

IMPORTS

Korean strawberries carve niche

The strawberry market has been growing at a healthy clip in Malaysia, and driving that expansion is Korea

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Korean strawberries have been one of the major success stories in Malaysia's fruit import market in recent times.

A relative newcomer to the Malaysian market, they have quickly become a hit with wholesalers, retailers and consumers alike, helping to expand the overall strawberry category in the process, according to Andre Loo of importer Euro-Atlantic. "Our company has been one of the pioneers in bringing in a range of Korean fruits and helping to establish them at retail and wholesale levels – these mid-to upper-range products fit perfectly with our focus on premium produce," Mr Loo says. "Two years ago, we started importing Korean strawberries and now the whole market is going for them."

While grapes, mushrooms and persimmons also feature in the Korean offering for Malaysia, strawberries have been the standout success, and Mr Loo attributes this to a few factors.

"Their eating quality is very good and they have a nice even shape and size," he says. "Their prices are similar to the US strawberries, though slightly more

expensive, but the market can accept this."

Korea's strawberry supplies begin in early November and last through late April. "By February/March, there's a good volume so the price gets quite low," says Mr Loo. "We're currently buying 4kg cartons of 16 250g punnets for US\$27-28 per carton."

With their combination of strong quality and pricing, Korean strawberries have unsurprisingly impacted on other suppliers, especially Egypt. "They've definitely taken market share away from Egypt," says Mr Loo. "Egyptian strawberries have good size and shape and they're a fair bit cheaper, but people are prepared to pay a 20-25 per cent premium for the eating quality of Korean fruit."

The switch to Korean strawberries is now perceptible at both retail and wholesale levels, Mr Loo says. "We've seen more of a gradual change with the wholesalers; this time last year they were all selling Egyptian strawberries, but not so much this year," he says. "On the retail front, we've had a lot of success with Jusco these past three years. Even though Egypt is 20 per cent cheaper on the shelves, they've committed to promoting Korea."

Indeed, promotional activities have also been key to Korea's success, with



Eating quality has driven Korean sales

the Korean government providing strong backing on this front.

And while Korea has eaten into Egypt's market share, Mr Loo is keen to emphasise its role in growing the overall strawberry category. "Strawberries have seen a tremendous growth in Malaysia, and the expansion of Korean imports has helped to increase overall sales," he says. "Based on our volumes and what we see in the marketplace, I'd say the strawberry market's growing at a rate of 20 per cent."

Euro-Atlantic upgrade boosts hospitality business

Malaysian importer Euro-Atlantic recently completed the expansion of its warehouse operation in Kuala Lumpur in a move that fulfils requirements for HACCP certification.

"We needed to upgrade our loading dock so that the loading process was completely enclosed," explains the company's Andre Loo. "Now, all our packing and loading is conducted in a temperature-controlled environment."

The company secured HACCP certification on its facility last November after more than four months of preparations, and Mr Loo is confident the seal will deliver multiple benefits to its business.

"There are advantages for the whole market," he says. "This system brings us up to a whole new level in terms of the workplace environment, maintaining



Euro-Atlantic's HACCP-certified warehouse

the shelf life and quality of our produce and ensuring traceability. This not only puts us in a strong position with the supermarket chains, it gives us a particular advantage with supplying the hospitality sector here."

HACCP certification is becoming a key standard among Malaysia's leading high-end hotel chains, which now want

their suppliers to gain compliance too, according to Mr Loo.

"More than a dozen of the high-end hotels here already have HACCP certification, and a few more are following suit; they need this certification to reach five-star status," he says. "Chain restaurants are also moving in the same direction. For instance, the new food mall operators at Pavilion in KLCC are required to be HACCP-certified and to find HACCP-certified suppliers, so this is definitely a trend."

By thus keeping in step with the requirements of major hospitality customers, Euro-Atlantic is also staying a step or two ahead of its competitors, Mr Loo believes. "We're among the first fresh produce companies to get HACCP certification on the supplier side," he says. "Those that don't acquire this standard will struggle to compete."