The European Union for Georgia
EU4Business

Food and Agriculture Organization of the United Nations

European Bank for Reconstruction and Development

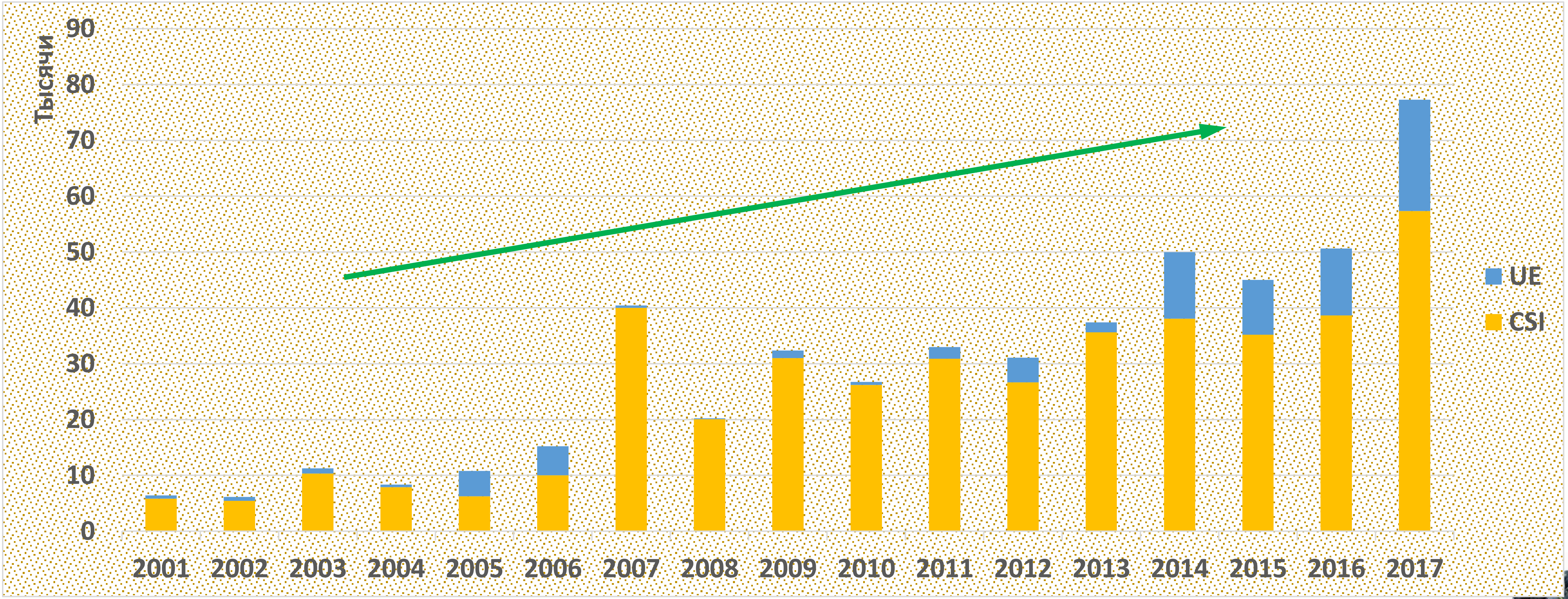
80,000 tons of table grapes exports from Moldova
How did we achieve it?

Ion Sula,

President of table grapes growers' association of Moldova

Georgia, 20 November 2018

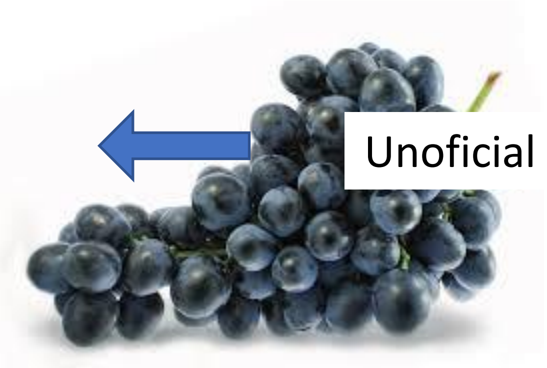
We are growing steadily and at the moment we have 2 general export directions



Export in 15 countries; Top-3 > 85% from total volume

Destination	Value US Dollar thousand	Quantity (tons)	Average
Russian Federation	16,870	48,210	60.10%
Romania	12,777	16,327	20.30%
Belarus	3,927	6,169	7.70%
Ukraine	946	2,941	3.70%
Iraq	1,209	2,480	3.10%
Poland	997	1,493	1.90%
Latvia	1,087	1,172	1.50%
Estonia	159	271	0.30%
Spain	188	258	0.30%
Croatia	84	238	0.30%
Other	382	680	0.80%
TOTAL 2017	**38,626**	**80,239**	**100%**

Logistic bridge for other EU countries ?



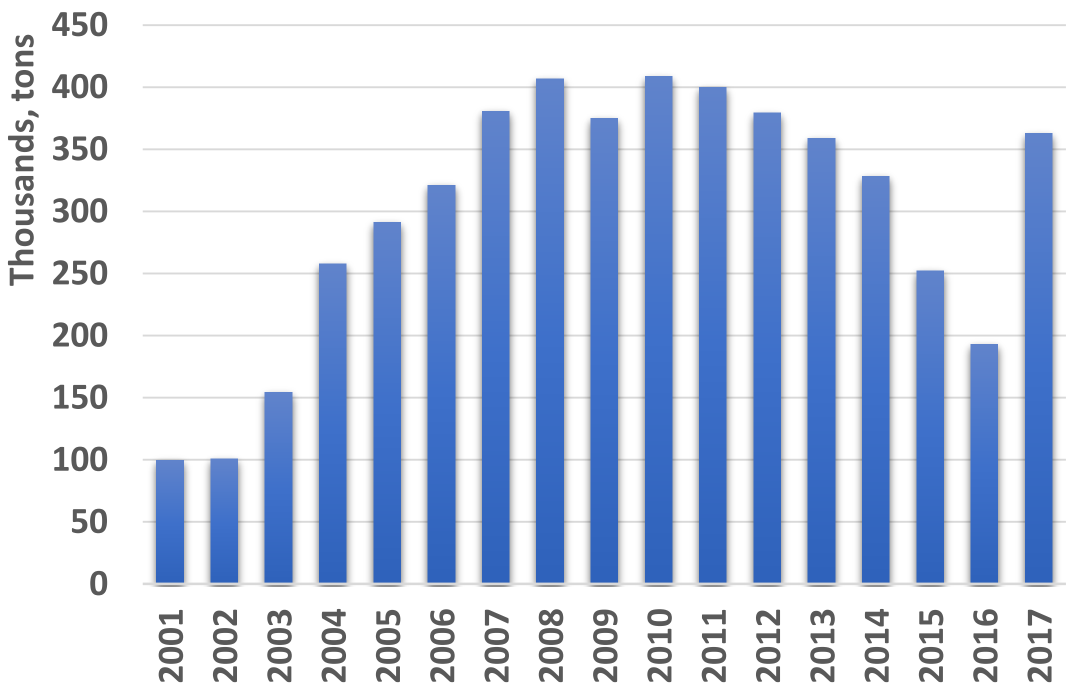
Unoficial export ?

