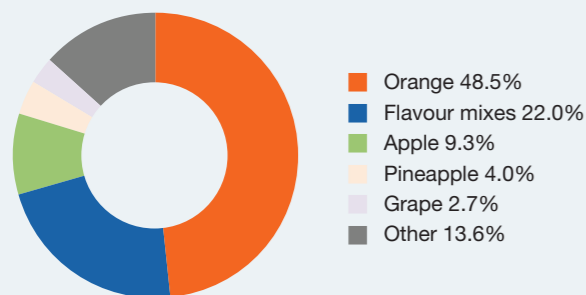
Whilst there are clear signals that the **juice** market is mature, the category continues to grow despite a very challenging environment. Of note in this highly segmented market is the shift in consumer purchasing to more premium product, which is reflected in the gap in growth between volume and value and the prevalence of NFC juice over FC versions. NFC orange juice alone accounts for one-third of the juice category, fuelled by the expansion of private label. The strategy of both retailers and producers of driving juice off-premise sales through pack promotions is now widespread, and is expected to support a similar rate of growth to 2011 in 2012.

With **nectars** on a declining trend, the implementation of the 'sin tax' on sweetened drinks is unlikely to see the category's fortunes improve. Whilst orange remains the key flavour, it has been hard hit recently by competition from low-cost FC orange juice, which is perceived as healthier and more natural. By contrast, the more exotic and gourmet flavours such as apricot, pear, guava and

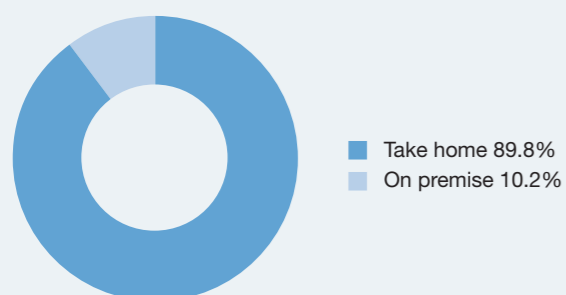
## Fruit juice and nectars by packaging



## Fruit juice and nectars by flavours



## Fruit juice and nectars by channel



mango continue to perform relatively well, thanks to private label. After five years of constant progression, **smoothies** seem to have peaked at around 18 million litres per annum.

Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>1,553</b>	<b>1,631</b>	<b>1,667</b>	<b>1,693</b>	<b>1,713</b>	<b>1.2%</b>

Fruit juice (100% juice content)						
<b>Total fruit juice</b>	1,158	1,235	1,270	1,298	1,328	2.3%
Branded	553	570	563	575	589	2.4%
Private label	605	665	707	723	739	2.3%
Ambient	1,025	1,104	1,141	1,164	1,181	1.4%
Branded	453	472	467	478	487	1.8%
Private label	572	632	674	686	694	1.2%
From concentrate	678	651	621	604	573	-5.2%
Branded	231	185	191	186	174	-6.7%
Private label	447	466	430	417	399	-4.5%
Not from concentrate	347	453	520	560	608	8.56%
Branded	222	287	276	292	313	7.2%
Private label	124	166	244	268	295	10.1%
of which are smoothies	1	1	0	0	0	6.8%
Branded	1	1	0	0	0	6.8%
Chilled	133	131	129	134	147	10.1%
Branded	100	98	96	97	102	5.3%
Private label	33	33	33	37	45	22.6%
From concentrate	0	0	0	0	0	0.0%
Branded	0	0	0	0	0	0.0%
Not from concentrate	133	131	129	134	147	10.1%
Branded	100	98	96	97	102	5.3%
Private label	33	33	33	37	45	22.6%
of which are smoothies	4	11	12	14	15	9.2%
Branded	2	7	8	9	9	2.3%
Private label	2	4	4	5	6	20.8%

Nectars (25-99% juice content)						
<b>Total nectars</b>	395	396	397	395	385	-2.4%
Branded	130	112	94	90	87	-3.3%
Private label	265	284	303	305	299	-2.2%
Ambient	374	378	379	376	367	-2.3%
Branded	110	96	77	72	70	-2.7%
Private label	264	283	302	304	297	-2.3%
From concentrate	374	378	379	376	367	-2.3%
Branded	110	96	77	72	70	-2.7%
Private label	264	283	302	304	297	-2.3%
of which are smoothies	5	4	4	4	4	-9.7%
Branded	1	1	0	1	0	-37.3%
Private label	3	3	3	3	3	-4.1%
Chilled	21	18	18	19	18	-4.3%
Branded	20	16	17	18	17	-5.8%
Private label	1	1	2	2	2	3.6%
From concentrate	21	18	18	19	18	-4.3%
Branded	20	16	17	18	17	-5.8%
Private label	1	1	2	2	2	3.6%

# Germany

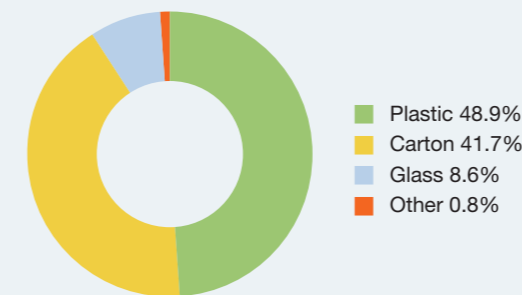
Population: **81.5 million**

Germany is Europe's leading **juice** market, and ranks second in terms of global consumption. The market is mature and since 2003 has been declining. Whilst rising concentrate prices are undermining consumption, there is also a growing consumer preference for 'lighter juice' drinks. Consumers often dilute juice with water, but recently the shift to low-calorie and 'lighter' drinks has seen a rise in schorle mixes (typically 50% apple juice and 50% mineral water). The convenience and price of packaged schorle has impacted on 100% juice sales.

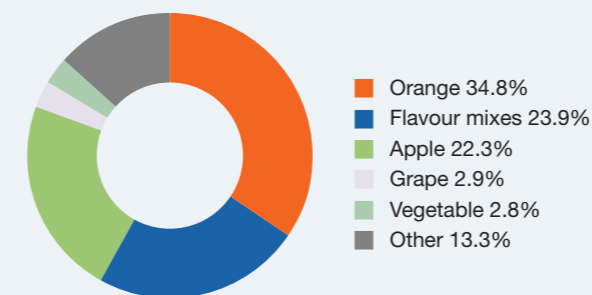
The uptake in schorle has been compounded by the inherent consumer ambivalence of the differences between juice and nectars. Price and availability are the most important factors. Competition within juice is fierce, fuelled by ongoing aggressive price promotional activity in the discounters.

Ambient juice is favoured, with consumers reluctant to pay the price premium for chilled. FC juice is generally preferred as it is cheaper and can be stored for longer. Orange and apple together account for some 60% of volume.

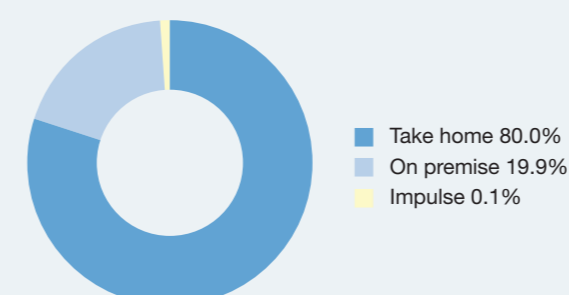
## Fruit juice and nectars by packaging



## Fruit juice and nectars by flavours



## Fruit juice and nectars by channel



Previously **nectars** were considered a good alternative to juice due to lower price, but heavy discounting in juice has eroded the price advantage. Nectars are also facing strong competition from low-calorie carbonates, and tea-based and water-based fruit drinks, due to the growing health/wellness trend.

The boom in **smoothies** appears to be over, with volumes on a downward trajectory since 2008. As for chilled juice, price is key.

Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>2,911</b>	<b>2,904</b>	<b>2,865</b>	<b>2,810</b>	<b>2,733</b>	<b>-2.8%</b>

Fruit juice (100% juice content)						
<b>Total fruit juice</b>	2,033	1,960	1,944	1,915	1,900	-0.8%
Branded	1,076	1,003	989	996	983	-1.3%
Private label	957	957	955	919	916	-0.3%
Ambient	1,967	1,890	1,878	1,851	1,837	-0.8%
Branded	1,021	948	931	939	927	-1.3%
Private label	946	943	947	912	909	-0.3%
From concentrate	1,686	1,634	1,629	1,611	1,596	-0.9%
Branded	932	882	871	880	867	-1.4%
Private label	754	752	758	731	729	-0.3%
Not from concentrate	282	256	249	240	240	0.1%
Branded	90	65	60	59	60	1.1%
Private label	192	191	189	181	180	-0.3%
of which are smoothies	0	1	0	0	0	0.0%
Branded	0	1	0	0	0	0.0%
Chilled	65	70	66	64	63	-1.8%
Branded	54	56	58	57	56	-2.0%
Private label	11	14	8	7	7	-0.3%
From concentrate	6	5	4	3	3	-8.1%
Branded	6	5	4	3	3	-8.1%
Not from concentrate	59	64	62	60	60	-1.5%
Branded	48	50	53	54	53	-1.6%
Private label	11	14	8	7	7	-0.3%
of which are smoothies	17	19	13	10	10	-1.2%
Branded	5	5	4	4	4	-3.1%
Private label	11	14	8	7	7	-0.3%

Nectars (25-99% juice content)						
<b>Total nectars</b>	879	944	921	895	834	-6.9%
Branded	511	479	468	464	442	-4.7%
Private label	367	464	452	431	391	-9.2%
Ambient	869	935	914	889	828	-6.9%
Branded	502	470	461	458	437	-4.7%
Private label	367	464	452	431	391	-9.2%
From concentrate	869	935	914	889	828	-6.9%
Branded	502	470	461	458	437	-4.7%
Private label	367	464	452	431	391	-9.2%
Chilled	9	9	7	6	5	-8.6%
Branded	9	9	7	6	5	-8.6%
From concentrate	9	9	7	6	5	-8.6%
Branded	9	9	7	6	5	-8.6%
of which are smoothies	7	7	6	5	4	-6.0%
Branded	7	7	6	5	4	-6.0%



# Italy

Population: **61.0 million**

**Juice** per capita consumption remains low in Italy, continuing to face strong competition from fresh fruit consumption, which is deeply rooted. In addition, unlike other markets, consumption of juice at breakfast is not part of the Italian culture; indeed, juice is not generally consumed with main meals.

The ambient segment is increasingly less brand and image driven, with the risk that juice is becoming a commodity. Chilled juice, however, is performing ahead of the market, with orange the key flavour behind this growth.

**Nectars** are strongly favoured over juice. The category is becoming increasingly diversified, offering a wide range of flavours, formats and products with functional benefits to satisfy a broad

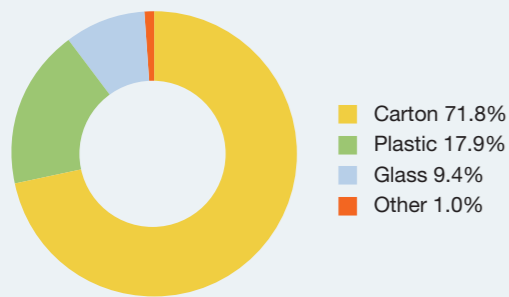
target group and differing consumption occasions. With pricing playing a more fundamental role due to the deepening economic crisis, private label is becoming an important driver of sales, as is promotional activity.

Traditional Italian flavours like pear, peach and apricot continue to grow; with the first two appealing particularly to children, who remain an important growth segment in the market.

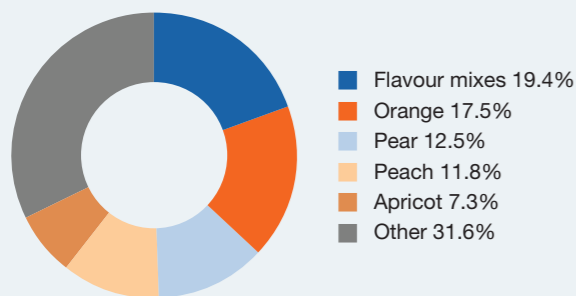
Interest in **smoothies** appears to be waning, partly due to loss of novelty value, but also to premium pricing. More category management can be expected in order to communicate better in-store the advantages of smoothies consumption and justify the price premium.

