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Product Brief

Natural Juices Market Survey in Bulgaria

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Report Highlights:

Natural juices are enjoying steady demand, replacing traditional carbonated soft drinks consumption, as well as meeting the demand of summer tourists. Most local juice producers manufacture based on imported concentrates. The competition between local manufacturers contributes to the stable retail prices and improved quality and diversity on the market. Average annual consumption of fruits and vegetables juices is forecast at a stable level of 50 million liters, or 6.0 liter per capita.

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Background

The Bulgarian market for fruit and vegetable juices has been rapidly developing over the last few years. The history of this market can be generally divided into two time periods:

-  Before 1990;
-  After 1990.

The key distinctive features of the juice market in Bulgaria during the first period are as follows:

-  A predominant share of Bulgarian juices on the market;

Imports of natural juices prior to 1990 were almost symbolic, accounting to not more than 2-3 percent of the overall consumption. These imports were from other socialist countries such as Cuba and Albania as well as small quantities from Austria, Greece and Lebanon. For example, in 1990, total orange juice imports totaled 96 MT (214 MT in 1987) of which 50 MT was from Austria, 22 MT was from Albania and 20 MT from Lebanon. Prior to 1990, the major supplier of orange juice to Bulgaria was Cuba; the major supplier of lemon juice was Greece followed by Syria.

-  Lack of branding of Bulgarian juice products;

Prior to 1990, Bulgaria produced and consumed a variety of local fruit and vegetable juices produced by local suppliers, such as Vitamina (Stamboliiski), Storgozia (Pleven), Petrichka praskova (Petrich), Pectin (Pernik), Nectar (Silistra), and Botevgradska vishna (Botevgrad). Juices were clearly distinguished only by their type (apple juice, tomato juice, etc.) and not by their brand. Therefore, the "Apple juice" retail label represented products coming from either the processing plant in Assenovgrad or the Pectin plant in Pernik.

-  Lack of functionality/diversity of juice packaging used in the Bulgarian market;

Before 1990, Bulgarian juice production was packaged solely in 500 ml glass bottles (identical to beer bottles). Tetra pack and PVC packages were unknown to Bulgarian consumers. The first local producer to introduce Tetra Pack in the mid 80s, was the "Botevgradska vishna" state plant in Botevgrad.

Since 1990, the Bulgarian juice market underwent the following significant changes:

-  A sharp decline in the volume of locally produced juices (See Table #1). Almost all juice production after 1990 was based on imported raw materials due to a virtual collapse in local fruit and vegetable production.

Table 1: Production of Fruit and Vegetable Juices

Production of Fruit and Vegetable Juices in Bulgaria											
Year/Quantity, million liters											
90	91	92	93	94	95	96	97	98	99	'00	'01
69	36	29	29	26	35	20	28	50	51	49	49
Source: Association of Soft Drinks Manufacturers (ASDM) in Bulgaria											

The drop in juice production in Bulgaria in the early 90s was the result of several processing plants and canneries going bankrupt and/or closing their operations. A large share of their production had been exported to the former USSR and the countries of the COMECON. The political and economic changes that swept Eastern Europe in the late 80s meant that local Bulgarian processing and canning plants lost their markets; hence many of them went bankrupt.

After 1996, juice production slowly recovered and over the last 4 years it has stabilized around 50 million liters per year.

The current market situation (post 2000) has the following characteristics:

 C An increased share of imported fruit and vegetable juices;

The entry of foreign juice brands into the Bulgarian market, such as the Greek FLORINA, the Austrian PFANNER and the Italian SANTAL, peaked in the late 1990s. The success of foreign brands was highly dependant on their prices due to low income consumer demand. For example, at the beginning SANTAL did not take a substantial market share because of its high prices. However, with the gradual increase in consumer income, this situation is changing. Another example was the first attempt of the Coca-Cola Company to penetrate the Bulgarian juice market in 1996 with their CAPPY brand, which was not successful. The second attempt, initiated in 2002, was much more successful and it is expected that by 2003, CAPPY will have a significant market share.

 C Branding of fruit and vegetable juices – in the late 1990s, a trend toward production of Bulgarian brands swept the market: BBB, QUEENS, BEST, GANCHEV; and imported brands, such as FLORINA, PFANNER, TOP JOY, SANTAL, RAUCH, etc.

 C Introduction of modern packaging and storage standards in production facilities;

 C Increased variety of Bulgarian and imported juices and nectars.

