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FRuiTROP

English edition

Close-up

Banana prices in 2015

Hall 25 – C8

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Denis Loeillet

Publisher
Cirad
TA B-26/PS4
34398 Montpellier cedex 5, France
Tel: 33 (0) 4 67 61 71 41
Fax: 33 (0) 4 67 61 59 28
Email: info@fruitrop.com
www.fruitrop.com

Publishing Director
Hubert de Bon

Editors-in-chief
Denis Loeillet and Eric Imbert

Editor
Catherine Sanchez

Computer graphics
Martine Duportal

Iconography
Régis Domergue

Website
Actimage

Advertising Manager
Eric Imbert

Subscriptions
www.fruitrop.com

Translators
James Brownlee, Simon Barnard

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Contents

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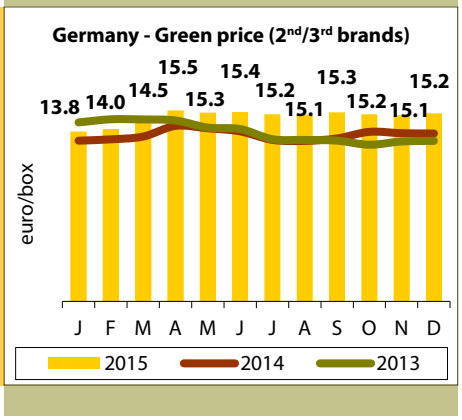
Banana

November/December 2015

The European markets gradually recovered a better balance at the end of the year. However, the supply levels remained high. Already heavy in November, the African supply continued to rise, reaching levels never recorded for a December (31 % above average). To a lesser extent, incoming FWI shipments were also on the increase, and still above average for the season. The dollar banana supply was particularly abundant. Although stable, Ecuadorian volumes maintained high levels. Incoming Colombian shipments were distinctly above average for the season, given their return to production. However, the pressure registered in November gradually dissipated in December with the arrival of cooler temperatures, whereby sales finally became more fluid. The dollar banana pressure eased off, and spot supply availability was low. In this context, West European stocks, already limited because of numerous clearances onto the East European markets, were cleared. Only certain Mediterranean markets remained saturated. Prices fell to levels below average for the season, especially in Italy and Eastern Europe. However, rates strengthened to return to average levels at the end of the year. Conversely, Spain maintained a good balance thanks to very lively demand for the Canaries platano. Hence prices were high, though they did run out of steam somewhat from mid-December.

NORTHERN EUROPE — IMPORT PRICE

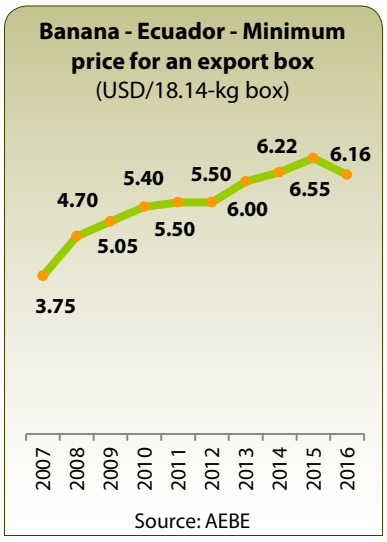
December 2015 euro/box	Comparison	
	previous month	average for last 2 years
15.24	+ 1 %	+ 15 %




© Régis Domergue

■ **Ecuadorian banana: fall in minimum price to boost competitiveness.** The minimum price payable to Ecuadorian producers for an export box of bananas will see a considerable fall in 2016, after rising steadily for more than a decade. The Ecuadorian Government was receptive to the arguments of the export sector, which lamented the decline in Ecuador's competitiveness, especially in Europe where the country is no longer entitled to preferential Customs duty. The Ecuadorian banana will be taxed at a rate of 127 euros/t into Europe from January 1 2016, as opposed to 103 euros/t for member countries of the agreement with the EU-28, until the signature of a new treaty between Quito and Brussels, which will bring down the Customs duty to 104 euros/t (probably in the 1st half of 2016). The fall in minimum price is accompanied by a raft of measures aimed at supporting small producers, whose revenue is directly affected by this decision, since the country's economy is dollarized. At least 15 % of export bananas will need to come from small producers, who will receive Government support to set up collection hubs for their production.

Sources: AEBE, Reefer Trends



■ **Chiquita: the reality principle...** The US multinational has decided to expand its supply to Europe by launching a new banana dubbed "Hola banana", aimed at increasing its market share on the most competitive segments: mid-range in the supermarket sector, and commercial or institutional catering. The fruit is sourced from Panama and Costa Rica, on "Rainforest Alliance" certified plantations. Launched in early January in the Netherlands, "Hola banana" should rapidly be available on all the European markets. This minor revolution speaks volumes about the fierce competition prevailing on the banana market...

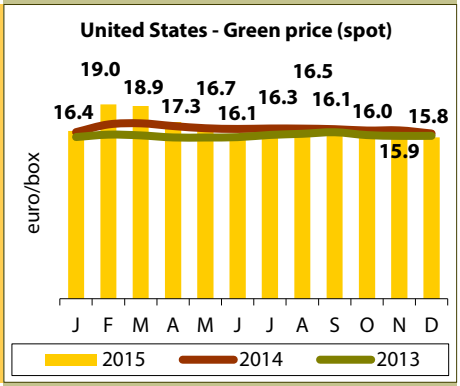
Source: Freshplaza

EUROPE - RETAIL PRICE

Country	December 2015		Comparison	
	type	euro/kg	November 2015	average for last 3 years
France	normal	1.66	+ 4 %	+ 5 %
	special offer	1.43	+ 9 %	+ 4 %
Germany	normal	1.37	0 %	+ 5 %
	discount	1.25	0 %	+ 7 %
UK (£/kg)	packed	1.04	- 3 %	- 11 %
	loose	0.72	0 %	- 1 %
Spain	platano	2.20	+ 1 %	+ 5 %
	banano	1.29	0 %	- 2 %

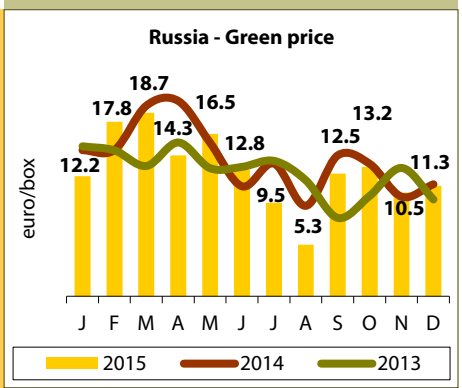
Banana

UNITED STATES



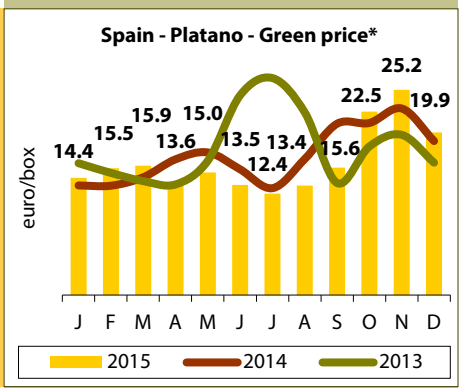
UNITED STATES - IMPORT PRICE		
December 2015 USD/box	Comparison	
	previous month	average for last 2 years
15.78	- 1 %	- 2 %

RUSSIA



RUSSIA - IMPORT PRICE		
December 2015 USD/box	Comparison	
	previous month	average for last 2 years
11.25	+ 7 %	+ 6 %

CANARIES



CANARIES - IMPORT PRICE*		
December 2015 euro/box	Comparison	
	previous month	average for last 2 years
19.95	- 21 %	+ 14 %

* 18.5-kg box equivalent

■ **Banana demand upturn in November 2015.** This month saw banana consumption in the EU-28 get moving again. After a very disappointing September and October, November re-established very high growth rates: + 7 %. Over the first 11 months of the year, consumption amounted to nearly 5.4 million tonnes, i.e. 3 % more than in 2014. December seems to have been abundantly supplied, according to our estimates. Thus we might imagine that consumption will reach just over 5.8 million tonnes for 2015. From the low point in 2012, with equivalent scope, European consumers have consumed between 600 000 and 650 000 t more in three years. What industry could claim more success? It was imports which drove the upward trend in November, as they had since the beginning of the year, with dollar bananas climbing by nearly 4 %. Colombia had been the trend setter for nearly the past half-year. Ecuador is in the opposite situation. ACP bananas exhibited a highly contrasting trajectory. The Africa zone rose by nearly 3 %, whereas the Caribbean and Latin America zone dropped by just under 5 %. Belize and the Dominican Republic had been dragging down the trend heavily for months. In Africa, Cameroon and Côte d'Ivoire enjoyed a particularly fine performance in November. As for European production, Martinique recorded a really fine performance, as did the Canaries, while Guadeloupe was off the pace.

The United States got off to a less vigorous, though still noticeable, restart. The supply surplus over 11 months amounted to 53 000 t, i.e. just 1 % better than in 2014. Only imports from Costa Rica and Colombia fell. All the other sources rose, with Guatemala and Ecuador in particular well above the trend.

Source: CIRAD

Banana - January to November 2015 (provisional)				
000 tonnes	2013	2014	2015	2015/2014 difference
EU-27 — Supply	**4 927**	**5 181**	**5 342**	**+ 3 %**
Total imports, of which	4 403	4 617	4 767	+ 3 %
MFN	3 435	3 647	3 783	+ 4 %
ACP Africa	500	511	525	+ 3 %
ACP others	468	482	460	- 5 %
Total EU, of which	524	564	574	+ 2 %
Martinique	146	174	182	+ 5 %
Guadeloupe	65	67	58	- 13 %
Canaries	300	305	316	+ 4 %
USA — Imports	**4 181**	**4 191**	**4 247**	**+ 1 %**
Re-exports	492	504	507	0 %
Net supply	3 689	3 687	3 740	+ 1 %

EU sources: CIRAD, EUROSTAT (excl. EU domestic production) / USA source: US Customs

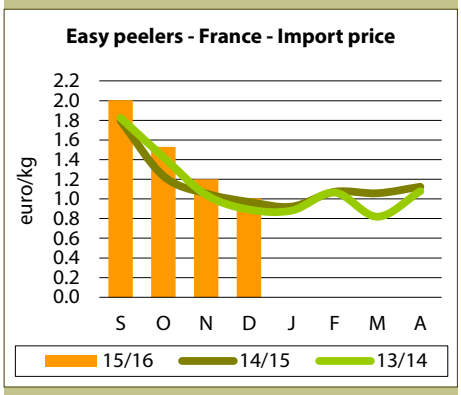
EUROPE - IMPORTED VOLUMES - DECEMBER 2015			
Source	Comparison		
	November 2015	December 2014	2015 cumulative total compared to 2014
French West Indies	↗	- 2 %	- 2 %
Cameroon/Ghana/Côte d'Ivoire	↗	+ 15 %	+ 1 %
Surinam	↗	- 22 %	- 19 %
Canaries	↗	+ 5 %	+ 2 %
Dollar :			
Ecuador	↗	+ 7 %	+ 7 %
Colombia*	=↗	+ 10 %	+ 12 %
Costa Rica	=↘	+ 21 %	+ 8 %

Estimate made thanks to professional sources / * total for all destinations

Easy peelers

November/December 2015

While the supply remained in shortfall, sales still proved sluggish in November (high retail prices, mild temperatures and coloration problems). However, the fall in temperatures in December and the start of the Christmas promotions helped revitalise the market. Meanwhile, the overall supply continued to progress. Spanish Nules reached their peak, though at short levels (leaner production, and sorting waste), which were partially offset by the steep progress by Clemenvilla and the Moroccan Berkane. Only the Corsican clementine waned, coming to the end of its campaign in week 53. Given the supply diversification, prices continued to drop, following the seasonal trend. Although still high, they returned to levels closer to the average.



PRICE	Type	Average monthly price euro/kg	Comparison with average for last 2 years
	Clementine	1.06	+ 11 %
	Hybrids	0.91	- 1 %

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Clementine	↗	- 15 %
	Hybrids	↗	+ 18 %


© Eric Imbert

■ **End-of-season easy peelers: no breaker in 2015-16.** The end-of-season easy peelers supply should see only a relatively slight rise, despite the many new plantations set up in the Mediterranean in recent seasons. Some of these orchards have not yet entered production, whereas the weather has proven unfavourable in certain countries. Israeli Or exports should be around 65 000 to 70 000 t, a similar level to last season (better external appearance of fruit, thanks to the general spread of cultivation under protective nets). Similarly, Spanish Nadorcott availability should be equivalent to 2014-15, at approximately 130 000 to 140 000 t. Only Morocco should have significantly higher Nadorcott volumes than last season, for the first time reaching 120 000 t (+ 20 %).

Sources: Fruit Board, Reefer Trends, CVA

■ **Greening hitting increasingly hard in China.** Asian Citrus, China's number one citrus producer, announced the closure of its main plantation, situated in Xinfeng (Jiangxi province). Greening, which has spread very rapidly in recent years, now affecting 60 % of trees, is preventing orange production under economically acceptable conditions. This news confirms the enormous proportions attained by the disease, which now seems uncontrollable not only in Jiangxi (Ganzhou region in particular), but also in Guangdong. These two provinces pack in nearly 25 % of the Chinese cultivation area. The USDA already announced in its annual brochure an unprecedented fall in the country's orange production, after years of uninterrupted growth.

Sources : Reefer Trends, USDA

■ **Easy peeler variety of the month: Israeli Or.** 'Or' is a hybrid of 'Temple' and 'Dancy' and was bred by the Volcani Center in Israel. It is a medium-sized fruit recognisable by fairly marked grooves running from the base of the peduncle and the occasional presence of a small fruit embryo. The skin is fairly pale orange, of medium thickness and is easily removed. The segments are soft and juicy with few pips. The flavour is very pleasant thanks to a good sugar:acid balance.


© Régis Domergue

Source: CIRAD

VOLUMES	Varieties by source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	Spanish Clementine	↗	- 10 %	Rise in the Nules supply, though levels still in shortfall (low production and sorting waste).	- 11 %
	Corsican Clementine	↘	- 51 %	Fall in supply and early end (week 53) for the Corsican clementine.	- 23 %
	Moroccan Clementine	↗	+ 53 %	Big rise in the Berkane supply, with bigger volumes than in previous years.	+ 76 %
	Spanish Clemenvilla	↗	+ 18 %	Progress made by Clemenvilla, partially offsetting the shortfall from Nules.	+ 17 %

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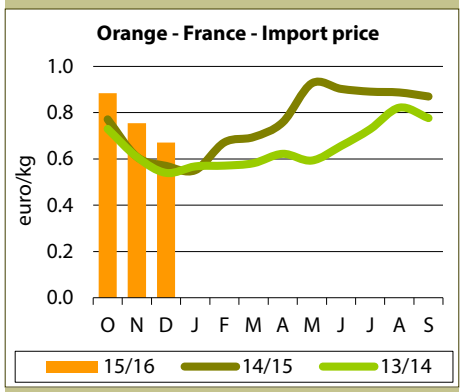
Orange

November/December 2015

In November, the supply remained moderate, in step with diffident demand (mild temperatures for the season). However, the arrival of the cold in December, as well as the shortage of easy peelers, which were registering high prices, invigorated the orange market. The Spanish Naveline supply started to rise significantly, back to a level closer to normal (+ 2 %) in December. On the juice orange side, Salustiana came onto the market in November, and progressed rapidly, with the segment vacant due to the absence of South African Valencia Late stocks. Volumes registered a particularly high peak in December. Prices followed their seasonal fall, though they maintained above-average levels (+ 20 %) on both market segments.



PRICE

Type	Average monthly price euro/15-kg box	Comparison with average for last 2 years
Dessert orange	10.07	+ 21 %
Juice orange	11.00	+ 24 %

VOLUMES

Type	Comparison	
	previous month	average for last 2 years
Dessert orange	↗	+ 2 %
Juice orange	↗	+ 67 %

■ Progress made toward greening resistant trees, but…

Researchers from University of Florida have developed orange tree varieties demonstrating increased resistance to greening and mitigating the severity of symptoms of the disease. These cultivars also have the benefit of being resistant to black spot and citrus canker. Yet unfortunately, it is too soon to cry victory. On the one hand, it will still be years before these trees are made available to producers. On the other hand, how will consumers receive fruits from these orchards, in the knowledge that their resistance was achieved by introducing a foreign gene (specifically from a Brassica family) into the hereditary makeup of the orange trees?

Source: Reefer Trends


© Eric Imbert


© Carolina Dawson

■ Floridian citruses: even worse than initially predicted.

The Florida Commissioner of Agriculture described the decline of the citrus harvest in his State as "a free fall". The new revised orange production forecast released in December is reckoning on just 69 million field crates in 2015-16, i.e. down by 29 % from last season and 43 % below the four-year average. Fruit droppage has reached levels never hitherto recorded, a symptom of the weakened state of the trees affected by greening. The fall is less marked, though still significant, for the grapefruit (11.5 million field crates expected, i.e. - 11 % from 2015-16 and 30 % below average).

Source: FDOC

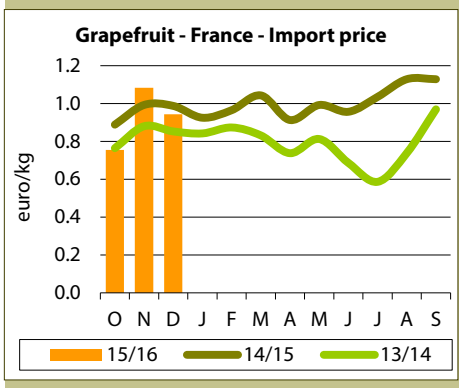
VOLUMES

Varieties by source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
	previous month	average for last 2 years		
Spanish Naveline	↗	+ 2 %	Peak of incoming Naveline shipments, with volumes returning to average for the season after starting the season in shortfall.	+ 10 %
Spanish Salustiana	↗	+ 67 %	Great progress by the Salustiana supply, with above-average levels.	+ 88 %

Grapefruit

November/December 2015

Demand, traditionally slow at this time of year, was extremely weak. The Floridian season, after a late start, made progress in November though the supply remained short (lean production, small sizes and high cost prices). Because of the slow pace of sales, stocks formed rapidly, and the operators scaled down their freight in December. Despite these falls in incoming shipments (- 35 %), rates continued to decline, reaching a near-cost price level. Hence, the Mediterranean sources, which enjoy an under-supplied market at the beginning of the season, managed to maintain more lines than last year, despite the arrival of Florida. Nonetheless, in spite of the fall in incoming shipments in December, flat sales led to stocks forming and to prices falling back to last year's levels.

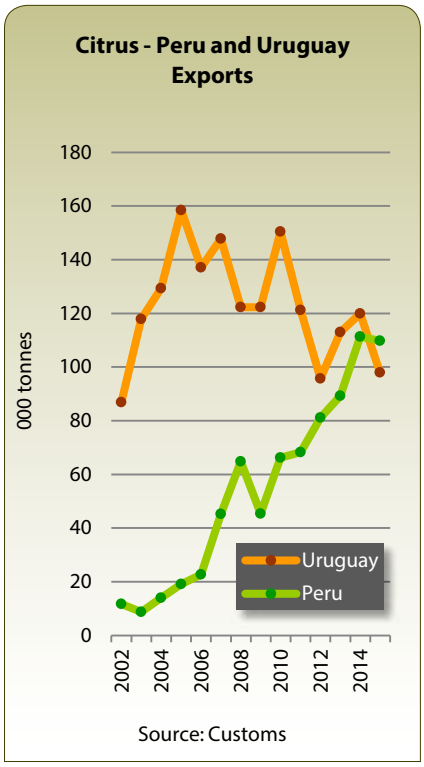


PRICE	Type	Average monthly price euro/17-kg box equivalent	Comparison with average for last 2 years
	Tropical	20.92	+ 14 %
	Mediterranean	9.52	0 %

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Tropical	↘	- 35 %
	Mediterranean	↘	+ 12 %

■ 2015 citrus export season: a lukewarm performance from Peru and Uruguay. Peruvian exports stagnated at just over 110 000 t in 2015, after more than a decade of near-constant growth. The lack of appeal from the euro on the European market, the main outlet for Peruvian production, explains this unprecedented break in the trend. Uruguay's under-performance was even more noteworthy. With just under 100 000 t, exports attained one of their lowest levels for the past fifteen years. This can be attributed to relatively abundant but fragile production, after an excessively rainy spring, and to the South African competition, especially for the orange on the Russian market.

Source: Reefer Trends



■ Floridian citruses: quality standard revised downward for oranges and tangelos, though not for grapefruits. The abnormally high temperatures recorded since the beginning of the season have reduced the acidity of Floridian citruses to a below-normal level. At the request of the professionals, the Florida Citrus Commission agreed to suspend the measure prohibiting the sale on the fresh market of oranges and tangelos with an acidity level of less than 0.4 %. Conversely, the regulation remains in force for the grapefruit.

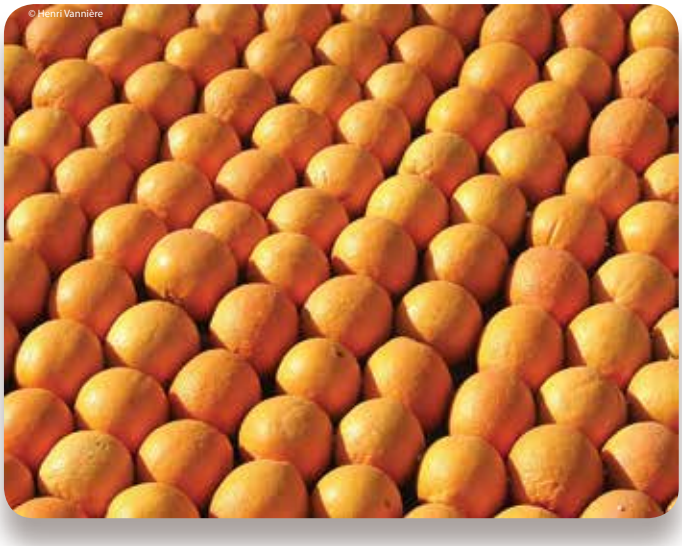
Source: The Packer

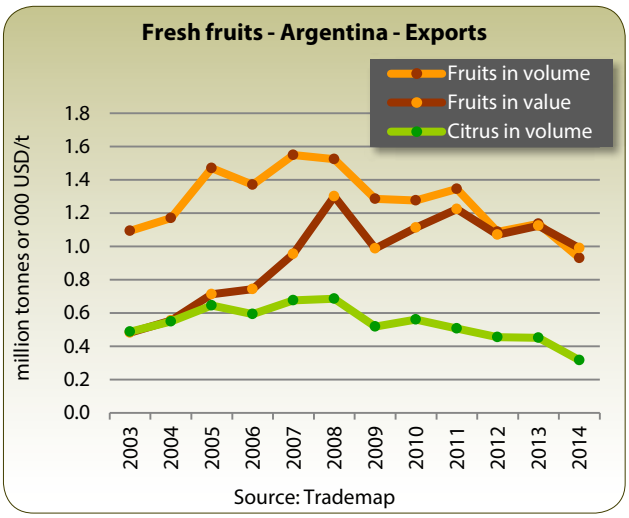
VOLUMES	Source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	Florida	↘	- 35 %	Rise in supply in November, followed by a pronounced fall in imports in December. Volumes very short (production on the wane, small sizes, high cost prices, market unpromising).	- 19 %
	Israel	↘	+ 0 %	A rapid start to the season followed by a fall in supply, with levels returning to average.	+ 9 %
	Turkey	↘	- 5 %	Fall in imports from early December.	+ 4 %
	Mexico	↘	-	Some stocks of extreme sizes available until early November.	-

Citrus

■ **Brazilian orange: lean harvest confirmed, despite the forecast being revised upward.** According to the estimate by Fundecitrus, Brazilian production should amount to approximately 286 million boxes in 2015-16, marginally up by 3 % from the 278 million initially predicted. Despite this slight climb, the harvest is still 8 % less than in 2014-15, and 17 % below the three-year average. Production could remain limited in 2016-17 since a good part of the abundant August/September flowering was lost due to a heatwave in mid-October, with the wet weather since then limiting the hydric stress and therefore the number of flowers produced. The assumption of a drastic fall in stocks (see FruiTrop no.237) should therefore be confirmed. The physical market, after falling to 1 820 USD/tonne of 65°B concentrate into Rotterdam in early October, climbed back up by 50 USD in mid-December.

Sources: Foodnews, Fundecitrus





■ **Economic measures favourable for an Argentinean comeback to the international market.** The decision by the new government in December 2015 to put an end to the exchange rate control, implemented in 2011 to curb currency flight, was welcomed as a breath of air by the export sector. The devaluation of the Argentinean peso, by approximately 30 % against the dollar, should help restore some of its competitiveness and boost investments. The Argentinean President, Mauricio Macri, stated that he wants to implement measures to combat the danger of an upturn in inflation and a fall in local consumption. Exports of Argentinean fresh fruit collapsed by 40 % by volume and by nearly 25 % by value between 2008 and 2014 (more than 50 % in volume for citruses, which were furthermore affected by frost).