“Nectars favoured over juice and private label an important driver of sales”

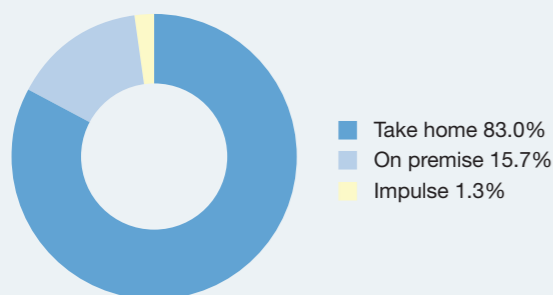
## Fruit juice and nectars by packaging



## Fruit juice and nectars by flavours



## Fruit juice and nectars by channel



Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>842</b>	<b>844</b>	<b>836</b>	<b>807</b>	<b>808</b>	<b>0.2%</b>

Fruit juice (100% juice content)						
<b>Total fruit juice</b>	178	175	174	172	165	-3.7%
Branded	128	125	125	118	111	-5.4%
Private label	50	50	49	54	54	0.1%
Ambient	164	161	158	154	148	-3.8%
Branded	119	116	114	106	102	-4.4%
Private label	45	45	44	48	46	-2.7%
From concentrate	164	161	158	154	148	-3.8%
Branded	119	116	114	106	102	-4.4%
Private label	45	45	44	48	46	-2.7%
of which are smoothies	0	0	0	2	1	-7.4%
Branded	0	0	0	2	1	-7.4%
Chilled	14	13	17	18	17	-2.3%
Branded	9	9	11	11	10	-15.7%
Private label	5	5	6	7	8	20.7%
From concentrate	0	0	1	1	1	1.6%
Branded	0	0	1	1	1	1.6%
Not from concentrate	13	13	16	17	17	-2.5%
Branded	9	8	10	10	9	-17.1%
Private label	5	5	6	7	8	20.7%
of which are smoothies	0	0	3	4	3	-18.7%
Branded	0	0	3	4	3	-18.7%

Nectars (25-99% juice content)						
<b>Total nectars</b>	663	669	662	635	643	1.2%
Branded	528	516	502	474	472	-0.5%
Private label	136	153	160	161	171	6.2%
Ambient	663	669	662	635	643	1.2%
Branded	528	516	502	474	472	-0.5%
Private label	136	153	160	161	171	6.2%
From concentrate	663	669	662	635	643	1.2%
Branded	528	516	502	474	472	-0.5%
Private label	136	153	160	161	171	6.2%

# Netherlands

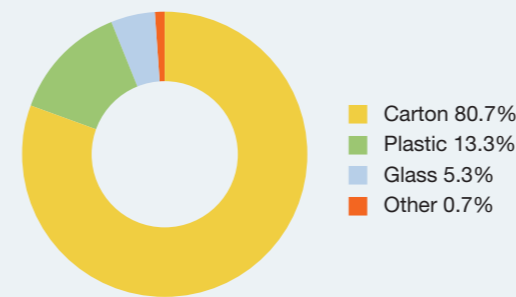
Population: **16.7 million**

Per capita consumption of **juice** has dropped from 18 litres to 16 litres since 2005, as consumers have sought lower-cost options. Within the category, recent trends suggest that premium chilled juice is taking volume and share from ambient, despite the many ambient shelf promotions. Consumers are prepared to pay the higher price despite the current climate. Both A-brands and private label are reaping the benefit, with retailers now expanding shelf space to accommodate the trend.

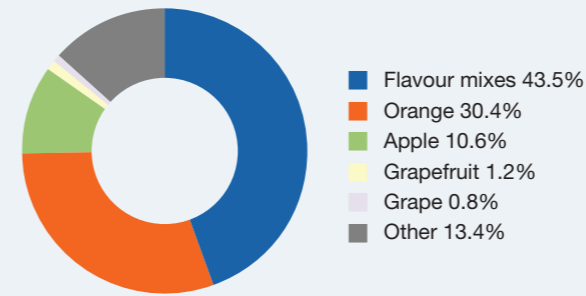
**Nectars** continue to take some of the losses from the juice category, but price pressure in retail has hampered innovation. Chilled product has been losing share to the main ambient segment. Whilst pricing pressures are a hindrance to innovation, flavour

“Premium chilled juice taking share from ambient despite higher price”

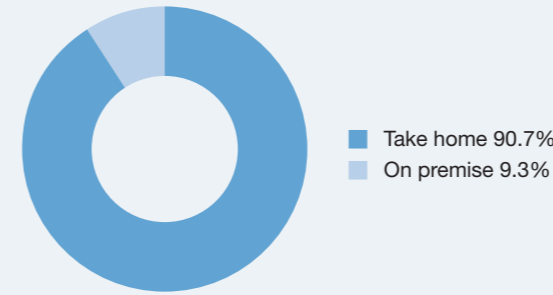
## Fruit juice and nectars by packaging



## Fruit juice and nectars by flavours



## Fruit juice and nectars by channel



mixes are the mainstay of the nectars category. Flavour range extensions, rather than new branding have been the focus. There is a notable trend to lower-viscosity nectars by the branded players – half fruit/half water – which private label is following. Private label has consistently gained volume and share over branded product since 2008.

Within the fledgling **smoothies** segment, branded volumes with backing and distribution support are edging upwards.

Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>451</b>	<b>455</b>	<b>460</b>	<b>464</b>	<b>465</b>	<b>0.3%</b>

Fruit juice (100% juice content)						
<b>Total fruit juice</b>	285	285	288	281	275	-2.1%
Branded	153	158	159	151	148	-1.7%
Private label	132	128	130	130	127	-2.5%
Ambient	228	226	224	216	208	-3.4%
Branded	115	119	119	112	109	-3.0%
Private label	113	107	105	104	100	-4.0%
From concentrate	228	226	224	216	208	-3.4%
Branded	115	119	119	112	109	-3.0%
Private label	113	107	105	104	100	-4.0%
Chilled	57	60	64	65	67	2.5%
Branded	39	39	40	39	40	2.1%
Private label	18	21	25	26	27	3.1%
From concentrate	25	23	24	27	28	3.8%
Branded	25	23	24	27	28	3.8%
Not from concentrate	33	37	40	38	39	1.6%
Branded	14	15	16	12	12	-1.5%
Private label	18	21	25	26	27	3.1%
of which are smoothies	0	0	1	2	2	24.8%
Branded	0	0	1	2	2	24.8%

Nectars (25-99% juice content)						
<b>Total nectars</b>	165	169	172	183	190	3.1%
Branded	86	82	75	84	89	3.8%
Private label	79	87	97	99	101	2.3%
Ambient	115	118	125	136	143	5.1%
Branded	47	45	41	49	53	8.2%
Private label	69	73	84	87	90	3.3%
From Concentrate	115	118	125	136	143	5.1%
Branded	47	45	41	49	53	8.2%
Private label	69	73	84	87	90	3.3%
Chilled	50	51	48	47	47	0.2%
Branded	40	38	35	36	36	0.8%
Private label	10	14	13	12	11	-1.7%
From concentrate	50	51	48	47	47	0.2%
Branded	40	38	35	36	36	0.8%
Private label	10	14	13	12	11	-1.7%



# Poland

Population: **38.4 million**



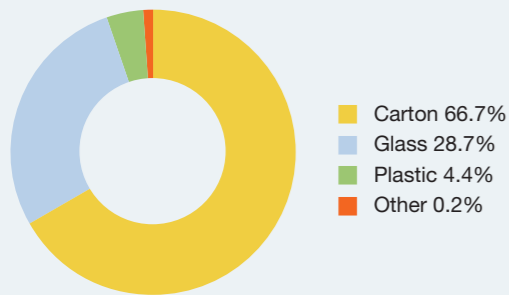
Polish per capita consumption of **juice** remains the highest in East Europe, but growing production costs due to the increasing price of imported juice concentrate and the subsequent rise in retail prices is seeing the market contract. Whilst the health and well-being trend still prevails, the majority of consumers are switching to lower-cost alternatives, with even private label – once one of the major driving forces behind the category – unable to sustain its presence. As a counter trend, whilst ambient remains the largest segment, chilled juice is developing relatively fast thanks to uptake by a more affluent consumer group. The flavour spectrum is relatively conservative with vegetable, orange and apple accounting for over 70% of the market.

**Nectars**, which have been in decline since 2009, were further undermined in 2011 by the extension of the preferential 5% VAT rate to still drinks with a juice content of >20%. As a result many producers have reformulated their products and switched to the more profitable still drinks category. With little innovation and poor investment, the 2012 outlook for nectars appears gloomy. The chilled segment is dwarfed by ambient, but remains brand-oriented. Orange continues to head up the flavour profile, but flavour mixes and berry variants together account for nearly one-third of the market.

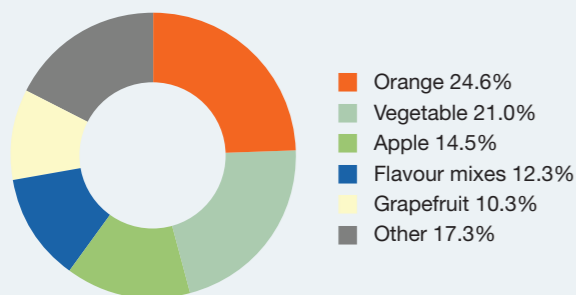
The **smoothies** segment is still niche, but has seen good development since 2009 spurred by new product launches.

“Contraction in juice consumption as consumers switch to lower-cost alternatives. Growth in smoothies”

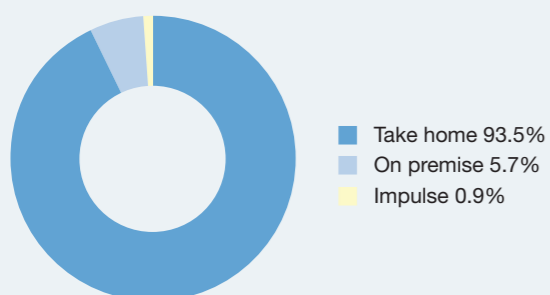
## Fruit juice and nectars by packaging



## Fruit juice and nectars by flavours



## Fruit juice and nectars by channel



## Total fruit juice and nectars

Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>783</b>	<b>791</b>	<b>810</b>	<b>810</b>	<b>723</b>	<b>-10.8%</b>

## Fruit juice (100% juice content)

Total fruit juice	2007	2008	2009	2010	2011	% change
<b>Total fruit juice</b>	<b>472</b>	<b>459</b>	<b>484</b>	<b>504</b>	<b>462</b>	<b>-8.3%</b>
Branded	420	403	420	434	400	-7.8%
Private label	52	56	64	70	62	-11.4%
Ambient	453	434	448	457	409	-10.6%
Branded	402	380	388	391	351	-10.4%
Private label	51	54	60	66	58	-12.0%
From concentrate	448	431	444	453	405	-10.6%
Branded	397	377	384	387	347	-10.3%
Private label	51	54	60	66	58	-12.0%
Not from concentrate	4	4	4	4	4	-16.3%
Branded	4	4	4	4	4	-16.3%
Chilled	20	24	37	47	53	14.0%
Branded	18	22	33	43	49	15.5%
Private label	2	2	4	4	4	-2.5%
From concentrate	0	0	6	9	9	3.4%
Branded	0	0	6	9	9	3.4%
Not from concentrate	20	24	31	38	44	16.5%
Branded	18	22	27	34	40	18.8%
Private label	2	2	4	4	4	-2.5%
<i>of which are smoothies</i>	0	0	4	7	7	13.9%
Branded	0	0	4	7	7	13.9%

## Nectars (25-99% juice content)

Total nectars	2007	2008	2009	2010	2011	% change
<b>Total nectars</b>	<b>311</b>	<b>332</b>	<b>326</b>	<b>306</b>	<b>261</b>	<b>-14.8%</b>
Branded	247	241	221	202	160	-20.9%
Private label	64	91	105	104	101	-2.9%
Ambient	310	330	323	303	258	-14.7%
Branded	246	239	218	199	157	-20.9%
Private label	64	91	105	104	101	-2.9%
From concentrate	310	330	323	303	258	-14.7%
Branded	246	239	218	199	157	-20.9%
Private label	64	91	105	104	101	-2.9%
<i>of which are smoothies</i>	0	0	0	0	0	0.0%
Branded	0	0	0	0	0	0.0%
Chilled	1	2	3	3	2	-17.2%
Branded	1	2	3	3	2	-17.2%
From concentrate	1	2	3	3	2	-17.2%
Branded	1	2	3	3	2	-17.2%

# Spain

Population: **47.7 million**



Over the last five years, **juice** has experienced year-on-year declines, with the severity of the economic crisis in Spain hitting the category hard, particularly the chilled juice segment and on-premise consumption. There is increasing competition from freshly squeezed juice as consumers forego packaged product in retail and in on-premise. Cash-strapped consumers are managing their budgets by shifting from branded juice to private label, or trading down to nectars.

Orange is the most consumed flavour variant and the most segmented in terms of from concentrate/not from concentrate, with/without pulp, specific orange fruit variety.

**Nectars** are benefitting from the contribution of private label, milk-containing nectars and significant expansion of the no-added sugar segment. The activities of the premium brand players are lending the category a more sophisticated image than juice in the eyes of the consumer. Producers are increasingly targeting the children's lunch box segment, with products offering added vitamins at affordable prices in carton packs with straws, featuring cartoon characters and

these products are taking share from flavoured milk. Peach, pineapple, orange and flavour mixes lead the flavour profile, but regional preferences are marked, dependent on local fruit growing.

The tiny **smoothies** segment is now virtually limited to private label, as the tough economic environment is deterring both branded producers and consumers.