The main reasons for the changes are: growth in demand, stabilization and growth of household income levels (see Table #6), improved marketing and the dynamic development of retail and food service sectors. As of 2002, large retail supermarkets offer on average 15-20 types of juices, and restaurants offer at least 10 different varieties.

CONSUMPTION

Trends

Following a sharp decline as a result of the 1997 economic crisis, fruit and vegetable juice consumption per capita registered a threefold increase in 1998. Since then, the consumption has been stable at an average of 6 liters per capita (See Table #2). This is a result of both the economic stability, and the increased competition in the sector, which maintains competitive and affordable prices for the average consumer.

Table 2: Consumption of Fruit and Vegetable Juices (1993 – 2001)

Average Consumption of Fruit and Vegetable Juices (1993 – 2001) per capita in liters									
	1993	1994	1995	1996	1997	1998	1999	2000	2001
Per* capita	3	2.9	3.9	1.8	2.3	5.7	6.3	6.2	6.1
Total** (mil. liters)	25.6	24.7	32.9	14.8	18.8	47	51.6	50.6	48.5
Source: Association of Soft Drink Manufacturers in Bulgaria (ASDM)									
Note:* calculated by the population at the end of the corresponding year. Please note a decline in population for the above period: from 8.5 million in 1993 to 7.9 million in 2001; ** Estimated consumption									

According to the ASDM, there is increased consumption of bottled water, natural juices and hot drinks, such as tea and coffee. For example, the 1990 market share of bottled mineral water was 9 percent, whereas the 2001 figure stands at 31 percent. The market share of natural juices has gone up from 2 percent to 6 percent last year and from 2 liter per capita in 1990 to 6.1 liters in 2001. The increased consumption of natural juices and bottled mineral water is at the expense of carbonated soft drinks. A 2001 market study showed annual consumption of 31 liters of carbonated soft drinks per capita (45 liters according to other marketing surveys), 6-6.5 liters of natural juices; 6 liters (27 liters according to other sources) of mineral water; and 12 liters of fruit and vegetable non- carbonated drinks (not juices) per capita.

Total soft drinks consumption per capita in 2001 was estimated to reach 98.3 liters or an overall level of 784 million liters, 3.5 percent more than in 2000. Total soft drinks consumption in 2001 is the highest since 1990 (compared to 219 liters per capita in the EU). The average consumption of natural juices per capita in Bulgaria is still behind EU trends and levels. For example, EU consumption of natural juices is 24 liters per capita. The major reason for this difference is lower consumer income in Bulgaria and undeveloped consumer preferences toward healthier or natural

foods.

Consumption of soft drinks in 1990 -2001 by Product		
	1990	2001
Carbonated soft drinks	81%	51%
Mineral water	9%	31%
Natural Juices	2%	6%
Hot drinks (caffeinated drinks)	4%	7%
Other	4%	5%
Total in million liters	767	784
Source: ASDM data		

In 2001/02, a new trend emerges of so-called herbal drinks. These drinks are not yet widely popular, but they have their own market niche which is related to the ongoing changes in consumer preferences toward consumption of healthier drinks. A good example is "Aronia natural juice", a locally made product based on an original recipe of a Bulgarian researcher (Prof. Krachunov) and manufactured by a research institute. This product is reputed to have a healthy effect on blood pressure and heart problems and is steadily gaining wider popularity.

Consumption pattern

Fruit juices are consumed both "at home" and when "dining out". The "Noema Inc." (research/consulting group) study shows that the ratio of consumption is at 49 percent for "at home" use vs. 51 percent for "dining out" consumption.

During the summer months, juices are used both on their own, and as ingredients in soft and alcoholic cocktails. There is a trend of increasing juice consumption during the winter season, specifically during holidays. Juices are slowly starting to replace the leading traditional brands carbonated drinks on such occasions. The summer- to- winter juice consumption ratio is 150:100.

Natural fruit and vegetable juice consumption varies depending on the type of residence of households – urban or rural (Table #3). Urban residents are the main consumers of industrially or commercially made juices.

The difference in juice consumption is a result of different consumer attitudes and the behavior of urban and rural residents. Households living in rural areas are more inclined to use home-made fruit juices and vegetable juices. Industrially made and packaged juices and nectars are more popular among urban residents, whereas vegetable juices (mainly home-made) are more widely consumed by the rural population. For example, 2000 National Statistics Institute data show that the consumption of fruit juices in the cities is 1.8 liters per capita vs. 1.5 liters for rural area consumers. The 2000 per capita consumption of vegetable juices is at 3.2 liters in the rural areas vs. 2.2 liters

for the urban regions.