Sources: Le Monde, Foodnews, Trade Map

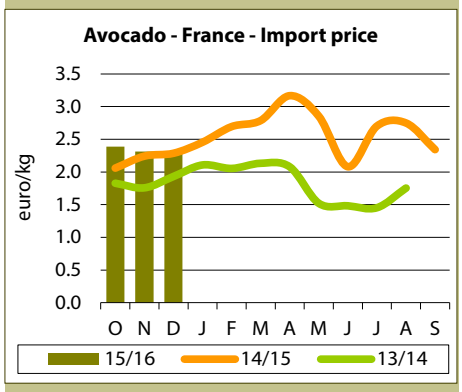
■ **South African citruses: on the verge of losing its Customs preference in the United States?** South Africa, having failed to meet the deadlines to remove the Customs barriers hindering imports of certain US meat products, could lose the Customs advantages enjoyed by African nations in the United States under the AGOA (African Growth and Opportunity Act). In this event, citruses could lose their 100% Customs duty exemption. South Africa exports to the United States approximately 50 000 t of fresh citruses, mainly originating from the Northern and Western Cape provinces. Nonetheless, negotiations remain in progress to reach an agreement before the start of next season.

Sources: The Citizens, Reefer Trends

Avocado

November/December 2015

The Hass market swelled up at the end of the year. Despite the fall in volumes from Mexico, the supply rose in November, reaching high and above all unexpected levels (75 % above average), mainly from Chile, producing a record breaking performance due to the unreceptive US market. In addition, the supply expanded in December with the first limited shipments from the Mediterranean (Spain, Morocco and Israel). Furthermore, demand remained quiet, only exhibiting signs of acceleration in the run-up to the end-of-year festivities, with the traditional promotions. Outside of the programmes, interest was limited, hence leading to stocks forming. However, despite a slight downturn in December, prices maintained above-average levels. Although on the increase, the green varieties supply remained moderate, with prices still strong.

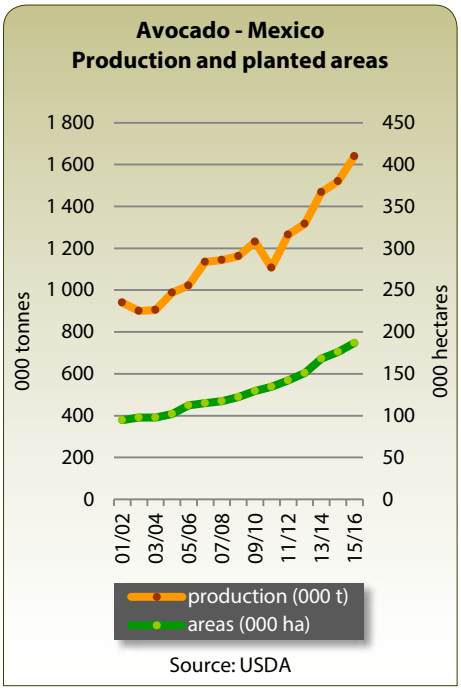


PRICE	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Green	7.50	+ 35 %
	Hass	9.30	+ 8 %

VOLUMES	Varieties	Comparison	
		previous month	average for last 2 years
	Green	=↗	+ 18 %
	Hass	↗	+ 55 %

■ **Mexican avocado: USDA confirms a record harvest for 2015-16.** Mexican avocado production should exceed 1.6 million tonnes in 2015-16, a level never hitherto recorded, and up 120 000 t from last season. And this dynamic is showing no signs of stopping! If we go by the USDA, surface areas are continuing to boom: the Michoacán cultivation area reportedly expanded by more than 7 000 ha last season, while the Jalisco cultivation area, soon to be entitled to export to the United States, expanded by more than 2 000 ha to reach 17 000 ha. So the wave of volumes which has broken onto the US market since the beginning of the season (approximately 400 000 t between early July and late December, i.e. 100 000 t more than in 2014) will be followed by other groundswells…

Sources: USDA, Hass Avocado Board



■ **Chilean avocado: cultivation area shrinkage confirmed.** The latest land registry figures from the Coquimbo and O'Higgins regions confirmed the decline in the Chilean cultivation area, which now extends over just less than 30 000 ha, i.e. down slightly more than 6 000 ha from 2011. Certain plantations situated in the frost-prone plain zones have been abandoned, while the persistent drought, raging in particular in the Valparaiso region, has led to extensive uprooting. Nonetheless, the production capacity of the country has not been cut back in similar proportions, given the development of highly productive high-density plantations.

Sources: CIREN, USDA

■ **Californian avocado: back to "average" production for 2015-16.** The United States will have no lack of avocado in 2015-16. Besides the magnitude of Mexican production, California should also have a fairly good harvest level. Going by the latest estimates, volumes should climb to approximately 160 000 t, after two lean seasons at 125 000-130 000 t. So the level is on the up, yet it remains a long way from the 210 000 to 230 000 t seen in 2011-12 and 2012-13. Volumes could progress a little later than usual, given the extent of the Mexican supply pressure (probably after the Superbowl, to be held on 7 February).

Sources: Infohass, California Avocado Commission

VOLUMES	Source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	Israel	↗	- 18 %	First peak of green varieties in week 50, followed by a gradual fall to below-average levels. Moderate progress by Hass.	- 11 %
	Chile	↗	+ 75 %	Supply maintaining its progress to keep levels well above-average.	+ 41 %
	Mexico	↗	+ 59 %	Gradual fall in November, before recovering in early December to levels well above average for the season.	+ 146 %

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Pineapple

November/December 2015

Usually, pineapple demand is fairly low in November, and this was confirmed once more this year. The increase in the Sweet supply, while demand remained flat, resulted in a fall in rates. The past two consecutive weeks of increasing volumes from Costa Rica led to stocks forming. The attacks in France, and their repercussions in Belgium, finished off demand. The situation deteriorated further at the end of the month, with the announcement of the cancellation of several sales transactions to Russia.

In early December, the pineapple market was under pressure. The quality of the large stocks formed due to November's poor sales deteriorated fairly rapidly. Despite promotions being implemented, demand remained flat. Operators were impatiently awaiting the start of the second half of December, as Costa Rica had announced a big cut-back in its supply. Nonetheless, though not large, volumes were substantial for two weeks. So the situation deteriorated a bit more, with a two-level market: on the one hand, scheduled sales in limited volumes at low but stable prices, and on the other hand, open-price sales involving stored batches and leftovers from incoming batches. The stocks at the end of the month remained large, raising fears for the worst for the beginning of 2016.

On the air-freight pineapple market, the overall supply was fairly restricted. After the late October holidays, demand struggled to get going again, throughout the first half of November. So several operators opted to limit their supply in order to maintain the balance on a market where demand was fairly lukewarm. From the last week of November and in December, the market felt the pressure from the spot checks by the DGCCRF. Although they were aimed at all sources on the market, it was above all the Beninese supply, found wanting several times, which suffered the most. This smaller supply with its moderate coloration was replaced by Cameroon, a steadier and more reliable supplier. In early December, it was the scarcity of the supply rather than the vigour of demand which helped sell off the fruits. Conversely, in the latter half-month, demand was more dynamic while the supply remained limited, due to freight availability problems in Cameroon and a lack of fruit reliability from Benin. Sales were more fluid, and were made at higher prices. The Sugarloaf supply, hard hit by the DGCCRF inspections, was also smaller. Those batches available sold well, at between 1.80 and 2.00 euros/kg depending on the quality of fruit reaching the market.

The Victoria supply, especially from Reunion, saw a steady rise from early November. More balanced, with small sizes scarcer, it sold on a stable price footing. In December, the Reunion supply, still high, continued to sell well, thanks in particular to the launch of promotions. During Christmas week, sales were particularly vigorous, and despite the large volumes received, certain operators were short of fruit, which helped rates maintain high levels until the end of the month.

■ **Costa Rican pineapple: first year of recession!** After a long run of growth years, Costa Rican pineapple export volumes should see an atypical downturn in 2015. A fall of around 10 % is expected, with 1.80 to 1.85 million tonnes sold on the international market, as opposed to nearly 2.10 million during the record year 2014. According to Canapep (Camara Nacional de Productores y Exportadores de Piña), this downturn is due to a particularly unfavourable exchange rate, both for the EU-28 and the US market. A significant proportion of the 500 smallest producers, who control approximately 3 000 to 3 500 ha of the country's 38 000 ha of plantations, have reportedly been forced to abandon the crop due to lack of profitability.

Sources: Procomer, Canapep


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EUROPE

PINEAPPLE - IMPORT PRICE IN FRANCE - MAIN SOURCES

Weeks 2015		45	46	47	48	49	50	51	52	53
Air-freight (euro/kg)										
Smooth Cayenne	Benin	1.80-1.90	1.80-1.90	1.80-1.90	1.80-2.00	1.85-1.95	1.85-1.95	1.80-1.90	1.80-1.90	1.85-1.95
	Cameroon	1.80-1.90	1.80-1.90	1.80-1.90	1.80-2.00	1.85-1.95	1.85-1.95	1.85-2.00	1.90-2.00	1.90-2.00
	Ghana	1.80-2.00	1.80-2.00	1.80-2.00	1.85-2.10	1.85-2.10	1.85-2.10	1.85-2.10	1.85-2.10	1.85-2.10
	Côte d'Ivoire	1.85-1.90	1.85-1.90	1.85-1.90	1.85-1.90	1.85-1.95	1.85-1.95	1.85-1.95	1.90-2.00	1.90-2.00
Victoria	Reunion	2.50-3.80	2.50-3.80	2.50-3.80	2.50-3.80	2.50-3.80	2.50-3.80	2.50-3.80	3.00-4.00	3.50-4.00
	Mauritius	2.90-3.20	2.90-3.30	2.90-3.30	2.90-3.50	2.80-3.50	2.20-3.50	2.20-3.50	2.90-3.60	3.00-3.60
Sea-freight (euro/box)										
Smooth Cayenne	Côte d'Ivoire	10.00-11.00	10.00-11.00	10.00-11.00	6.00-7.00	5.00-7.00	5.00-7.00	5.00-7.00	5.00-7.00	5.00-7.00
Sweet	Côte d'Ivoire	10.00-13.00	10.00-11.00	10.00-13.00	9.00-13.00	9.00-12.00	9.00-12.00	9.00-12.00	9.00-12.00	8.00-10.00
	Ghana	10.00-13.00	10.00-11.00	10.00-13.00	9.00-12.00	9.00-12.00	9.00-12.00	9.00-12.00	9.00-12.00	8.00-10.00
	Costa Rica	10.00-12.00	8.00-10.00	7.00-8.00	6.00-8.00	6.00-8.00	6.00-9.00	7.00-9.00	7.00-8.00	7.00-8.00

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Mango

November/December 2015

In November, the European mango market remained dependent on Brazilian volumes, the sole source available at this time of year after the abrupt end to the Spanish campaign. The Brazilian supply expanded gradually, though with a more restricted varietal range. Palmer exports dipped in parallel with the increase in Kent and Keitt. Volumes of Tommy Atkins also decreased, reaching their lowest level of the year. Primarily marketed in Northern Europe, Tommy Atkins sold on a footing of 5.00-5.50 euros/box. Kent and Keitt sold at high prices in the first half of the month. The steep increase in Brazilian shipments in the second half-month bit by bit drove prices downward.

This fall steeply intensified in December with the early arrival of the first Peruvian sea-freight shipments. In spite of the dip in incoming Brazilian shipments, the supply rate remained at more than 250 containers per week, a quantity well in excess of the demand level. In the second half of December, prices collapsed even further for Tommy Atkins, which sold from 2.50 euros/box. The formation of large stocks heralded a difficult start to the year for this product.

The air-freight mango market followed the same pattern with prices dropping in the second half of November given the increase in incoming Brazilian shipments, but also the rapid and early increase in volumes from Peru. This fall continued in the first half of December. The dwindling supply and invigorated demand in the run-up to the end-of-year festivities helped rates recover, more significantly for Peruvian fruit than its Brazilian counterparts.

■ **South Korean market open to Peruvian mangoes.** The sanitary protocol stipulates a hot water insecticidal treatment (one minute at 47°C). Peruvian exporters hope to be able to export 600 to 700 tonnes from next season. Peru ships out 100 000 to 125 000 t of mangoes per year, mainly to Europe and the United States. South Korea is a small market (approximately 11 000 t imported in 2014), but is growing rapidly.

Sources: Trademap, FoodNews

■ **European mango market: a supply dip in spring?** The question arises given the flying start taken by the Peruvian export campaign. Volumes shipped in week 52 amounted to just over 1 400 containers, i.e. nearly one thousand more than the previous season, though the harvest was similar to one year ago. So the campaign could run early, especially since the El Niño phenomenon, which has confirmed its severity, could have a negative impact.

Source: APEM

EUROPE

MANGO - INCOMING SHIPMENTS (estimates in tonnes)

Weeks 2015	45	46	47	48
Air-freight				
Brazil	50	60	60	60
Peru	10	70	80	80
Sea-freight				
Brazil	4 400	3 150	5 780	5 410

MANGO - IMPORT PRICE ON THE FRENCH MARKET

Weeks 2015		45	46	47	48	Average Nov. 2015	Average Nov. 2014
Air-freight (euro/kg)							
Brazil	Kent	5.00-5.50	5.00-5.50	4.00-5.00	3.50-4.50	4.35-5.10	4.00-5.00
Peru	Kent	5.50	5.00-6.00	5.00-6.00	4.00-4.50	4.85-5.50	5.00-5.65
Spain	Keitt	4.00	-	-	-	4.00	2.30-2.75
Sea-freight (euro/box)							
Brazil	Keitt	6.00-8.00	6.00-8.00	6.00-7.00	5.00-7.00	5.75-7.50	6.60-8.75
Brazil	Kent	6.00-8.00	6.00-8.00	6.00-7.00	5.00-7.00	5.75-7.50	6.60-8.75

EUROPE

MANGO - INCOMING SHIPMENTS (estimates in tonnes)

Weeks 2015	49	50	51	52	53
Air-freight					
Brazil	80	60	30	10	-
Peru	100	80	120	90	60
Sea-freight					
Brazil	5 410	5 230	3 870	2 680	2 240
Peru	110	880	1 580	2 700	3 230
Ecuador	40	20	130	130	180

MANGO - IMPORT PRICE ON THE FRENCH MARKET

Weeks 2015		49	50	51	52	53	Average Dec. 2015	Average Dec. 2014
Air-freight (euro/kg)								
Brazil	Kent	3.50-4.00	3.50-4.00	4.00-4.50	4.50-5.00	-	3.85-4.35	3.75-4.50
Peru	Kent	3.50-4.00	3.50-5.00	4.80-5.00	5.00-5.30	5.00-5.50	4.35-4.95	4.55-5.15
Sea-freight (euro/box)								
Brazil	Keitt	5.00-6.00	5.00-6.00	3.00-5.00	3.00-4.00	3.00-4.00	3.80-5.00	4.50-5.75
Brazil	Kent	5.00-6.00	5.00-6.00	3.00-5.00	3.00-4.00	3.00-4.50	3.80-5.10	4.50-6.50
Peru	Kent	6.00	5.50-6.00	4.00-5.00	4.00-5.00	4.00-6.00	4.70-5.60	-

Litchi

November/December 2015

The Southern summer was rather favourable for the flowering and fruit-setting of litchi orchards across the Indian Ocean sources: South Africa, Mauritius, Reunion, Mozambique and Madagascar, bringing expectations of abundant and relatively early production, like last season. The deterioration of the weather conditions in September and October scaled down these forecasts. Madagascar, Mauritius and South Africa kicked off the marketing period, rapidly followed by Mozambique and then Reunion. The first shipments went onto the market in week 46, i.e. one week later than in 2014. Rates gradually sagged as the supply progressed. Fresh fruit, on the stem or trussed, maintained higher overall price levels than sulphur-treated fruits, whose rates saw a steeper downturn, dipping again in the first half of December, under the effect of a substantial supply and demand on the rise though still hesitant. With the arrival of the first sea-freight litchis in week 51, incoming air-freight shipments of sulphur-treated litchis decreased, enabling prices to stabilise. Conversely, rates of untreated litchis from Mauritius and Reunion saw a distinct recovery, thanks to more dynamic demand in the run-up to the end-of-year holidays.

Madagascan sea-freight litchis enjoyed good market conditions, with falling rates favouring festive promotions of the product at attractive retail prices. Madagascan fruits, boasting good quality but irregular sizing, were widely circulated via the large European supermarket chains. The boost to demand provided by the festivities meant that the cargo of the first inbound ship was rapidly sold. The second scheduled ship into Europe docked in week 52. Its merchandise sold fairly fluidly, though less rapidly than for the first ship. In parallel, the European supply was topped up by some South African shipments. They sold at higher prices, given the distinctly smaller quantities and larger sizing. The South African produce was aimed more at the traditional distribution circuits.

■ **US borders opening up to the South African litchi.** The fruits, produced in Mpumalanga, were shipped by air-freight to Atlanta. The sanitary protocol stipulates irradiation treatment on arrival. South Africa exports between 2 000 and 4 000 t to Europe.

Source: Reefer Trends

■ **Pineapple surface area boom expected in Malaysia.** The Managing Director of the Malaysia Pineapple Industry Board unveiled a major surface area extension project, with the aim of going from the current 10 300 ha to 15 000 ha, whereby production could eventually reach 700 000 t. The bulk of volumes are at present reserved for the industrial sector. Exports, aimed mainly at Asia and the Middle East, are stable at around 20 000 t/year.

Sources: Trademap, FoodNews

EUROPE

LITCHI - INCOMING SHIPMENTS (estimates in tonnes)

Weeks 2015	45	46	47	48
Air-freight				
Madagascar	-	100	105	65
Mauritius	-	30	40	30
Reunion	-	-	5	30
South Africa	-	5	15	30
Mozambique	-	8	15	10

LITCHI - IMPORT PRICE ON THE FRENCH MARKET

Weeks 2015	45	46	47	48	Average Nov. 2015	Average Nov. 2014
Air-freight (euro/kg)						
Madagascar s	-	8.00	6.50-7.25	6.00-6.50	6.80-7.25	6.35-6.95
Madagascar stm	-	-	-	7.00-8.00	7.00-8.00	8.50-9.00
Mauritius s	-	7.50-9.50	7.00-9.00	5.50-6.00	6.65-8.15	6.00-6.50
Mauritius stm	-	11.00-13.00	8.00-12.00	6.50-8.00	8.50-11.00	7.65-10.15
Reunion stm	-	-	13.00-15.00	9.00-12.00	11.00-13.50	10.65-12.65
South Africa s	-	-	-	5.50-6.00	4.65-5.35	4.00-4.50
Mozambique s	-	-	9.00	5.50-6.00	7.25-7.50	6.15-6.65

s: sulphur treated / stm: on the stem

EUROPE

LITCHI - INCOMING SHIPMENTS (estimates in tonnes)

Weeks 2015	49	50	51	52	53
Air-freight					
Madagascar	40	20	10	5	-
Mauritius	20	15	10	10	10
Reunion	60	80	100	90	50
South Africa	50	50	40	40	40
Mozambique	20	20	10	-	-
Sea-freight					
Madagascar	-	7 785	7 787	-	-
South Africa	-	-	40	100	100

LITCHI - IMPORT PRICE ON THE FRENCH MARKET

Weeks 2015	49	50	51	52	53	Average Dec. 2015	Average Dec. 2014
Air-freight (euro/kg)							
Madagascar s	5.50-6.25	5.50-6.00	-	-	-	5.50-6.10	4.65-5.40
Madagascar stm	7.50	7.50	7.50	7.50	-	7.50	6.85-8.15
Mauritius s	5.50-7.00	6.00-6.50	6.00	-	-	5.80-6.50	5.00-5.15
Mauritius stm	6.50-7.50	7.00-8.00	7.00-8.00	7.00-8.50	-	6.85-7.85	5.75-6.35
Reunion stm	9.00-10.00	7.00-10.00	8.00-11	8.00-14.00	8.00-13.00	8.00-11.60	5.10-8.35
South Africa s	5.50-6.00	6.00-6.50	5.50-6.00	5.00-6.00	5.00	5.40-5.90	4.65-5.35
Mozambique s	5.50-6.00	6.00-6.50	5.50-6.00	-	-	5.65-6.15	4.50-5.00
Sea-freight (euro/kg)							
Madagascar	-	-	2.60-2.80	2.20-2.55	2.10-2.40	2.30-2.55	2.35-2.70
South Africa	-	-	-	3.50-4.00	3.50-4.00	3.50-4.00	-

s: sulphur treated / stm: on the stem

Roots & tubers

Q4 2015

Sweet potato (SP)

Egypt was the main white-fleshed SP supplier, with large and regular shipments. Rates remained fairly stable, at between 0.80 and 1.00 euro/kg. South African white-fleshed SPs topped up the supply, their prices rising slightly between October and November. The South African campaign came to an end in November. Honduran white-fleshed SPs were available only at the beginning of the period (October), at higher prices than the competition. Finally, some Brazilian batches came onto the market in October, at an intermediate price.

Israel supplied orange-fleshed SPs, whose prices fell in November, before regaining their level from the beginning of Q4 in December. Honduran shipments proved more irregular, with a hiatus in November. From 1.50-1.60 euro/kg in November, their rates dipped in December to around 1.30 euro/kg. The highlight of this period was, without any doubt, the emergence and rise of Spanish volumes, which progressed rapidly this year. The improved quality and packing of its produce helped this source climb to a higher level, especially with the Beauregard variety, which sold steadily at around 1.40-1.60 euro/kg.

Finally, from early October to mid-November, Italy was shipping white-skinned and white-fleshed SPs, in marginal quantities, whose sale price slid from 1.60 to 1.45 euro/kg between the beginning and end of the season.

We can note the progress made by the European sources (Spain and Italy) from previous years. This development should be confirmed in the future, if we take into account the apparent craze for the SP seen in recent months.

Yam

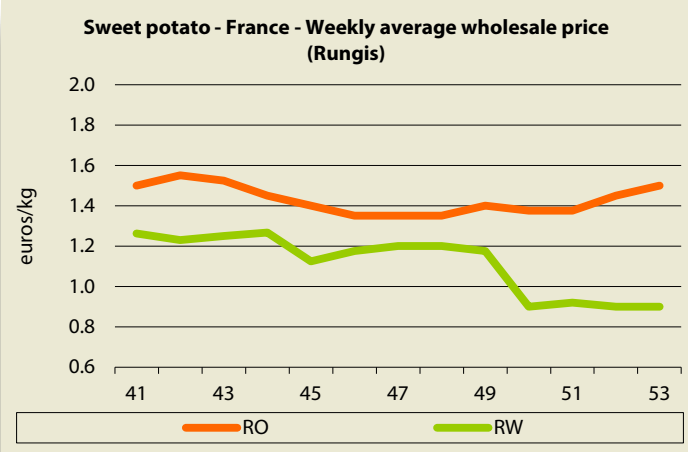
Ghana's domination was confirmed during Q4 2015. White and Puna yams sold on the same price footing, with minor fluctuations depending on incoming shipments of one variety or the other. Rates dropped in the middle of the period, before recovering in December to approximately 1.50 euro/kg in the run-up to the end-of-year festivities. November saw the beginning of the French yam marketing campaign, with rates dropping in early December and stabilising at around 3.25 euros/kg on average thereafter. Some Côte d'Ivoire batches were also sold during Q4, though with irregular shipments and lower rates than Ghana.

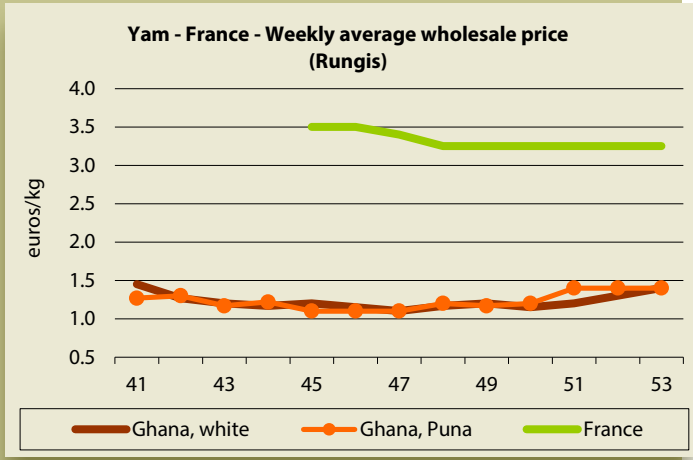
Cassava

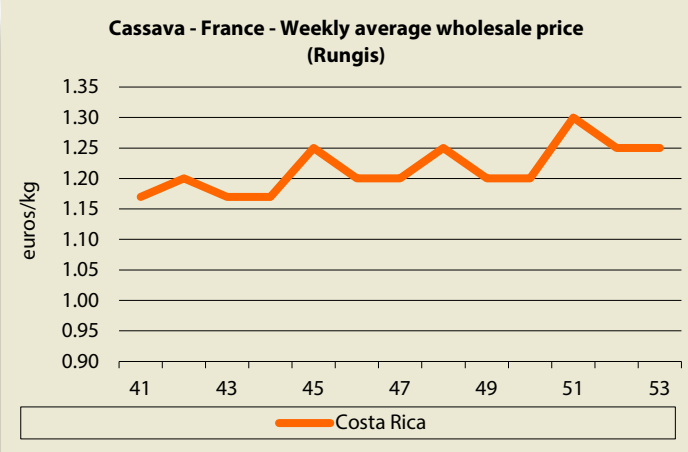
There was a slight rise in Costa Rican cassava rates in October, followed by a period of stability in November. In the second half of December, demand picked up, enabling another slight price rise in the face of regular volumes.