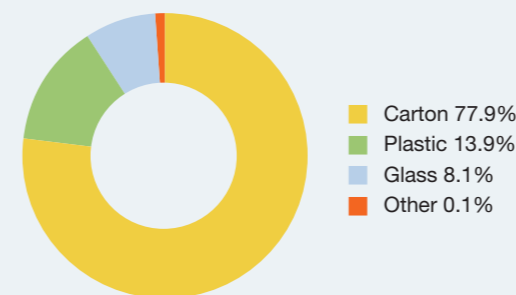
## Total fruit juice and nectars

Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>1,122</b>	<b>1,110</b>	<b>1,109</b>	<b>1,097</b>	<b>1,068</b>	<b>-2.7%</b>

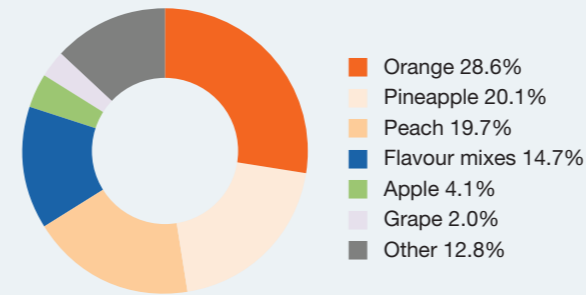
## Fruit juice (100% juice content)

Total fruit juice	2007	2008	2009	2010	2011	% change
<b>Total fruit juice</b>	<b>534</b>	<b>525</b>	<b>529</b>	<b>512</b>	<b>481</b>	<b>-6.0%</b>
Branded	369	328	287	282	256	-9.3%
Private label	165	197	242	229	225	-2.6%
Ambient	476	468	474	458	438	-4.5%
Branded	336	297	260	256	239	-6.4%
Private label	140	172	215	203	199	-1.9%
From concentrate	466	449	431	399	372	-6.9%
Branded	326	287	242	233	212	-9.0%
Private label	139	162	189	167	160	-4.0%
Not from concentrate	10	19	43	59	66	12.3%
Branded	9	9	18	23	28	19.9%
Private label	1	10	26	36	39	7.5%
Chilled	59	57	55	53	43	-19.8%
Branded	34	32	27	26	17	-36.9%
Private label	25	25	28	27	26	-2.9%
From concentrate	32	27	31	29	19	-34.2%
Branded	8	7	9	9	0	-95.8%
Private label	23	19	22	20	19	-4.8%
Not from concentrate	27	30	24	24	23	-2.1%
Branded	25	24	18	17	16	-3.9%
Private label	1	6	6	7	7	2.3%

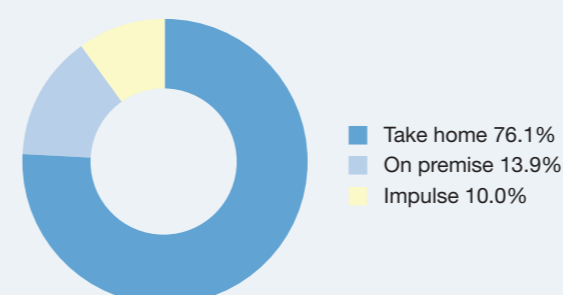
## Fruit juice and nectars by packaging



## Fruit juice and nectars by flavours



## Fruit juice and nectars by channel



## Nectars (25-99% juice content)

Total nectars	2007	2008	2009	2010	2011	% change
<b>Total nectars</b>	<b>588</b>	<b>585</b>	<b>580</b>	<b>585</b>	<b>587</b>	<b>0.3%</b>
Branded	463	427	373	384	374	-2.5%
Private label	125	158	206	202	213	5.6%
Ambient	584	581	576	583	586	0.5%
Branded	459	423	371	382	373	-2.2%
Private label	125	158	205	201	212	5.6%
From concentrate	582	581	576	582	585	0.5%
Branded	457	423	371	381	373	-2.2%
Private label	125	158	205	201	212	5.6%
Not from concentrate	2	0	0	0	0	-20.5%
Branded	2	0	0	0	0	-20.5%
Chilled	4	4	3	3	2	-40.5%
Branded	4	4	2	2	1	-61.0%
Private label	0	0	1	1	1	5.6%
From concentrate	2	4	3	2	1	-38.6%
Branded	2	3	2	2	1	-60.3%
Private label	0	0	1	1	1	5.6%
Not from concentrate	1	1	0	0	0	-68.7%
Branded	1	1	0	0	0	-68.7%
<i>of which are smoothies</i>	1	2	2	2	1	-55.1%
Branded	1	2	2	1	0	-69.1%
Private label	0	0	0	0	0	5.6%



# Sweden

Population: **9.3 million**



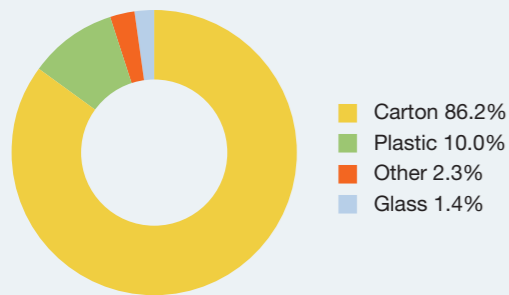
Since 2006, **juice** looks to have stabilised at around the 200 million litres mark. 2011 saw a dramatic acceleration in the shift from ambient to chilled. A slump in volumes in the ambient-dominated discounters facilitated this shift, as consumers capitalised on price competition between the leading brands by upgrading.

In flavour terms, apple fared well in 2011, benefiting from some innovation but the long-term trend of orange conceding share to fruit blends continues.

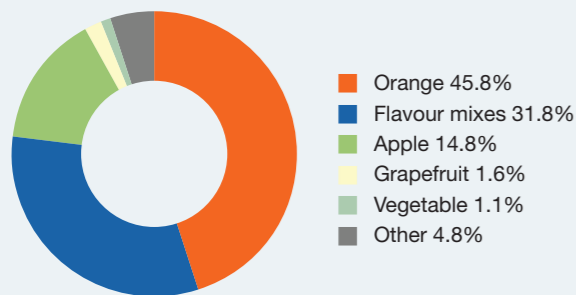
Enhanced juice represents less than 2% of the market and fell quite steeply in 2011, with contraction across the leading brands. There is evidence that Swedes prefer the 'super fruit' concept where enhancement comes more naturally than through the

Accelerated shift from ambient to chilled, and smoothies have staying power

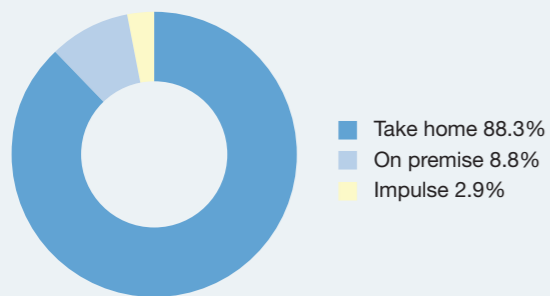
## Fruit juice and nectars by packaging



## Fruit juice and nectars by flavours



## Fruit juice and nectars by channel



artificial insertion of vitamins or minerals. As such, **smoothies** are very appropriate to the Swedish consumer. Although the segment contracted slightly in 2011, smoothies have demonstrated that they have staying power in the market.

**Nectars** grew to prominence as a low-cost alternative to juice and made rapid headway until 2004, when, like juice and still drinks, the category suffered a downturn as a result of negative publicity over sugar content. As with ambient juice it would seem that consumers are switching to chilled products. The chilled segment has made rapid gains as a result.

## Total fruit juice and nectars

Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>256</b>	<b>252</b>	<b>252</b>	<b>255</b>	<b>249</b>	<b>-1.6%</b>

## Fruit juice (100% juice content)

<b>Total fruit juice</b>	197	195	199	201	197	-2.1%
Branded	141	143	147	149	157	5.3%
Private label	56	52	52	52	40	-23.1%
Ambient	84	75	72	72	58	-19.0%
Branded	38	34	32	31	30	-4.4%
Private label	46	41	40	41	28	-30.4%
From concentrate	84	75	72	72	58	-19.0%
Branded	38	34	32	31	30	-4.4%
Private label	46	41	40	41	28	-30.4%
of which are smoothies	0	0	0	0	1	41.2%
Branded	0	0	0	0	1	41.2%
Chilled	113	119	127	129	139	7.3%
Branded	104	109	115	118	127	7.8%
Private label	10	11	12	12	12	1.7%
From concentrate	86	90	98	102	111	8.4%
Branded	78	81	88	93	101	9.3%
Private label	8	9	10	9	9	-1.07%
Not from concentrate	28	29	29	27	28	3.2%
Branded	26	28	26	25	26	2.2%
Private Label	2	2	2	2	2	14.0%
of which are smoothies	1	2	2	2	2	-11.1%
Branded	1	1	2	2	2	-12.6%
Private label	0	0	0	0	0	10.3%

## Nectars (25-99% juice content)

<b>Total nectars</b>	59	57	53	53	52	-0.9%
Branded	37	36	35	35	36	6.1%
Private label	22	21	18	19	16	-16.7%
Ambient	45	43	39	38	35	-7.7%
Branded	23	22	20	19	19	1.2%
Private label	22	21	18	19	16	-16.7%
From concentrate	45	43	39	38	35	-7.7%
Branded	23	22	20	19	19	1.2%
Private label	22	21	18	19	16	-16.7%
of which are smoothies	0	0	0	0	0	-41.5%
Branded	0	0	0	0	0	-89.8%
Private label	0	0	0	0	0	-18.4%
Chilled	13	14	14	15	17	9.1%
Branded	13	14	14	15	17	9.1%
From concentrate	13	14	14	15	17	9.1%
Branded	13	14	14	15	17	9.1%

# UK

Population: **62.7 million**

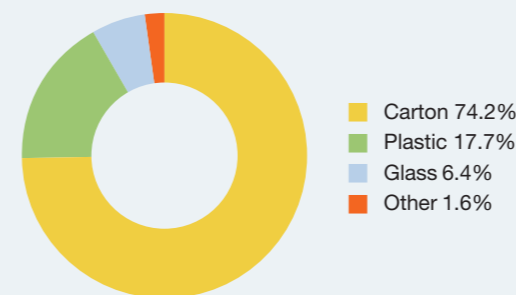


Whilst the **juice** market remains under continuing price pressure due to the economic environment, the ambient category was the real loser in 2011, while chilled products managed to grow. NFC grew by over 9% and FC declined by nearly 8%.

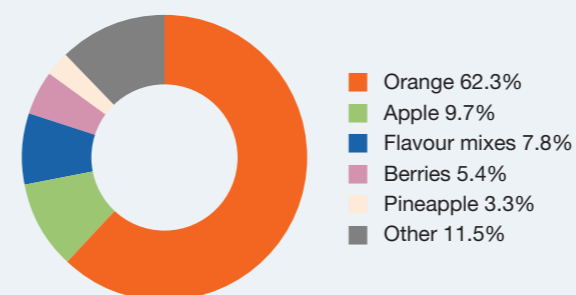
One of the key drivers of this trend is that the consumer price of chilled juice is falling (driven by promotional activity from the branded manufacturers) and at the same time FC raw material prices are rising, leading consumers to switch from ambient to chilled as the price differential is so minimal. There is also evidence that consumers are adding water to juice and nectars thereby making the product last longer; but also reducing the sometimes high sugar content. This has also driven consumption of squash/concentrates up. From a flavour perspective, orange and apple remain the nation's biggest favourites, accounting for over 80% of total volume.

By contrast, the rate of decline in **nectars** was arrested in 2011, with ambient the key to success, driven by the leading brands. The category's reliance on the on-trade, however, leaves it very

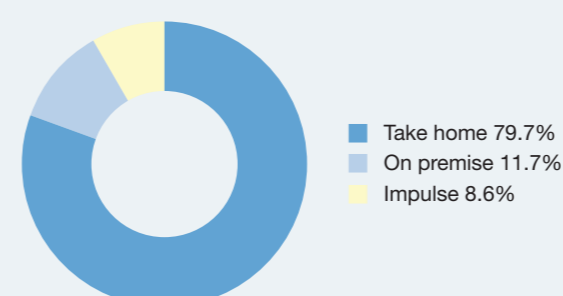
## Fruit juice and nectars by packaging



## Fruit juice and nectars by flavours



## Fruit juice and nectars by channel



exposed to falling footfall in on-premise outlets. Flavour mixes have edged forward in importance, as private label and producers try to reduce exposure to the high price of orange juice.

For the **smoothies** segment, lunch time is the most important consumption occasion in the UK. Growth is being driven by the leading brand.