Table 3: Consumption of Juices by Area

Average Juice Consumption per Capita in liters								
	1997		1998		1999		2000	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Fruit Juices	1.3	1.3	1.7	1.5	2.1	1.8	1.8	1.5
Veg. Juices	2.1	3.0	2.2	3.0	2.7	3.5	2.2	3.2

Note: National Statistical Institute

Juice consumption depends on the number of children under 18 years old in the household (Table #4). Statistical data shows that the highest juice and nectar consumption is registered with households with one child under 18 years old. The increase in number of children under 18 results in a decline of fruit juice consumption. The picture is slightly different for vegetable juices. Vegetable juice consumption is more frequent in households without children. These data show that juice consumption is still income driven and only loosely related to any other non-income factor such as preferences towards healthier foods/drinks for children.

Table 4: Consumption Juices by Number of Children in Household

Number of children	Average Juice Consumption per Capita in liters							
	1997		1998		1999		2000	
	Fruit Juices	Veg. Juices	Fruit Juices	Veg. Juices	Fruit Juices	Veg. Juices	Fruit Juices	Veg. Juices
Without children under 18	1.4	2.8	1.5	2.7	1.9	3.4	1.7	2.8
With 1 child under 18	1.4	2.3	2	2.2	2.3	2.6	2	2.2
With 2 children under 18	1.1	1.9	1.5	2.1	1.9	2.4	1.7	2.2
With 3 and more children under 18	0.5	1.1	0.8	1.5	0.9	2.2	0.6	1.9

Source: National Statistical Institute (NSI)

C

Juice consumption is also related to the total number of household members (Table #5). According to the NSI data, the fewer household members (2 or 3-member households), the higher the consumption of fruit and vegetable juices. There is a direct correlation between the number of household members and the overall household income.

Table 5: Consumption of Juices by Number of Household Members

Number of household member	Average Juice Consumption per Capita in liters							
	1997		1998		1999		2000	
	Fruit Juices	Veg. Juices	Fruit Juices	Veg. Juices	Fruit Juices	Veg. Juices	Fruit Juices	Veg. Juices
1	1.3	3.5	1.3	3.8	2.2	3.9	1.8	3.6
2	1.4	3.1	1.5	3	1.8	3.6	1.8	3.1
3	1.4	2.4	2.1	2.4	2.3	3	2	2.3
4	1.3	1.9	1.6	2.1	2.1	2.7	1.7	2.2
5	1.3	2	1.3	1.8	1.8	2.2	1.4	2.1
6	1	1.9	1.6	2	1.4	2.4	1.1	2.1

Source: NSI

The consumption of fruit and vegetable juices and nectars is directly dependent on household income (Table #6). Juice consumption varies with overall household. It is the highest in households of high income levels. For example, data for 2000 shows consumption of 3.1 liters per household member per year in high income households (\$1400 annual income per household member) against a total of 1.7 liters of fruit juices and nectars per capita for the whole country. At the same time, fruit juice consumption per household member in low-income households (\$280-\$400 annual income per member) stands at 1.2 liters. The close correlation between income and juice consumption indicates that this market can easily enjoy fast growth provided that incomes continue to increase.

In 2002, some market studies showed a trend of increased consumption of less expensive substitutes of natural juices such as soluble/instant soft drinks or powder and so-called punches. It is still early to say if this temporary trend (observed in the first and second quarter of 2002) will continue in 2003 due to rather stagnant consumer income. This type of substitution is typical for "at home", family consumers and for lower income consumers. This trend as seen in the market for natural juices (i.e. substitution of less expensive product) was registered in other food categories as well.

Table 6: Consumption of Fruit and Vegetable Juices by Income Groups

Total Annual Income per capita in a household	Average Consumption per Capita in liters - 2000	
Over \$1415	3.1	3.2
1270-1415	2.7	2.5
1130-1270	2.4	2.4
990-1130	2.3	2.5
850-990	1.9	2.4
710-850	1.8	2.5
565-710	1.6	2.5
425-565	1.4	2.5
280-425	1.2	2.5
Under 280	1.0	2.1
Source: NSI		

Consumer's profile

According to the results of "Noema Inc." 2002 national representative study, the percent of Bulgarians who buy natural juices is 22 percent. The distribution of this consumption is largely among young and active people (up to 45 years), and is concentrated mainly in the cities. If one is to draw a typical profile of the natural juice consumer in Bulgaria, it would be the following: young female (under 25), ethnically Bulgarian, resident of the capital or a regional city center, with higher education and an above average income level (Table #7). More than 60 percent of juice consumers live in bigger towns (regional centers) and in the capital of Sofia which has 47 percent of total population.