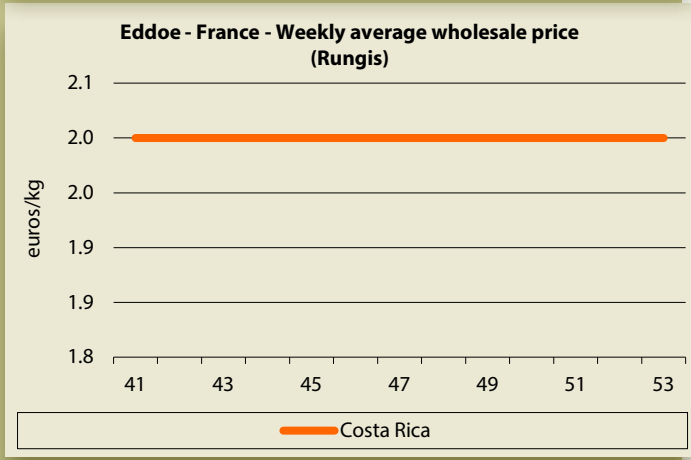
Eddoe

Q4 2015 saw no changes in eddoe sales, with prices stable at between 1.80 and 2.20 euros/kg depending on size and supply.









Sweet potato: RO: red-skinned, orange-fleshed / RW: red-skinned, whited-fleshed / Source: Pierre Gerbaud

Other exotics

Q4 2015

Plantain banana

The large quantities pouring onto the market from Colombian exporters in October and early November plunged the sector into a long and particularly difficult period. Excessive flows and moderate demand sent prices plummeting. Produce from more or less extended storage was trading on a footing of 0.45 euro/kg. The temporary suspension of exports by Colombia and the loss of several containers drastically reduced the volumes available. The resulting reduction in exports helped prices recover spectacularly. Supply remained less than demand in December, which explained the steep price rise back to levels rarely attained for this product. Ecuadorian merchandise went through the same trials and tribulations as Colombian produce, but managed to mitigate their effects on prices.

Chayote and christophine

Costa Rican and French chayotes sold steadily throughout the period, with Costa Rican products gaining a slight advantage in terms of price, especially at the end of the French production period. The christophines available in Q4 2015 came primarily from France. Their prices dipped in November, though they then returned to their early-campaign levels, boosted by sales for the end-of-year festivities. Some air-freight batches from Martinique topped up the supply temporarily, selling at around 2.80 euros/kg. In late December, some small quantities of Costa Rican christophines were trading on a footing of 2.00 euros/kg.

Dasheen

The dasheen supply from Saint Vincent remained moderate and irregular in Q4 2015. At practically zero from October to mid-November, shipments picked up thereafter. In late November/early December, the paucity of the shipments caused a steep price increase, to nearly 4.00 euros/kg, a level rarely attained by this source. The supply was topped up by limited sea-freight quantities from Martinique, which sold steadily at around 4.00 euros/kg.

Chilli pepper

The West Indian chilli pepper market was dominated by Metropolitan French production, more abundant than in previous years. Its omnipresence during this period weighed down on the price from other sources, such as Martinique. In December, exports from the Dominican Republic resumed with limited quantities. Production from Metropolitan France and Martinique proved rather lean at this time. The general fall in the supply, in the context of increasingly lively demand in the run-up to the end-of-year festivities, set prices genuinely soaring, to well in excess of 10.00 euros/kg during the holiday period.

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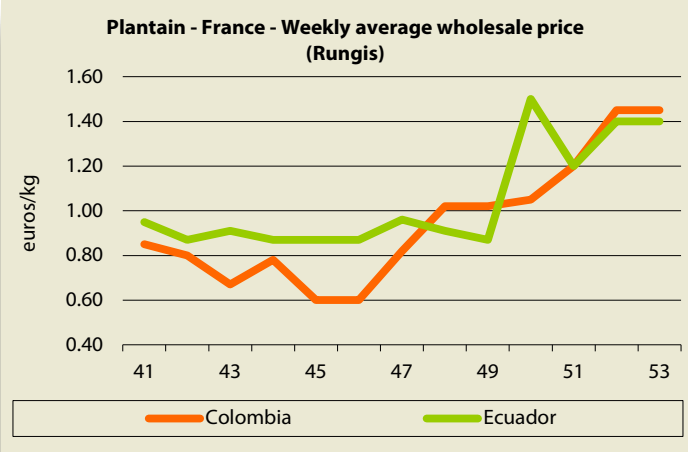
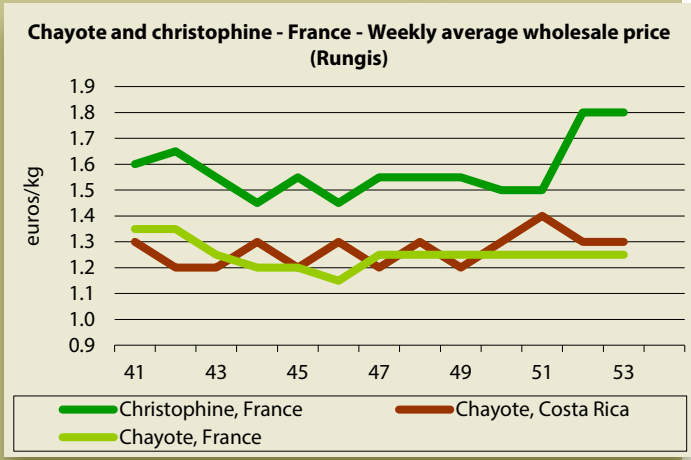
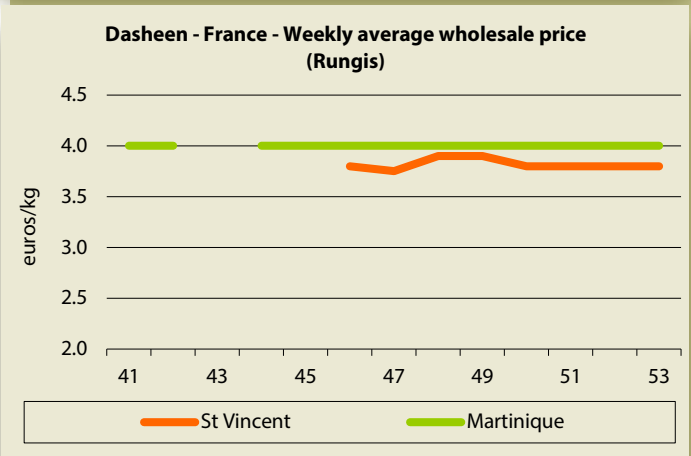
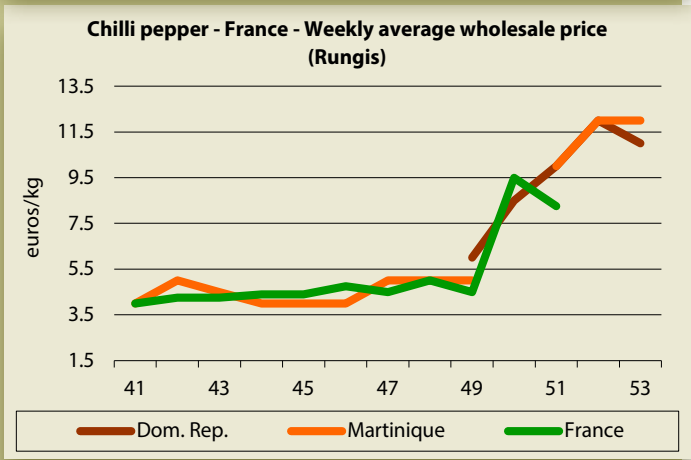




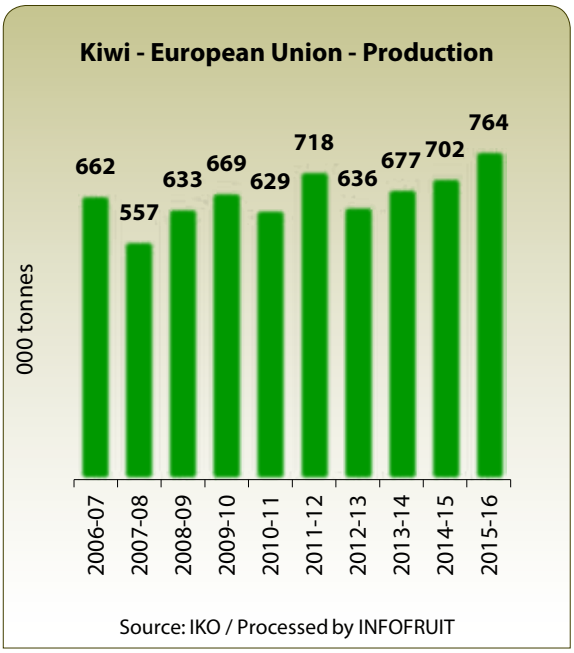


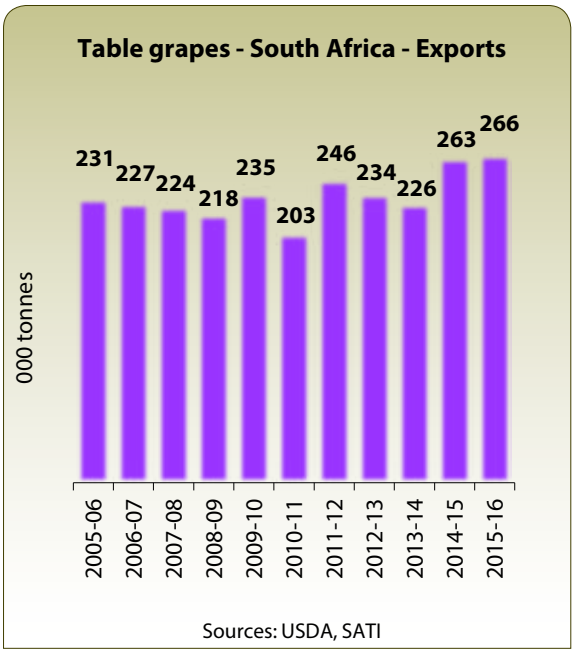


Temperate fruits & vegetables

■ **European kiwi on the rise again.** European kiwi production should resume its rise this year, after the hiatus due to Psa. According to IKO estimates, production should be up by 9 % from 2014 (14 % above the 3-year average), to reach around 760 000 t, i.e. a record level. In particular, Italian production is expected to bounce back strongly, though it is not set to regain its maximum level (511 000 t in 2006), France is expected to climb to an average level for recent years, while Greece, Spain and Portugal are set to rise again. The fall in surface areas actually seems to have eased off in Italy and France, where yellow kiwi planting has resumed. In Portugal, producers expect to go from 20 000 t to 40 000 t in the near future, while surface areas are continuing to expand in Greece.

Source: Infofruit





■ **South African table grape establishing itself.** The South Africa Table Grape Industry (SATI) predicts for this year a production increase of approximately 5 % from 2014-15 (14 % above the 3-year average). This is the result of the steadily increasing surface areas, which should expand even more significantly over the coming five years, given the recent planting. Exports could be similar (266 000 t) to the high levels of last campaign. They amounted to a total of 263 000 t (+ 16 % on 2014), 203 300 t of which bound for Europe (+ 22 % on 2014), and more particularly the Netherlands (120 700 t, i.e. + 14 %) and the United Kingdom (55 300 t, i.e. + 18 %). Yet it was the shipments to Germany which saw the most significant rise last year (7 000 t as opposed to 1 000 t in previous years). The other major destinations were Asia and the Middle East.

Sources: USDA, SATI

Sea freight

November/December 2015

The charter market story for large vessels at the end of 2015 was all about bananas. The volume of the surplus in Guatemala and Colombia and the impact of additional excess in the Philippines may have shortened the market for reefer vessels but the combination had a disastrous effect on pricing in the banana markets of the Eastern Mediterranean and therefore equally devastating consequences on the charterer stakeholders, the majors and the traders alike. It was also a key factor in the Ecuadorian Government's decision to reduce the Minimum Reference Price paid to producers by US$0.50c per box. The number of vessels fixed coupled with the congestion cleared the charter market of open tonnage and led to an average TCE yield for November. With vessels starting to position for the Chilean deciduous fruit season in early December, there was an absence of open tonnage. Unfortunately for those reefer operators with tonnage to tramp, this was matched by an absence of demand: and until heavier volumes of bananas become available again and charterers regain the appetite to speculate, little is likely to change. In the likely event that bunker pricing remains weak throughout 2016, it is highly probable that the Eastern Med banana markets will see a repeat of the catastrophe caused in November. The combination of inexpensive fuel and a small tonnage surplus led to low cost voyage rates: with attractive FOB prices for fruit available east and west of the Panama Canal, the CIF exposure looked low enough for charterers to speculate that even in a worst case scenario, losses could or would be mitigated. How wrong they were! The market for the small vessels strengthened steadily from the start of November towards mid-December as ever more tonnage was deployed in the N Cont to N Africa potato trade. With units also covering legitimate fish quota positions into Nigeria, by the end of November the Open List had shrunk to zero. The upwards momentum however could not be sustained throughout December as trawlers returned to ports with no fishing done. By the end of the year demand for capacity was subdued and there was an increasing number of units without employment. The small segment is unlikely to escape the headwinds facing the reefer industry in the short to medium term. As long as the oil price remains weak, Nigeria will need to implement some form of currency restriction in order to maintain the value of the Naira. This, in turn, will continue to cause difficulties for charterers, even once an import quota for the first half of 2016 is finalised. Operators will also need to monitor the market for larger tonnage: if demand from Chile, Ecuador and the South Atlantic is insufficient to meet available supply, there will be little to stop the more fuel-efficient units poaching custom on the eastern seaboard of the Atlantic. With bunkers as low as they are, even a modest cut-load of fish will generate a higher TCE yield than a non-existent banana cargo!

■ **CMA CGM: new Ecuador/ Mediterranean link.** On 19 December 2015, the French shipping group launched a line linking Ecuador to the Mediterranean, passing via Colombia and the Gulf of Mexico. The link is provided by 9 ships ranging in capacity from 2 100 to 2 500 TEU, which can reach Malta from Guayaquil in 19 days. The transhipment in Malta makes full use of the group's vast network.

Sources: Reefer Trends, CMA CGM

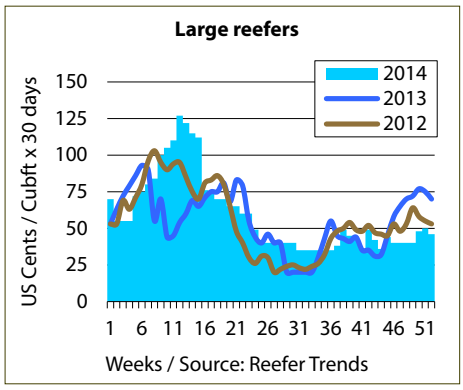
■ **Idyl at the cutting edge for sustainable cultivation practices.** The research work supported by the group has led to the development of new processes for producing biological pest management agents (filamentous fungi) designed to control root-knot nematode populations, which are highly detrimental for the size range. Innovative solid state fermentation techniques developed have led to three patent applications. Crop science tests have demonstrated both the effectiveness of the new reproduction process for the filamentous fungi, and the effectiveness of the nematode-eating filamentous fungi obtained.

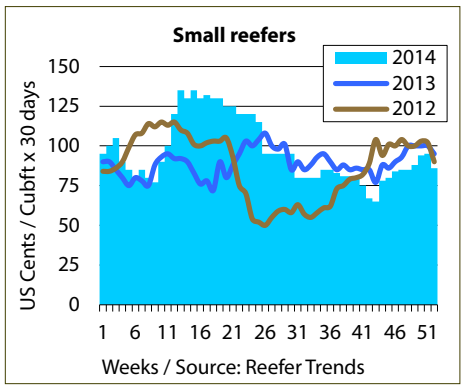
Source: Idyl

EUROPE

MONTHLY SPOT AVERAGE

USD cents/cubic foot x 30 days	Large reefers	Small reefers
Nov./Dec. 2015	45	82
Nov./Dec. 2014	63	93
Nov./Dec. 2013	54	97





Sea freight

Charter market for H2

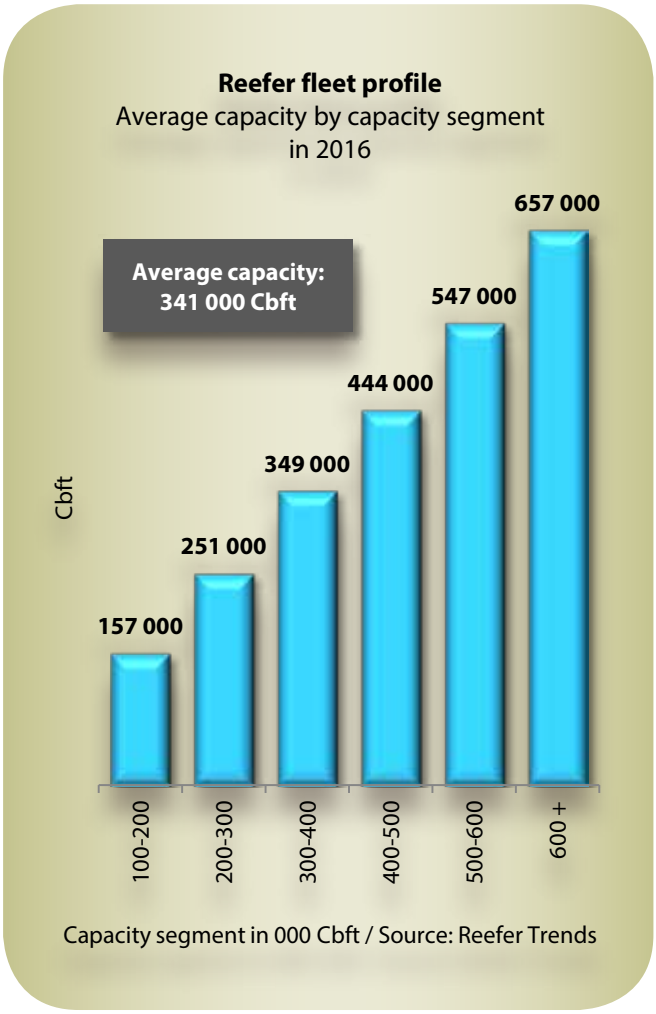
The second half of 2015 was disappointing for operators of reefer vessels large and small. After a long and difficult summer and autumn of weak demand and an oversupply of capacity, the market improved in October as the traditional banana surplus from Central America and Colombia absorbed what tonnage there was available. The market also benefited from a banana surplus in the Philippines — some 12 vessels were chartered for voyages into the Persian Gulf.

© Seatrade

However, and for the first time, there was a significant downside to this additional chartering activity. While the extra demand may have benefited the reefer business, it proved catastrophic for banana charterers and traders. With Iran buying bananas direct from the Far East, demand for Dollar fruit from the Turkish port of Mersin, the main banana gateway into the transit markets, fell away just as heavy volumes of Latin American fruit became available.

The bottleneck created by an unexpectedly high volume of bananas from Central America was exacerbated by a high percentage of marginal grade fruit and short shelf life caused by long delays at the port, both of which slowed throughput. CIF prices tumbled to well below breakeven levels and stakeholders suffered heavy losses.

Of some concern to the traders must be the longer term ambitions of multinationals Del Monte and Chiquita, which both marketed a high volume of bananas through direct sales channels in Mersin, when ordinarily they would have sold FOB at source. Both now have established partnerships in the region, which suggests an increased presence going forward that will make spot trading increasingly risky.



After an equally slow Q3, the market for the small vessels built steadily throughout October and November as ever more tonnage was deployed in the N Cont to N Africa potato trade. With units also covering legitimate fish quota positions into Nigeria, by early December the Open List had shrunk to zero and voyage rates had started to rise steadily.

Just as low bunker costs impacted positively on average TCE returns, thereby enabling the specialized reefer to better compete with the carriers, so the fall in the price of oil has had a negative macro impact on those heavy fuel-dependent economies of Nigeria, Angola and Russia, which are core markets for reefers large and small. The fall in the price of oil has led to the depreciation in the value of local currencies, resulting in price inflation for imported produce and a slowing of demand. As 2016 hoves into view, there are few signs that this will change.

Away from the charter market there were several high profile, reefer-related news stories. The most significant of these was the decision by Irish multinational Fyffes to switch from its own specialized reefer charter with Star Reefers and put all of its bananas in the Maersk Line basket.

Fyffes has taken a significant risk by switching modes, and not necessarily just because service timing and fruit quality may be affected. In the event that the new supply chain does not meet expectations, there is no immediate or possibly long-term route back to the specialized reefer mode. Neither Seatrade nor Cool Carriers have the units that match the Star First type for efficien-

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cy on its core Colombia to UK and N Cont route. One way or another the Irish multinational appears to have painted itself into a corner from which there is no visible exit, should circumstances change.

There will be implications for other stakeholders in the chain, most notably the reefer terminal handlers. Of these MMD in the UK port of Portsmouth faces arguably the largest culture shock, as it must get used to discharging and re-loading a heavy volume of fruit from reefer containers on container vessels in the same time frame it would have used for one of the Star Reefers ships currently on charter to Fyffes. Any longer, and not only is the Maersk Line vessel schedule compromised, but it may also face complaints from Del Monte, Geest, AEL and the CoolMan banana services, which also discharge in the port!

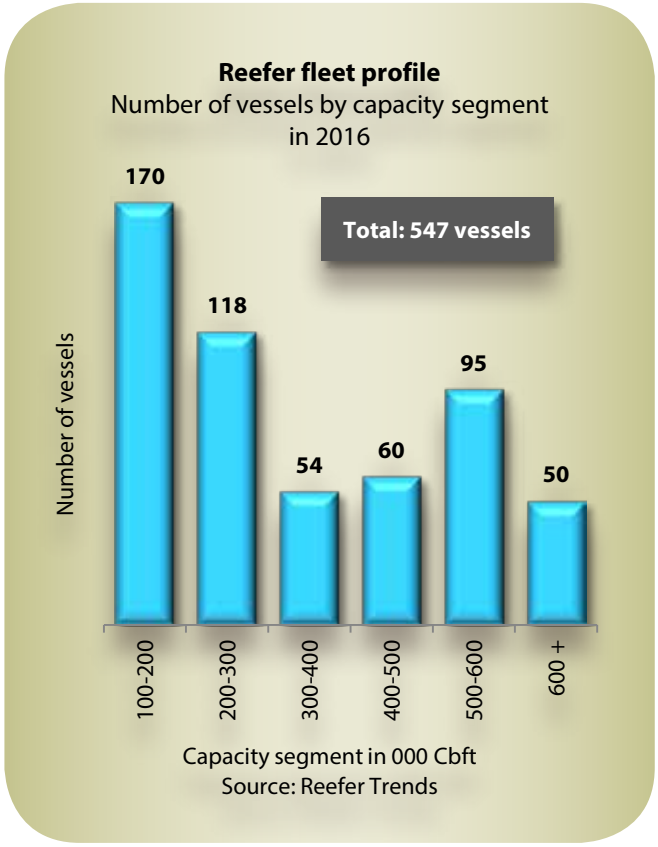
Supply

As long as OPEC makes no attempt to end the oil glut by restricting output, bunker pricing will remain weak and the reefer will be able to compete more effectively on cost and therefore price with the container lines. Under these circumstances it is not difficult to understand why so little reefer tonnage has been demolished.

Meanwhile a report prepared for Drewry Consultancy says that industry wide reefer container capacity is expected to increase by 26% between the end of 2014 and the end of 2018. It estimates that demand for global reefer (seaborne) capacity will increase by 20.5m MT over this period, while reefer slot capacity will grow to 1.9m slots by the end of 2018.

From an Atlantic seaboard perspective, such growth in demand is hard to envisage. Not only has the volume of imports into the historic core northern hemisphere markets stagnated, but it is also in decline in Europe, the US, Russia and Japan. The SHAFFE data on Southern Hemisphere fruit export volumes (see table) reflects this trend, with the exception of trade into China. The Chinese market will continue to absorb more and more, and mostly from the Southern Hemisphere, but nowhere near as much as the additional 20.5m MT total forecast within three years, not least because production is not going to grow at that pace.

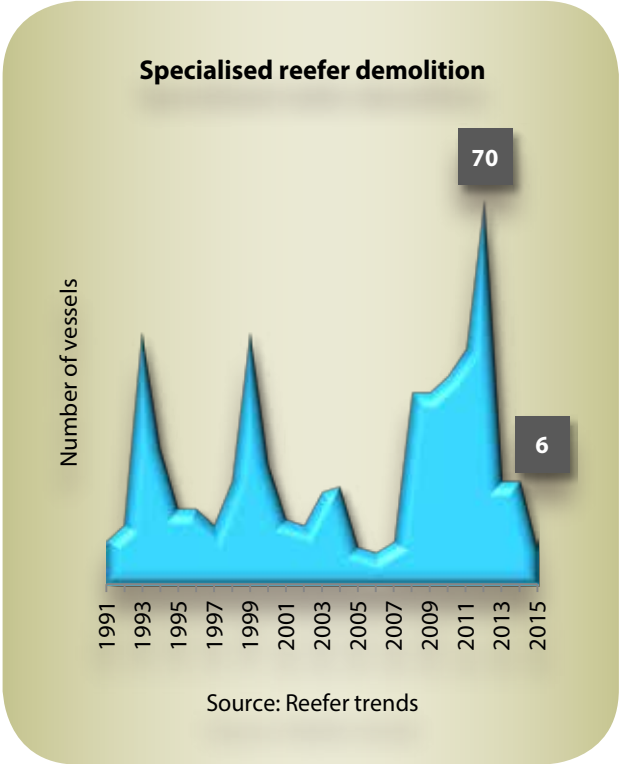
Even if the forecast is optimistic, Asia will provide the action and excitement for reefer over the next 5-10 years, with China the region's beating heart. The interesting adjunct is that the rising intra-Asian reefer trade has led to an increase in the reefer profile of the Asia-focused and based mid-size container lines, such as NOL/APL, NYK, COSCO, OOCL and Hanjin.



