

Russia: X5 Retail Group to import 100% of its fruit & veg directly

The X5 Retail Group ("Pyaterochka", "Crossroads" and "Carousel"), primarily owned by Russian billionaire Mikhail Fridman, aims to be able to import 100% of its fruits and vegetables, without intermediaries, by 2019. At the moment, the retailer directly buys from abroad about 20% of its fresh produce.

In order to make it possible for the retailer to import everything directly, the firm will set up contracts with foreign producers, which will allow it to know what the exact price of the products will be, while managing the shipment and delivery terms, which is impossible when working with distributors, reported X5 in a statement.

To do this, the X5 will open two warehouses in rented space, which will be supplied solely by products from abroad until the end of 2016. This arrangement also reduces the duration of travel of fruit and vegetables from abroad by three days. This year, the company will start to operate warehouses in St. Petersburg and Novorossiysk, totalling 6 thousand square metres each, and in 2017 another one will come into operation in the Central Federal District.

At the moment, the company already has more than 100 contracts with foreign producers; a figure it plans to double within the next two years. The retailer is collaborating with suppliers of the EAEC and CIS countries, as well as from Georgia, Syria, Iran, Morocco, Serbia, Macedonia, Moldova, Egypt, Israel, China, India, South Africa, New Zealand, Mexico, Ecuador, Colombia, Argentina and Chile.

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