Was analised 5 representative markets

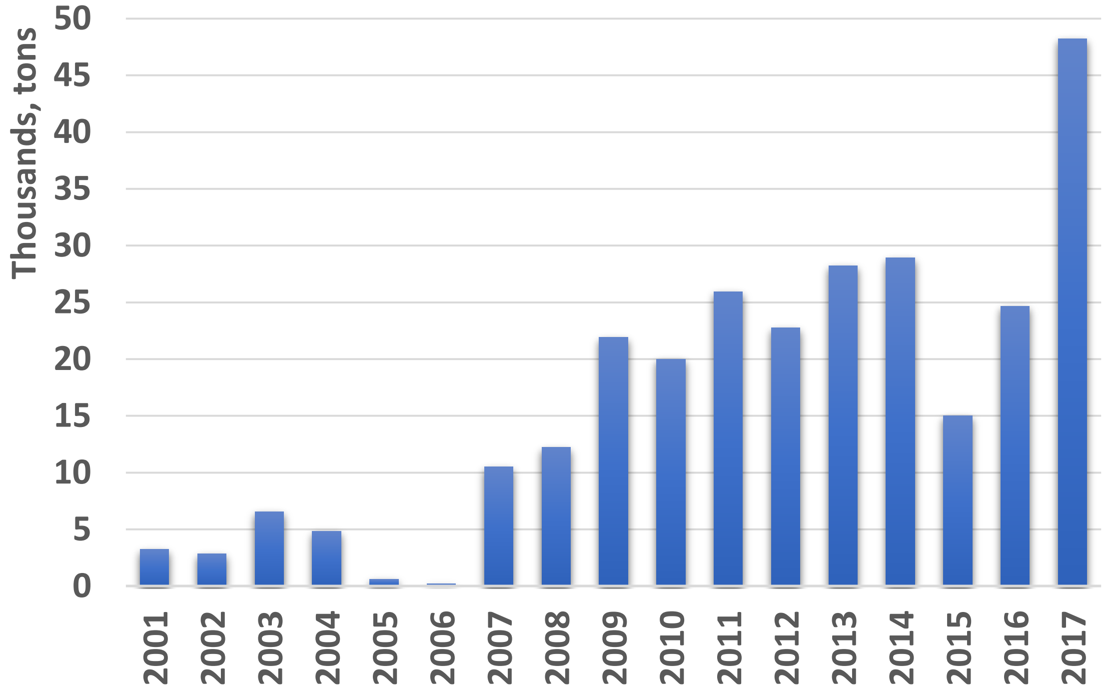
- Russia - second position in the world
- Romania - **20**
- Poland (representative for Baltic countries, Cehia, Slovakia) **9**
- Germany **3**
- Unite Arabic Emirate (representative for Persic Golf) **13**

RUSSIAN FEDERATION

We increase the export to Russia



Import evolution of table grapes to Russia



Export evolution of table grape from moldova to Russia

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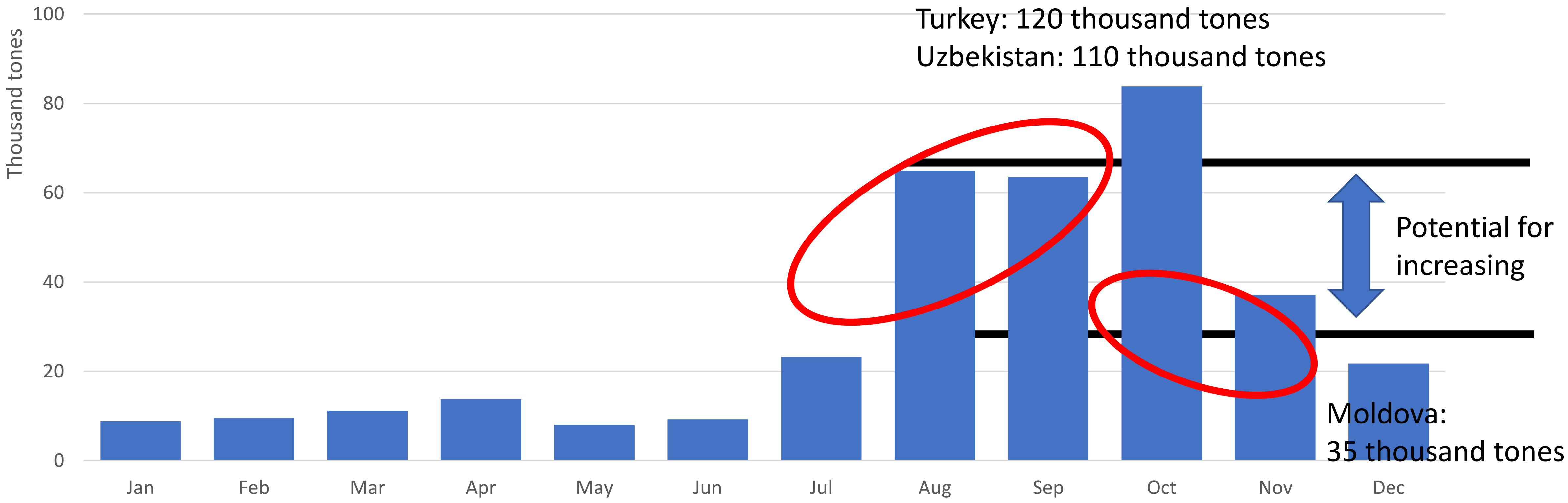
Trends in food consumption in Russia

- Reducing consumption potential
- Dealing with the crisis
- Rationalizing consumption
- Increased consumption patriotism
- Increase Internet procurement
- More positive attitude towards advertising

Moldovan grape consumption benefits from migrating from the most expensive fruits to the cheapest

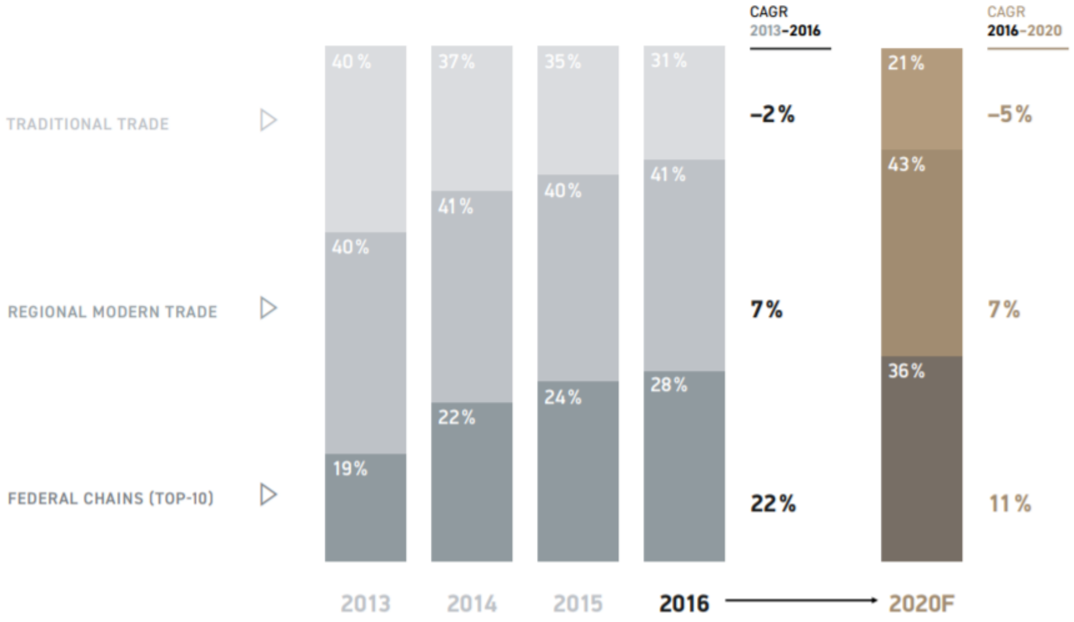
GfK "Consumer Life" 2017
«Портрет российского потребителя»