In supply terms, there are approximately 2.5m (TEU) reefer containers in the world, valued at USD 22bn – by the end of 2018 this number will have increased to 3m TEU, valued at approximately USD 26bn. Of the current total, 42.4% are owned by leasing companies. Maersk has the largest single holding 483 000 reefer boxes and lessor Seaco, the second largest, with 288 500.

Under the circumstances, it is hard to see the actual actual figures matching the forecast: container shipping is under even more pressure today than it was during the darkest days of the global recession in 2009, and likely to remain so for the next three years according to some conservative forecasts, a fault largely of its own making.

Industry leader Maersk is predicting a full year net profit of USD 1.6bn for 2015, but in order to achieve satisfactory results going forward, it is to sacrifice 4 000 of its landside staff by end 2017 while reducing its network capacity and postponing investments in new capacity. In order to just maintain its reefer equipment status quo, and assuming a 12-year lifespan for a reefer container, Maersk will need to replace a minimum estimated 40 000 reefer boxes per year – even at a good price from sister MCI, the line will need to invest in the region of USD 600m annually just to wash its face.



Given that reefer accounts for only 10% of total Maersk Line revenue and 15% of profit, will Maersk Line CEO Soren Skou continue to sanction such capital expenditure given the current overcapacity in slots and equipment, poor market and pessimistic forecasts? Or will Maersk, and likewise the other less profitable lines, be forced to turn to the lessors to mitigate their risk? If so, will the lessors really continue to invest in the acquisition of so many boxes if the market for reefer equipment remains oversupplied and therefore inherently weak?

As was the case when the universal USD 1 500 General Rate Increase was first attempted and then withdrawn in 2012-13, there is no immediate economic justification for a rise in reefer container rates. Average rates for reefer are perhaps as much as USD 1 000/box lower than they were in 2012 when Mr Skou called pricing 'unsustainable'. Unfortunately with the likely ongoing surplus of both equipment and slots, there are no signs that the position will change in the short to medium term.

That may not be good for the carriers, but it is not great for the specialized reefer operators either. The capacity imbalance caused by the delivery of so much box tonnage on the one hand and weak demand on the other, is forcing the carriers to look at reefer for a more significant contribution. The rates and deals on offer have been sufficiently attractive to lure even the most loyal specialized reefer charterer/customer. To some extent the reefer can withstand the pressure, because of the low cost of bunker fuel. However this dynamic will change once the price of fuel starts to rise - this, in turn, will depend on the health of the global economy.

At the rate of manufacture it won't be too long before the reefer container becomes as commoditized a product as the dry van: once this happens, the unit becomes more of a financial instrument for the carrier than a value adding solution for the customer. What the implications are for service levels remains to be seen.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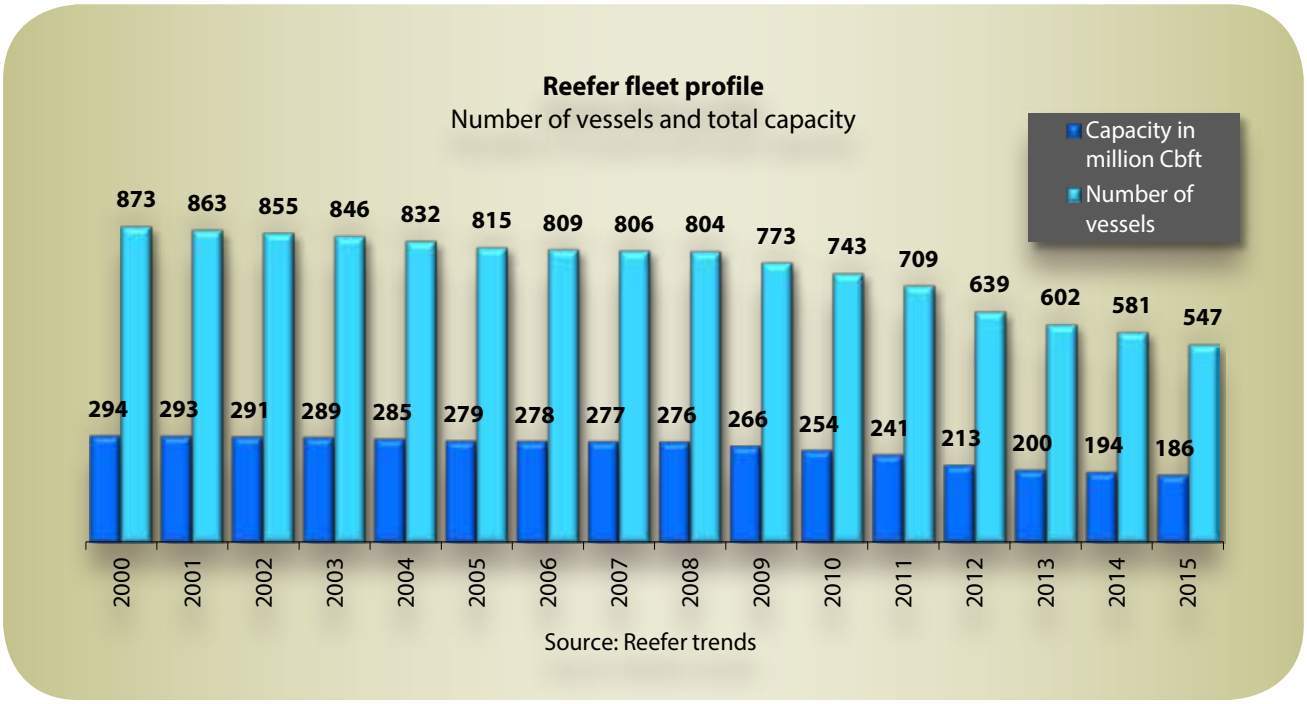


Under these circumstances it will be fascinating to see how Seatrade's reefer containerships fare against the lines once battle commences. Seatrade will be hoping that in converting so much reefer cargo into containers, the carriers to some extent have cut their own throats by opening the door for an operator with near-identical equipment but a different service mindset - focused not only on the mode, but also the customer. While the Seatrade service will be fast, dedicated and direct, the lines will eventually revert to their fuel, if not service, efficient hub/spoke systems developed around the Ultra Large Container Vessel (ULCV). It is not unreasonable to argue that if the carriers were as serious as Seatrade in developing dedicated reefer box services, they too would have built a fully cellular model. With only a few exceptions, the reefer element of liner strings is treated as a means to an end, and not an end in itself.

Assuming that the major banana charterers would prefer to have control over their logistics, there are more value advantages in operating a string of fully cellular, cost efficient vessels than there are in abdicating responsibility to a third party carrier with a set of priorities built on dry cargo and cost savings. If this is true, then unless the lines change tack and build reefer boxships to compete with Seatrade, the operator should quite easily be able to retain and then claw back market share.

Aside from the battle for market share, the other big issue for the carriers is that of efficiency. The inefficiency of the liner operation was highlighted by the Boston Consulting Group (BCG), which in October launched xChange, a Web-based marketplace to effectively and environmentally reduce costs and emissions for the container shipping industry – or so it hopes. The motivation for the development of xChange lies in the cost of moving empty shipping containers, which is estimated at USD 15bn-20bn annually. BCG believes that xChange will greatly increase the number of container exchanges among logistics companies and reduce the movement of empty containers by as much as 30%.

The spin-off benefit to the environment is that utilization of the model will reduce the carbon footprint of container shipping. The BCG estimates that shipping empty containers generates up to 19m tonnes of carbon dioxide globally. Annually. Impressive! And something perhaps to bear in mind when considering the carriers' claims about carbon emissions and efficiency…?

In publishing a paper on the 'Think Train' initiative, designed to push more of South Africa's fruit exports off road and onto rail, South Africa's Citrus Growers Association also focused on the impact containerization of fruit exports had had on the efficiency of landside operations. The Paper reported that, "although South Africa has an extensive rail infrastructure running from most of the fruit production areas to the ports, currently 99% of fruit for export is transported from the production regions to the ports by truck." While there are many reasons for the gross under utilisation of the rail system, the current situation is placing a huge burden on the country's road infrastructure as well as the environment, while the rapidly increasing cost of road transport is having a considerable effect on the profitability of the fruit industry." It added that, "prior to the move to container shipping during the mid-2000's, up to 90% of citrus exports, South Africa's biggest fruit export type per volume, were transported to ports for export through Durban and Port Elizabeth by rail."

While the liner industry might be within its rights to claim that on a port-to-port basis, a container service may have a lower carbon footprint than a specialized reefer, once all the other supply chain factors are taken into consideration, its argument for an orchard to store carbon footprint advantage is suddenly a lot less compelling.

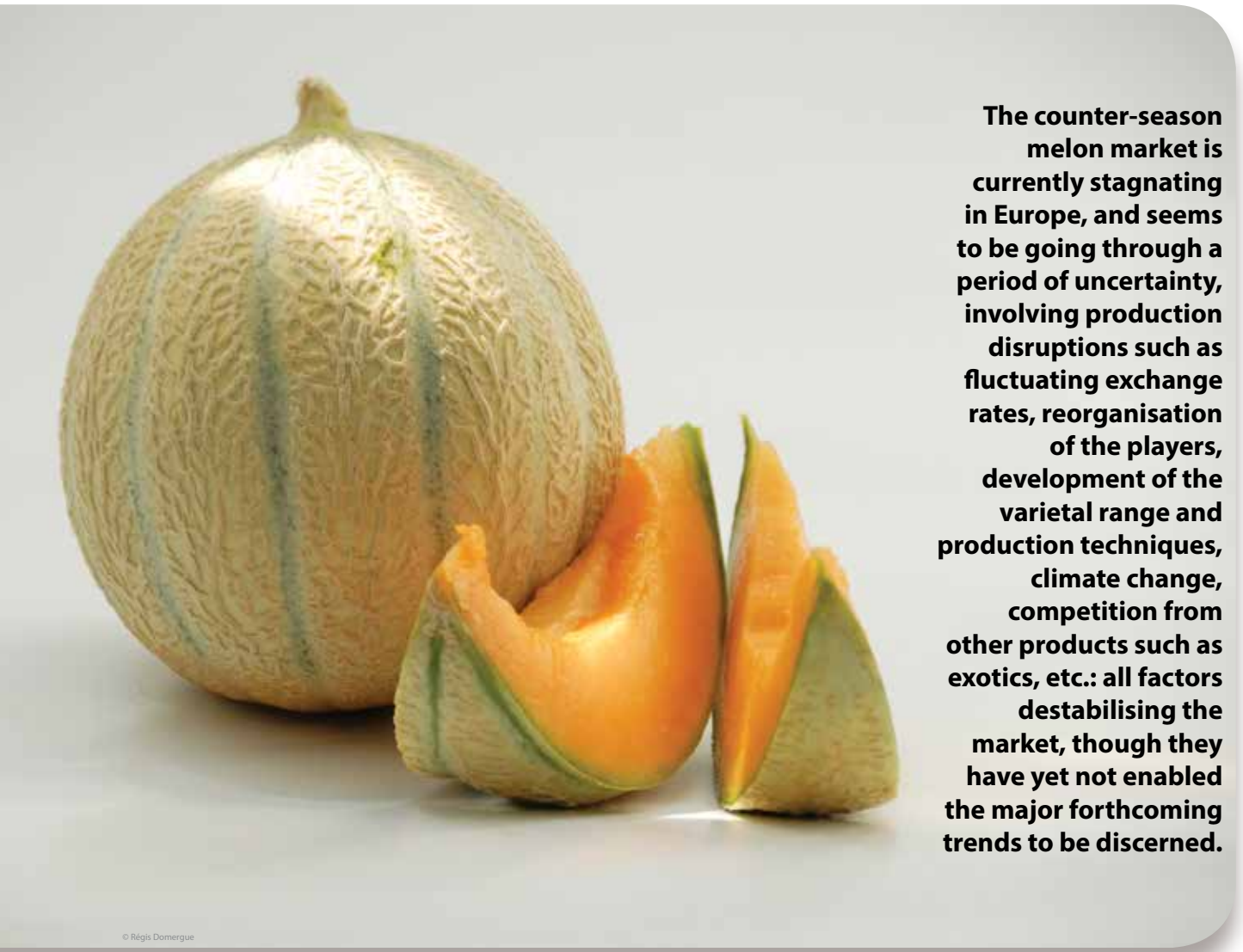
Forecast

Early expectations are that the season ahead will be challenging: there have been some high profile defections to containerisation and there has no meaningful demolition of reefer tonnage. The supply of specialized reefer capacity is therefore similar to the position at the start of December 2014, while there are that many more liner strings and slots competing for business. If year-on-year demand for reefer capacity also contracts, either from the impact of what meteorologists are calling a 'Godzilla' El Niño or a lower squid catch in the South Atlantic, both modes will feel the squeeze ■

Richard Bright, consultant
info@reefertrends.com

Counter-season melon

The search for the slot goes on!



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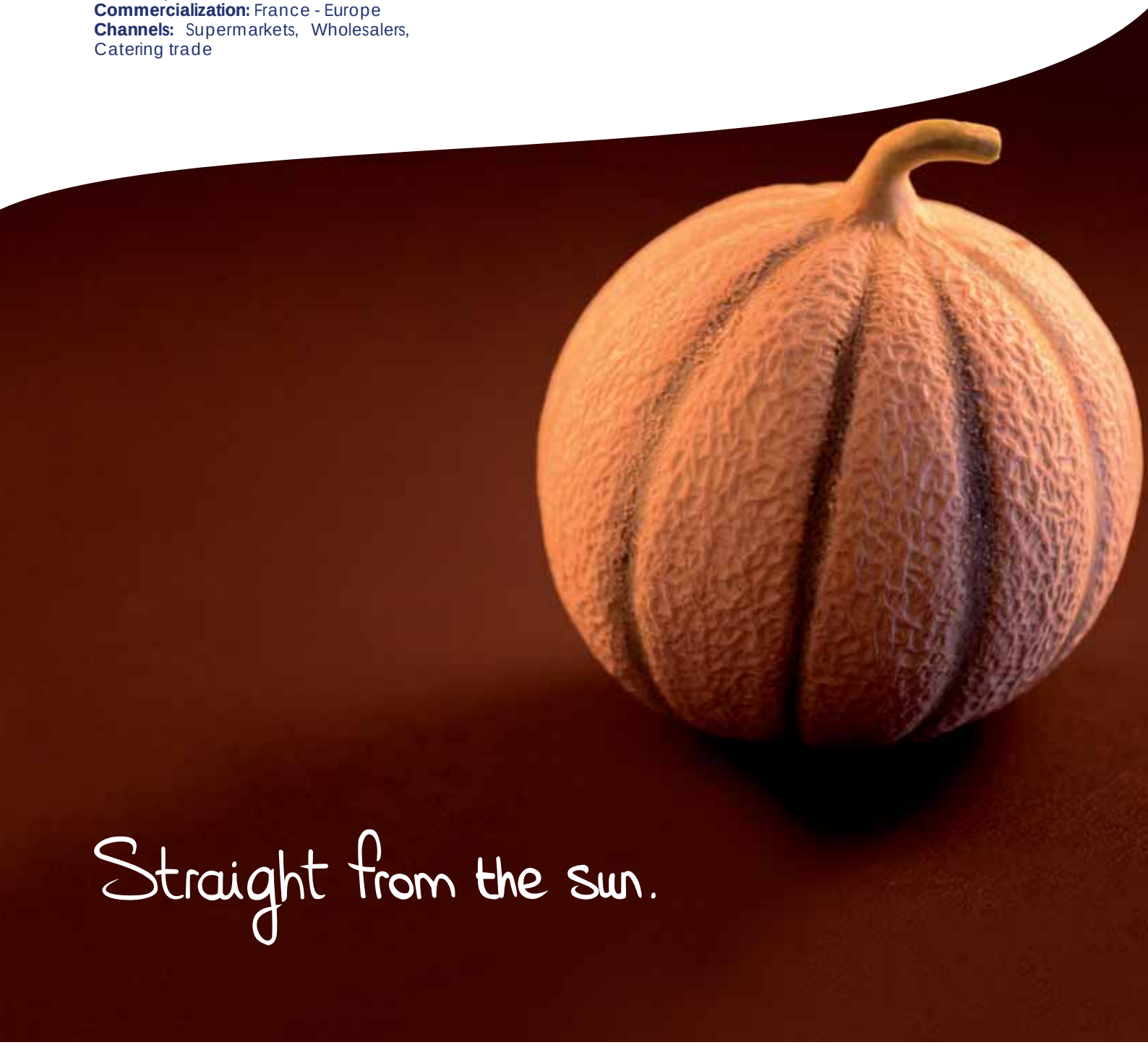
The counter-season melon market is currently stagnating in Europe, and seems to be going through a period of uncertainty, involving production disruptions such as fluctuating exchange rates, reorganisation of the players, development of the varietal range and production techniques, climate change, competition from other products such as exotics, etc.: all factors destabilising the market, though they have yet not enabled the major forthcoming trends to be discerned.

Type: Charentais, Magenta
Fruit Characteristics: large, uniform, attractively round, netted fruit with sutures. The fruit has an attractive salmon flesh colour with high brix (14), exceptional taste and sweet candy flavour.
Growing area: Morocco
Harvest period: beginning of March / end of April
Commercialization: France - Europe
Channels: Supermarkets, Wholesalers, Catering trade

idyl

Campaign launch



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Balance difficult to find

Although the product is now sold year round, the melon market remains chaotic. As a pleasure purchase, its consumption is first and foremost closely tied to the quality level of the product, and therefore to the production climate conditions. Yet these at times vary very greatly between the production zones and the consumption centres, especially during the counter-season period, when the products come from distant lands such as South America or the Caribbean, which are sometimes subject to severe storms in autumn and winter.

The market is also being increasingly affected by range diversification (Galia, yellow melon, Piel de Sapo, Honeydew, etc.), which is increasing consumption but also every year further eating into the share of the traditional Cantaloup and Charentais. Overlaps between sources are also increasingly marked, with the improvement of production techniques (high-tunnels, semi-forcing tunnels, etc.) and climate change. Hence while the market is now fairly well managed by specialists over the autumn-winter period for demanding customers, the spring and the whole summer period, including early autumn, remain highly competitive, limiting extra-Community imports.

A lukewarm start to the 2015-16 season

The start of the 2015-16 campaign seems to provide firm corroboration of this state of affairs, with a difficult start for extra-Community sources. Indeed, Morocco (Marrakech) and Brazil fell foul of consumer weariness and the increasingly late presence of the European sources, exceptionally marked this year until November due to the particularly mild weather. Yet the end of 2015 was also disappointing because of an overly-supplied North European market, due to the return of Brazilian volumes after a 2014-15 campaign marked by drought; this in spite of reduced tonnages, even below-normal, for the other sources (Senegal, Morocco and the West Indies). In addition, the context was particularly sluggish after the attacks in France in November. Hence we might question the melon's share in the end-of-year festive range, which is increasingly dominated by exotics.

The start of 2016 was once more marked by some small-scale deferred volumes, often difficult to sell at this time of year due to the drastic fall in demand after the end-of-year festivities.

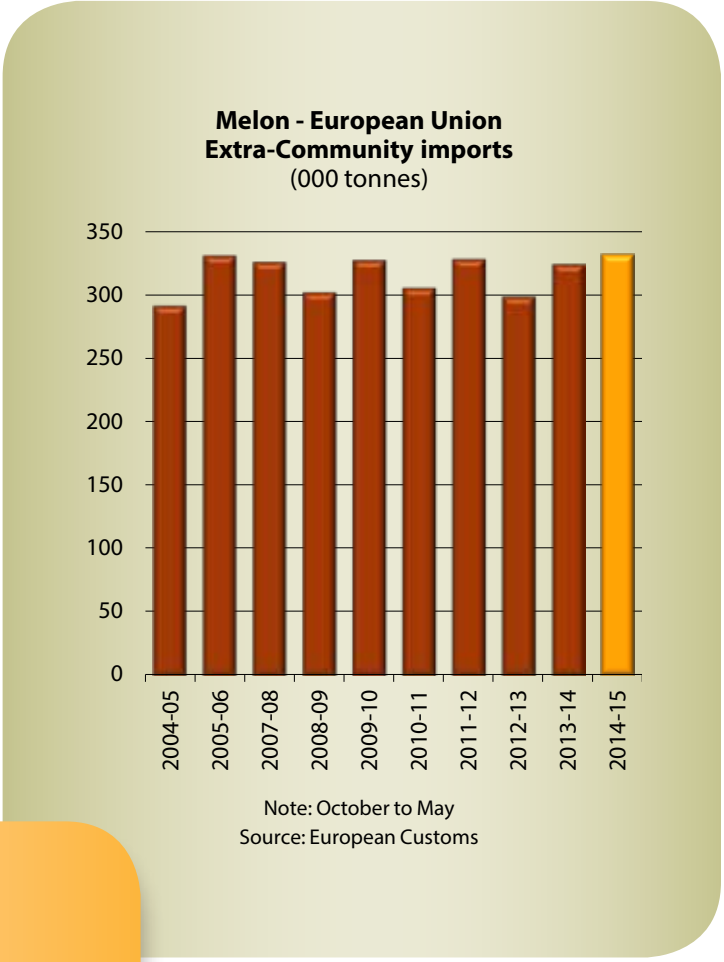
Melon — European Union — Extra-Community imports (October to May)

tonnes	2010-11	2011-12	2012-13	2013-14	2014-15
Brazil	134 594	157 056	150 427	155 305	174 670
Costa Rica	65 223	69 820	49 861	57 013	56 642
Morocco	51 480	45 304	47 704	42 787	40 041
Honduras	33 140	31 899	29 076	36 948	35 480
Senegal	8 681	11 190	12 081	15 582	11 486
Panama	4 386	3 934	1 982	4 162	5 599
Guatemala	-	2 415	2 945	6 778	2 830
South Africa	-	-	-	-	1 519
Dominican Republic	754	877	566	832	1 381
Israel	3 361	1 675	1 171	806	430
TOTAL	**306 260**	**329 083**	**299 473**	**324 862**	**332 142**

Source: Eurostat

Spring campaign already set to be somewhat early

The next stage of the campaign is already set to be a bit uncertain because of the mild weather, which is bringing forward spring production. Hence the very first volumes from Morocco could make their appearance a bit too early, toward mid-February, whereas operators, though striving to some extent for early production, above all want to be present from late February-early March, reaching full potential in March-April. Surface areas could even slightly increase in Dakhla (approximately 300 ha last year). The last campaign was already difficult to negotiate, with the market swelling from February with the growing supply from the Americas (Costa Rica and Honduras), shipments from the West Indies and the return to production of Senegal and the Dakhla zone. However, March and April remain the most promising months, which was confirmed last year with the Easter holidays arriving early in the calendar (5 April 2015) and exceptional climate conditions for early spring.

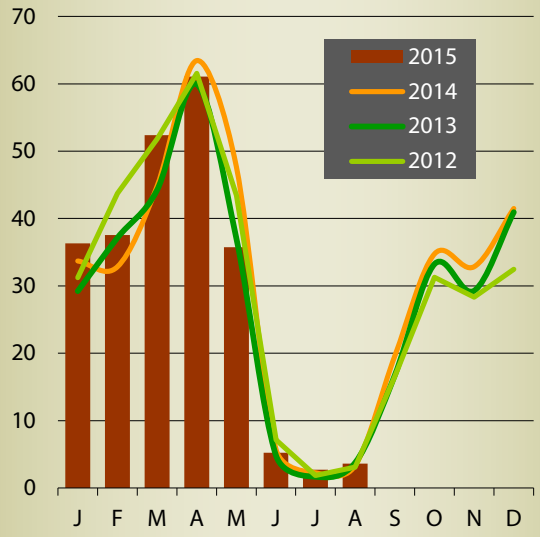


Since the Easter holidays are also fairly early this year (27 March 2016), the market could rapidly pick up, should spring too come early. Yet it is without doubt the end of the season which remains the most uncertain period. Last campaign left its mark, with inclement weather and the overlap between Moroccan production, approximately a fortnight late (Marrakech), and Spanish production, which peaked in June. This state of affairs has also, in recent years, led to a fall in surface areas around Marrakech (to less than 1 000 ha) and a growth in tunnels at the expense of open fields, so as not to overly extend the campaign in May, and avoid spilling over into June when European production starts. However, the month of May is set to be a bit more promising, in the absence of public holidays on May 1 and 8, which this year will fall on Sunday. Furthermore, the earliness of the counter-season campaigns is somewhat useful, since if it holds up it could reduce the overlap with Spain, whose surface areas once again this year could expand considerably.

Stable consumption in Europe, despite of reorganisation

While the market was particularly difficult for Morocco last year, with to top it all production reorganisations due to the volumes being split between several traders, especially in Dakhla, its exports dipped by just 10 % (42 000 t imported into Europe). This new fall confirmed this source's decreased market share in Europe, to the benefit of other supply sources, such as for example, Senegal, the number 5 supplier to the Community with nearly 12 000 t imported in 2014-15. Yet the Latin American sources above all are dominating the market, representing 80 % of import volumes into Europe. Hence, in spite of the economic difficulties of recent years with an unfavourable exchange rate, Brazil remains by far the main supplier to the EU (53 %), ahead of Costa Rica (17 %). In spite of its growing production, Honduras is still back in 4th position (11 %), because of the diversification of its customer portfolio. Guatemala and Panama top up the supply. The Dominican Republic has consolidated its place, while Israel has greatly cut back its shipments in recent years, with tonnages divided by ten in the space of five years.