Table 7: Consumers of juice - socio-demographic profile

	Consumers of juice	Total for the sample
	22	
Sex		
Male	37	49
Female	63	51
Age by groups (years)		

15-25	29	13
26-35	22	17
36-45	25	20
46-55	15	19
56-65	5	17
65+	4	14
Education		
Higher/University	39	21
Secondary	54	52
Primary and lower	7	27
Ethnos		
Bulgarian	95	90
Turkish	3	7
Roma	0	1
Other	2	2
Monthly household income		
Up to \$50	3	15
\$51-\$100	20	27
\$101-\$200	42	38
\$201-\$350	26	17
More than \$350	9	4
Type of residence		
Village	21	34
Small town	18	19
Regional center	44	33
Capital	17	14

PRICES

The prices of natural juices over the last few years remained relatively stable. The slight increase of the U.S. dollar value in 2001 pushed fruit juices' prices over the previous year. As an example, the price of Tetra Pack fruit juices in 2001 was 2.3 percent higher than the price in 2000. The overall exchange rate of the Bulgarian currency/leva has been stable since 1997 due to country's agreement with the International Monetary Fund for a fixed rate between the local lev and the Euro.

Table 8: Average monthly retail prices of Fruit Juices (2000 - 2001)

Average monthly retail prices of Fruit Juices (2000 - 2001) in Bleva per liter		
Month	2000	2001
January	0.84	0.83
February	0.81	0.82
March	0.79	0.81
April	0.78	0.8
May	0.76	0.79
June	0.82	0.77
July	0.82	0.78
August	0.79	0.82
September	0.77	0.83
October	0.76	0.82
November	0.76	0.81
December	0.79	0.81
Average per year	0.79	0.81
Source: National Statistical Institute		

SUPPLY

As of 2002, the soft drink industry in Bulgaria has grown and is in dynamic development. This industry currently provides about one million jobs including related activities (ASDM data) and private investment for the last 7-8 years reached \$230 million. Local manufacturers were active not only in market development and investment but also in negotiations with the Bulgarian Government regarding processing and marketing regulations. The Association of Soft Drink Manufacturers in Bulgaria (established in 1995) was very active as a member of the European Soft Drink Companies (union) and UNESDA-CISDA. As of today, the Bulgarian market offers about 500 types of various soft drinks including carbonated drinks, instant drinks, mineral

water and natural juices.

The competition among local juice manufacturers over the last few years led to a significant improvement in the quality of juices, packaging, and more juice variety on the local market.

The leading Bulgarian fruit and vegetable juice brands are: BBB and BEST of "Lines" Holding Company, QUEENS of "Litex Juice", GANCHEV of "Ganchev" Company. The FLORINA brand is produced locally under the license of "Florina", Greece. Other smaller local manufacturers include PHILJUICE produced by Philicon/Plovdiv, PAPI/Sliven, etc. Locally manufactured juices are produced mainly from imported concentrates or puree.

Among foreign imported brands (about 20), the most significant market belongs to Austrian PFANNER brand which has a representative office in Bulgaria. In addition to those major brands, there are other imported brands such as PACIFIC (Hungary), TOPJOY (Hungary), GRANINI (Austria), PARMALAT (Romania), RAUCH (Hungary) etc.

At present, packaging of local fruit and vegetable juices is on par with their imported equivalents in terms of type of material used, functionality and convenience. Customers prefer mainly one-liter hard paper Tetra Pack packages with an easy opening facility. The BBB and Florina brands are the major local suppliers to offer 200 ml packages. "Ganchev" juices and nectars are offered in 2 liter packages. There are about 5-10 small/medium sized manufacturers of natural fruit and vegetable juices who rely on packaging which is different than the most widely used one liter. They usually offer their product in smaller glass bottles or plastic packages for individual use of 0.200; 0.250; 0.330 and up to 0.5 liters. This type of product is the most popular in food service outlets. The same strategy is used for the CAPPY brand which targets the same market niche (food service sector).