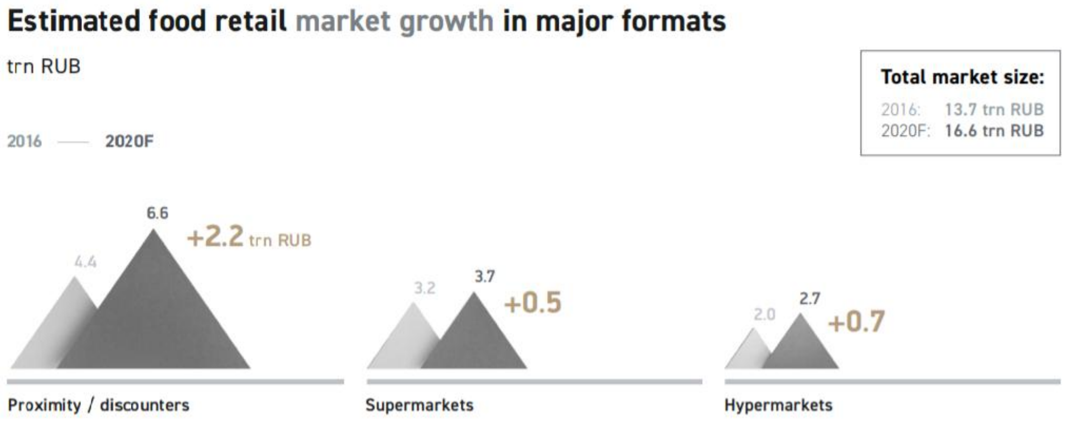
Republic of Moldova benifit an less competition during the traiding with main "Moldova" table grape variety



Seasonality of table grape imports to Russia

Modern trade will dominate sales by 2020
Potential for growth are the low-priced stores





The growing role of regional networks

	Федеральные сети	Местные сети		
Гипермаркеты	Ашан	НАШ гипермаркет		
	Лента	Линия		
	Магнит	Глобус		
	О'Кей	Райт		
	Карусель	Самбери		
		SPAR		
Супермаркеты	Перекресток	SPAR супермаркет	Мегамарт	Азбука Вкуса
	О'Кей Супермаркет	Атак	Бахетле	Лента Супермаркет
		Седьмой континент	Эдельвейс	Красный Яр
		Кировский	Матрица	Перекресток Экспресс
		Виктория	Командор	Вкусвилл
Дискаунтеры	Магнит	Монетка	7Я Семья Народная	Быстроном
	Пятерочка	Верный	Покупочка	Виват
	Дикси	Мария-Ра	Холди дискаунтер	Горожанка
		Полушка	МАН	Гроздь
		Байрам	Радеж	ДА!
		Холидей Классик	Авоська	СемьЯ 7Я
Cash&Carry	Metro	Selgros		

The main factors that will influence the evolution of the Russian market

CERTAIN

- Increase network share
- Focus on substitution of imports
- Local production 100 -> 200 thousand tons?
- Growing production in Uzbekistan

UNCERTAIN

- Evolution of population incomes
- Continue blocking imports (Moldova, EU, Turkey, Egypt, etc.)?

We need actions to combat competitive pressures

Higher quality

Lower costs

RECEPTIVITY to importers / networks requirements

European Union

EU market: The much larger size, but stagnant demand in many countries

- Germany: 330 thousand tons
- United Kingdom: 270 thousand tons
- France: 146 thousand tons
- Poland: 114 thousand tons
- Belgium, Czech Republic, Romania: 50 thousand tons each

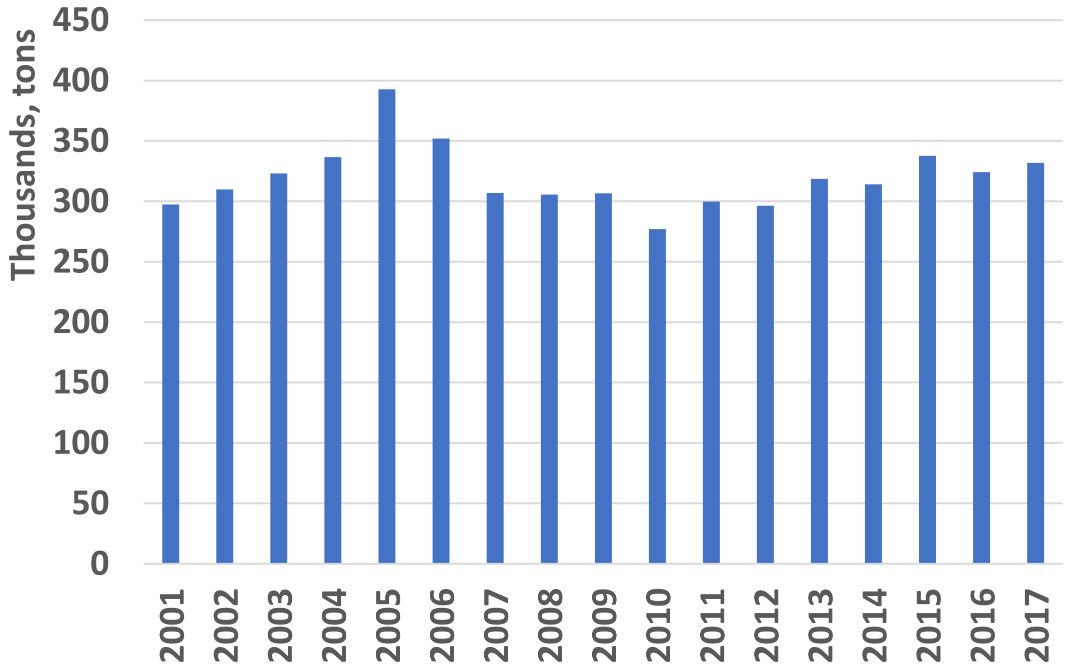
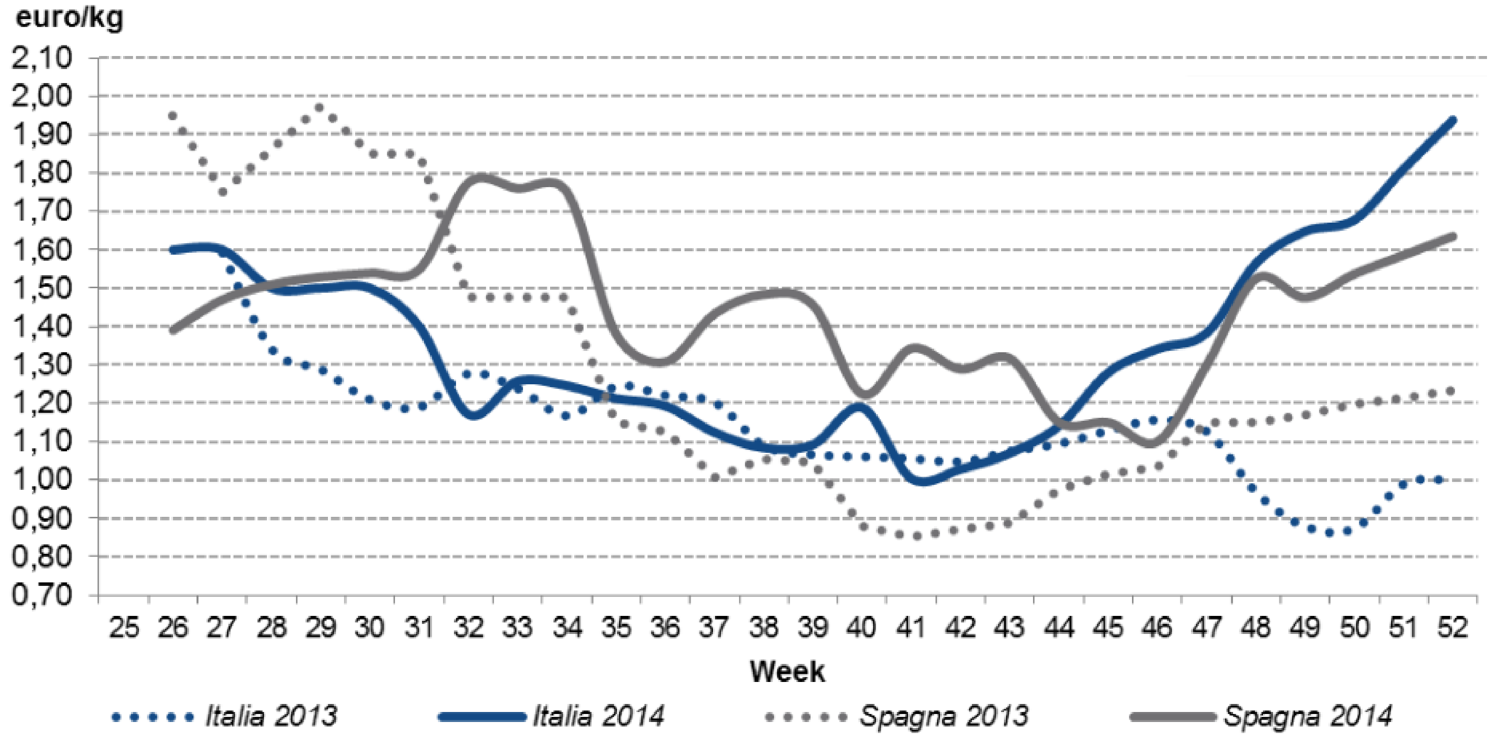