Melon - European Union
Extra-EU imports calendar
(000 tonnes)



Source: European Customs

Imports into Europe are primarily reserved for the North European markets. Latin American volumes unsurprisingly pass through the port of Rotterdam (38 % in 2014) or are routed directly to the United Kingdom (23 %). However, a significant part comes directly into Spain (20 %), due to this country's links with Brazil. France is the number 4 importer country (12 % of tonnages) because of its relations with Morocco, accounting for 78 % of its outlets in Europe. Spain absorbs 21 % of Moroccan volumes, as well as two-thirds of those from Senegal, 15 % of which are however reserved for the French market. However, it should be underlined that, although the supply sources are expanding, overall European imports have stagnated in recent years at around 330 000 t.

New expansion expected in South America

The Latin American offensive should be stepped up in the coming years, with planting already distinctly on the increase this year in Brazil, Honduras and even in Costa Rica, according to seed producers, with an increasingly diversified range: Cantaloup, Honeydew, Galia, green melons and also increasingly Piel de Sapo, and above all water melons. Hence, after several economically difficult years, the South American sources are returning to the European market, especially Brazil, although its internal demand is still growing. This return is also due to an increasingly favourable exchange rate, and could furthermore be accompanied in 2016 by the promotion campaign implemented by the new collective brand "Frutas do Brasil", supported by Apex and the brand-new ABRAFRUTAS (Association of Brazilian producers and exporters), created one and a half years ago. Similarly, we can expect a comeback from Honduras, since the recent rains are providing producers with hopes of a fine harvest, although its exports fell slightly last year (251 000 t, i.e. - 10 %), because of the drought which aggravated the virosis phenomena. More new markets should open up to this source which, already well-established in Asia (Singapore, Hong Kong), is currently negotiating its entry to the Japanese market ■

Cécilia Céleyrette, consultant
c.celeyrette@infofruit.fr

Russian embargo on Turkish fruits and vegetables

Inconsequential for the EU fruit market, at least in the short term...

Once again, the Kremlin has decided to wield an economic weapon in response to the political crisis in which it is embroiled with Turkey, following Ankara's decision to shoot down a Russian fighter aircraft on the Syrian border in late November 2015. The boycott on imports of Turkish agricultural produce, implemented in early January 2016, involves large volumes of fruits and vegetables. Could this be enough to upset the balance of the international market for certain products?

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An imports giant against a major supplier

Russia is not just another importer country in the world fruit and vegetable trade. Due to its climate, local fruit production is extremely limited, with the country in 38th position in the world volumes ranking despite its immense territory and its 146 million inhabitants. So there is no surprise in this context to find Russia among the world's top three importers (before the embargo on agricultural products from the EU-28), with on average between 6.2 and 6.5 billion USD of fruit crossing the Russian border every year.

Nor is Turkey just another trading partner for Russia. It is nothing less than the country's leading supplier for vegetables and the number two supplier for fruit, just behind Ecuador. Russian imports of Turkish horticultural produce amounts to between 1.4 and 1.5 billion USD per year (800 to 900 million for fruits and approximately 600 million for vegetables). In these figures we can see the magnitude of the direct stakes, both for the Turkish export sector and for Russian consumers. We can also understand that the transfer of such an export flow to other markets might represent a destabilisation risk for certain products.

Fruits — Russia — Imports by produce

000 tonnes	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Citrus	953	1 187	1 260	1 288	1 280	1 491	1 661	1 580	1 705	1 654
Easy peelers	335	411	479	510	533	660	739	763	839	847
Orange	391	510	491	502	444	499	568	489	504	469
Lemon and lime	180	210	204	185	209	215	227	203	210	209
Shaddock and grapefruit	46	57	84	89	91	113	122	121	148	125
Other citrus	1	1	2	2	3	4	4	4	4	4
Apple, pear, quince	1 037	1 140	1 310	1 447	1 422	1 607	1 580	1 693	1 740	1 422
Banana	865	895	979	1 007	981	1 069	1 308	1 256	1 339	1 275
Stone fruits	202	303	290	346	368	437	463	488	461	377
Table grapes	354	389	448	476	444	475	445	425	401	359
Exotic fruits, date, fig	54	56	69	73	65	90	88	95	102	94
Melon, papaya	169	210	196	234	216	81	58	34	19	23
Nuts	41	56	75	88	70	79	90	90	76	64
Other fresh fruits	205	241	295	299	317	366	346	375	375	301
TOTAL	**3 879**	**4 478**	**4 923**	**5 259**	**5 162**	**5 695**	**6 039**	**6 036**	**6 220**	**5 568**

Source: Trademap

Hitting back at Turkey, but not Russian consumers

The Kremlin's reaction was calibrated in order to avoid two major pitfalls. On the one hand, the implementation date of the sanctions on 1st January 2016, i.e. more than one month after the Russian fighter was shot down, left the Russian import sector time to get organised in order to prevent any surge in retail prices. The subject is particularly sensitive since the collapse of the rouble has already made prices of imported products considerably more expensive. On the other hand, the list of products concerned has also been drawn up with care, excluding fruits and vegetables for which there is no replacement supply source. So the list comprises just two citruses (orange and easy peelers), three seed fruits (apple, pear and grape), two stone fruits (apricot and plum) and one berry (strawberry). The vegetables affected are the cauliflower, broccoli, cucumber and tomato.

Easy peelers, orange and grape: markets particularly concerned

The volumes of Turkish fruits concerned by the embargo are considerable. From between 430 000 and 460 000 t in 2012 and 2013, they climbed to more than 560 000 t in 2014, with Russian importers in part turning to Turkey after the implementation in August 2014 of the embargo on European Union agricultural produce. However, not all products are in the same boat. The consequences are limited for the apple, plum and pear markets. The volumes involved are not enough to disturb international trade (less than 5 000 t), or even the Russian market, as Turkey is only a minor supplier for these products.

The impact should be more significant on the Russian market's stability for the strawberry and apricot: the import level remains fairly modest (10 000 to 25 000 t), though it represents a large proportion of the supply to this market.

Conversely, the stakes appear massive, including on the international market, for other products concerned by the embargo. The "export deficit" is highly significant for the orange (approximately 70 000 to 80 000 t), the grape (145 000 to 165 000 t) and above all easy peelers (160 000 to 200 000 t until 2013, and nearly 290 000 t in 2014).


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Russia — Fruits & vegetables concerned by the embargo

000 tonnes	Imports from all sources			Imports from Turkey			Turkey market shares		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
Easy peelers	763	839	847	159	201	288	21 %	24 %	34 %
Table grapes	379	359	328	146	144	165	39 %	40 %	50 %
Orange	489	504	469	70	67	77	14 %	13 %	16 %
Apricot	67	68	37	29	23	16	42 %	33 %	43 %
Strawberry	52	57	55	14	13	10	26 %	23 %	19 %
Pear	410	383	369	5	3	4	1 %	1 %	1 %
Plum	78	79	46	6	5	4	8 %	6 %	8 %
Apple	1 279	1 352	1 050	0	0	1	0 %	0 %	0 %
TOTAL FRUITS	**3 518**	**3 641**	**3 199**	**428**	**455**	**564**	**12 %**	**13 %**	**18 %**
Tomato	800	856	847	361	335	358	45 %	39 %	42 %

Source: Trademap

Russia — Main fruits and vegetables concerned by the embargo
Imported volumes during the 2nd part of the season (January to June)

Easy peelers			
000 tonnes	Season (July to June)	January to June	January-June Share
2012-13	171	52	31 %
2013-14	198	49	25 %
2014-15	302	65	22 %

Orange			
000 tonnes	Season (July to June)	January to June	January-June Share
2012-13	71	30	42 %
2013-14	68	31	46 %
2014-15	88	43	49 %

Apple and pear			
000 tonnes	Season (July to June)	January to June	January-June Share
2012-13	9	2	19 %
2013-14	8	2	20 %
2014-15	17	9	55 %

Stone fruits			
000 tonnes	Season (July to June)	January to June	January-June Share
2012-13	74	32	43%
2013-14	59	29	50 %
2014-15	77	47	62 %

Table grapes			
000 tonnes	Season (July to June)	January to June	January-June Share
2012-13	146	2	1 %
2013-14	144	1	1 %
2014-15	166	1	1 %

Tomato			
000 tonnes	Season (July to June)	January to June	January-June Share
2012-13	341	267	78 %
2013-14	365	297	81 %
2014-15	357	289	81 %

An import calendar limiting the scope of sanctions, at least in fruits and in the short term

The risk must not be overestimated for the current season, since the bulk of Russian imports of these three products falls in Q2. Going on sales from previous years, the volumes concerned for the rest of the 2015-16 campaign should represent approximately 30 000 to 45 000 t for the orange, 50 000 to 65 000 t for easy peelers, and be marginal for the grape.

True, this is not an insignificant blow to Turkish exporters already weakened by a steep drop in their profitability for the past two seasons (fall in average Customs value of citruses of nearly 20 % due to the collapse of the rouble in Russia or to the political problems in Iraq). The collapse in 2015 of Elginsan, the country's main citrus exporter, showed how precarious the sector was. Nonetheless, the volumes involved during the first half of 2016 do not seem sufficient to destabilise the European market, either for easy peelers, or the orange, particularly in a context of considerable production shortfall from the Spanish giant.

Weightier indirect consequences if the embargo were extended

However, we should remain highly prudent: the impact of this embargo on the citrus and table grape sectors would be a different matter entirely if the closure of the borders extended beyond the summer, and remained in force at the start of the 2016-17 season. True, the varietal range proposed by Turkey for certain products is too basic to interest the Community market (Satsuma in easy peelers). However, even if volumes struggle to break through, the indirect effects on prices could well be considerable. We will need to monitor the behaviour of the tomato market during Q1 in countries which are highly permeable to Turkish produce, such as Germany or Poland. This product appears both heavily and very immediately exposed, given the volumes concerned ("export deficit" of approximately 300 000 t), and nearly 90 % of the Russian import calendar packs is packed into the 1st half (with approximately 60 % in Q2 alone) ■

Eric Imbert, CIRAD
eric.imbert@cirad.fr

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Pomegranate market

Upscaling from its traditional production

A symbol of abundance, prosperity and fertility in oriental mythology, the pomegranate is a traditional product on the European market. Originating from Iran and India, this many-seeded fruit has been present for millennia in the Mediterranean, the Middle East and South East Asia. The European market has always been supplied by its Mediterranean neighbours (Spain, Israel, Turkey, North Africa), though the majority of their production is aimed at local markets.


© Guy Brehinier

European pomegranate consumption is seasonal, with Northern Hemisphere production extending from October to January. It is a festive fruit, particularly prized by the Jewish community during Rosh Hashanah (Jewish New Year). However, its consumption has been tending to extend to other times of year since the mid-2000s, due to the strong progress made by the counter-season supply. It is the arrival of a new variety, Wonderful, created in 2002 by POM Wonderful in California, which has led new countries to venture into export production: Peru, Chile, Argentina, South Africa and Australia. So the calendar is now spreading outside of the traditional consumption periods, and the pomegranate is now on shelves across the supermarket sector all year round.

Import prices are falling every year, during both the winter and summer seasons. Is this symptomatic of a fruit becoming more accessible, or rather of a mature market struggling with a steeply rising supply?

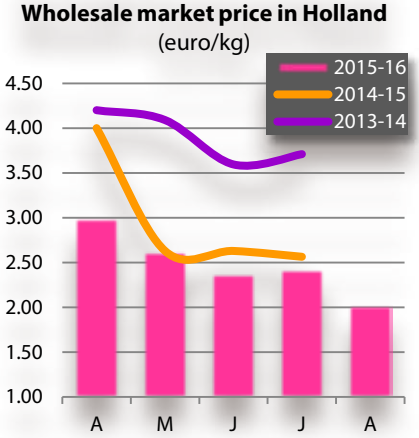
Threats on the horizon

The production boom has not yet finished. The good reputation of this fruit, with its great nutritional virtues, as well as ease of cultivation of the tree, which is tolerant of drought and saline soils, is generating lots of production interest.

Besides the new producer countries, such as Peru whose export production has increased nearly tenfold since 2009 (9 400 t in 2014), and which should continue to grow, the traditional producer countries have also launched themselves into the race. Massive investment projects aimed at exporting are emerging. Wonderful, which has become the international reference pomegranate variety, as well as its clones and other earlier Israeli varieties (Acco, Emek, 116, Shani), are being adopted and adding to the local varieties already cultivated. By way of example, Turkey, with a current production of approximately 325 000 t mainly in the Hicaz variety, is now planting Wonderful, and is planning to attain 500 000 t during the next decade. In Morocco, the Government fruit arboriculture development plan is planning a 42 % production rise between 2011 and 2020, thereby exceeding the 100 000-t mark. In Israel, the expansion of the cultivation area is continuing, with 500 ha planted over the past ten years, in the knowledge that, of the 2 500 ha currently planted, just 2 300 ha are in production. Hence the production record of 55 000 t from 2015 should rapidly be broken, with 70 000 t expected in 2017. In order to protect its production and earn better value, a controlled designation of origin has been created in Spain for the "Mollar de Elche" variety, which has a production of 50 000 t.

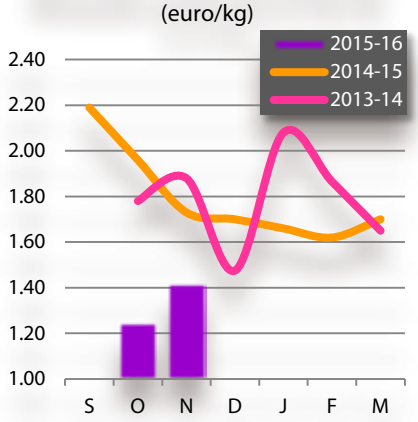
What are the markets for these big additional volumes? They will definitely not be able to be sent to the United States, given the import phytosanitary restrictions, depending on the sources. So the remaining options are the lucrative European market and the Middle Eastern market, turbulent and less rewarding. Faced with demand which might not keep pace with supply in the short term, should we therefore fear continuing price falls in Europe? The extension of Northern Hemisphere calendars and the earliness of the Southern Hemisphere could also pose problems to sources such as California, whose market window in Europe (mid-December to February) could shrink to the detriment of other, more competitive sources.

Sea-freight Peruvian pomegranate
Wholesale market price in Holland
(euro/kg)



Source: ITC Geneva

Sea-freight Turkish pomegranate
Wholesale market price in the UK
(euro/kg)



Source: ITC Geneva

Is the USA's success reproducible?

In the United States, although the pomegranate has been cultivated since the 19th Century, it was the establishment of a massive marketing system in the 2000s by POM Wonderful, the company responsible for creating the variety, which helped generate the fruit's market boom. Thanks to in-store promotions, ad inserts promoting the health benefits of the fruit, promotional offers (coupons) and a high-profile internet presence with adverts and above all recipe ideas aimed at educating consumers, the rate of pomegranate penetration rose steeply to reach 17 % in 2014. An independent organisation (POM Council) was also created to promote the benefits of the fruit. In total, the product was granted an R&D budget of 34 million USD. The advertising budget has also been substantial, with by way of example, an advertising campaign in 2010 aimed at women to promote pomegranate juice, which amounted to 12 million USD.

Is a similar dynamic feasible in Europe? What European specialists in the product there are have made big efforts to promote the pomegranate, but with resources a long way removed from those implemented in the USA. So the upstream segment must contemplate alternatives.

Yet again, POM Wonderful is showing the way. The US company is above all internationally renowned for its 100 % pomegranate or pomegranate-based juices, with its characteristic packaging (pomegranate-shaped bottle), making this fruit very easy to consume, despite its messy reputation. The development of processed products, such as packaged seeds, and of pharmaceutical and cosmetic products, has supported the boom in sales. So it is the parallel development of the fresh and processed segments which have helped win over consumers across the board, especially those reticent due to the fruit's consumption difficulties ■

Carolina Dawson, CIRAD
carolina.dawson@cirad.fr

Pomegranate — Production calendar by country and variety

Countries	Varieties	J	F	M	A	M	J	J	A	S	O	N	D
Israel	Wonderful												
	Acco												
	Shani - Yonay/Early Red												
	Emek												
	Hershkovich												
	116/17												
Turkey	Wonderful												
	Hicaz												
	Red												
USA	Wonderful												
	Early wonderful												
	Early Foothill												
	Granada												
Spain	Mollar												
	Valenciana												
	Wonderful												
	Acco												
Peru	Wonderful												
	Acco												
	116												
Chile	Wonderful												
	Saveh												
India	Ganesh												
	Arakta												
	Bhagwa												
	Ruby												
Iran	Kashan												
	Fars												
Morocco	Sefri												
	Kharazi												
	Laaroussi												

Main varieties

Wonderful has become the world market reference, in spite of its fairly acidic taste. This large sized variety has an intense red external coloration, and its seeds with their markedly red colour convey an image of maturity to the consumer. This variety is currently present across nearly all the producer countries.

There are clones of Wonderful, which, while they have practically the same visual characteristics, possess advantages in terms of taste (lower acidity) or an earlier harvest calendar. This is the case with **Early Wonderful**, **Foothill Wonderful** (earlier) and **Acco**, an increasingly widespread Israeli clone, which is earlier, large-sized (500 to 650 g) and less acidic (21°Brix).

In Israel, there are other early varieties available such as **Shani** and **Emek**, as well as mid-season varieties: **Hershkovich** and **Kamal**. Wonderful comes later in the season.

Mollar de Elche, the Spanish variety protected by controlled designation of origin, is pale yellow in colour and has a sweeter taste than Wonderful, and ranges from medium to large-sized. **Valenciana** is also produced in Spain. It is pink coloured on its exterior, small-sized (between 250 and 350 g) and has a brix of 14 to 16.

Other available varieties are **Hicaz**, traditionally planted in Turkey, **Safri**, **Kharazi**, **Laaroussi** in Morocco, and **Ganesh**, **Arakta**, **Bhagwa** and **Ruby** in India.

Packing

Pomegranates are graded by the number of fruits per box, which can vary from 8 to 20 pieces. There are no standards in force on pomegranate packing. However, the most frequent packaging is the 4 to 5-kg tray box. The fruits are placed in a layer, with the ring of sepals upward, and the internal packing varies depending on the shipping companies. They may simply be placed in the box, but many shipping companies attempt to generate added value by placing them on a bed of wood shavings or wrapping them individually. The boxes are sometimes fitted with a light lid with a cut-out window, or a translucent plastic complex window. There are also bigger packages, of around 10 kg. In this case the fruits, generally 24 pieces, are arranged in two superimposed layers, separated by wood shavings.

Nutrition

Containing high quantities of vitamin C and potassium, this "super fruit" is mainly reputed for its high concentration of antioxidants, polyphenols (punicalagin). Pomegranate juice has been attributed an antioxidant capacity three times greater than red wine or green tea.

Historically used to treat gastro-intestinal diseases and parasite infections, polyphenol-rich pomegranate extract reportedly possesses a high anti-inflammatory capacity, which could help protect against various diseases, including cardio-vascular diseases and cancer.

Pomegranate — Nutrition composition (per 100 g)		
Calories		**71.1 Kcal**
Components	Proteins	1.06 g
	Fats	0.557 g
	Carbohydrates	13.6 g
	Fibres	2.27 g
Micronutrients	Vitamin C	8.1 mg
	Vitamin B6	0.163 mg
	Vitamin B9	22 µg
Minerals and trace elements	Copper	0.114 mg
	Potassium	262 mg

Source: Ciqual food nutritional composition table, 2013

Banana

A report by
Denis Loeillet

Contents

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European banana market in 2015

Taking the rough with the smooth

The 2015 health bulletin for the world banana market is open to various interpretations. On the import side, while things are not all rosy, there is at the very least satisfaction at seeing a resilient market, in terms of both price level and consumption. On the supply side, things are more complicated. The dollarized suppliers are feeling the full depressive force on their revenue from the weakness of the euro against the dollar, while those producing in the euro zone, or outside of the dollar zone, are rubbing their hands. For 2016, things seem more open, with a major question mark over the regulatory effects of the El Niño phenomenon on the world supply.

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Consolidation is precisely the right term to describe 2015 for the banana. A few years back, the indicators for 2015 would have generated more optimism. However since then, we have become accustomed to good news from the world banana market being highly relative. Now, no-one is excited about a slight increase in import price, or consumption in Europe and the United States touching on record levels. Quite the contrary, those of a gloomy outlook see in these two signs a genuine under-performance, rather than a market consolidating itself at levels which no-one could have imagined just a few years ago. True, the world of trade is never happy, which is doubtless one of the driving forces for its renewal, yet we cannot help but observe that it sometimes wallows in excessive pessimism; since the facts speak for themselves. Let's take four reference markets for which we have import stage data, whether via our Market News service or Sopisco News: Germany, France, Europe and the United States. The general conclusion is that import prices are all following the same trend, an upward one!

It is in Germany that the upward phenomenon is most outstanding. According to the CIRAD-FruiTrop barometer, the average import price (unweighted) increased by 10 %, reaching 14.9 euros per box! This equates in full to the Aldi contract price revision.


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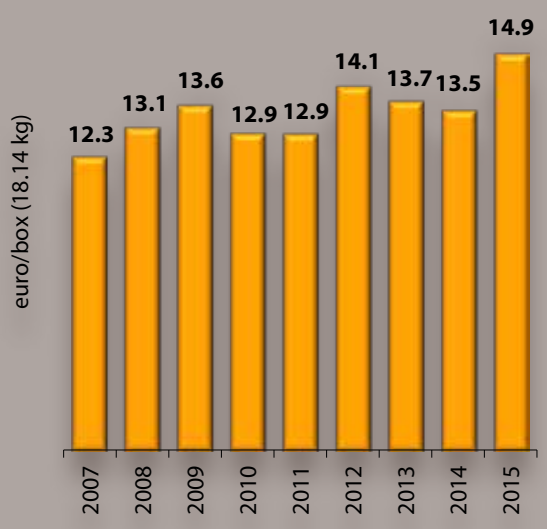
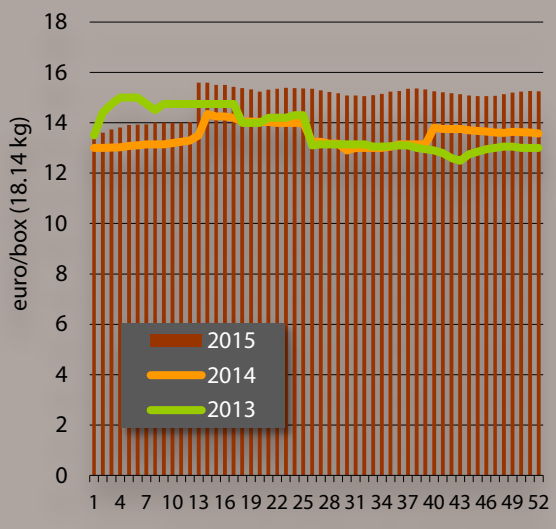


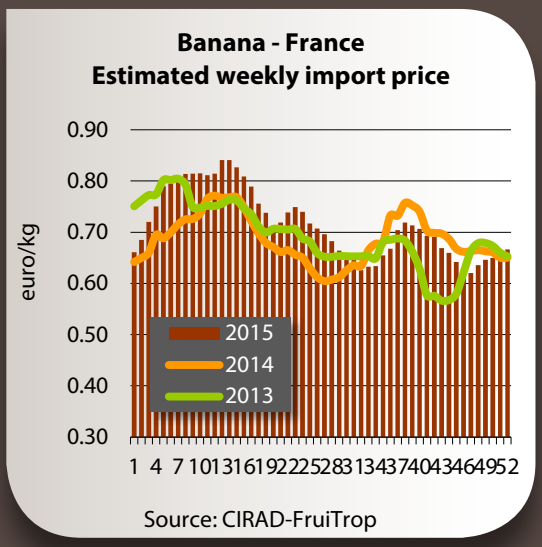
Source: CIRAD-FruiTrop

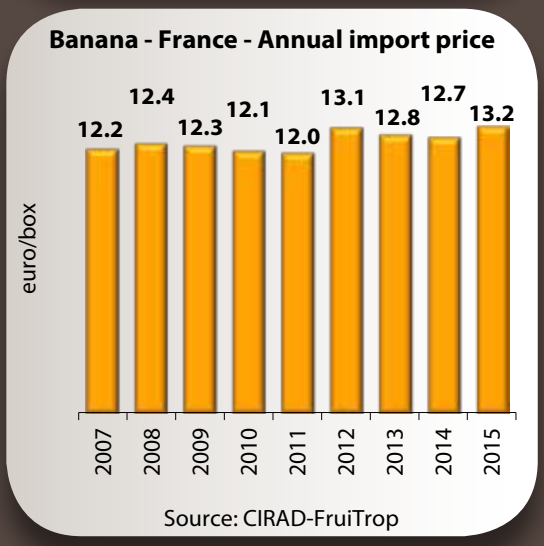


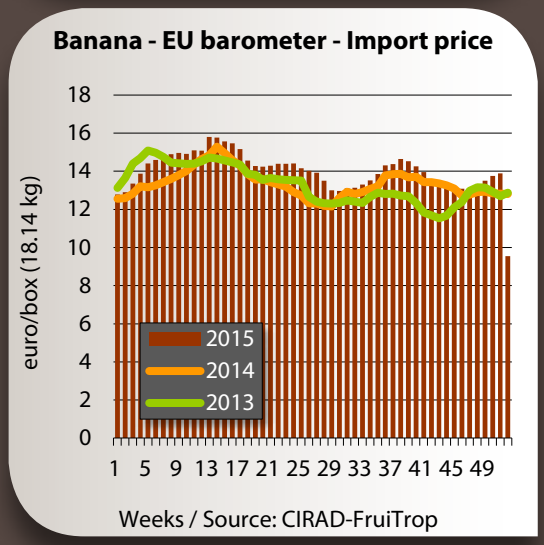
Source: CIRAD-FruiTrop

In France, import prices leapt up by 4 %, going from 12.7 to 13.2 euros per box. We need to go back to 2012 or even 2005, the notorious year prior to the Banana CMO reform, to find levels in excess of 13 euros. This fine performance was made possible thanks to a booming first half-year. Overall, monthly prices were better in 2015 than in 2014, between + 8 and + 14 %. It took just three months for the year to go from exceptional to good, and indeed for many to disappointing. It took just three months to wipe away the surplus added value which would have taken the import price back to its 2007 level, in constant euros (see inset). What a shame! French consumption was also disappointing. Based on the data available (first ten months of 2015), it seems to have slipped by 1 % from 2014 and by 4 % from the record of 2013.