Local juice producers offer a wide range of juices. The largest distinction in the category of non-carbonated soft drinks can be seen in the fruit and nectar segment. Apart from the most common and most frequently used orange, apricot, peach and multivitamin varieties offered by local suppliers and importers, there are other juice/nectar items that are not of such high demand but are necessary to maintain the full variety of the product, such as banana, grapes, sour cherry, etc. Apricot and peach are the varieties that enjoy the highest popularity among consumers. According to the ASDM in Bulgaria, apricot and peach have the largest share of consumption after orange juice, and, if combined, they both hold a total of 38 percent of total consumer demand.

Most recently, the development of local fruit production such as apricots, peaches, plums, raspberry, blueberry, and blackberry, stimulated manufacturing of juices. If commercial development of fruit production continues at the same rate, it will lead to a decline in imports of raw materials, perhaps after 2007. However, in the short term up to 3 years, growth for juice processing from the above fruits is not foreseen to the strong competition from imports. Other locally grown, typical fruits such as apples, pears, cherry, sour cherry, etc. face significant difficulties (higher investment, changes in varieties, lack of commercial orchards and cold

storage infrastructure) and their efficient commercial production is likely to take at least 5 years or more.

There are no reliable official data about processed local fruits and vegetables for juices. According to the Ministry of Agriculture's statistical department, in 2001, production of fruit juices and frozen fruits accounted for 19 percent of total (38,000 MT) processed fruits or only 7,200 MT. It is estimated that the share of fruits for juices only in this production was about 3,500 MT. Roughly 90 percent of all locally processed for juices fruits were peaches, apricots, apples, cherries, plums; and about 10 percent were various berries.

Regarding vegetable juices manufactured from locally grown vegetables, the MinAg shows 2001 production of 47,000 MT which is 29 percent of total processed vegetables (159,000 MT). The most used vegetables for juices were tomatoes and carrots.

Market Share of Fruit Juices by type of fruit	
Orange	28%
Apricot	21%
Peach	17%
Multivitamin	14%
Pineapple	8%
Apple	6%
Forest fruits (wild berries)	4%
Other	2%
Source: Association of Soft Drink Manufacturers in Bulgaria	

Juices on the market can be divided into two groups – single fruit and blends. Single fruit juices have been on the market longer:

orange (BBB, QUEENS, Florina, PFANNER),
apple (BBB, QUEENS, Florina),
pineapple (BBB, QUEENS, Florina),
sour cherry (QUEENS),
strawberry (QUEENS),
kiwi (QUEENS).

Lately, so-called blends have gained strong popularity, along with vitamin enriched juices. For example, the latest range of varieties of BBB – LINES Holding, consists predominantly of blends.

The well received blends include:

forest fruit blends (BEST, Florina),
tropical fruit blends – multivitamin (BBB, QUEENS, Florina, PFANNER),

orange and carrot, vitamins enriched blends (PFANNER),
a blend vitamin enriched tangerine, lemon and carrot (BBB),
apple and raspberry blend (BBB),
red and black currant (BBB), etc.

TRADE

IMPORTS

Since 1997, there has been stabilization in imports and exports of juices.

Reasons for this trend include steady local production and increased competition in the Bulgarian market.

Raw materials (usually frozen concentrates) and ready-for-direct consumption juices are imported under HS#2009. For the period 1999-2002, these imports were between 7,700 MT to 8,400 MT or \$4.7 million to \$6.0 million. The leading suppliers for this period were Austria, Israel and the Netherlands. Hungary became a key player and is now the third largest supplier of concentrates.

The United States is also exporting small amounts to Bulgaria. Total U.S. exports varied from \$27,000 to \$85,000, mainly in a form of juice concentrates. According to Bulgarian Customs data for the period January-October 2002, U.S. exports of juice concentrates were 36 MT or \$60,000; the average import price was \$1,625/MT. It is interesting to note that the average import price of U.S. exports to Bulgaria has gradually declined since 1999. For example, in 1999, the average import price was \$6,155/MT; in 2000 it as \$3,657/MT; and in 2001 the average price was \$1,749/MT. Reportedly, this trend is related to some under invoicing by importers in an effort to avoid payment of taxes. For this reason, actual U.S. exports to Bulgaria can be estimated at a higher value than recorded by Customs. The same is true for other juice imports, thus, total Bulgarian juice imports also can be estimated at roughly 30 percent higher than the official figures in value.