Table grapes imports in Germany

High competition due to market volume, price levels and developed logistics

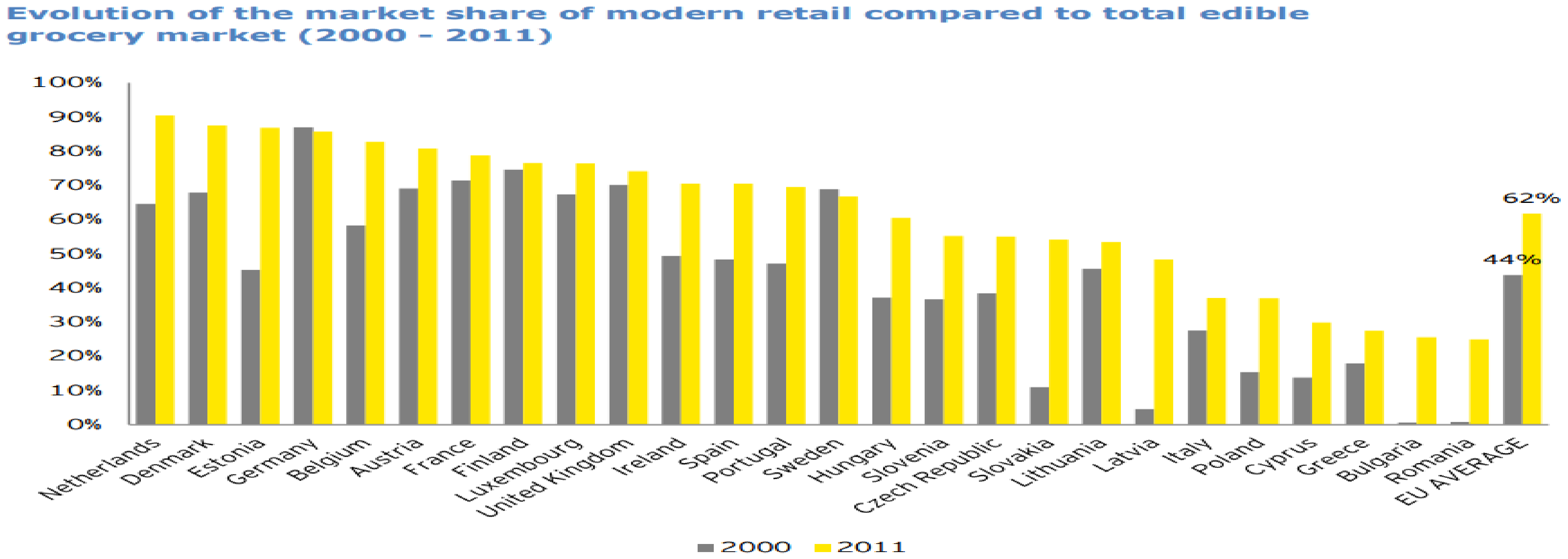
Source country	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Italy					■	■	■	■	■	■	■	■
Spain						■	■	■	■	■	■	■
Portugal						■	■	■	■	■	■	
Greece								■	■	■	■	
Turkey						■	■	■	■	■	■	
Egypt					■	■	■	■				
Morocco					■	■	■	■	■	■		
Tunisia					■	■	■	■	■	■	■	■
California, USA	■	■			■	■	■	■	■	■	■	■
Israel					■	■	■	■				
India			■	■	■							
South Africa	■	■	■	■	■						■	■
Argentina	■	■										■
Brazil	■			■	■					■	■	■
Chile	■	■	■	■	■						■	■
Peru	■	■	■	■	■	■	■	■			■	■

Prices are higher across the value chain.
The seasonal nature of prices does exist anyway



Delivery prices from packing houses

Networks are the main distribution channel

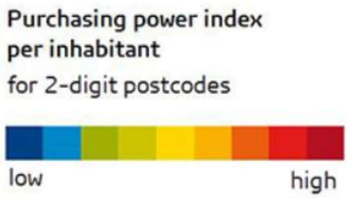


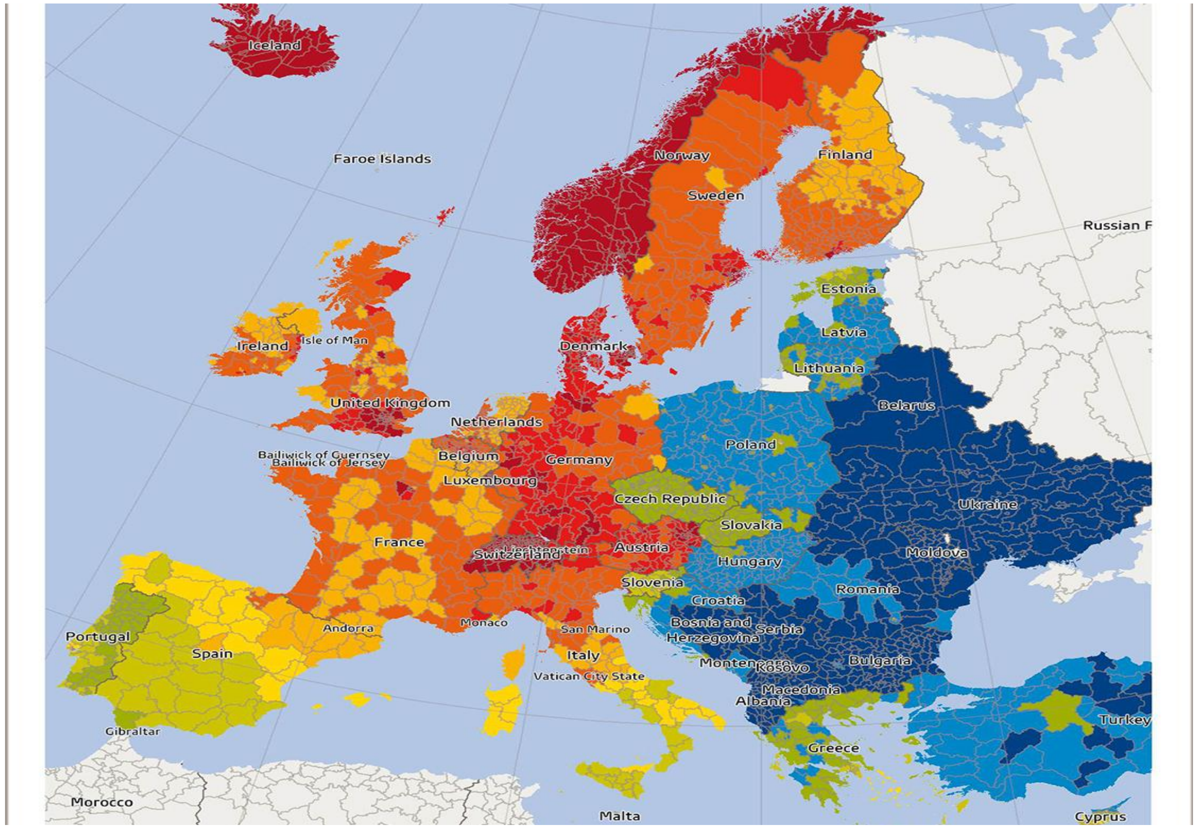
Network consolidation: In many member countries the 5 largest networks account for a total of 60-80% of the market