## Total fruit juice and nectars

Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>1,495</b>	<b>1,455</b>	<b>1,410</b>	<b>1,405</b>	<b>1,369</b>	<b>-2.6%</b>

## Fruit juice (100% juice content)

<b>Total fruit juice</b>	1,277	1,246	1,212	1,212	1,180	-2.7%
Branded	507	518	464	471	496	5.5%
Private label	769	728	748	741	683	-7.9%
Ambient	645	598	578	551	503	-8.6%
Branded	188	192	166	164	158	-4.1%
Private label	457	406	412	386	346	-10.5%
From concentrate	645	598	578	551	503	-8.6%
Branded	188	192	166	164	158	-4.1%
Private label	457	406	412	386	346	-10.5%
Chilled	631	648	634	661	676	2.3%
Branded	319	326	297	306	339	10.6%
Private label	312	322	337	355	337	-5.0%
From concentrate	276	274	272	294	275	-6.3%
Branded	37	26	21	20	20	-1.6%
Private label	239	249	251	273	255	-6.7%
Not from concentrate	355	374	361	368	401	9.1%
Branded	282	300	276	286	319	11.5%
Private label	73	74	85	82	82	0.6%
of which are smoothies	79	62	56	59	67	13.9%
Branded	73	56	50	53	61	16.1%
Private label	5	5	6	6	6	-4.6%

## Nectars (25-99% juice content)

<b>Total nectars</b>	219	209	198	193	189	-1.9%
Branded	210	196	180	175	169	-3.3%
Private label	9	13	18	18	20	11.7%
Ambient	172	161	150	149	149	-0.1%
Branded	171	159	149	146	145	-0.1%
Private label	1	1	1	3	4	46.8%
From concentrate	172	161	150	146	146	-0.1%
Branded	171	159	149	144	142	-0.9%
Private label	1	1	1	3	4	46.8%
Not from concentrate	0	0	0	2	2	0.7%
Branded	0	0	0	2	2	0.7%
of which are smoothies	0	0	0	0	0	0.0%
Branded	0	0	0	0	0	0.0%
Chilled	47	49	48	44	41	-8.2%
Branded	39	37	31	29	25	-15.3%
Private label	8	12	16	15	16	5.5%
From concentrate	47	49	48	44	41	-8.2%
Branded	39	37	31	29	25	-15.3%
Private label	8	12	16	15	16	5.5%
of which are smoothies	19	18	18	16	16	0.8%
Branded	16	13	11	10	10	0.8%
Private label	4	5	7	7	7	0.8%



# Bulgaria

Population: **7.5 million**

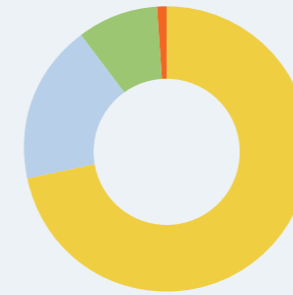


With **juice** consumption per capita still below West European levels, the long-term outlook for the category is positive. However, decreasing consumer purchasing power and the sidelining of juice in favour of nectars by producers for cost reasons suggests that the short-term outlook will continue to be negative, albeit at a declining rate. In line with this trend, orange has lost share as pineapple, apple and other flavours are more extensively promoted.

The decline in **nectars** has slowed as producers have reacted to raw material cost hikes by lowering the fruit content in their nectar products and promoting them more heavily than juice. Leading retail chains have countered by broadening their private label offering, adding premium products to complement their budget-targeted product.

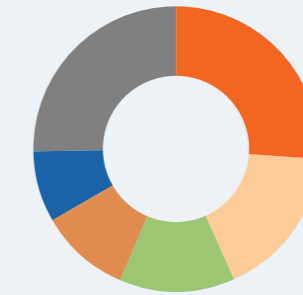
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>85</b>	<b>106</b>	<b>89</b>	<b>72</b>	<b>68</b>	<b>-6.0%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	21	23	20	18	16	-9.1%
Branded	1	0	0	1	1	14.0%
Private label	21	23	20	16	15	-10.9%
Ambient	21	23	20	17	16	-8.2%
Chilled	0	0	0	0	0	-55.8%
From concentrate	21	23	20	17	16	-8.8%
Not from concentrate	0	0	0	1	1	-17.7%
Nectars (25-99% juice content)						
<b>Total nectars</b>	63	83	69	55	52	-4.9%
Branded	62	77	61	47	44	-6.7%
Private label	1	5	8	8	8	5.6%

Fruit juice and nectars by packaging



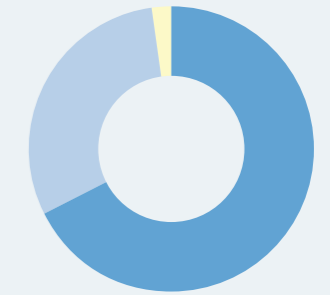
Carton 71.0%  
Glass 18.8%  
Plastic 9.0%  
Other 1.2%

Fruit juice and nectars by flavours



Orange 26.5%  
Peach 17.6%  
Apple 12.9%  
Apricot 10.4%  
Flavour mixes 8.4%  
Other 24.1%

Fruit juice and nectars by channel



Take home 67.8%  
On premise 30.2%  
Impulse 2.0%

# Cyprus

Population: **0.8 million**

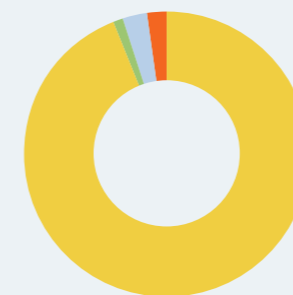


Whilst local **juice** and nectar consumption was boosted by some improvement in tourism during 2011, juice sales declined again. The key factor has been a decrease in domestic demand due to the government's cutbacks on welfare, pensions and other items, which have led to a tangible decline in disposable incomes.

The launch of orange **nectars** by local processors to mitigate declining income and increasing FCOJ costs served to boost volume in 2011. All Cypriot juice/nectar processors are active in developing exports and co-packing agreements throughout the Balkan region, the Middle East and Far East, resulting in local production being significantly higher than domestic demand in volume terms.

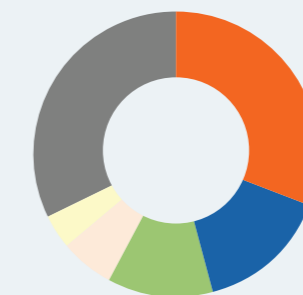
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>30.3</b>	<b>31.8</b>	<b>32.1</b>	<b>32.0</b>	<b>30.5</b>	<b>-4.7%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	20.0	21.0	21.6	21.4	19.8	-4.7%
Branded	20.0	21.0	21.6	21.4	19.8	-7.5%
Private label	0.0	0.0	0.0	0.0	0.0	0%
Ambient	19.3	20.3	20.9	20.7	19.1	-7.8%
Chilled	0.7	0.7	0.7	0.7	0.7	1.5%
From concentrate	20.0	21.0	21.6	21.4	19.8	-7.5%
Not from concentrate	0.0	0.0	0.0	0.0	0.0	0%
Nectars (25-99% juice content)						
<b>Total nectars</b>	10.3	10.8	10.5	10.6	10.7	0.9%
Branded	10.3	10.8	10.5	10.6	10.7	0.9%
Private label	0.0	0.0	0.0	0.0	0.0	0%

Fruit juice and nectars by packaging



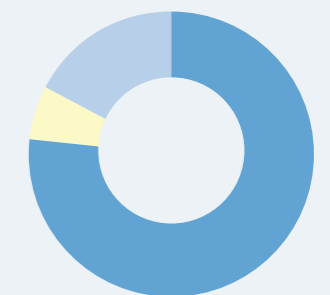
Carton 94.5%  
Plastic 1.0%  
Glass 2.9%  
Other 1.6%

Fruit juice and nectars by flavours



Orange 31.2%  
Pineapple 5.6%  
Grapefruit 3.8%  
Apple 12.5%  
Flavour mixes 14.7%  
Others 32.2%

Fruit juice and nectars by channel



Take home 76.3%  
On premise 17.6%  
Impulse 6.1%

# Czech Republic

Population: **10.4 million**

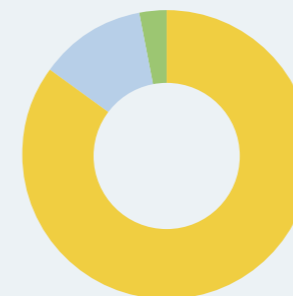


The uncertain economic climate has severely challenged **juice** sales, with 2011 seeing sharp declines for both branded and private label product. Whilst branded product has been undermined by consumer price-consciousness and down-trading, many retailers have responded by shifting focus to lower cost private label **nectars**. Nectars, however, are subject to competition from still drinks. Price remains key, with consumers having low awareness of juice content differentiation.

Chilled product has a marginal presence, while orange remains the flavour of choice in both juice and nectars. **Smoothies** entered the market in 2008, but initial interest has been dampened by the economic climate.

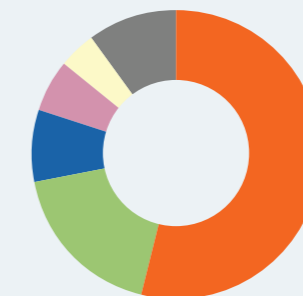
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>131</b>	<b>113</b>	<b>107</b>	<b>105</b>	<b>88</b>	<b>-16.4%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	73	69	70	70	54	-22.9%
Branded	28	30	34	34	22	-34.9%
Private label	45	39	36	36	32	-11.6%
Ambient	73	69	70	70	54	-22.9%
Chilled	0	0	0	0	0	-33.4%
From concentrate	73	69	69	70	54	-23.0%
Not from concentrate	0	0	1	1	0	-20.0%
Nectars (25-99% juice content)						
<b>Total nectars</b>	58	43	37	34	33	-2.9%
Branded	41	32	26	23	20	-14.2%
Private label	17	12	11	11	13	20.7%

Fruit juice and nectars by packaging



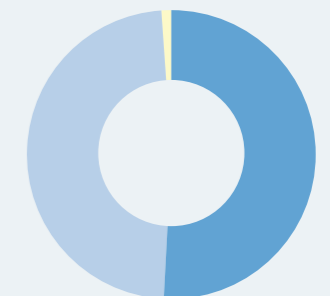
Carton 85.3%  
Glass 12.3%  
Plastic 2.4%

Fruit juice and nectars by flavours



Orange 54.5%  
Berries 5.5%  
Grapefruit 4%  
Flavour mixes 7.4%  
Apple 18.6%  
Other 9.9%

Fruit juice and nectars by channel



Take home 51.6%  
On premise 47.6%  
Impulse 0.8%



# Denmark

Population: **5.5 million**



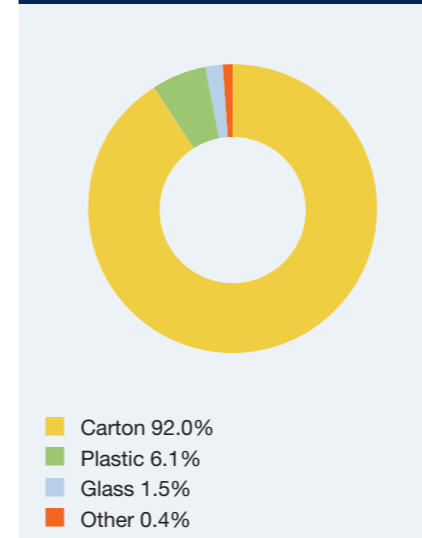
**Juice** consumption per capita is high, making achieving growth very challenging. Many operators are looking at adding value rather than volume. High concentrate prices have pushed up the final price, deterring consumers.

Chilled juice saw significant new product activity in 2011, helping to trigger the pre-economic crisis trend to more quality and less quantity. In flavour terms, both orange and apple conceded share to mixed and other fruit flavours.

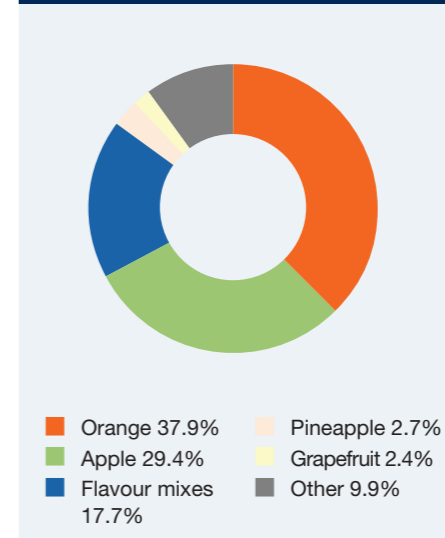
**Nectar** demand continued to fall as it struggled with high prices. The tax on soft drinks with added sugar will hit nectars hard. Interest in cranberry may help maintain levels, but premium imports will mainly make up this category in future.

Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>126</b>	<b>125</b>	<b>122</b>	<b>119</b>	<b>114</b>	<b>-4.9%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	125	124	121	119	113	-4.8%
Branded	62	59	59	59	54	-8.2%
Private label	63	65	62	60	59	-1.5%
Ambient	112	109	107	106	101	-4.9%
Chilled	13	14	14	12	12	-3.9%
From concentrate	120	117	114	113	108	-4.0%
Not from concentrate	5	7	7	6	5	-18.8%
Nectars (25-99% juice content)						
<b>Total nectars</b>	1	1	1	1	1	-13.8%
Branded	1	1	1	1	1	-1.1%
Private label	0	0	0	0	0	-31.6%

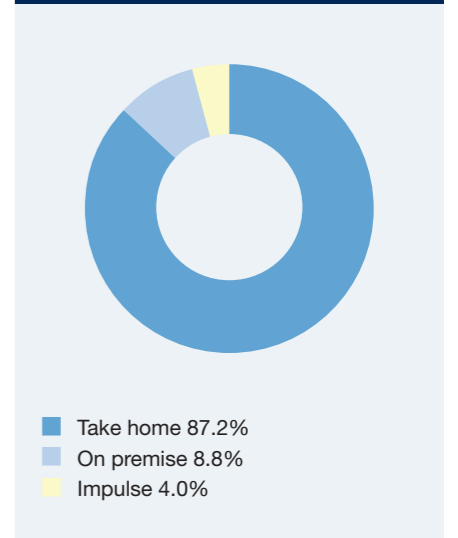
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



# Estonia

Population: **1.3 million**

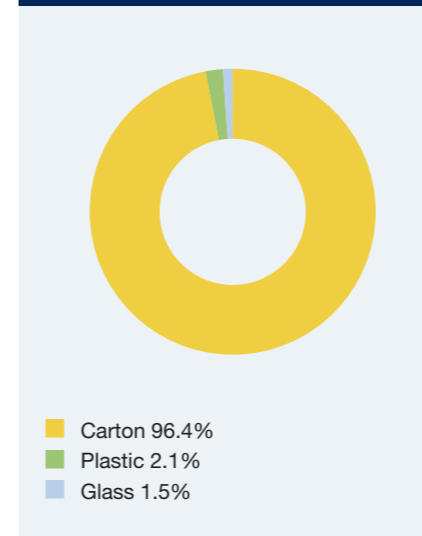


Estonian consumers are generally unaware of the differences between juice, nectars and still drinks. Purchase decision tends to be price-based, a fact that has been to the detriment of **juice** sales in particular during the recent years of economic uncertainty. There is still a clear trend to down-trading from juice to more affordable nectars and still drinks. The decline in chilled juice has proved less pronounced than ambient, thanks to price promotional activity.

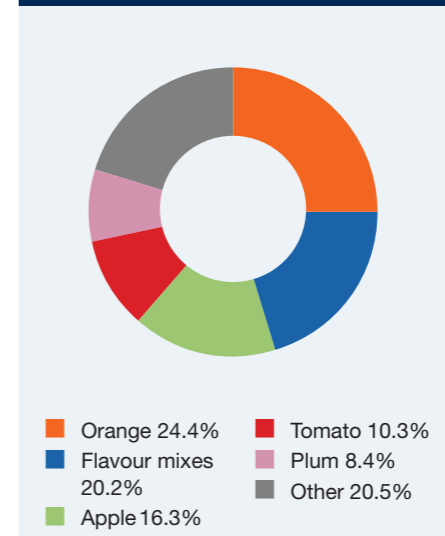
Whilst the trend to down-trading is forecast to continue, **nectars** are expected to see some slow down in losses to still drinks as the economy improves. Producer new-product activity with a focus on multivitamin/multifruit blends, which are popular with the Estonian consumer, will help to boost sales

Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>36</b>	<b>37</b>	<b>34</b>	<b>32</b>	<b>29</b>	<b>-6.1%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	15	15	14	14	12	-12.4%
Branded	12	12	10	11	10	-7.8%
Private label	3	3	4	4	3	-26.4%
Ambient	14	14	14	13	12	-12.8%
Chilled	1	1	1	1	1	-5.6%
From concentrate	15	15	14	13	12	-12.3%
Not from concentrate	0	0	0	1	1	-13.9%
Nectars (25-99% juice content)						
<b>Total nectars</b>	21	22	19	18	17	-3.4%
Branded	20	19	17	16	16	-2.3%
Private label	2	3	2	2	1	-22.6%

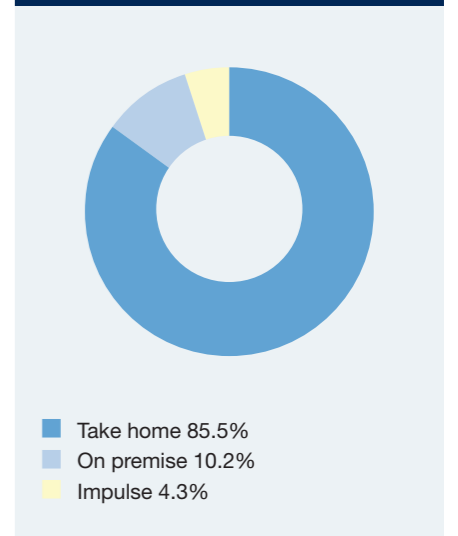
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



# Finland

Population: **5.3 million**

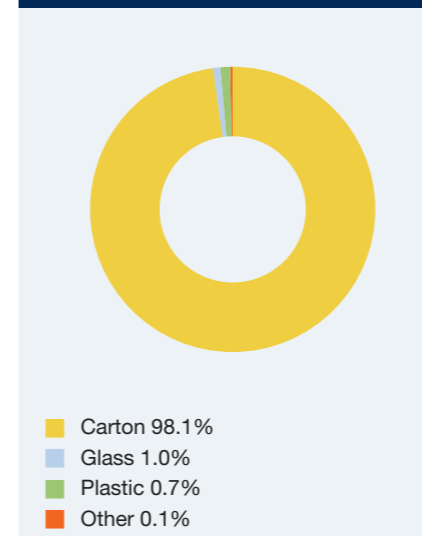


Although **juice** has declined in recent years, hampered by the economy and raw material price hikes, per capita consumption is amongst the highest in the EU. Chilled juice is gradually increasing share. Aside from the growth in consumer interest in a healthier lifestyle, there appears to be a clear move by leading producers to encourage consumers to trade up to chilled juice.

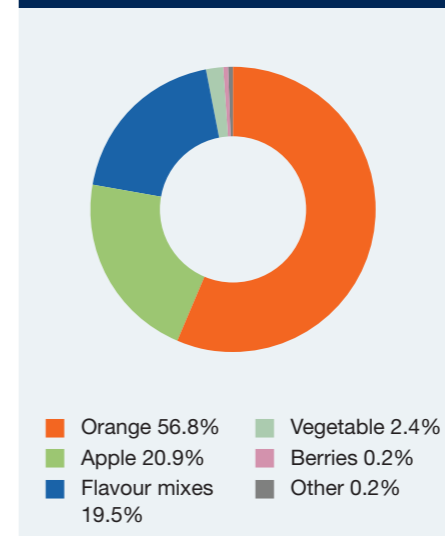
The small **nectars** category had been in steady growth until 2010 when it suffered a decline due to the consumer shift to lower-cost alternatives such as still drinks and packaged water. With the boundaries between juice and nectars blurred, at least from a consumer perspective, unless there is a change in producer strategy there is unlikely to be significant growth in nectars in future.

Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>171</b>	<b>171</b>	<b>167</b>	<b>166</b>	<b>164</b>	<b>-1.1%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	151	151	147	145	144	-1.2%
Branded	130	131	128	128	127	-0.4%
Private label	21	20	19	18	17	-6.4%
Ambient	103	102	97	95	93	-2.3%
Chilled	48	49	49	50	50	1.0%
From concentrate	36	35	36	36	37	0.7%
Not from concentrate	12	13	14	14	14	1.6%
Nectars (25-99% juice content)						
<b>Total nectars</b>	20	20	21	20	20	-0.7%
Branded	20	20	21	20	20	-0.7%
Private label	-	-	-	-	-	-

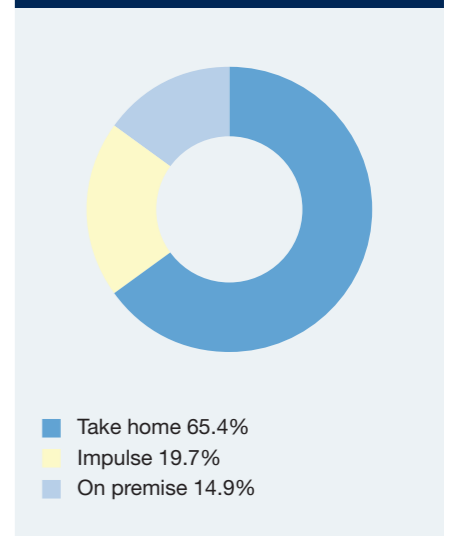
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel





# Greece

Population: **11.3 million**

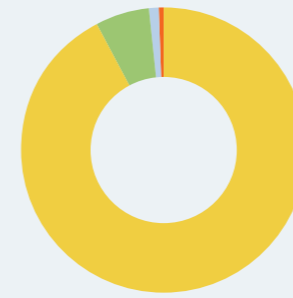


Until 2008, juice and nectars had been in growth, but since then the challenge for the industry has been the ever deepening economic crisis. Packaged **juice** is not deemed as a necessity and consumers are increasingly turning to squeezing fresh fruit rather than purchasing packaged products. Flavour choice is becoming more orange-based as consumers seek to reduce purchases. Losses in 2011 were partially mitigated by private label.

**Nectars** are consumed as a low cost alternative to juice and are increasingly perceived as a commodity, which is favouring private label growth. In this category the main branded producers are more vulnerable to competition from private label, particularly in the case of the traditional orange/apple/apricot flavour, as price is the main purchase criteria.

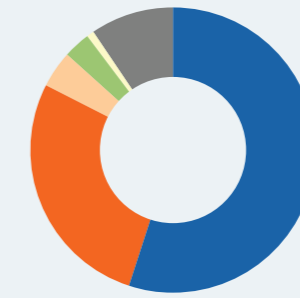
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>192</b>	<b>197</b>	<b>194</b>	<b>170</b>	<b>141</b>	<b>-17.6%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	<b>141</b>	<b>144</b>	<b>141</b>	<b>124</b>	<b>108</b>	<b>-14.3%</b>
Branded	127	127	123	107	90	-16.1%
Private label	14	17	18	17	17	0.2%
Ambient	103	105	103	89	80	-11.0%
Chilled	38	39	38	35	28	-18.6%
From concentrate	141	144	140	124	108	-14.3%
Not from concentrate	0	0	1	0	0	0.0%
Nectars (25-99% juice content)						
<b>Total nectars</b>	<b>50</b>	<b>53</b>	<b>53</b>	<b>46</b>	<b>33</b>	<b>-28.7%</b>
Branded	34	34	34	26	12	-53.1%
Private label	17	19	19	20	21	2.4%

Fruit juice and nectars by packaging



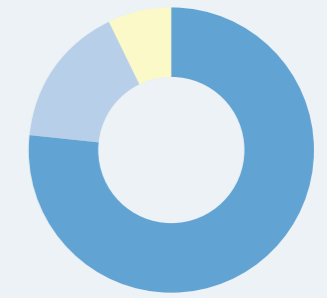
Carton 92.5%  
Plastic 6.6%  
Glass 0.7%  
Other 0.3%

Fruit juice and nectars by flavours



Flavour mixes 55.0%  
Orange 27.8%  
Peach 4.2%  
Apple 3.3%  
Grapefruit 1.0%  
Other 8.8%

Fruit juice and nectars by channel



Take home 76.4%  
On premise 16.6%  
Impulse 7.0%

# Hungary

Population: **10.0 million**

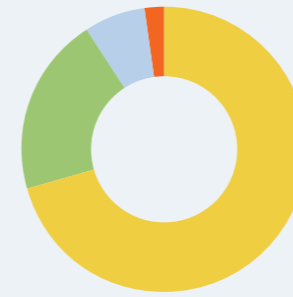


**Juice** has been exhibiting a consistent pattern of year-on-year decline since 2005. It has been severely challenged by the endless economic crisis, price increases and low consumer purchasing power. The 2% increase in VAT in January 2012 will only serve to further undermine sales. Traditional flavours (orange, peach, apple, multivitamin) still hold sway.

**Nectars** are suffering the same pressures. Whilst the flavour range is wider than juice, most concentrates are imported and escalating import costs are expected to result in further contraction in nectar sales in 2012.