For the European Union as a whole, there was an upward price trend. On average (unweighted), the reference price (source: CIRAD-FruiTrop) peaked at 14.1 euros per box as opposed to 13.3 in 2014, i.e. a rise of 6 %. To find such price levels, we would need to go back to 2001, practically prehistory in the eyes of some, when the European market was still under the system of restrictions by main source types. In 2006, the market was plunged into the melting pot of trade deregulation, resulting in a switch from a restriction system to a tariff system, with ever-decreasing customs duty. On the consumption side, the statistics available (first ten months of the year) tell us that in the worst case we will end the year with an increase of at least 2 %, thereby exceeding 5.7 million tonnes. Finally, retail prices (see inset) followed a different path in each country. In France, Germany and Italy, some degree of inflation was apparent: up to 4 %. Conversely, prices fell in the United Kingdom, by between - 2 and - 6 %. They remained stable in Spain and the Czech Republic.







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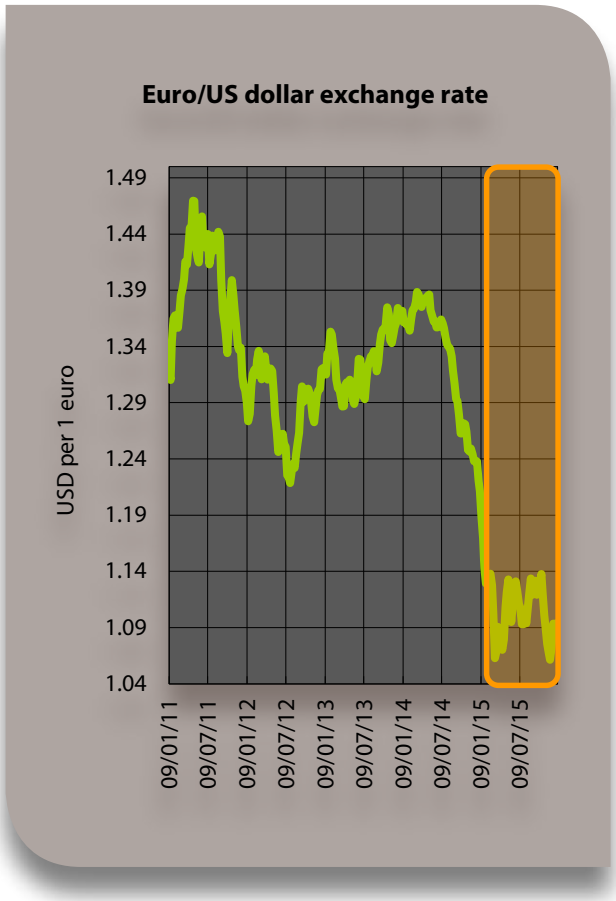
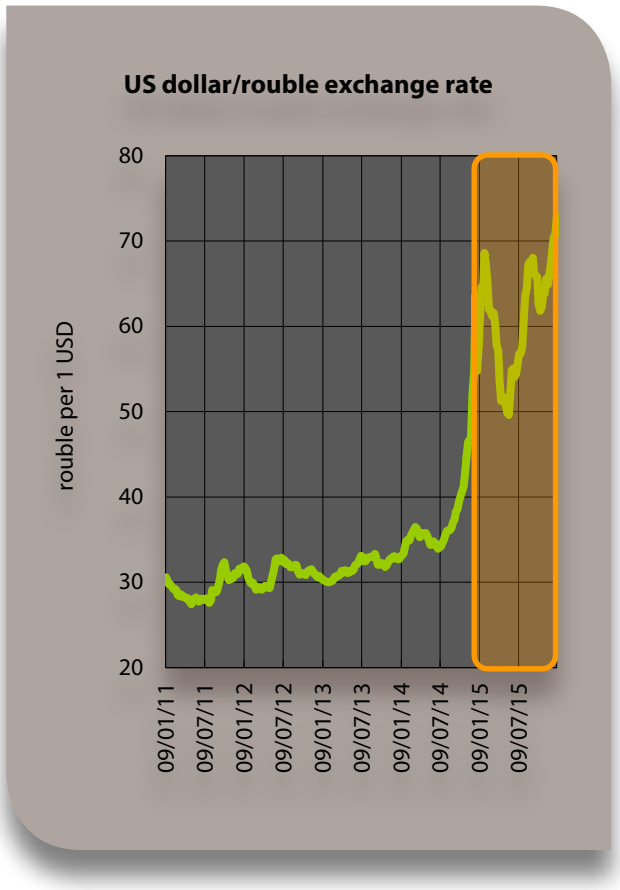
Finally, in the United States (see inset), spot import prices (non-contract, source: Sopisco News) followed a slightly positive trend, thanks in particular to an excellent Q1. The annual (unweighted) price went from 16.6 to 16.7 USD/box, i.e. an increase of barely 1 %. In current dollars, 2015 still set a new record, and above all the level has more than doubled within the space of a decade. Consumption followed on from the heights set in 2014, though without exceeding them (first ten months for the moment). We can bet on the 4 million-tonne consumption mark being beaten over the whole year.



A different opinion for each type of player

So what is the origin of this latent concern, perceptible throughout the autumn and right up to the end of the year? To answer this question, we need to examine the year 2015 more closely. And we might be somewhat disappointed, because everything was set to make it a record year. The smooth-running machine jammed up in autumn. A bit too much supply, a little less demand, and the mechanism began chewing up the value. The vicious circle of increasing supply, especially on the dollar side, and consumption standing still (relative to the 2014 record) drove import prices downward. Accurately pinpointing the transition is a tricky matter, as this depends heavily on the reference period considered. Compared to the exceptional year 2014, import prices (in France for example) started to come slightly undone from week 32, remaining below 2014 prices until week 50. Sales touched bottom in week 36. The situation is completely different if we consider the 2012-2013-2014 three-year average. The feeling of crisis disappears completely, except for two short weeks: 47 and 48. In conclusion, from the importer's point of view, the word "crisis" should not be part of the terminology employed to describe the cyclical conditions of 2015. Yet the suppliers will not agree with this perspective.



The pessimism began very early in the year for the dollar suppliers, and more specifically those producing and selling (directly or indirectly) in US dollars. While for years the exchange rate was not a crucial parameter to factor into banana trade analysis, this is definitely no longer the case, since the awakening of the dollar and its corollary, the slide and indeed tumble of the euro. We can no longer think in terms of a vacuum, applying the famous expression, so beloved of economists, "all other things being equal." To recap the figures, the euro was trading at nearly 1.40 USD in March 2014 and at 1.08 USD in early January 2016. Within the space of two years, it lost nearly a quarter of its value. So a simple question arises: has the value of a box of bananas sold in the euro zone increased by one quarter in two years? Of course it hasn't. If there has been a loss of value, at what point in the chain has it occurred? The recent fall in the minimum guaranteed price in Ecuador clearly shows that the producer is the link hardest hit by variation in exchange rates.

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However, not all countries are in the same boat. In a study published in April 2015 (see FruiTrop no.231, page 40 et seq.), we showed the winners and losers. The hardest impact was felt by dollarized economies such as Ecuador. On the flip side, Ghana emerged as the supplier benefitting the most from the currency variation. The scenario is still the same. In Africa, the franc zone (fixed parity value against the euro) enjoys the full benefit of the strengthening import prices in Europe, as the import price is invoiced in euros.

An end to "All other things being equal"

Nonetheless, there are still some murky areas to explore before we can draw conclusions on each country's risk exposure. Since the cost structure differs greatly between the Latin American, Caribbean and African export industries, if only because a variable proportion of the production factors (energy, fertiliser, plastic, cardboard, freight, etc.) is paid in dollars. Similarly, depending on the type of industry organisation (from the plain independent producer to the fully integrated industry, including the logistical functions) it may or may not be possible to isolate the income and expenditure at the point where the economic return is best.

Finally, while euro revenue from banana sales has fallen in dollar terms, certain costs must also have fallen. Since the banana is ultimately merely the fruit of conversion of fossil energy into carbohydrates, the collapse of the oil price is affecting some expenditure items, especially shipping, fertilisers or plastics. Of course, the effect of a fall in raw material price is not passed on instantly and in full throughout the chain. Fertiliser suppliers have not divided their sale prices by three. Then again, it is less advantageous to pay for your energy in dollars if your revenue is in euros, unless the energy price in question falls faster than the euro depreciates. As proof of this, between June 2014 and January 2016, the oil price designated in euros fell by 57 %, i.e. two times quicker than the euro's fall against the dollar.

So it is hard to draw general conclusions, but nonetheless we can say that highly dollarized producers have not had the same kind of 2015 as the Community producers, or the producers and operators from zones with little or no dollarization. The large-scale manoeuvres (creation and extension of banana areas) in West Africa should, in part though not solely, be analysed in light of these intense exchange rate movements. The renewed political stability of certain countries, the appeal in terms of production factors, the continent's strong economic growth, rising internal demand, the proximity to Europe, the world's number one market, etc., are also combining to win over investors.

What about competing fruits in all this? There is not much to say. Citruses, apples, red fruits or summer fruits have hardly ever reined back banana sales unduly. What possible impediments they have raised have largely been wiped away by the economic factors (primarily the exchange rate).

From observation…

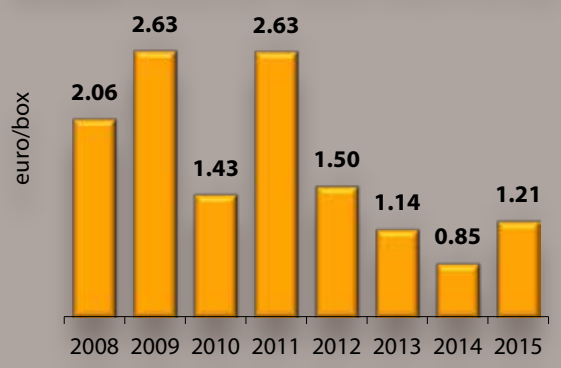
Let's go back to the more or less tricky period extending over autumn 2015. Its analysis is rich in lessons on what we could call the new configuration of the European banana landscape. It is crises, and above all how they are managed, which tell us about the resilience of a system. Usually, under the effect of steeply rising supply, the most fragile markets, with France at the head, came undone first and contaminated the supposedly more solid markets, such as Germany, by a domino effect. This model, doubtless described too roughly, so complex are the workings of the European market, was repeated without much variation whenever the supply of the other fruits inflated, or the competition became too intense. Hence we can observe that 2015 will remain the year when the markets, supposedly feverish, developed a good resistance and even restrained the fall in import prices.

Before putting forward the probable reasons, let's make some checks with the figures. We can use the import prices on the spot market to verify the hypothesis of the strong resistance of certain markets. For Germany, already a durable market, the autumn 2015 period saw prices fall "only" to 11 euros/box, whereas during the same period in 2013 the low point was 8.5 euros. In both cases, the trigger was an influx of fruit onto the European market. For

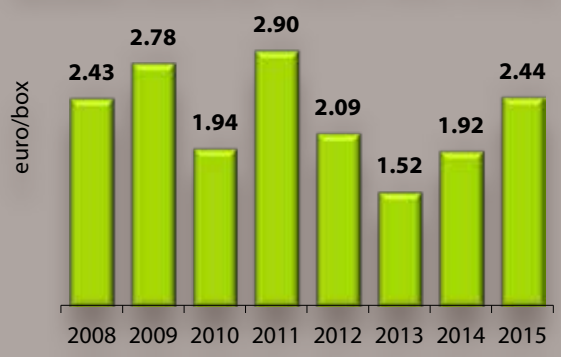
France, the observation is the same. In the midst of doubt in 2015, the import price into France never dropped below 11.5 euros/box. This is simply the highest low price that we have ever recorded since the beginning of the series, i.e. in 2001. We should recall that in 2012, the market dropped to 8.3 euros! However we should specify that this observation is based on averages, and passes over catastrophic market situations, as was the case in each crisis, when the price dropped to extremely low levels.

So where is the weak link if the formerly vulnerable markets like France are now acting as stabilisers? Like a good weather forecaster, we might imagine that the depression has shifted over to Eastern Europe. Yet there too, the market seems to have gained in maturity: since throughout the critical period, the import prices in Poland, for example, never dropped below 10 euros/box. Even in Russia, a fuse market if ever there were one, the price dropped to 9 USD/box for just one week, before immediately climbing back to 11 USD. So a powerful anticyclone prevented the market from falling. For Poland, despite the period of gloom, the annual price remained the same as in 2014, at 13 euros/box. Volatility is the sole sacrifice that the Polish, Russian and even French markets made in 2016. After an extremely low point in 2014, it is climbing considerably in France. In Poland and Russia, volatility is back to the heights, and is three times greater in these countries than in France, for example.

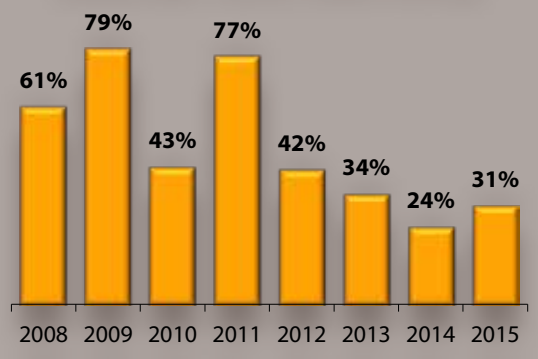
Banana - France - Green price standard deviation (weekly data / source: CIRAD-FruiTrop)



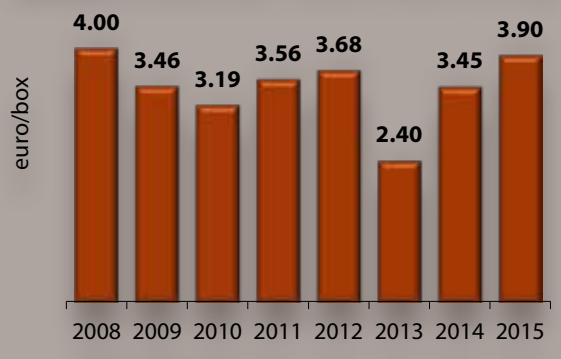
Banana - Poland - Green price standard deviation (weekly data / source: CIRAD-FruiTrop)



Banana - France - Green price volatility (weekly data / source: CIRAD-FruiTrop)



Banana - Russia - Green price standard deviation (weekly data / Source: CIRAD-FruiTrop)

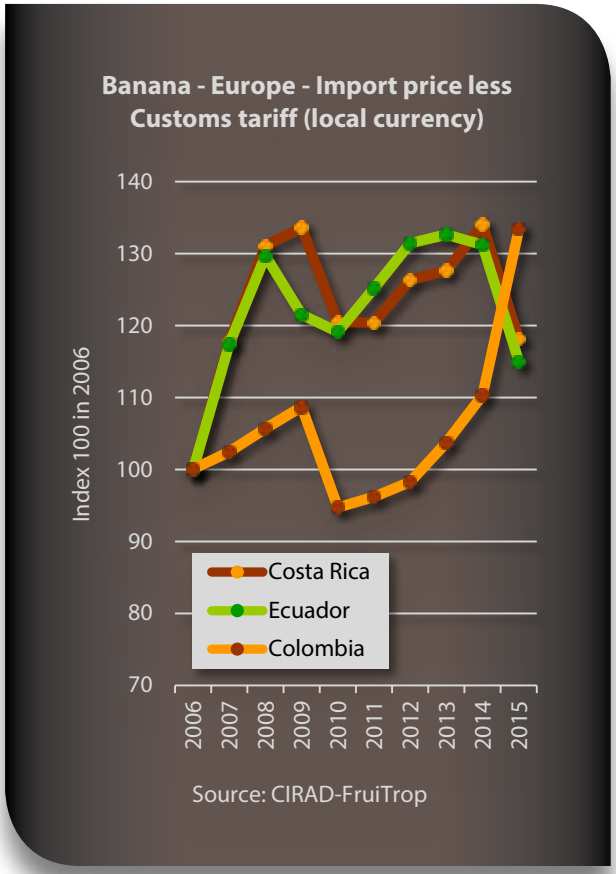


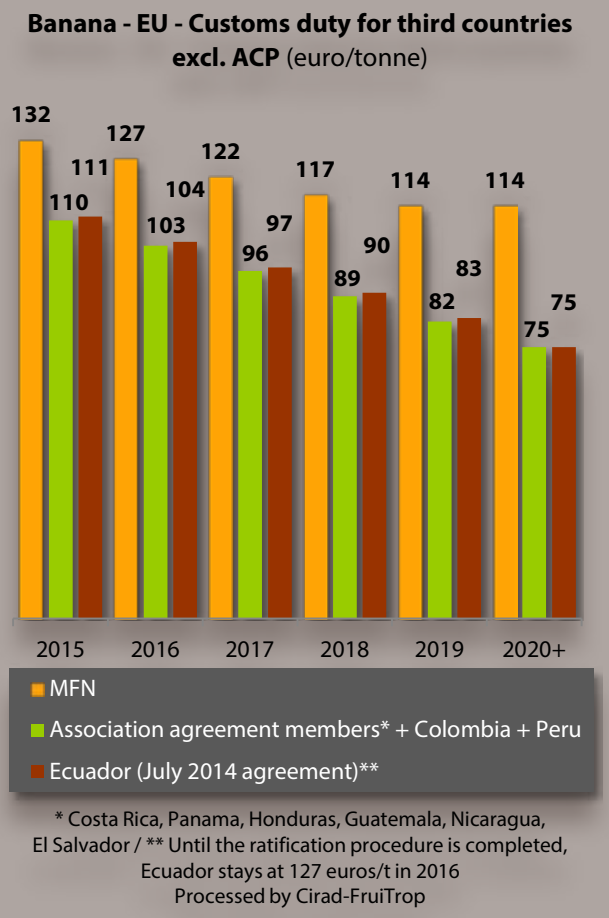
...to analysis

Now let's proceed to the analysis of the outcomes of what might appear to be a new "market intelligence". There are two cumulative hypotheses on the table.

The first is due to the euro/dollar exchange rate. We have already mentioned at length the adverse effects of the fall of the euro on the appeal of the European market. The apparent solidity of the market owes to the fact that it is impossible to sell at prices which, converted into dollars, would not even pay for the freight, box and customs duty.

True, it is valid for a European observer to compare price levels in euros on an interannual basis and be satisfied with this comparison, hailing the effect of the euro's fall against the dollar. Yet this does not make sense for a supplier working in the dollar zone, since the basic parameters have changed, and in this case, the comparison proves nothing. Hence it is useful to convert the European import prices, which are designated in euros, into the local currency of the exporter countries. Everything becomes clear, since for countries highly exposed to the rising dollar, such as Ecuador but also Costa Rica, the value of European imports in 2015 (taking French import price as the reference) has come undone from its historically high levels of 2012, 2013 and 2014 (index more than 130), to fall steeply to a value comparable to that of 2007.





Customs duty and Banana COM reform: the blind vision

There is nothing to report about the Banana COM, nothing to disturb the same old tune of EU market deregulation. In 2016, Customs duty is set to fall to 103 euros/tonne (1.9 euro/box) for the historic signatories of the agreement (Costa Rica, Panama, Honduras, Guatemala, Nicaragua, El Salvador, Colombia and Peru), and could also rapidly be lowered for Ecuador, the brand new signatory, down to 104 euros/tonne as opposed to 127 euros until the implementation of the agreement, doubtless on 1 July 2016.

The next major step is the 2019 rendezvous clause. At this time, the European Commission will examine the workings of the post-restriction Banana COM. This is a unique and crucial moment for the parties to assert their viewpoint. In November, the ACPs showed their concern by relaunching an information and awareness-raising cycle aimed at MEPs and the European Executive in terms of ACP production difficulties. A memorandum was drawn up, the full text of which is available on our site (http://www.fruitrop.com/index.php/Articles-Web/Infos-du-marche/2015/Reunion-ACP-a-Bruxelles).

Yet there is reason to doubt the desire of the European administration to alter its position. The closure of the latest petition, aimed at verifying the impact of exceeding the stabilisation mechanism triggering thresholds for Guatemala and Peru, and its influence on the market balance, is a bad sign. We might be told that in this case the Commission merely applied the rules validated and accepted in 2012. The inefficiency of this system was condemned in the columns of **FruiTrop** back in 2012 (no.204), which went so far as to highlight an aspect of duplicity. We criticised the technical impossibility of documenting the dossier, and the inoperability of the whole system due to the operating tempo of the market itself. There is ample proof that the decision taken at the time was a political rather than a technical one. The negotiations failed, for example, in setting the import volumes triggering the mechanism. At the time, European and ACP producers should have been reassured, but there too, even more than elsewhere, the devil was in the details.

A religious revival!

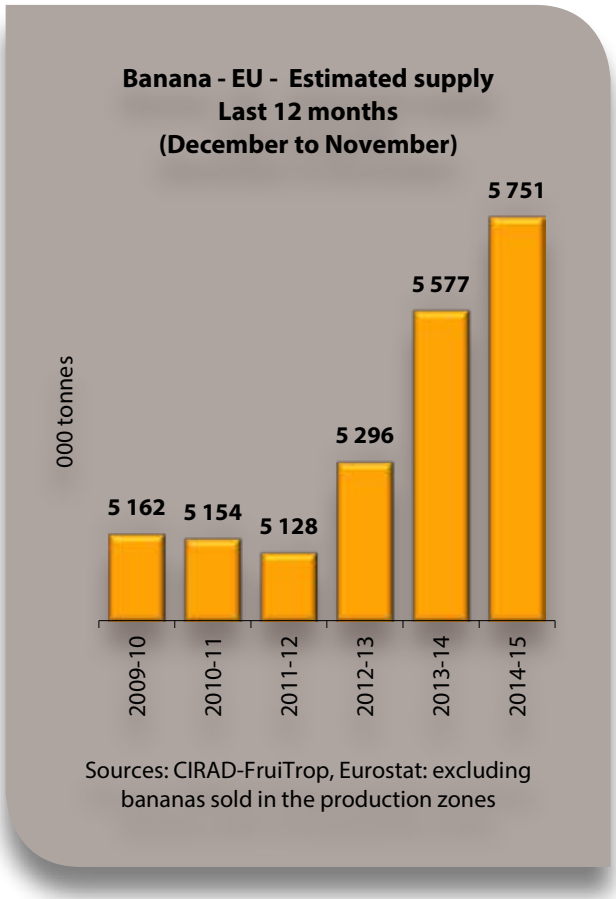
However, we need to continue the campaign. It is extremely difficult to link the fall in duty to poor cyclical conditions on the European market, since external factors (climate, competing fruits, exchange rate, etc.) often rebalance the supply to levels more in line with demand. In addition, consumption has made a giant leap forward: let's pray that it lasts. Ultimately, the legislators have left the operators with nothing but prayer, so we have a major religious revival!

A more interesting avenue to explore would have been the level of sustainability of the various bananas supplying the European market. That is where the EU can support a progressive vision of globalisation. And let it not be said that this is a concealed way of playing developed counties against developing countries. Or that this environmental and social clause is ultimately just another non-tariff barrier designed to protect European territory from the invasion of imported products. We should recall that European banana production represents barely 11 % of European consumption. It is recognised that it needs to be preserved, because it is the laboratory of good social and environmental practice. But here we are talking about what 90 % of European consumers find on their plate. In the knowledge that the new credo of international aid (with DG Devco leading the way) is to reduce poverty and encourage sustainable growth, here is a central lever for acting in accordance with European priorities. For more than twenty years now, we have been preaching in the desert of dumb, malevolent globalisation. In psychology, this is known as blind vision. Certain people (or organisations) become blind due to a lesion on the visual cortex (COM panel). Hence even if their eyes are not damaged (see the latest Euro-African meeting in Malta in November 2015), the brain (European Commission, Member States and European Parliament) is unable to process the images from the retina (influxes of migrants for example). Trade is an excellent lever for reducing poverty and inequalities. So let's direct it to noble ends. Yet it appears clear that questioning the Genevan dogma is definitely not worth a prayer.