Purchasing power varies significantly

It influences the perception of the minimum acceptable level of quality

It influences both the price level and the degree of competition



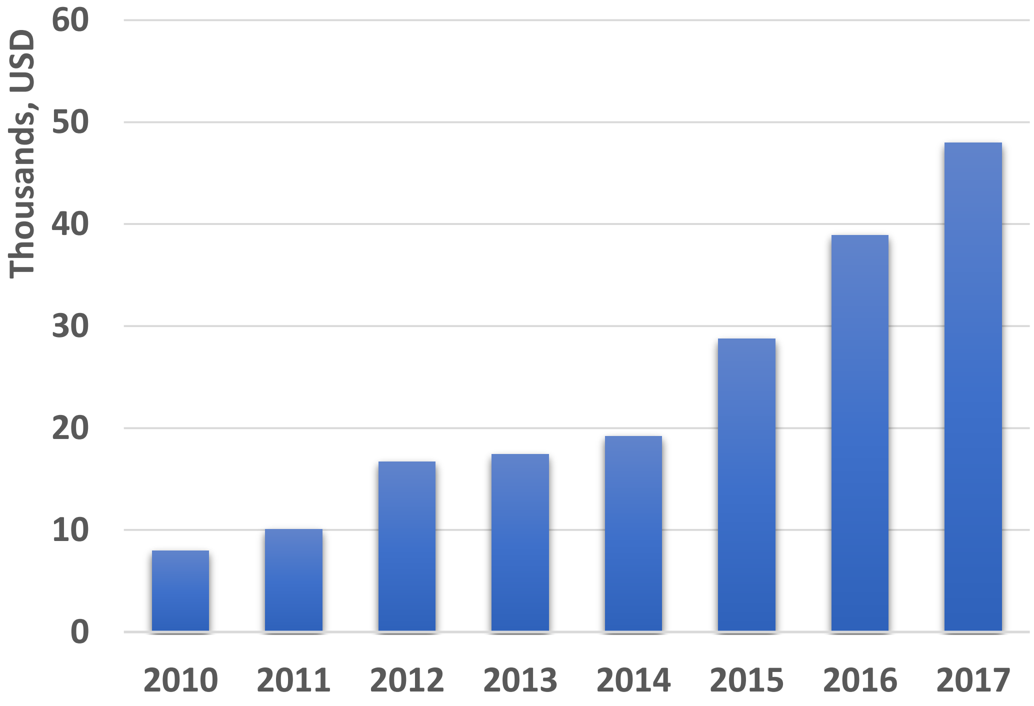


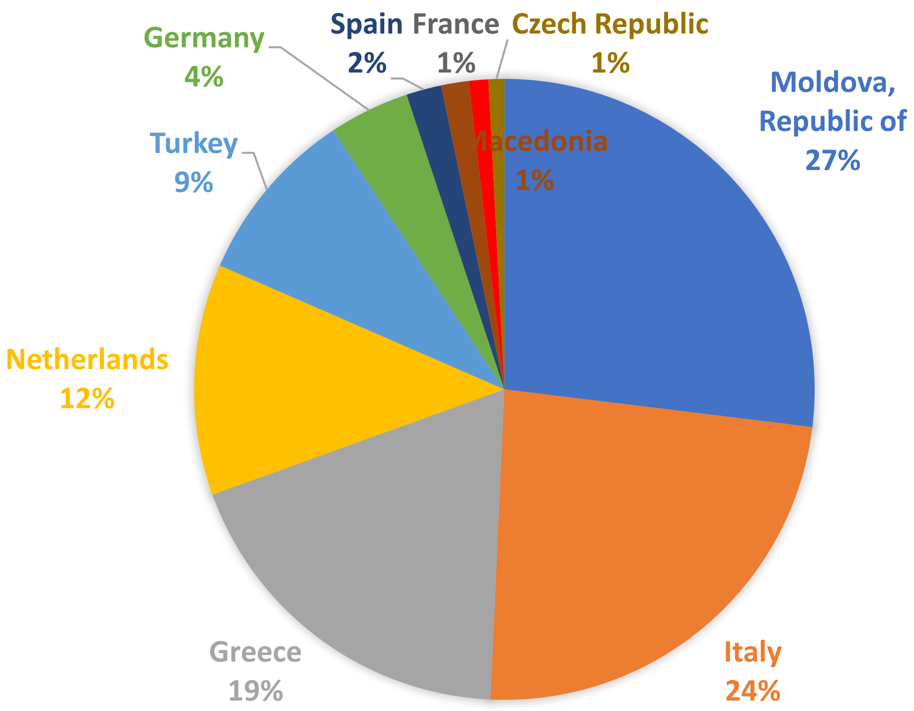
Moldova-EU customs regime for grapes (DCFTA)

- Duty-free   cote -10 thousand tones
- After overtaking
  - advalorem tax
    11.5-14.1%
  - minimum price for import
    0.47-0.55 EUR/kg