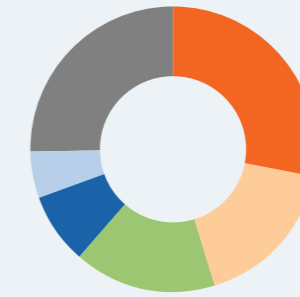
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>133</b>	<b>127</b>	<b>110</b>	<b>107</b>	<b>102</b>	<b>-5.0%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	<b>49</b>	<b>48</b>	<b>41</b>	<b>43</b>	<b>40</b>	<b>-5.5%</b>
Branded	6	9	14	17	15	-10.1%
Private label	43	39	28	25	25	-2.4%
Ambient	49	47	41	42	40	-5.5%
Chilled	1	0	0	0	0	0.0%
From concentrate	45	44	41	41	38	-7.3%
Not from concentrate	1	0	0	0	0	0.0%
Nectars (25-99% juice content)						
<b>Total nectars</b>	<b>83</b>	<b>80</b>	<b>68</b>	<b>64</b>	<b>61</b>	<b>-4.6%</b>
Branded	70	64	47	45	41	-8.3%
Private label	13	16	21	19	20	4.0%

Fruit juice and nectars by packaging



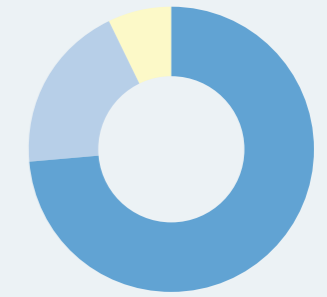
Carton 70.3%  
Plastic 20.4%  
Glass 7.2%  
Other 2.0%

Fruit juice and nectars by flavours



Orange 28.7%  
Peach 17.6%  
Apple 16.5%  
Flavour mixes 7.8%  
Pear 4.9%  
Other 24.6%

Fruit juice and nectars by channel



Take home 73.9%  
On premise 19.1%  
Impulse 7.0%

# Ireland

Population: **4.6 million**



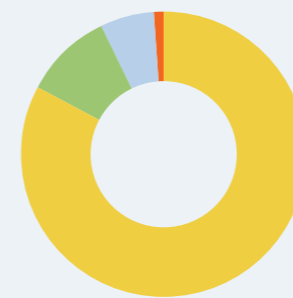
**Juice** consumption has been declining since the start of the economic downturn in 2008. Per capita consumption has steadily decreased since more and more migrant workers have returned to East Europe following the construction industry collapse. Ambient juice has been the biggest loser, as competitive prices have created a commoditised category, in which the discounters compete heavily both with brands and with the major multiples' private label. The same is true for **nectars**, which are being additionally impacted by the trend away from sugar-containing beverages.

Orange remains the leading juice flavour, while apple is struggling with higher prices. Mixed juice products are gaining ground. Within nectars, cranberry is the key flavour.

**Smoothies**, as a niche and premium priced segment, continue to struggle in the current climate.

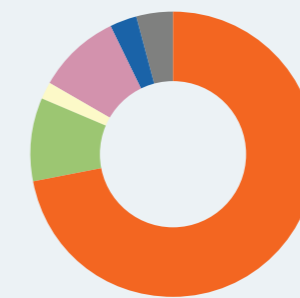
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>71</b>	<b>69</b>	<b>60</b>	<b>53</b>	<b>49</b>	<b>-7.6%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	<b>63</b>	<b>61</b>	<b>53</b>	<b>46</b>	<b>42</b>	<b>-8.0%</b>
Branded	42	39	30	26	24	-6.0%
Private label	21	22	23	20	18	-10.5%
Ambient	43	41	37	31	27	-10.4%
Chilled	20	20	16	15	15	-3.3%
From concentrate	50	48	44	38	34	-10.0%
Not from concentrate	13	13	9	8	8	1.3%
Nectars (25-99% juice content)						
<b>Total nectars</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>-5.0%</b>
Branded	8	8	7	7	6	-7.8%
Private label	0	0	0	0	0	0.0%

Fruit juice and nectars by packaging



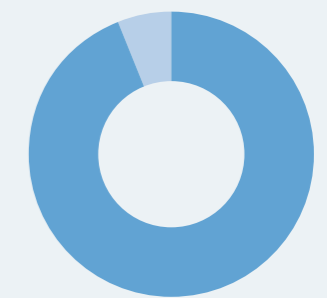
Carton 82.2%  
Plastic 10.4%  
Glass 6.2%  
Other 1.2%

Fruit juice and nectars by flavours



Orange 71.0%  
Apple 10.0%  
Grapefruit 2.3%  
Berries 9.5%  
Flavour mixes 3.4%  
Other 4.2%

Fruit juice and nectars by channel



Take home 94.5%  
On premise 5.5%



# Latvia

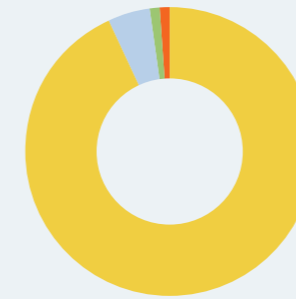
Population: **2.2 million**

As in other Baltic countries, the economy has been the main challenge for the juice and nectars industry, further aggravated by the rising cost of orange and apple concentrate on the world market. Even though the awareness of the difference between juice and nectars has improved among consumers, price is currently the key purchase criteria.

2011 saw a substantial drop in **juice** sales as consumers switched to nectars and still drinks, with even frequent discounting unable to retain consumer interest. **Nectars** were strongly bolstered by the down-trading, benefiting additionally from new product activity by the leading companies. Orange and apple flavours were the primary beneficiaries of the shift from juice.

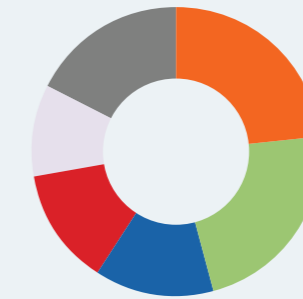
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>46</b>	<b>43</b>	<b>31</b>	<b>28</b>	<b>29</b>	<b>3.1%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	20	16	12	11	10	-14.9%
Branded	19	15	11	10	9	-16.1%
Private label	1	2	1	1	1	-2.1%
Ambient	20	16	12	11	9	-15.6%
Chilled	0	1	0	0	0	17.8%
From concentrate	20	16	11	11	9	-14.9%
Not from concentrate	1	1	0	0	0	-18.1%
Nectars (25-99% juice content)						
<b>Total nectars</b>	26	27	19	17	19	15.4%
Branded	24	24	17	15	18	19.1%
Private label	2	3	2	2	2	-12.8%

Fruit juice and nectars by packaging



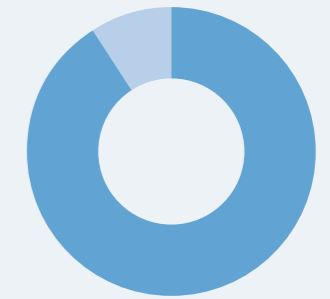
Carton 94.5%  
Glass 5.0%  
Plastic 0.4%  
Other 0.1%

Fruit juice and nectars by flavours



Orange 23.2%  
Apple 22.5%  
Flavour mixes 13.2%  
Tomato 12.8%  
Grape 10.6%  
Other 17.7%

Fruit juice and nectars by channel



Take home 90.8%  
On premise 9.2%

# Lithuania

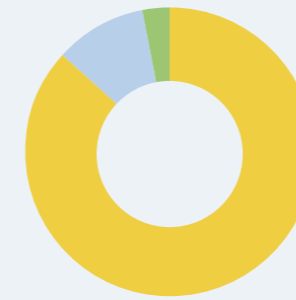
Population: **3.2 million**

The decline in **juice** consumption has been exacerbated since 2008 by not only the economic situation but also by hikes in concentrate prices being passed on to cash-strapped consumers. Consumers are foregoing non-essential items and seeking out less-expensive substitutes to juice, such as nectars and still drinks. Producers have followed the trend, focusing their new product activity on nectars and still drinks.

Whilst **nectars** have also been hit by declining volumes since 2007 due to the severity of the economic situation, 2011 saw some uplift in performance supported by strong new product activity by the branded players. Products based on local apples proved particularly successful and are expected to boost the market again in 2012.

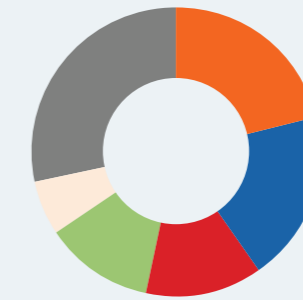
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>61</b>	<b>57</b>	<b>44</b>	<b>41</b>	<b>40</b>	<b>-4.0%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	23	22	16	16	14	-11.0%
Branded	20	19	14	14	12	-10.1%
Private label	3	3	3	3	2	-16.0%
Ambient	23	22	16	16	14	-11.0%
Chilled	0	0	0	0	0	-10.8%
From concentrate	23	22	16	16	14	-11.5%
Not from concentrate	0	0	0	0	0	19.8%
Nectars (25-99% juice content)						
<b>Total nectars</b>	38	34	28	25	25	0.5%
Branded	34	31	25	23	23	1.1%
Private label	4	4	3	2	2	-4.6%

Fruit juice and nectars by packaging



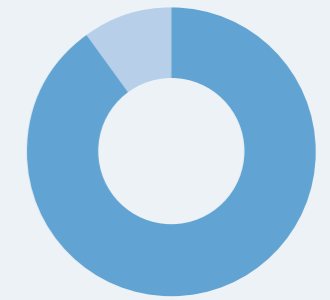
Carton 86.3%  
Glass 10.7%  
Plastic 3.0%

Fruit juice and nectars by flavours



Orange 21.8%  
Flavour mixes 19.0%  
Tomato 13.0%  
Apple 12.0%  
Pineapple 5.9%  
Other 28.3%

Fruit juice and nectars by channel



Take home 89.9%  
On premise 10.1%

# Luxembourg

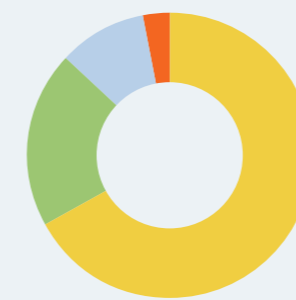
Population: **0.5 million**

Trends in the Luxembourg **juice** market tend to be similar to those in neighbouring Belgium. A lack of innovation and more recently high concentrate prices have held back market development, despite consumer interest in healthy lifestyle and consumption. Promotional stimulus is needed to drive up sales and develop the chilled segment. Orange is traditionally the primary flavour of choice within juice, followed by apple and flavour mixes.

As in Belgium, **nectars** lack a distinct identity from pure juice, which has historically held back market expansion. Flavour mixes are the main area of consumer interest.

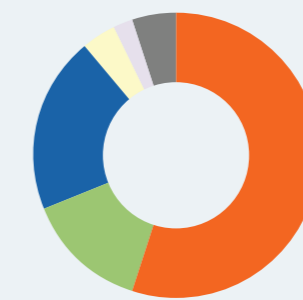
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>10.0</b>	<b>11.0</b>	<b>11.0</b>	<b>10.7</b>	<b>10.6</b>	<b>-0.2%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	8.0	9.0	9.0	8.7	8.7	-0.4%
Branded	4.0	4.0	4.0	3.9	3.9	-0.4%
Private label	4.0	5.0	5.0	4.8	4.8	-0.4%
Ambient	8.0	8.0	8.0	7.8	7.7	-0.4%
Chilled		1.0	1.0	1.0	1.0	-0.4%
From concentrate	5	5	5	4.8	4.8	-0.4%
Not from concentrate	4	4	4	3.9	3.9	-0.4%
Nectars (25-99% juice content)						
<b>Total nectars</b>	2.0	2.0	2.0	1.9	2.0	0.6%
Branded	1	1	1	1	1	0.6%
Private label	1	1	1	1	1	0.6%

Fruit juice and nectars by packaging



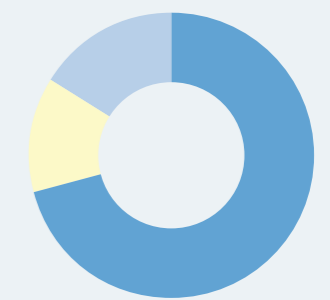
Carton 67.0%  
Glass 10.2%  
Plastic 20.0%  
Other 2.8%

Fruit juice and nectars by flavours



Orange 55.3%  
Flavour mixes 20.4%  
Apple 14.3%  
Grapefruit 3.8%  
Grape 1.8%  
Others 4.4%

Fruit juice and nectars by channel



Take home 71.1%  
On premise 16.0%  
Impulse 12.9%

# Malta

Population: **0.5 million**



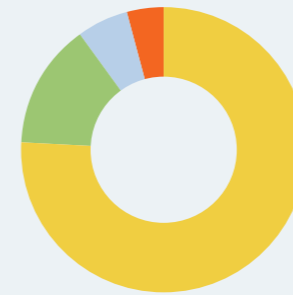
The Maltese economy has remained relatively robust since 2009, with GDP rates fuelled by a buoyant tourism market, which has in turn boosted **juice** and **nectar** consumption levels. Juice accounts for the larger share of demand.