In 2002 (January-October), Bulgarian Customs show that U.S. juice exports to Bulgaria were as follows:

HS#2009 11 190 frozen orange juice, Brix more than 1.3: 24 MT at \$38,000;

HS#2009 11 990 frozen orange juice, Brix less than 1.3: 9 MT at \$15,000;

HS#2009 31 510 lemon juice: 2 MT at \$1,000;

HS#2009 80 990 other juices without sugar, Brix less than 1.33: 2 MT at \$3,000

Total: 36 MT at \$60,000

According to the 2000 Statistical Reference Book, imports of fruit and vegetable juices were as follows:

Table 9: Import and Export of Juices

Import and Export of Juices in 1996-2001 in million liters		
Year	Imports	Exports
1996	4.2	9.5
1997	4.3	13.7
1998	5.5	8.8
1999	7.7	3.9
2000	8.4	3.1
2001	8.2	3.2
2002 (January-October)	7.2	NA
Source: Bulgarian Customs data		

The statistical data show that the most frequently imported juice concentrates and frozen juice are orange, grapefruit and pineapple.

The leader is orange concentrate/frozen juice, with import figures usually above \$1.0 million. There are several countries that actively export orange concentrates/frozen juice to Bulgaria: Greece, Holland, Brazil and Austria. The leaders in this group are Holland and Austria.

Grapefruit juice imports follow orange juice in value and annual shipments are less than \$1.0 million (1999-2002). The largest suppliers to Bulgaria in 2002 were: Austria, Holland, South Africa and Thailand.

Pineapple juice imports are valued between \$150,000 and \$300,000 and come usually from Holland, Austria and Thailand.

Table 10. Imports of Juices in 1999-2002

Imports of juices and juice concentrates under HS#2009 for the period 1999-2002* in MT				
	1999	2000	2001	2002
Austria	2,218	2,477	2,46	2,028
Israel	2,045	1,648	2,09	1,255
Brazil	623	172	129	82
Greece	600	695	248	617
Italy	546	568	518	436
Hungary	434	614	581	964
Germany	342	343	261	101
Holland	232	1,09	1,143	727
Romania	188	213	65	292
Thailand	100	64	NA	46
USA	10	8	49	36
Total, MT	7,713	8,371	8,2	7,251
Total \$USD	5900000	5175000	4747000	5200000
Note: The 2002 imports are for January-October period				

U.S. Export Opportunities

The United States has very good export opportunities given the stable development of the local juice manufacturing industry. Most raw materials are imported. Due to relatively limited consumer purchasing power, U.S. exports have better prospects for juice concentrates for further manufacturing into a ready product; and less potential in ready-for-direct consumption packages. Orange juice, lemon and tropical juices are considered the most competitive in terms of persistent quality and affordable prices. Due to the steadily growing supermarket and food service sectors, niche market opportunities exist for direct consumption, individually packaged, more expensive, branded products.

Exports

According to unofficial data, the largest share of locally produced juice for export in 2001 was apple juice (total \$711,000). Most exports went to Austria (\$420,000) followed by Germany (\$207,000) and the Czech Republic (\$45,000).

Bulgaria is also “back (re) exporting” fruit juices (i.e. exports of locally manufactured juices made of imported concentrates). Orange juice is the item that is most often subject to re-export. The most active Bulgarian producer in that segment for 2001 was LITEX JUICE followed by FLORINA and PAPI. The re-export of orange juice was done mostly with neighboring Balkan countries:

Greece – \$800,000;

Macedonia – \$135,000;

Yugoslavia – \$77,000; and Albania; Turkey.

They are followed by some ex-Soviet republics, Armenia– \$34,000; Moldova – \$23,000; Azerbaijan; Georgia, complemented by small quantities for Germany, Vietnam, Lebanon and India.

In general, re-export of juices is not profitable due to the need to import raw materials. On the other hand, exports of juices manufactured from locally grown fruits and vegetables despite being more profitable, face various difficulties. Major obstacles include strong international competition, inability of local exporters to provide higher range of competitive products; challenges in meeting quality standards for developed markets; inefficiencies related to the lack of well established commercial fruit and vegetable production in Bulgaria.

DISTRIBUTION

Importers and local producers of fruit and vegetable juices have both their own direct distribution channels, as well as arrangements with other food and beverage distribution agents.

Large stores and chains in Bulgaria, such as Metro, Billa, Ramstore and Fantastico, negotiate directly with local suppliers and importers for direct purchase without trading intermediaries. About 25 percent of total juices is distributed through franchise chains and supermarkets.

In most cases, local groceries, schools and street vendors supply themselves with fruit and vegetable juices from the wholesale markets. They hold about 30 percent of the sales of natural juices.

Restaurants, fast food chains, cafeterias, cafes and night bars comprise the other substantial outlet for natural juices. This sector has around 45 percent of the domestic natural juice sales.