Romania

Romania - growing market, 47,2 thousand tons or 48 million USD





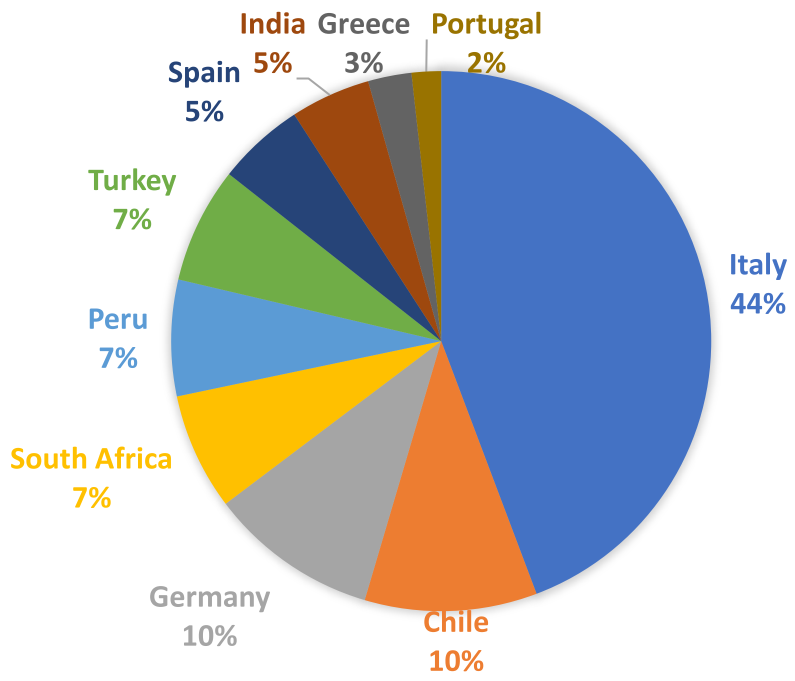
The main suppliers + local production

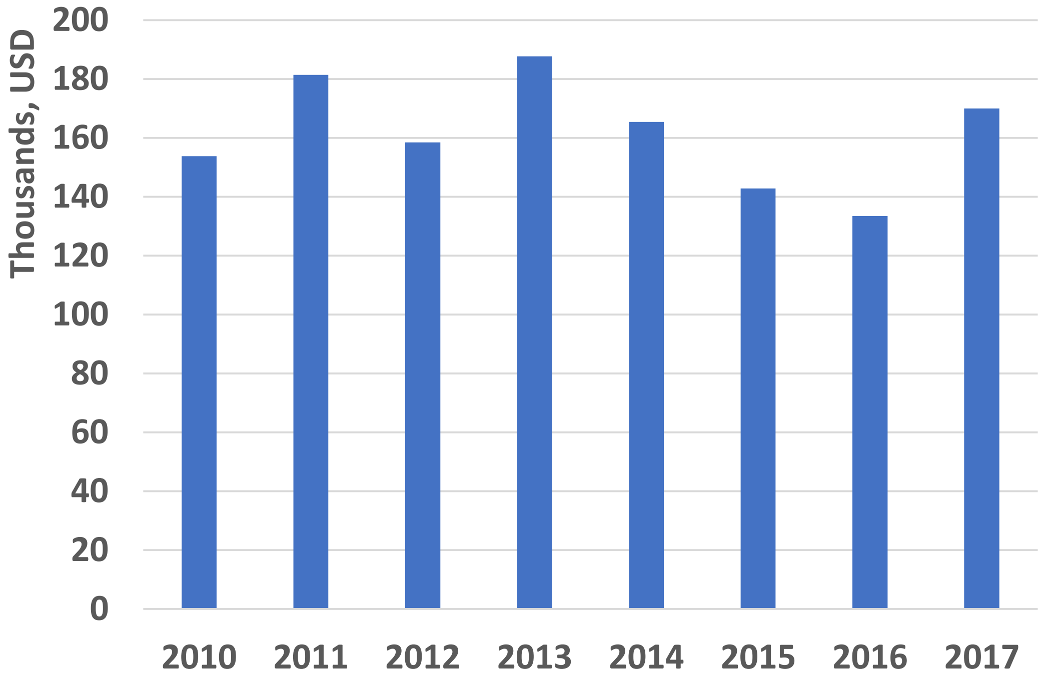
Import seasonality and competitors

	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Greece	540	2,390	1,774	512	10	9	0
Italy	617	1,911	1,979	2,435	1,837	750	89
Moldova	0	698	928	1,077	2,174	2,175	1,240
Macedonia	0	57	685	762	254	0	69

Poland

Stabil market, 114,8 thousand tons or 170 milion USD





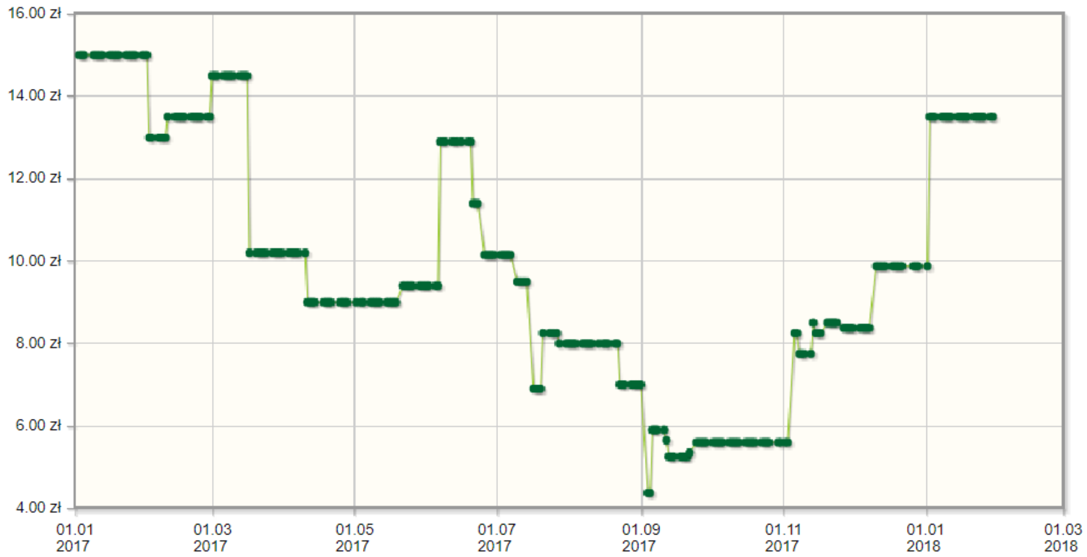
The main suppliers + there is no local production

Import seasonality and competitors

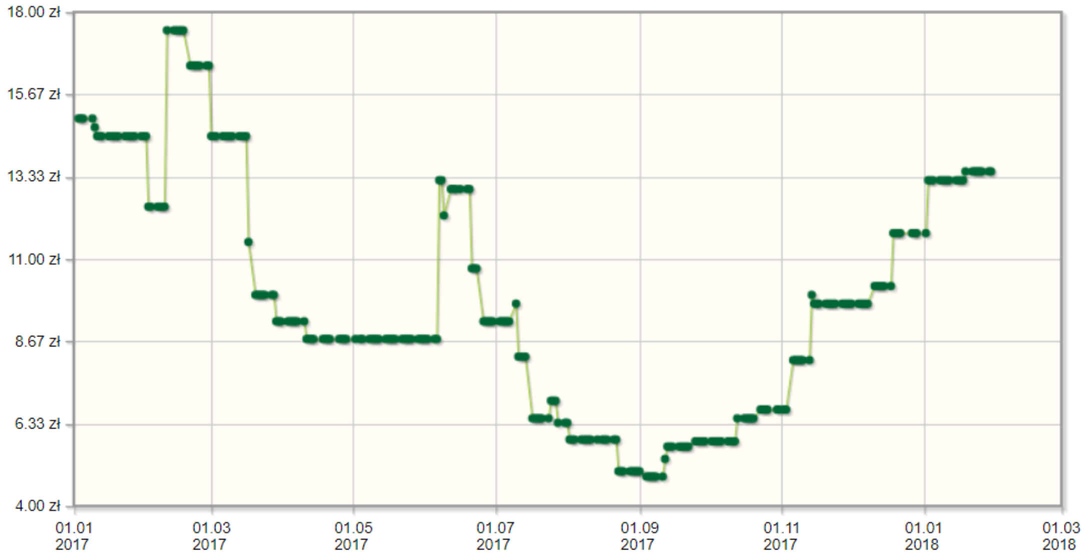
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Greece	236	1,884	823	456	32	0	0	0	0	0	0	0
Italy	4,805	12,433	15,160	11,699	7,490	1,553	30	40	16	3	8	339
Germany	130	1,608	1,391	1,271	533	407	443	585	903	782	389	112
Turkey	58	569	2,160	1,811	655	131	32	0	0	0	2	0
Peru	0	0	0	0	302	825	1,687	1,352	1,805	553	348	4
South Africa	2	0	3	0	16	123	1,262	2,197	1,600	738	218	4
Chile	13	28	0	6	3	9	18	36	992	3,361	3,232	627
Spain	243	526	356	609	398	516	237	266	315	352	302	124
Netherlands	3	105	352	76	27	30	244	769	105	235	157	313
Others	502	2204	1523	1275	233	330	432	229	763	651	228	387
World	**5,756**	**17,474**	**20,944**	**16,746**	**9,657**	**3,924**	**4,387**	**5,476**	**6,499**	**6,675**	**4,883**	**1,911**

Decrease in imports due to lack of supply? The window of Moldova?