Then again, the reduction of Customs duty levied on dollar bananas coming into the EU is mitigating the economic hit somewhat. Indeed, Ecuadorian operators are impatiently awaiting being granted the same reduced duty in the course of 2016 as their Latin American competitors. If we factor in inflation in these countries (e.g. 3 to 5 % per year in Ecuador in recent years), then things are much worse still. In this context, the fall in the minimum guaranteed price, decided recently by the Correa Government, can be analysed either as a measure of adjusting to the world banana cycle, or as the desire of the intermediate links to make the weakest link in the chain – as always, the producer – shoulder the full burden of competitiveness. This is a constant which could be characterised as macabre!

The second hypothesis is more reassuring in substance, since it is less due to the practically unforeseeable variation in exchange rates. It is the hypothesis of a market which is finding its structure, and therefore in part anaesthetising the devastating effects of the banana volumes placed on the market without a fixed end recipient. Ultimately, the challenge is to drastically reduce the role played by spot volumes.

The first effect is to rebalance the commercial dialogue with the downstream segment, which has less chance of finding supplies at knock-down prices, and therefore trading on them in the negotiations. This can lead to a degree of fluidity in commercial relations, which is resulting in particular in the rise to prominence of contractualisation, highly developed for example in Germany, and which is extending to other countries. This virtuous cycle is not at work in all European countries, with Eastern Europe still least well equipped to resist the depressive effects of the clearance supplies from other Member States and the suppliers desperately seeking outlets.



Less channel hopping from the suppliers means more medium-term relationships and therefore the chance for an in-depth overhaul. However, this of course makes things sound too rosy, and nothing ever goes like it does in fiction. To take an example, contractualisation works if, and only if, the signatory parties respect the clauses, including in the adjustment period for the balance prevailing upon signature of the contract.

And where does 2016 fit in?

We will leave prediction to experts in deterministic mathematical models. Too often in the past, these "black boxes" have misled us about the future. So we will make do with some forecasts for 2016. To do so, we will look at the main factors which will determine the new balances on the banana market.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We start with the exchange rate, about which we have talked plenty in this article. At first glance, the US monetary tightening policy, implemented in late 2015, should confirm investors' great yearning for the dollar, which should therefore appreciate. However, the National Bank of Canada points out the risk of bursting the speculative bubble which has formed around the dollar, which would bring the world reserve currency back down to earth. If we refer to the early days of January 2016, the euro, rated at 1.07 euro to the USD, is still on a downward trend. The "exchange rate" anticyclone should therefore continue to shelter the European market from an excessive dollar supply wave across all the sources, with the exception of Colombia, which should continue to enjoy a favourable exchange rate.

For oil and energy in the broad sense, things are simpler, with all the forecasts pointing to the same thing. Oil will remain cheap for at least two years more, and could even hit a lower point than now in Q1 2016. In early 2016, the price per barrel was at 35 USD.

What will the world banana supply be like in 2016? This is the big question, and the big uncertainty. To put it simply, we might say that it all depends on El Niño: not a very new argument, so closely watched is this phenomenon, either eagerly awaited or feared by all operators. In early 2016, vigilance remains the watchword, and all the weather models are predicting a powerful phenomenon, which should last throughout Q1 2016, and then wane during Q2. Roughly speaking, the effects of an El Niño for the banana zones are severe drought in Colombia, the Caribbean and Central America, and heavy rains in Ecuador and Peru for example. The main point about the phenomenon is not necessarily whether it is manifested, but its intensity. A mild El Niño sometimes can mean increased productivity for certain zones, either by optimum watering, or by drought sufficient to slow the development of black sigatoka for instance. The last high-intensity El Niño was back in 1997-1998. At the time, the annual average green banana import price into France leapt up by nearly 60 %! The depressive effects on the supply to the world market made themselves felt from late March 1998 to the end of the year, until production returned to normal.

The new capacities of the Panama Canal, due to be doubled in April 2016, will have a more diffuse and longer term effect. Bigger ships will be commissioned over the coming years on the shipping routes linking the Pacific Ocean to the Caribbean. This also entails the banana ports of Latin America being able to receive these giant container ships. The effect of this investment will doubtless not be visible in the short term, but a larger and cheaper sea-freight supply has always encouraged the operators to upscale their shipments. So this is a change factor to be considered in future.

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more prudent to go on an intermediate hypothesis, namely consolidation of the high current level of consumption, rather than on a growth hypothesis. 600 000 to 700 000 tonnes more in three years is a fine feat on a supposedly mature market! Yet it is not just the EU which counts. Russia should also be monitored, having deliberately stuck itself between an embargo on European produce and one on Turkish produce. The banana could ultimately become an excellent alternative source of cheap carbohydrates. Finally, the United States seems to have entered a period of consolidation, at 4 million tonnes.

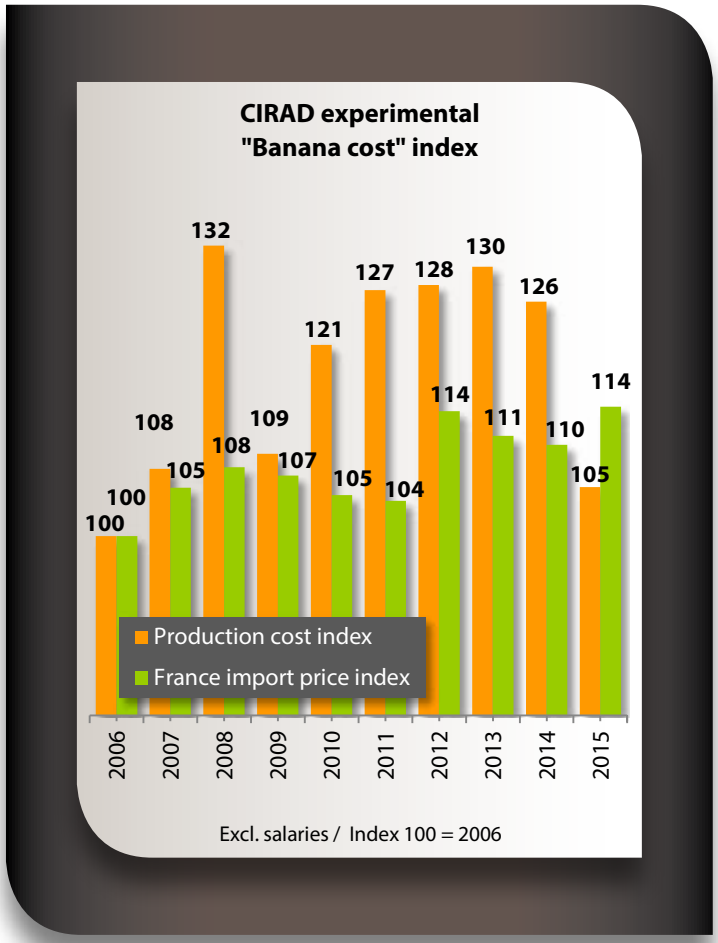
It is hard, after all these "ifs" and "maybes" to advocate a clear vision for the near future. So we will defer to the vox populi, i.e. the market operators, who are rather relaxed about things. In any case, the climate will be the main market regulator. El Niño or not El Niño? That is ultimately the right question to ask ■

Denis Loeillet, CIRAD
denis.loeillet@cirad.fr

Note: the import prices presented throughout this report should be taken as trends, in no way reflecting the particular commercial situations. They are unweighted, and represent a range of sources and qualities.

In a completely different domain, in 2016 we will need to monitor the development of the European market structure. We have already emphasised the beneficial effect of a commercial structure favouring the medium and long term, rather than short-term relationships. The balance is still tricky to maintain. It only takes one big company, transforming its governance or taken over by a foreign agro-industrial company in the banana sector, to change its commercial strategy with a view to conquering market share, and the whole European market structure could feel the effects.

We still need to find an answer to the final riddle: will European banana consumption in Europe and elsewhere continue on the same growth tempo as in the past few years? This is seriously doubtful, so impressive has its dynamic been since 2012. The average annual growth rate of consumption in the EU-28 between the 2012-13 and 2014-15 campaigns (12-month sliding scale from November to October) was 3.9 %. In absolute value, the market size went from 5.1 million tonnes to nearly 5.8 million. It is hard to believe that things can get any better. The last two months for which statistics are available (October and September 2015) actually show a market in stagnation. The potential is obviously there, given the major consumption per capita differentials between the 28 Member States. Yet it seems



Banana retail price in Europe: everyone doing as they please!

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While in 2014 the European supermarket sector adhered to the moderation of import prices, by lowering the retail price of the banana in-store, the situation in 2015 was very different, as it varied between countries. On the one hand were Italy, which increased its retail prices despite the import price remaining unchanged, and Germany, which raised its retail prices by 4 % in both the discount and traditional sectors, thereby partially passing on the 10 % import price increase. This was out of synch with the general food price index in Germany, which went up by just 1.4 %.

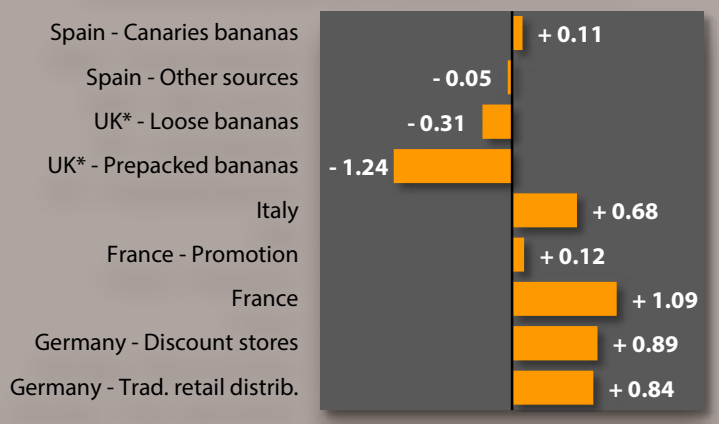
By contrast, France retained appealing prices on the promo segment, and passed on in full at the retail stage the 4 % gain at the import stage. Spain did not make any price changes at the retail stage, though the import price for the Canaries platano slipped by 4 %. Finally, the United Kingdom continued to lower its retail prices for both loose bananas (- 2 %) and prepacked bananas (- 6 %). This was in line with the low price dynamic in the food sector still raging in the United Kingdom, where the food price index fell by 0.3 % in 2015.

Banana — Europe — Import and retail prices

euro/box	2014	2015	Diff.	Diff. %
United Kingdom (£/box)				
Retail price - Loose bananas	13.3	13.0	- 0.31	- 2 %
Retail price - Prepacked bananas	20.9	19.6	- 1.24	- 6 %
Spain				
Retail price - Canaries	36.1	36.2	+ 0.11	0 %
Retail price - Other sources	23.5	23.5	- 0.05	0 %
Import price - Super Extra Canaries	17.1	16.4	- 0.68	- 4 %
Germany				
Retail price - Trad. retail distribution	23.5	24.4	+ 0.84	+ 4 %
Retail price - Discount stores	21.3	22.2	+ 0.89	+ 4 %
Import price	13.5	14.9	+ 1.41	+ 10 %
France				
Retail price	28.3	29.4	+ 1.09	+ 4 %
Retail price - Promotion	24.1	24.2	+ 0.12	0 %
Import price	12.7	13.2	+ 0.50	+ 4 %
Italy				
Retail price	32.2	32.9	+ 0.68	+ 2 %
Import price	13.5	13.6	+ 0.06	0 %
Czech Republic (CZK/box)				
Retail price	574.1	578.9	+ 4.78	+ 1 %
Reference EU Barometer (CIRAD)				
Import price	13.3	14.1	+ 0.74	+ 6 %

Sources: TWMC, RNM, CIRAD

Banana - Retail price
Difference between 2015 and 2014 (euro/box)



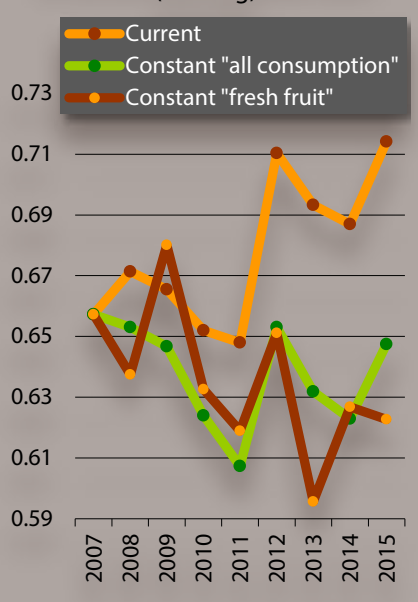
*£ per box / Sources: TWMC, RNM, CIRAD, national authorities

French banana market: what a shame!

2015 started so well that there were legitimate expectations, in view of the moderate or even low competition from apples and citruses, that the autumn would confirm the very positive market trend. Then things came crashing down, with supplies on the increase and demand slowing down. This was a shame, since although the import price ended on a positive note, it was not sufficient to bring back added value. Proof of this is provided by calculating the import price on a constant euro basis, e.g. the 2007 value. A significant bias would enter the analysis if we failed to factor in the cumulative annual inflation rate over several years. For the import price, regardless of the deflator ("all consumption" or "fresh fruit" inflation rate), the increase for 2015 fails even to restore the 2007 level! In other words, the purchasing power from the sale of one kilo of bananas in 2015 is less than ("all consumption" deflator) to much less than ("fresh fruit" inflation rate) for the same kilo in 2007.

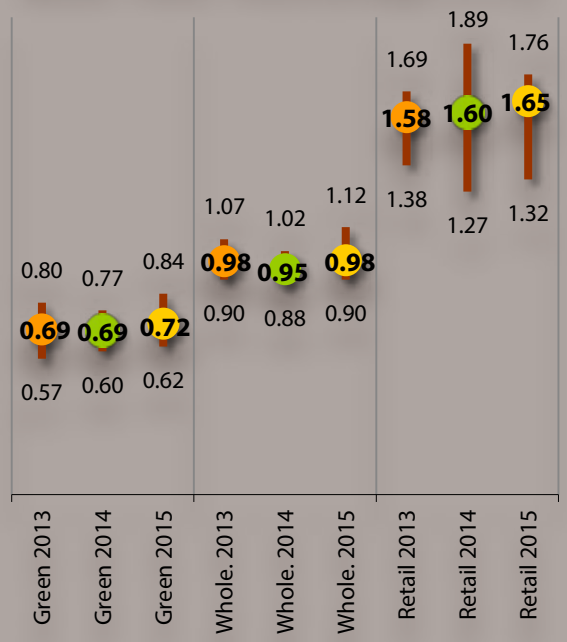
True, banana consumption has been soaring from record to record for years. The industry turnover is increasing. Yet there is an urgent need to win back value. The operators, collectively under the aegis of the Banana Interprofessional Association, or individually as in the French West Indies initiative of selling by the piece (see **FruiTrop** no.237, page 14) are going in the right direction. For now it is too soon to draw up a quantitative balance. Nonetheless the objectives are clear for everyone, especially since production capacities are increasing across the board and the export potential for the short term is high. With extreme cynicism, many operators are leaving it to the breaking El Niño phenomenon to save the market in early 2016. Though a substantial overhaul would be more appropriate, the reflex is still to manage the market by price, and the lowest price at that. Certification, the call for sustainability, fairness, and even the survival of the planet, do not stand up for so much as a second when the price negotiations get started. Who said that reforming the workings of the banana market was like managing to square the circle? Operators could be going round in circles for a long time yet.

Banana - France - Import price in current and constant euro (euro/kg)



Note: "all consumption" and "fresh fruit" deflators / Sources: Cirad, Insee

Banana - France - Price at all stages (euro/kg)



2015: provisional / Sources: RNM, CIRAD-FruiTrop

US banana market: holding firm

While consumption seems to have levelled off in 2015, at just over 4 million tonnes, the spot (non-contract) import price is continuing its forward march. It set a new record at 16.7 USD/box, making a small gain of 1 %. This is something of a tradition for the US market. The beginning of the year is very hesitant, but prices literally soar in February, especially on the West Coast of the United States. We then see a slow, steady descent until September, when prices in all three regions (West, East and Gulf) stabilise until the end of the year. This year the East Coast is registering the poorest performances, instead of the Gulf. We should emphasise that the analysis covers spot prices, which represent just a tiny part of the US market, which as we know, is highly contractualised, to put it mildly. However, in terms of variation, there is reason to believe that the spot price study tells us about the general market balance.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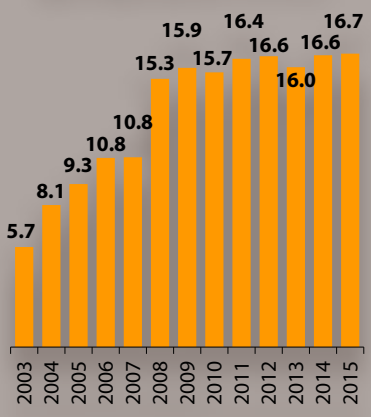
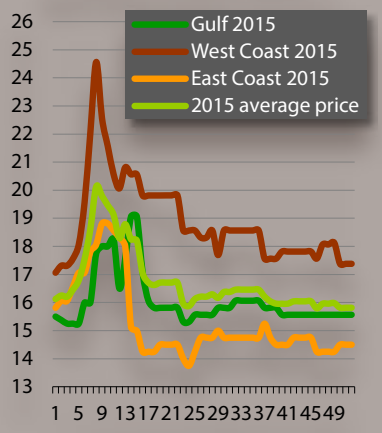
As regards the retail price, while volatility has been relatively greater than in previous years, the annual average price has dropped by 3 % overall, confirming its slow decrease which began in 2012. This phenomenon is reinforcing the gap from the banana's competitor fruits: the apple and orange. There is a particularly strong differential, with the ratio now 1 to 3 against the banana.

Banana - United States - Annual spot import price (USD/box)



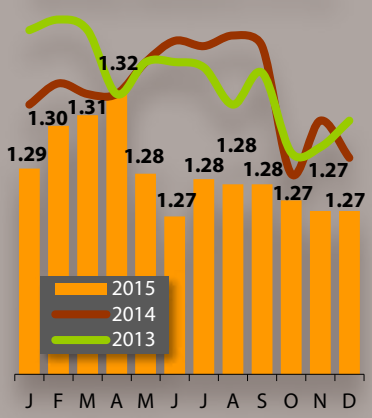
Source: Sopisco

Banana - United States Spot import price (USD/box)



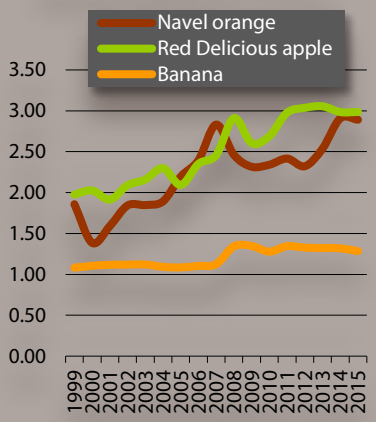
Weeks / Source: Sopisco News

Banana - United States Monthly retail price (USD/kg)



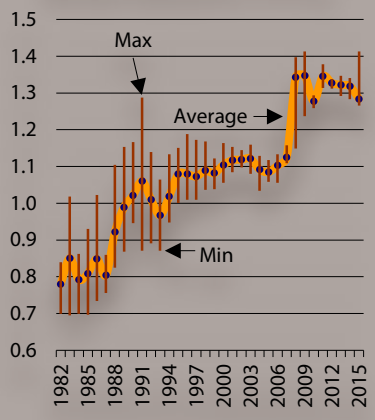
Source: national authorities

Fruits - United States Annual retail price (USD/kg)



Source: national authorities

Banana - United States Annual retail price (USD/kg)

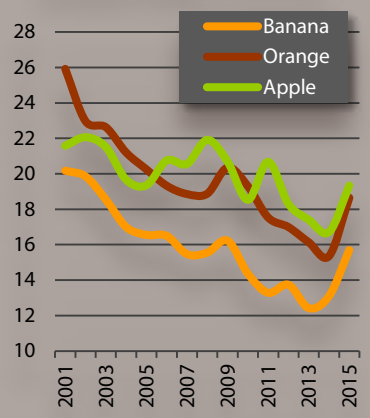


Source: Bureau of Labor Statistics

Russian banana market: plain crazy

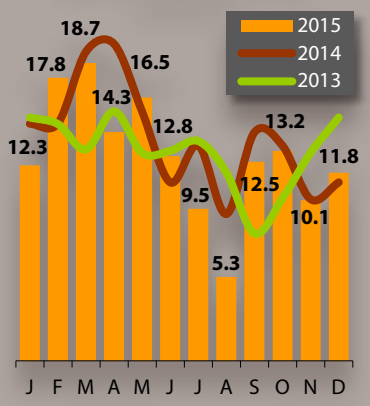
In Russia, the banana market is mirroring the economy: in crisis. Analysis here too is made difficult, such is the prominence of the exchange rate. Since while the price in USD went down by 8 % in 2015 from 2014, to 12.9 USD/box, converted into roubles this was a big leap up. The price per box within one year went from 537 to 788 roubles, a dizzying increase of 47 %, following on from the 29 % increase between 2013 and 2014. The import market has not been gentle with Russian operators. When we thought we had seen it all on this highly unorthodox market, USD prices collapsed to a low point in week 34 of 3 USD/box. So it is hard to make forecasts, even budget forecasts! This is doubtless the charm of such a market which always gets back on track in the end. In spite of everything, consumption does not seem to be flagging, with around 67 million boxes received, a figure practically the same as in 2014. The explanation is due to the retail price, and more so, to the influence of inflation on the retail price. Since while import prices are booming, the severe inflation in Russia partly eating into this increase and making the bill a bit less painful for consumers. Indeed, according to the provisional figures available, the banana retail price in Russia, in constant roubles from 2000, increased only very slightly in 2015, and remains well below its 2000 value. More generally, the banana, as elsewhere in the world, is the most competitive fruit on the shelf. The apple, for example, is 25 % more expensive.