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

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

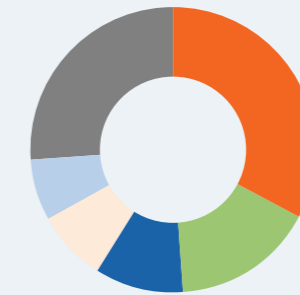
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>8.1</b>	<b>8.4</b>	<b>8.7</b>	<b>8.9</b>	<b>9.2</b>	<b>3.0%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	5.0	5.1	5.2	5.3	5.5	4.0%
Branded	4.9	4.8	4.9	4.8	4.9	2.2%
Private label	0.2	0.3	0.4	0.5	0.6	22.0%
Ambient	5.0	5.1	5.1	5.1	5.2	2.2%
Chilled	0.0	0.0	0.1	0.2	0.3	50.0%
From concentrate	5.0	5.1	5.2	5.3	5.5	4.0%
Not from concentrate	0.0	0.0	0.0	0.0	0.0	0%
Nectars (25-99% juice content)						
<b>Total nectars</b>	3.0	3.3	3.4	3.6	3.7	1.6%
Branded	3.0	3.2	3.4	3.6	3.6	1.3%
Private label	0.0	0.0	0.0	0.1	0.1	16.8%

Fruit juice and nectars by packaging



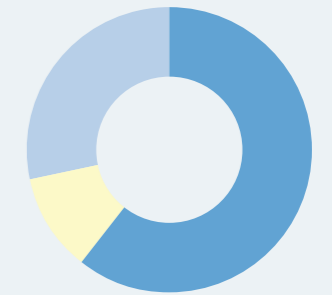
Carton 76.3%  
Plastic 14.2%  
Glass 5.8%  
Other 3.8%

Fruit juice and nectars by flavours



Orange 33.3%  
Apple 16.2%  
Flavour mixes 9.5%  
Others 25.9%  
Pineapple 8.1%  
Pear 6.9%

Fruit juice and nectars by channel



Take home 60.2%  
On premise 28.5%  
Impulse 11.3%

# Norway

Population: **4.9 million**

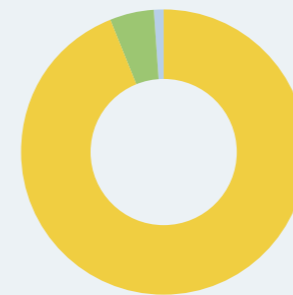


**Juice** per capita consumption ranks amongst the highest in the EU, with the Norwegians showing a growing propensity for healthy, natural products such as juice. In 2011 the chilled segment gained ground on ambient, benefitting from several important branded innovations. Price point, however, remains a key issue determining consumer choice at point of sale; juice is one of the key categories for private label, commanding a near 40% share.

**Nectars** play a minor and declining role, with sales now nearly half the level they were in 2003, as consumers shift to perceived healthier beverage options. The market is fairly commoditised with private label accounting for the majority of consumption.

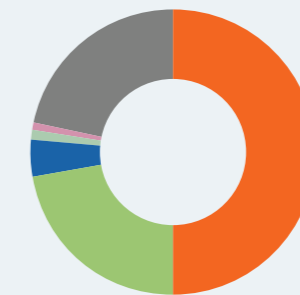
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>142</b>	<b>150</b>	<b>155</b>	<b>153</b>	<b>153</b>	<b>-0.2%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	126	134	139	138	138	0.5%
Branded	87	90	91	84	84	0.2%
Private label	39	44	48	54	54	1.0%
Ambient	67	74	80	84	82	-1.7%
Chilled	59	59	59	54	56	3.9%
From concentrate	109	113	113	115	113	-1.4%
Not from concentrate	18	21	26	23	25	10.1%
Nectars (25-99% juice content)						
<b>Total nectars</b>	15	17	16	15	14	-6.6%
Branded	7	9	7	6	5	-9.5%
Private label	8	8	9	9	9	-4.8%

Fruit juice and nectars by packaging



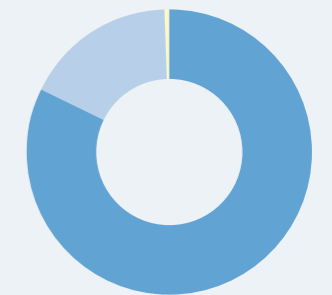
Carton 93.9%  
Plastic 5.3%  
Glass 0.8%

Fruit juice and nectars by flavours



Orange 49.7%  
Apple 22.2%  
Flavour mixes 4.4%  
Berries 0.8%  
Vegetable 1.0%  
Other 21.9%

Fruit juice and nectars by channel



Take home 82.8%  
On premise 17.0%  
Impulse 0.3%

# Portugal

Population: **10.7 million**



The precarious state of the economy has inevitably dampened **juice** sales since 2009. Consumers are traditionally oriented towards private label, and there is a substantial volume migration towards 1.5-litre carton iced teas. The RTD/iced tea category, perceived as a natural and low-priced product, poses a serious competitive threat to juice and nectars.

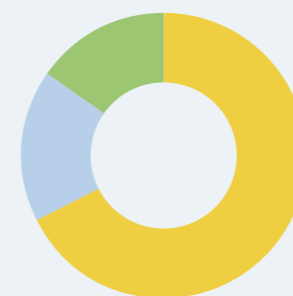
**Nectars** far outweigh juice but have seen steady decline since 2008. Perceived as healthy products, they are popular with young adults in particular. The wide flavour range and healthy indulgence positioning are the category's main drivers.

**Smoothies** remain a niche segment with limited potential as yet, due to a higher price per litre, and a lack of consumer understanding of the smoothies concept.

Overall, juice and nectars is an innovative market in Portugal, with a wide array of flavours, which are serving to offset declines in the more traditional products such as peach, pear and orange.

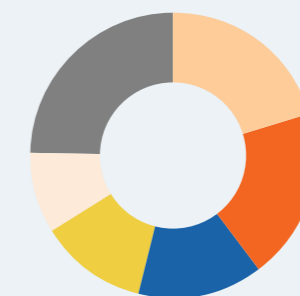
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>108</b>	<b>111</b>	<b>114</b>	<b>116</b>	<b>105</b>	<b>-9.2%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	25	27	28	27	24	-10.7%
Branded	16	17	14	12	9	-20.9%
Private label	9	11	14	15	15	-3.0%
Ambient	22	25	25	24	22	-10.6%
Chilled	2	2	3	2	2	-11.8%
From concentrate	22	25	25	24	22	-10.6%
Not from concentrate	2	2	3	2	2	-11.8%
Nectars (25-99% juice content)						
<b>Total nectars</b>	83	84	86	89	81	-8.7%
Branded	70	70	63	63	56	-11.2%
Private label	13	14	23	26	25	-2.8%

Fruit juice and nectars by packaging



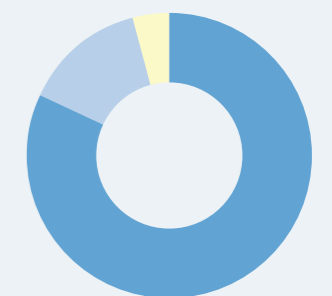
Carton 67.4%  
Glass 17.6%  
Plastic 15.1%

Fruit juice and nectars by flavours



Peach 20.8%  
Orange 19.1%  
Flavour mixes 14.1%  
Pineapple 8.8%  
Other 24.7%  
Mango 12.5%

Fruit juice and nectars by channel



Take home 81.7%  
On premise 14.7%  
Impulse 3.6%



# Romania

Population: **21.9 million**

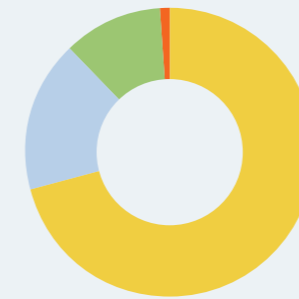


Like all other premium soft drinks, **juice** consumption contracted in 2011 for a third consecutive year. Per capita consumption was already one of the lowest in Europe. Price has become paramount for consumers in a climate of ongoing economic and political unrest. The growing acceptance of private label could help to soften the decline in 2012.

**Nectars** consumption now presents less than half of 2008 pre-economic crisis sales. Even the significant increase in private label was unable to compensate for the decline in branded nectars in 2011. The flavour range is much wider than juice, but orange plus orange and peach together account for almost half of the market. Flavour mixes, especially multivitamin or carrot/mixed fruit variants aimed at children play an important role.

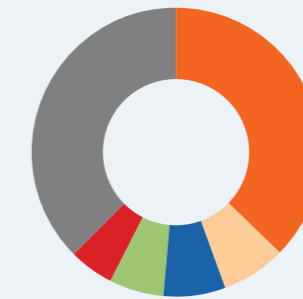
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>108</b>	<b>111</b>	<b>88</b>	<b>68</b>	<b>58</b>	<b>-14.4%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	30	33	27	24	22	-10.5%
Branded	28	30	24	21	17	-18.3%
Private label	2	2	3	3	4	47.3%
Ambient	30	33	27	24	22	-10.5%
Chilled	-	-	-	-	-	-
From concentrate	30	33	27	24	22	-10.5%
Not from concentrate	-	-	-	-	-	-
Nectars (25-99% juice content)						
<b>Total nectars</b>	78	78	61	44	36	-16.6%
Branded	73	73	55	37	28	-23.0%
Private label	5	5	6	7	8	19.7%

Fruit juice and nectars by packaging



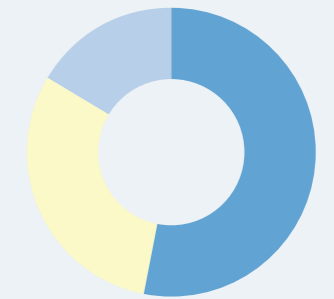
Carton 71.5%  
Glass 17.3%  
Plastic 10.9%  
Other 0.3%

Fruit juice and nectars by flavours



Orange 37.2%  
Peach 7.2%  
Flavour mixes 6.9%  
Apple 6.3%  
Tomato 5.3%  
Other 37.1%

Fruit juice and nectars by channel



Take home 52.8%  
Impulse 30.6%  
On premise 16.6%

# Slovakia

Population: **5.5 million**

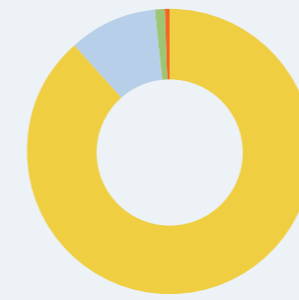


After three years of decline, **juice** rebounded in 2010 as consumers, encouraged by promotional offers, switched to higher-juice-content, premium-branded products. Private label as a consequence was knocked back sharply. 2011, however, saw juice hard hit as price increases led consumers to trade down, underlining the fact that, for the Slovak consumer, price rather than fruit content is the decisive factor.

**Nectars** have dropped steeply since 2008. Seen as high-caloric, expensive, luxury drinks, health-conscious consumers are opting for perceived healthier beverages, such as flavoured, sweetened waters instead. The category is also heavily dependent on on-premise, which is suffering sluggish sales in the current economic climate.

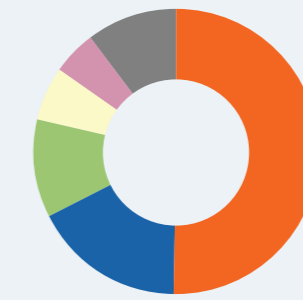
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>62</b>	<b>55</b>	<b>47</b>	<b>47</b>	<b>39</b>	<b>-16.4%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	29	26	25	27	21	-21.2%
Branded	17	16	14	14	10	-23.5%
Private label	13	11	11	14	11	-18.8%
Ambient	29	26	25	27	21	-23.2%
Chilled	0	0	0	0	1	250.0%
From concentrate	29	26	24	27	21	-23.2%
Not from concentrate	0	0	1	0	1	250.0%
Nectars (25-99% juice content)						
<b>Total nectars</b>	33	29	22	20	18	-9.7%
Branded	19	17	15	13	12	-4.8%
Private label	14	12	7	7	6	-18.8%

Fruit juice and nectars by packaging



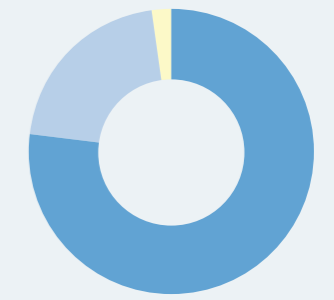
Carton 88.4%  
Glass 10.0%  
Plastic 1.3%  
Other 0.3%

Fruit juice and nectars by flavours



Orange 50.2%  
Grapefruit 5.9%  
Berries 4.9%  
Other 10.1%  
Flavour mixes 17.5%  
Apple 11.3%

Fruit juice and nectars by channel



Take home 77.3%  
On premise 20.7%  
Impulse 1.9%

# Slovenia

Population: **2.0 million**



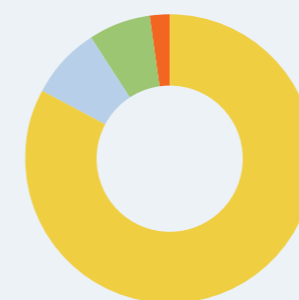
**Juice** has continued to show positive development despite the economic crisis as it is perceived as a healthy, high-quality product with a loyal segment of consumers unaffected by the economic slowdown seeking quality rather than quantity.

**Nectars**, by contrast, have contracted consistently over the reporting period. The category is losing its identity, with the border between still drinks and nectars blurring. A significant shift in producer emphasis to still drinks is also emerging, with producers offering new favourably priced still-drink flavours to attract the increasingly cash-strapped consumer base.

Some nectar consumers have switched to juice, encouraged by the discounter policy of offering basic nectar flavours at prices close to the same juice variants. As a result, juice which was previously overshadowed by nectars now represents half of nectars volume.