Seasonality of average prices, Bronisze market



Black grapes

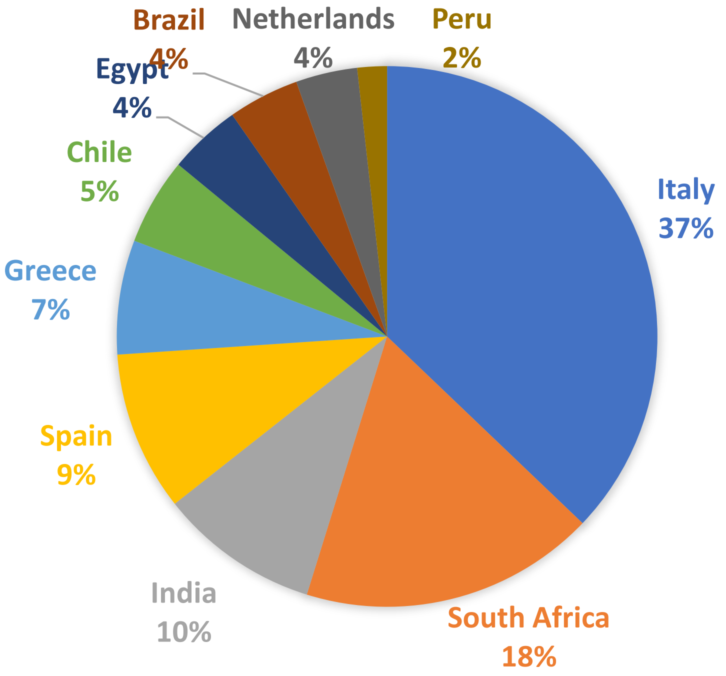


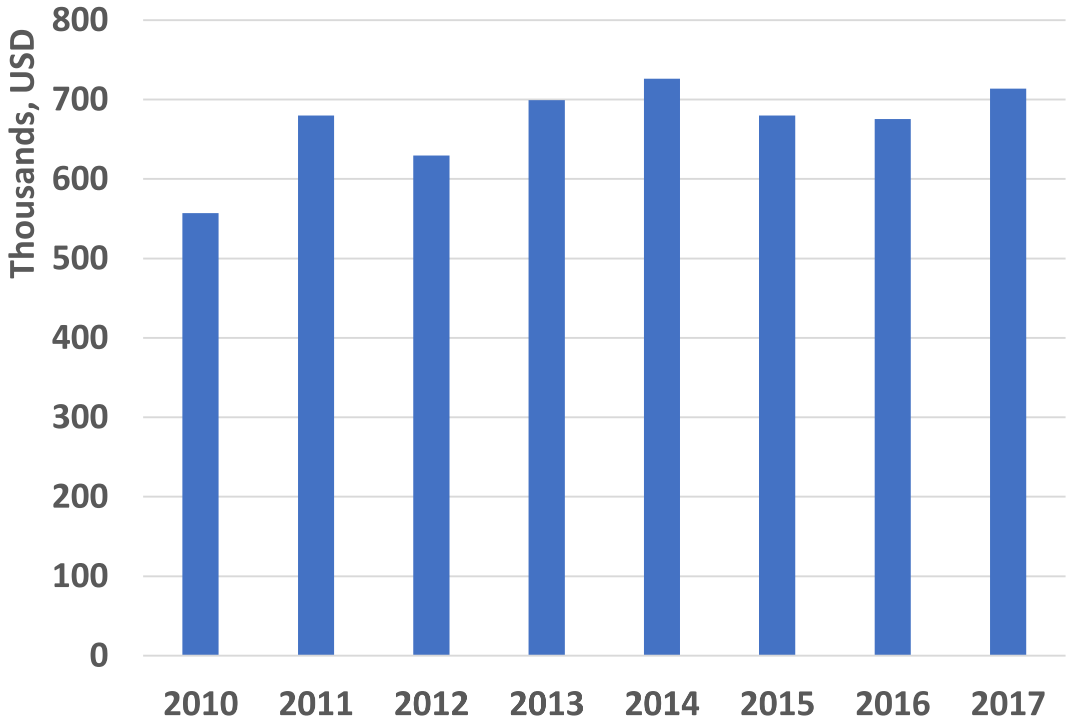
White grapes

1 USD = 3.35 PLN

Germany

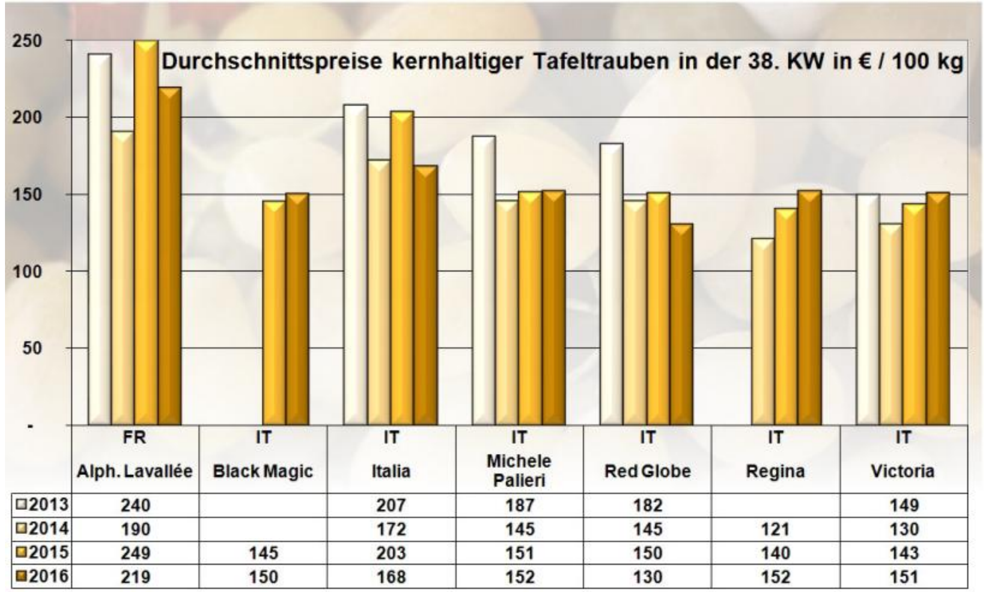
The market regained (slow) 331,8 thousand tons or 713,7 million dollars



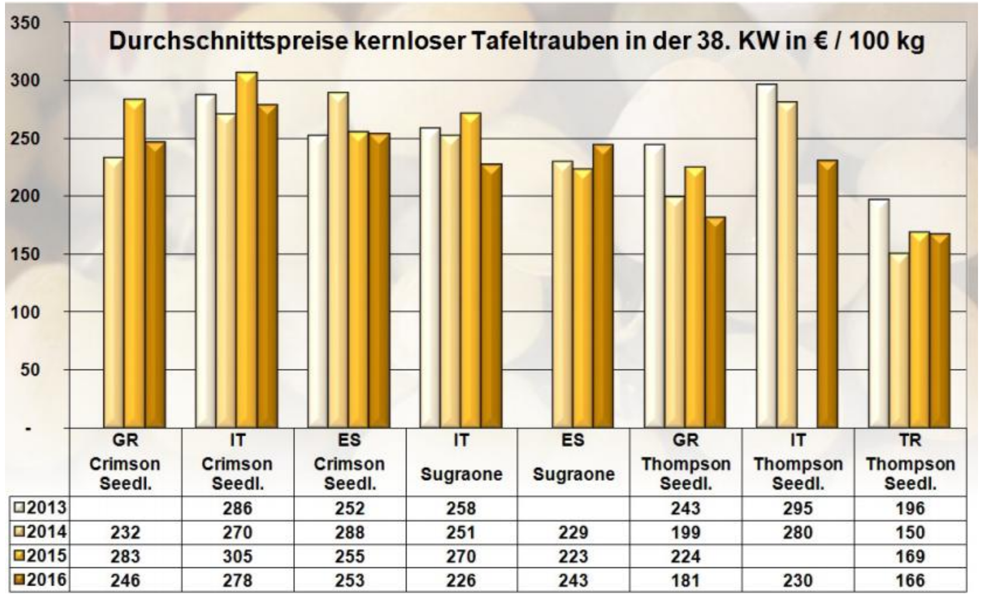


The main suppliers
+ there is no significant local production

Seedless varieties replace the seed varieties in the EU market



	FR Alph. Lavallée	IT Black Magic	IT Italia	IT Michele Palieri	IT Red Globe	IT Regina	IT Victoria
2013	240		207	187	182		149
2014	190		172	145	145	121	130
2015	249	145	203	151	150	140	143
2016	219	150	168	152	130	152	151