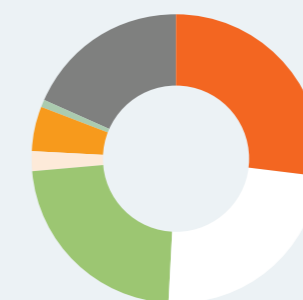
Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>40</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>39</b>	<b>-4.5%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	9	10	12	13	13	0.0%
Branded	6	6	6	7	6	-7.4%
Private label	3	4	5	6	7	8.2%
Ambient	9	10	12	13	13	0.0%
Chilled	-	-	-	-	-	-
From concentrate	9	10	12	13	13	0.0%
Not from concentrate	-	-	-	-	-	-
Nectars (25-99% juice content)						
<b>Total nectars</b>	31	31	30	28	26	-6.6%
Branded	20	19	18	17	15	-8.3%
Private label	11	12	12	12	11	-4.2%

Fruit juice and nectars by packaging



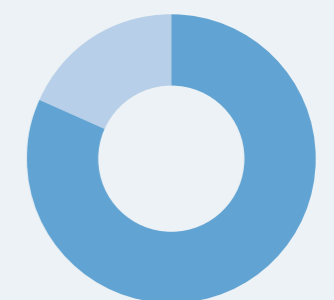
Carton 83.8%  
Glass 8.0%  
Plastic 6.9%  
Other 1.3%

Fruit juice and nectars by flavours



Orange 33.0%  
Flavour mixes 7.1%  
Apple 31.1%  
Pineapple 2.9%  
Other 25.2%  
Vegetable 0.6%

Fruit juice and nectars by channel



Take home 81.6%  
On premise 18.4%

# Switzerland

Population: **7.8 million**

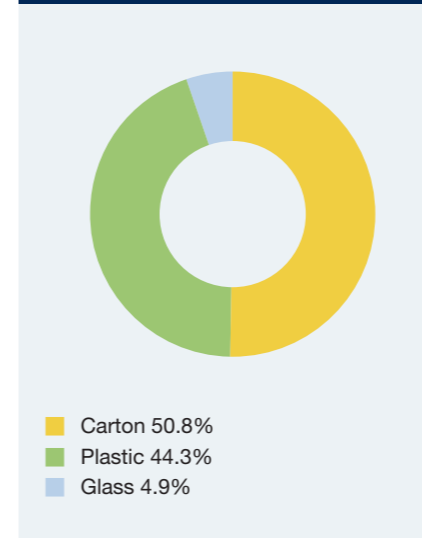


**Juice** is a mature, high-volume market. The niche chilled segment is gaining share on ambient as consumer appreciation of taste, quality and freshness evolves. Growing interest in organic juice is also contributing to the growth in chilled juice. A wide selection of flavour variants exists, but orange, apple and flavour mixes remain the top flavours.

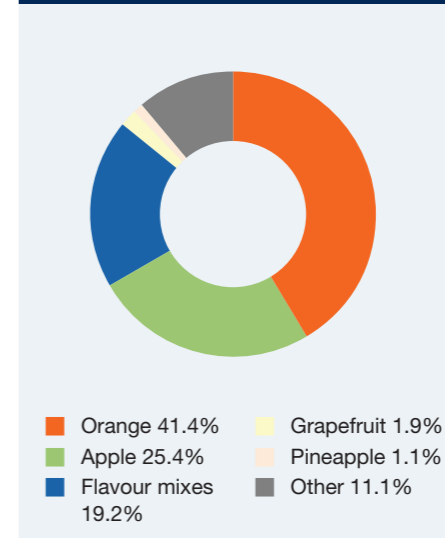
The trend to health/wellness and organic 100% juice products is hampering development of **nectars**. Nectars are primarily consumed at breakfast or as a mixer in cocktails. Orange and flavour mixes are the key flavours, although recently more exotic mixes have been launched.

Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>208</b>	<b>240</b>	<b>233</b>	<b>225</b>	<b>223</b>	<b>-0.4%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	146	176	168	162	160	-1.1%
Branded	71	85	79	77	75	-1.8%
Private label	76	90	89	85	84	-0.5%
Ambient	131	159	151	144	140	-2.3%
Chilled	15	16	17	18	20	8.4%
From concentrate	131	161	152	145	142	-2.2%
Not from concentrate	15	15	16	17	18	8.6%
Nectars (25-99% juice content)						
<b>Total nectars</b>	62	64	65	63	63	1.3%
Branded	24	21	27	27	28	5.5%
Private label	37	43	38	36	35	-1.9%

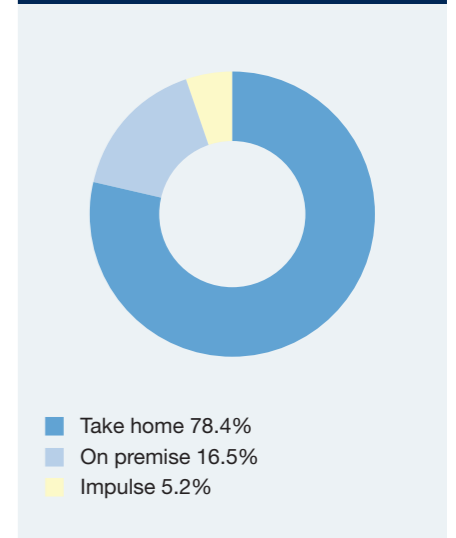
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



# Turkey

Population: **76.6 million**

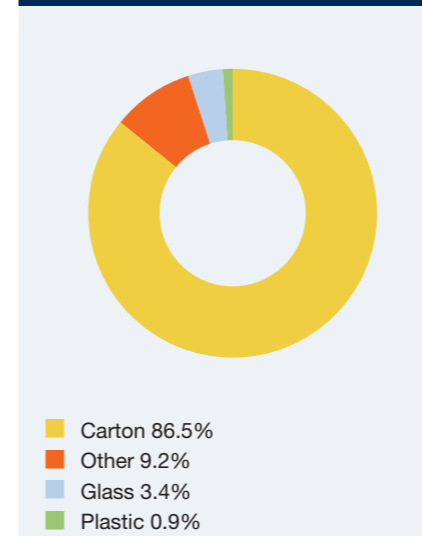


After two years of decline, the **juice** category returned to growth in 2011 on the back of returning consumer confidence. Turkish consumers are becoming increasingly aware of the different types of juice drinks, and leading producers are aiding this by differentiating their packaging or brand names for their juice and nectar products. Apple/apple mixes remain the preferred variants, due to lower prices.

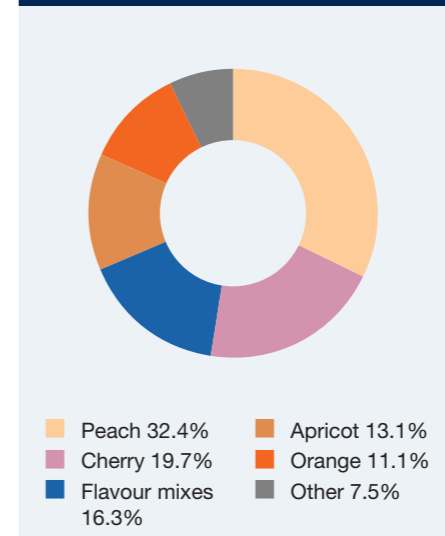
**Nectars** overshadow both juice and still drinks, but per capita consumption is still low compared to developed markets. Higher growth is being contained by the high price of concentrate due to the shortage in supply of local production and increasing fruit exports. The government is currently working on incentive plans for local fruit production, which could eliminate this barrier in future.

Total fruit juice and nectars						
Volume, million litres*	2007	2008	2009	2010	2011	% change
<b>Total</b>	<b>542</b>	<b>585</b>	<b>586</b>	<b>624</b>	<b>678</b>	<b>8.7%</b>
Fruit juice (100% juice content)						
<b>Total fruit juice</b>	66	55	47	50	53	5.9%
Branded	63	52	44	46	48	4.4%
Private label	2	2	4	4	5	21.6%
Ambient	63	51	45	47	50	5.9%
Chilled	3	3	2	4	4	5.7%
From concentrate	63	52	40	41	43	6.7%
Not from concentrate	2	3	7	10	10	2.9%
Nectars (25-99% juice content)						
<b>Total nectars</b>	477	531	538	574	625	8.9%
Branded	445	490	482	507	545	7.3%
Private label	32	40	56	66	80	20.7%

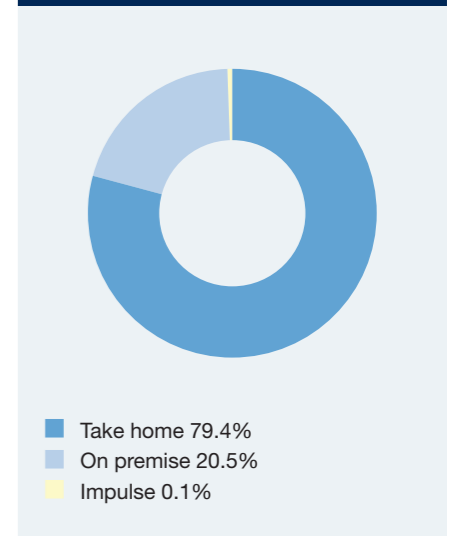
Fruit juice and nectars by packaging



Fruit juice and nectars by flavours



Fruit juice and nectars by channel



## Definitions

### Fruit juices and nectars

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

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

**Smoothies:** Comprise blended fruit puree and juice drinks with a thick, smooth texture, sometimes incorporating a dairy element (yogurt) and/or functional elements (eg aloe vera, ginkgo, ginseng).

Both chilled and ambient products can be found. Includes packaged products and products made to order in on-premise outlets. Categorised under the juice and nectars categories, depending on juice content and/or ingredients. Includes smoothies containing less than 50% dairy.

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

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

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

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

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

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

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

### Industry terms

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

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

**On premise:** Volume sold for 'immediate consumption' at the place of

purchase, comprising: QSR – quick-service restaurants; EDA places – eating, drinking and accommodation; institutions; other on-premise eg cinemas, street stalls and kiosks, travel and transport, leisure (including gyms/health clubs etc) and events.

**Horeca:** Hotels, restaurants and catering outlets.

**FJJN:** Fruit juice and nectars

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

**Notes:** Totals may not add due to rounding. Definitions are Canadian standard beverage category definitions. Blank/0.0 denotes data not available or volume less than 0.05 million litres or zero.

E = estimate

Credits: Data: Canadian.



# Report methodology

Within the beverage industry, Canadean is recognised as the beverage information specialist and has been commissioned to produce the 2012 AIJN European Fruit Juice market report.

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

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

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

During Canadean's annual and quarterly research cycles, leading producers in the fruit juice and allied industries are regularly contacted by our dedicated in-country researchers.

This ongoing dialogue and regular market observation ensures that our researchers are best placed to provide insightful value-added analysis of the juice and nectars industry worldwide.

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

## Acknowledgments

- AIJN would like to thank Tetra Pak, SIG Combibloc and Elopak for their support in producing this report.
- AIJN and Canadean would like to thank Rabobank for their assistance with the information and analysis on juice raw materials.
- Canadean would like to thank the AIJN and the European juice and nectars industry for their help and support during the research process.

# About AIJN

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

## Key AIJN aims and objectives

- 1 **Represent** the interests and promote the image of the European Fruit Juice Industry in all its contacts with EU Institutions and other relevant organizations;
- 2 **Support and lobby** European Union Institutions on all aspects of policy and legislation affecting the production, marketing, sales and trade in fruit juices and nectars in the EU;
- 3 **Provide**, in collaboration with the European Quality Control System (EQCS), mechanisms and instruments securing safe and authentic goods to maintain and increase consumer confidence in the good and healthy image of fruit and vegetable juices and nectars;
- 4 **Inform and advise** the fruit juice industry on all aspects of European legislation likely to affect their businesses;
- 5 **Liaise** with national, regional and worldwide interests representing the fruit juice industry to foster and achieve overall AIJN objectives.

## Membership

The AIJN membership is composed of national fruit juice associations from 15 EU Member States and from two countries that applied for EU membership. For more information on membership benefits, please visit [www.aijn.org](http://www.aijn.org)

## AIJN Executive Board

**President**, Andrew J. BILES, Group Chief Executive, Gerber Emig Group Ltd, UK  
**1st Vice-President**, Jörgen DIRKSEN, Managing Director, Rynkeby Foods A/S, Denmark  
**2nd Vice-President**, Angel SANCHEZ, Director General, Conserve Italia, Italy  
**Members**, Karl BUIKS, Business Unit Director Fruitbased, FrieslandCampina Riedel B.V., Netherlands; Vincent DELOZIERE, General Manager, Refresco France, France; Thomas MERTENS, Managing Director Supply Chain, Wesergold Getränkeindustrie GmbH & Co. KG, Germany; Piotr PODOBA, Sales Manager and Member of the Board, Alpex-Doehler, Poland; Wolfgang SCHWALD, General Manager Fruit, Processing & Sales, Rauch Fruchtsäfte GmbH & Co OG, Austria; Bruno VAN GOMPEL, Technical Director, Coca Cola Northwest Europe & Nordics, Belgium.

## National Associations Members of AIJN

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

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





**A.I.J.N.**

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