	GR Crimson Seedl.	IT Crimson Seedl.	ES Crimson Seedl.	IT Sugraone	ES Sugraone	GR Thompson Seedl.	IT Thompson Seedl.	TR Thompson Seedl.
2013		286	252	258		243	295	196
2014	232	270	288	251	229	199	280	150
2015	283	305	255	270	223	224		169
2016	246	278	253	226	243	181	230	166

- Spain and Greece have already converted
- Italy is behind, but already 2/3 of the new vineyards are seedless varieties
- Farmers are forced to sell seed varieties at lower prices

Higher requirements for grape quality and safety

Cliente	Richiesta
COOP	Max 30% singolo RMA, max 100% somma RMA
ESSELUNGA	Max 30% singolo RMA, max 40% somma RMA
LIDL	Max 33% singolo RMA
ASPIAG	Max 30% singolo RMA, max 100% somma RMA
BILLA	Max 30% singolo RMA
KAUFLAND	Max 33% singolo RMA, max 100% somma ARFD
KAISER'S TENGELMANN	Max 70% singolo RMA, max 30%/70% singolo ARFD
AUCHAN	Max 50% singolo RMA
CRAI	Max 50% singolo RMA, max 100% somma RMA
EDEKA	Max 50% singolo RMA
CONAD	Max 50% singolo RMA, max 100% somma RMA
GRUPPO SELEX	Max 50% singolo RMA
CARREFOUR	Max 50% singolo RMA
TEGUT	Max 70% singolo RMA, max 70% singolo ARFD, max 4 p.a.
DOHLE-HIT	Max 70% singolo RMA, max 70% singolo ARFD, max 4 p.a.
ALDI	Max 70% singolo RMA, max 80% somma RMA, max 80% somma ARFD, max 4 p.a.
HOFER	Max 70% singolo RMA, max 80% somma RMA, max 80% somma ARFD, max 4 p.a.
REWE	Max 70% singolo RMA

Network requirements for pesticide residues (MLA) - much more severe than EU legislation

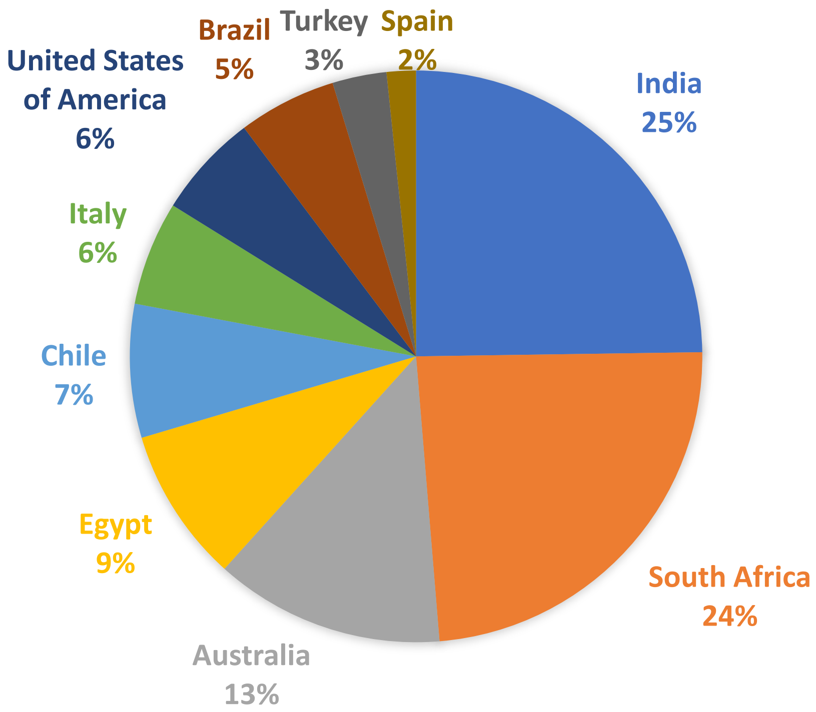
Packaging options - smaller grapes?

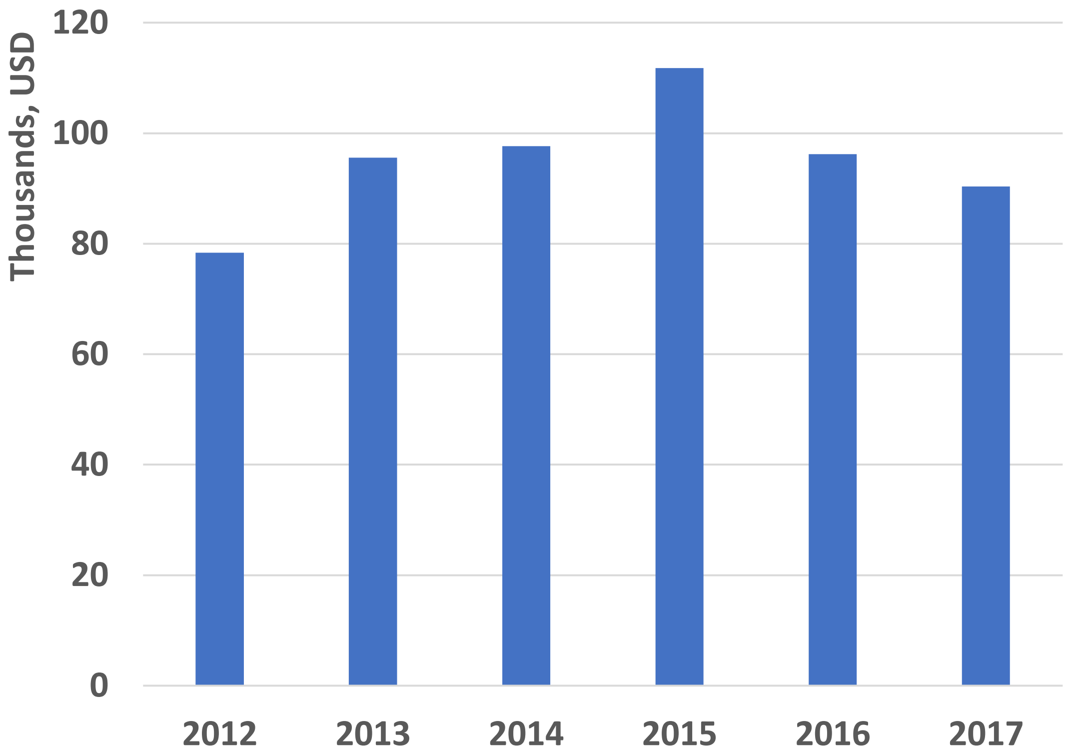
Just gram - 400 gr, 500 gr, etc.

Growing demand for organic grapes

United Arab Emirates

Growing market, regional hub, 60 thousand tons or $ 90,4 million





Our grapes for Sheikh

First delivery , January 2018

World of Perishables 2017

Our national brand


Fresh fruits
from Moldov
Fresh fruits
from Moldov
moldova
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Thank you for attention !!!

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