Fruits - Russia - Retail price in constant rouble (rouble/kg)



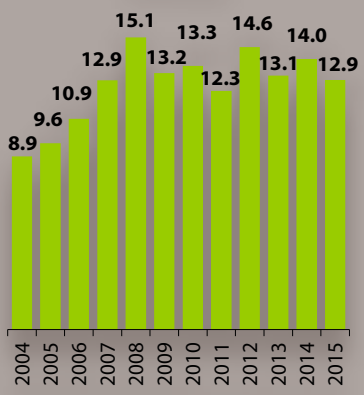
Source: national authorities

Banana - Russia - Monthly import price CIF St Petersburg (USD/box)



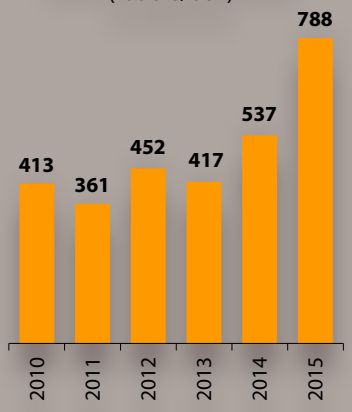
Source: CIRAD-FruiTrop

Banana - Russia - Annual import price CIF St Petersburg (USD/box)



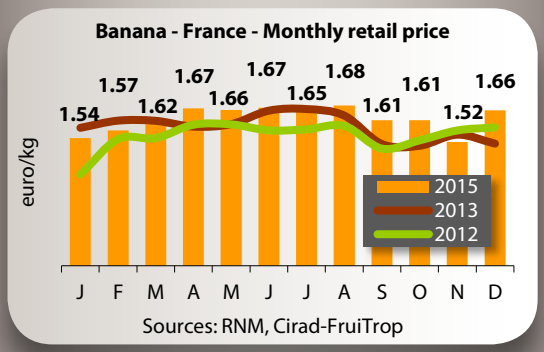
Source: CIRAD-FruiTrop

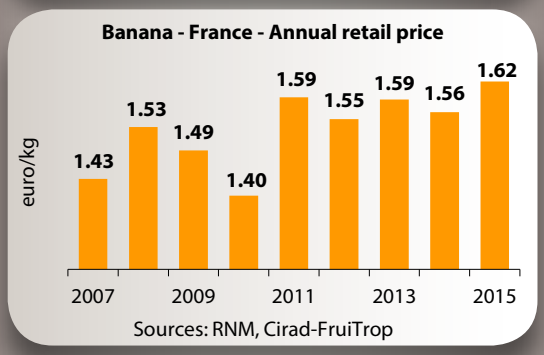
Banana - Russia - Annual import price CIF St Petersburg (rouble/box)

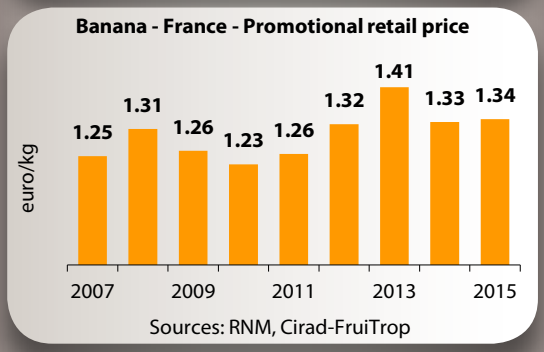


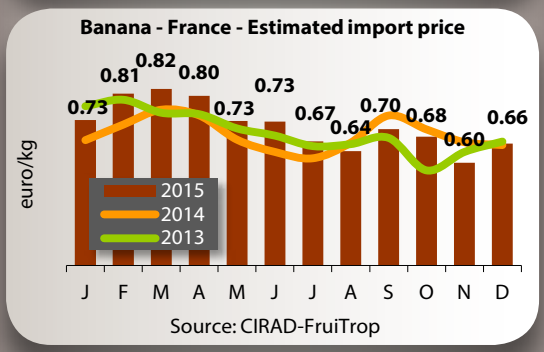
Source: CIRAD-FruiTrop

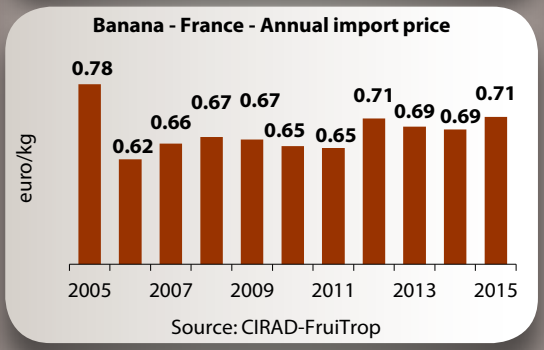
France











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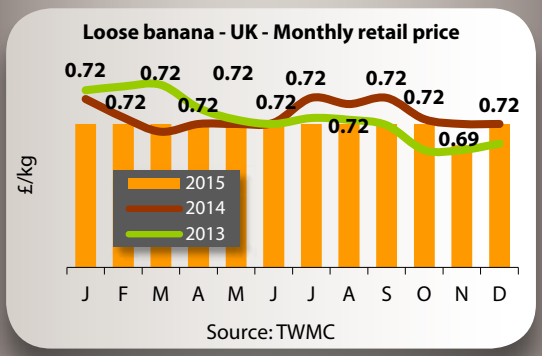
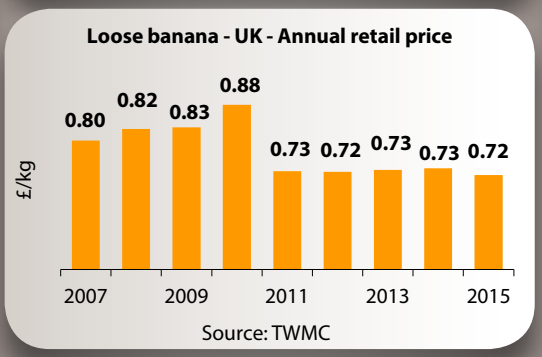
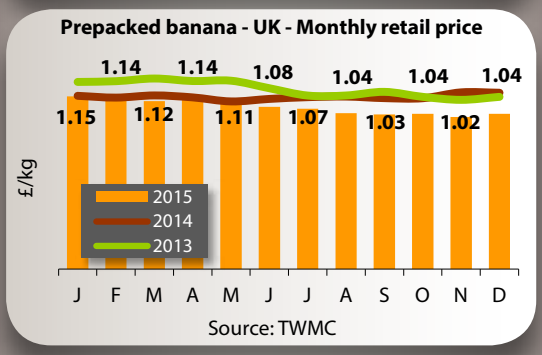
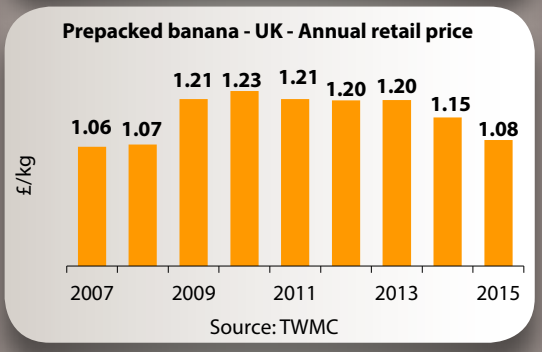
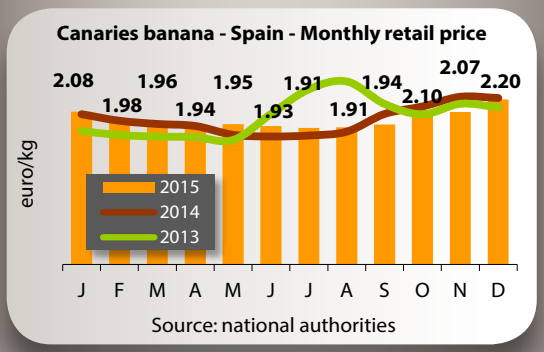


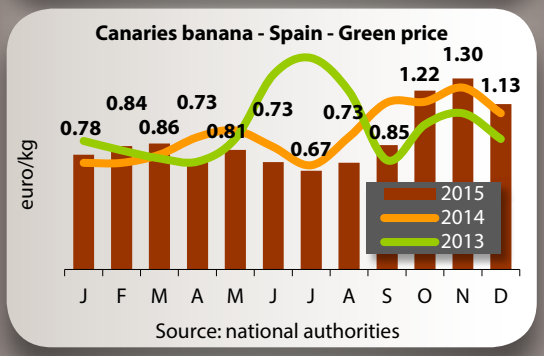


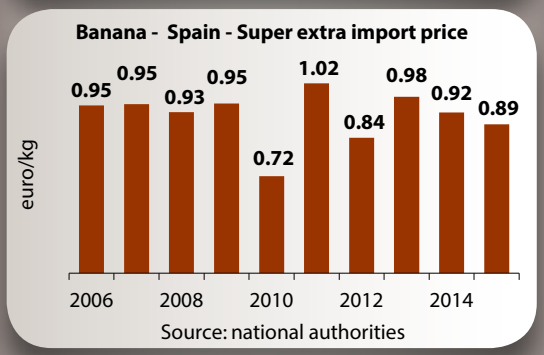




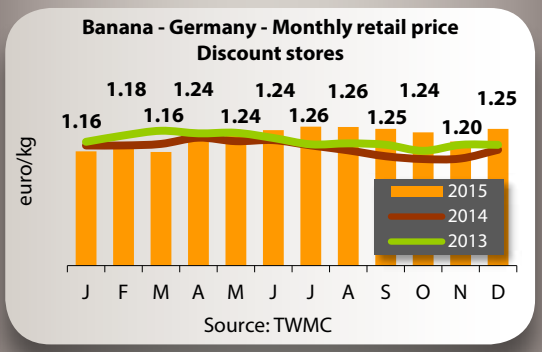
Spain

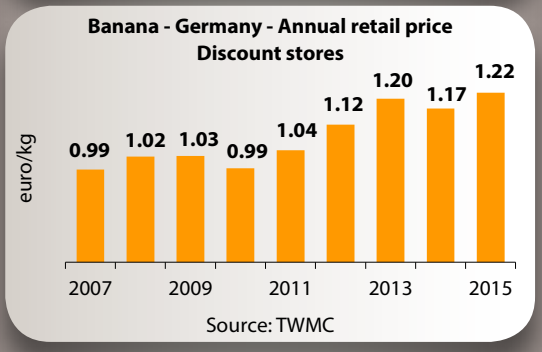


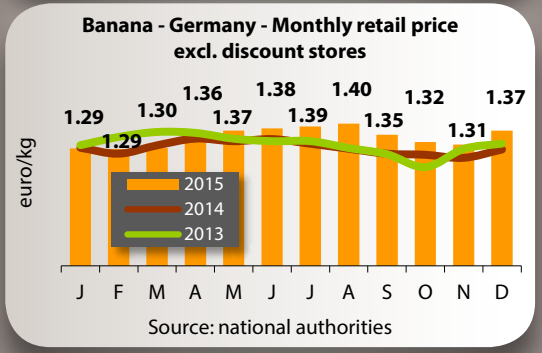


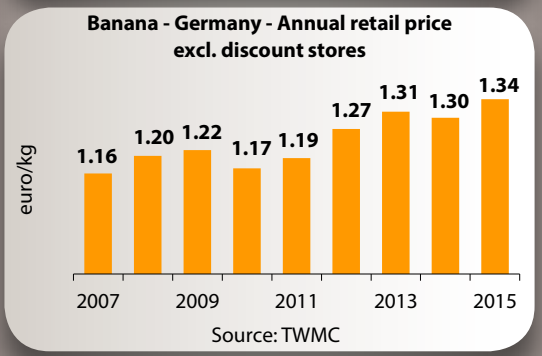


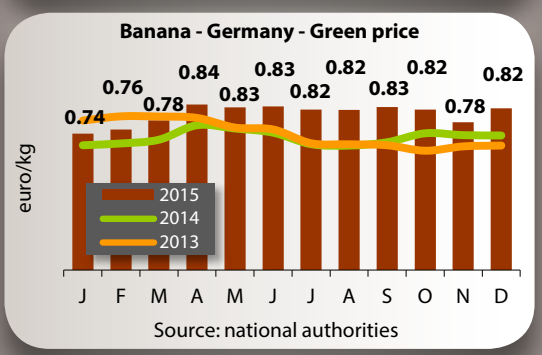
Germany







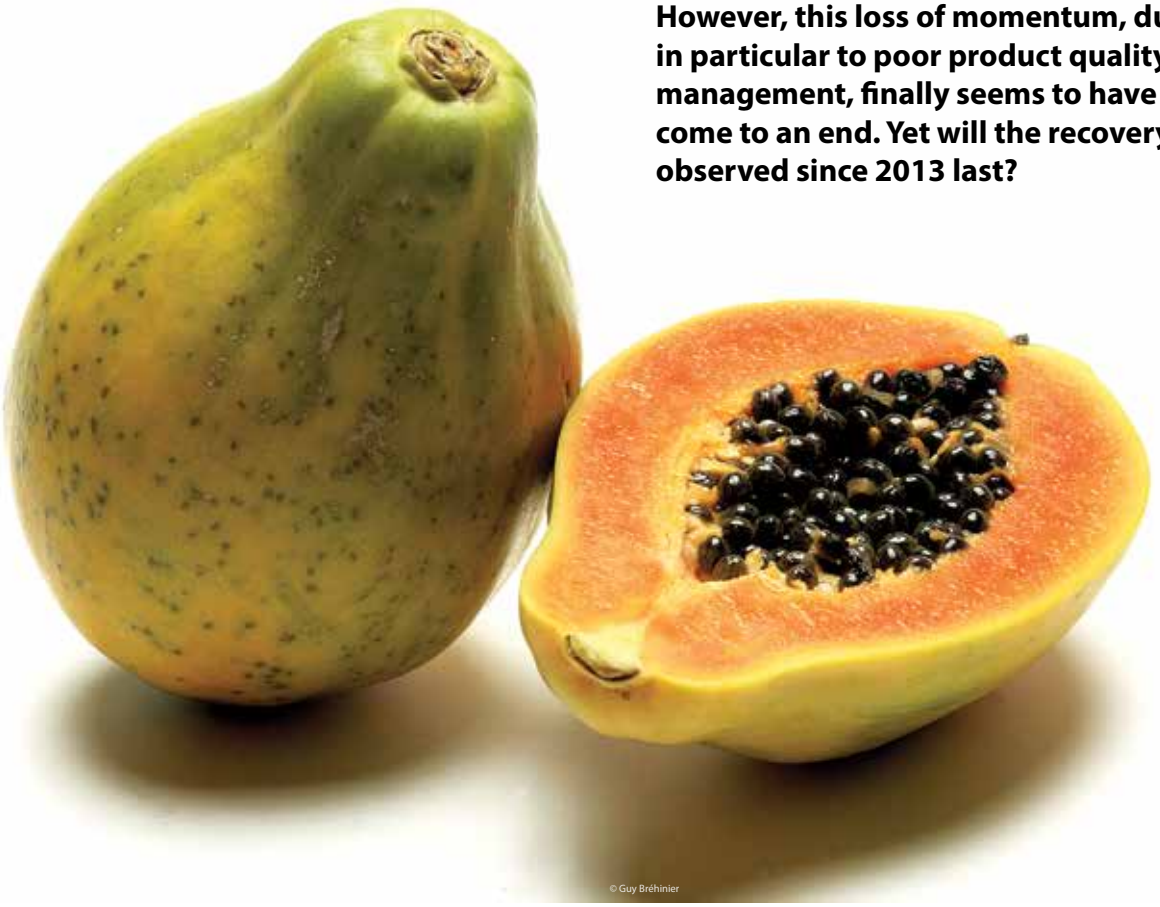




European papaya market

Recovering at last?

The papaya, an exotic fruit which boomed on the European market in the early 2000s, saw its growth run out of steam from 2005, and actually lose ground throughout the last decade. However, this loss of momentum, due in particular to poor product quality management, finally seems to have come to an end. Yet will the recovery observed since 2013 last?

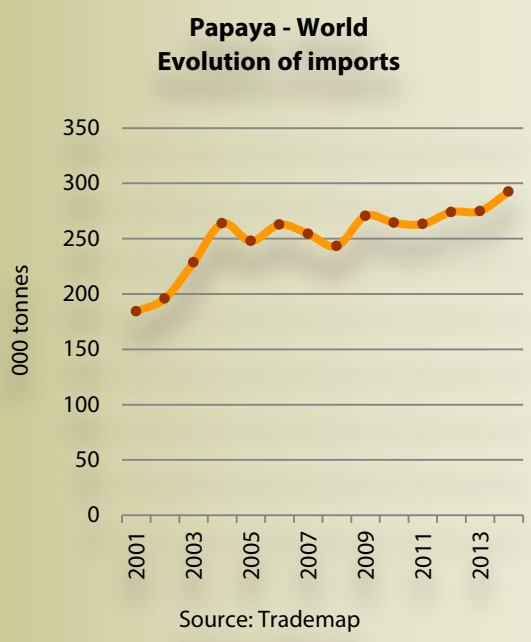


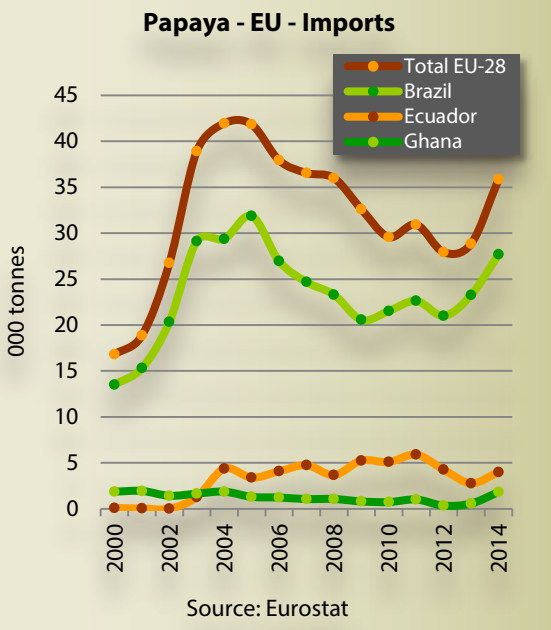
With more than 12 million tonnes in 2013 (FAO), world papaya production is concentrated mainly in Asia (50.8 %), the Americas (36.9 %) and Africa (12.1 %). Local consumption remains the main outlet, and world exports, which amounted to 300 000 tonnes in 2014, are conducted mainly by Latin American countries. Mexico is the main world exporter (33 % of volumes), followed by Brazil (18 %).

The world trade is exhibiting a positive, though moderate dynamic, increasing by just 11 % over the past ten years.

European market still modest

With more than 35 000 tonnes received in 2014, Europe is the world's number two papaya market, far behind the United States, which with more than 150 000 tonnes of imports in 2014, absorb nearly half of world trade volumes. The size of the European papaya market should be compared to the quantities of other tropical fruits imported every year, such as the pineapple (1 million tonnes) or banana (nearly 6 million tonnes). European consumption per capita is still very low, around 70 g per year, as opposed to nearly 500 g in the USA. Similarly, volumes are unequally distributed within the EU: 30 % go to Spain and Portugal, 30 % to Benelux, 16 % to the United Kingdom and 13 % to Germany. Hence, regular papaya consumption still retains an ethnic character.



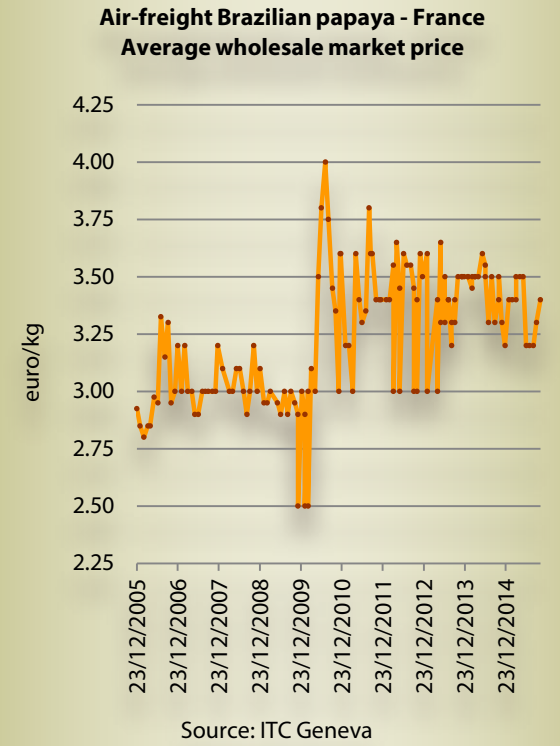


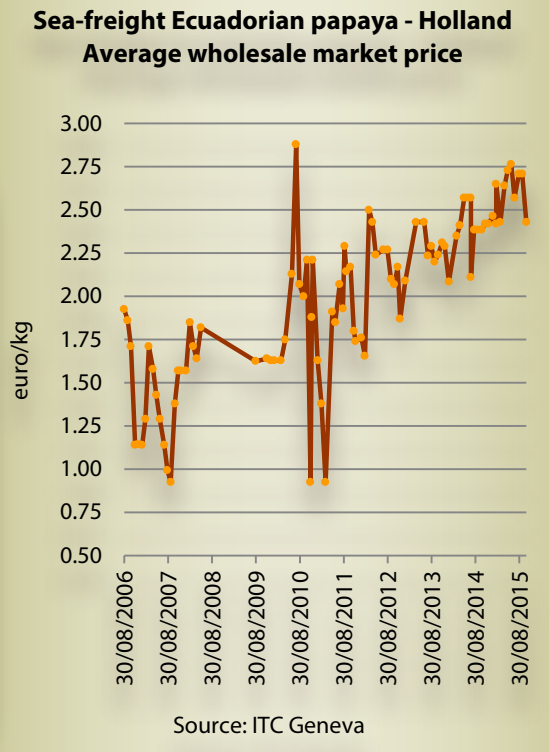
Quality still in question

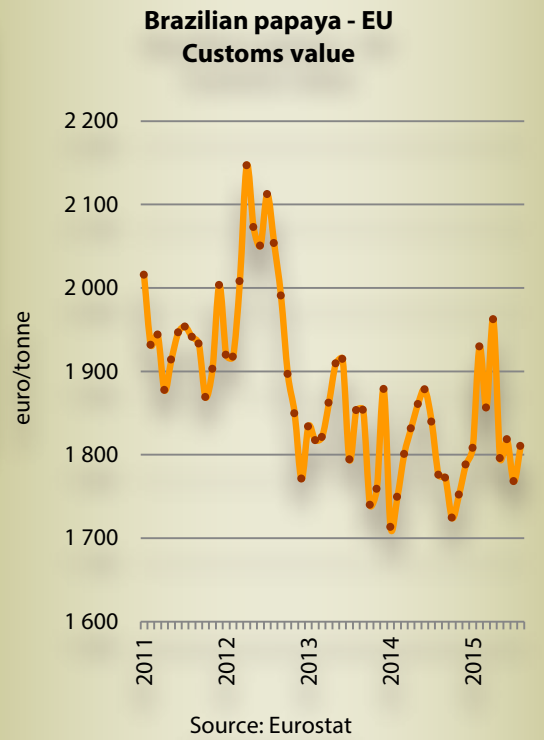
Unlike the United States, which receives 80 % of its supply from Mexico with road-freight papaya, i.e. appealing in terms of price and quality, Europe is supplied primarily from Latin America by air-freight and sea-freight. Hence the papaya remains a relatively expensive product (between 2.5 and 3.5 euros/kg at the retail stage), with often heterogeneous quality given the high fragility of the fruit, and the transport time between production and the various consumption centres.

A very Latino look to European imports

With a 77 % market share, Brazil is the main supplier to the European market, followed by Ecuador which accounts for 11 %. The main imported varieties are Formosa (a large-sized fruit), Golden and Solo/Sunrise (small-sized). The Solo variety, much prized for its organoleptic qualities, has been abandoned because of its high fragility to transport. Africa is involved in the market, though it remains very discreet compared to the Latin American suppliers, in spite of the historical and geographic proximity which might be in its favour. Asia, the world's main papaya producer, is absent from the international stage, with self-consumption and regional trade remaining its main outlets.







Back to growth led by Brazil

Following a period of rapid development when European imports tripled between 2000 and 2004, the European papaya market waned over a long period until 2012. 2013 marked a return to growth in volumes, which was confirmed in 2014 in spite of retail prices rising significantly since 2010, in both the sea-freight and air-freight segments, due to increasing transport costs.

The first half of 2015 followed this positive trend, with imports up 17 % from the same period of 2014 due to the growth of shipments from Brazil, which is continuing to gain ground in Europe with its Formosa variety. The implementation of quality improvement projects, as well as the depreciation of the Brazilian real against the euro and the dollar, explain this growth focused on Europe, with Mexico remaining omnipresent on the US market because of its competitiveness. The exchange rate also has an impact on import prices of the Brazilian papaya, which has become more competitive than in previous years and against sources such as Ecuador, whose economy is dollarized and suffering the opposite effect, i.e. a near-parity euro/dollar exchange rate in 2015.

Furthermore, use of more appropriate post-harvest treatments, the adoption of more robust and tastier varieties (Formosa) and the return to air-freight have helped offer better quality fruits, which is probably the driving factor behind this renewal of the papaya in Europe ■

Carolina Dawson, CIRAD
carolina.dawson@cirad.fr

Papaya — World statistical panorama

Papaya — World Top 10 producer countries	
tonnes	**2013**
Total	**12 583 585**
India	5 544 000
Brazil	1 582 638
Indonesia	871 275
Nigeria	773 000
Mexico	764 514
Dom. Rep.	531 601
China	225 000
Thailand	215 000
Venezuela	199 002
Cuba	197 842

Source: FAO

Papaya — World Top 10 exporter countries	
Tonnes	**2014**
Total	**258 330**
Mexico	84 992
Brazil	47 059
United States	23 274
Netherlands	21 248
Guatemala	10 351
Malaysia	9 951
Belize	6 631
China	6 051
India	5 963
Philippines	4 811

Source: Trademap

Papaya — World Top 10 importer countries	
000 tonnes	**2014**
Total	**292 428**
United States	159 234
Singapore	23 863
Canada	15 851
El Salvador	11 966
Germany	10 860
Netherlands	9 104
United Arab Emir.	7 367
Portugal	7 129
United Kingdom	6 212
Spain	6 029

Source: Trademap

Papaya — USA — Main supplier countries					
tonnes	2010	2011	2012	2013	2014
Total	**153 891**	**139 811**	**142 236**	**155 109**	**159 234**
Mexico	115 213	100 893	107 358	111 966	127 392
Belize	28 569	26 372	18 517	23 673	14 586
Guatemala	3 882	6 195	11 238	14 800	12 595
Brazil	2 984	3 582	2 339	2 535	3 004
Dom. Rep.	2 228	2 180	1 998	1 515	1 151
Jamaica	755	547	776	544	471

Source: USDA

Papaya — Canada — Main supplier countries					
tonnes	2010	2011	2012	2013	2014
Total	**13 462**	**14 497**	**15 003**	**17 475**	**15 851**
Mexico	4 524	4 437	5 484	7 648	7 345
Costa Rica	1 411	1 354	1 977	3 072	4 138
USA	1 755	2 393	2 928	2 539	2 341
Guatemala	879	1 109	1 691	1 797	730
Brazil	518	633	777	665	653
Belize	3 513	3 868	1 438	863	266
Jamaica	294	261	288	193	197
Ecuador	346	273	331	477	134

Source: Trademap

Papaya — Europe — Main supplier countries					
tonnes	2010	2011	2012	2013	2014
Total	**29 572**	**30 934**	**27 916**	**28 839**	**35 852**
Brazil	21 520	22 636	21 000	23 260	27 687
Ecuador	5 088	5 894	4 251	2 773	3 980
Ghana	726	1 009	336	566	1 823
Jamaica	250	68	740	643	890
Thailand	889	864	627	563	548

Source: Eurostat

Papaya — Russia — Main supplier countries					
tonnes	2010	2011	2012	2013	2014
Total	**235**	**322**	**442**	**517**	**519**
Brazil	170	265	372	436	-
Ecuador	46	35	45	51	-

Source: Trademap

Papaya — Japan — Main supplier countries					
tonnes	2010	2011	2012	2013	2014
Total	**2 779**	**2 774**	**2 788**	**2 752**	**2 723**
Philippines	2 278	2 285	2 316	2 314	2 305
USA	497	474	470	437	417

Source: Trademap

Papaya — Central and South America Main importer countries					
tonnes	2010	2011	2012	2013	2014
Total	**8 717**	**9 281**	**10 971**	**13 613**	**13 709**
El Salvador	7 903	6 940	9 533	12 279	11 966
Paraguay	391	536	878	938	1 213
Colombia	53	1 478	237	98	202
Uruguay	111	129	111	137	165
Nicaragua	259	198	212	161	163

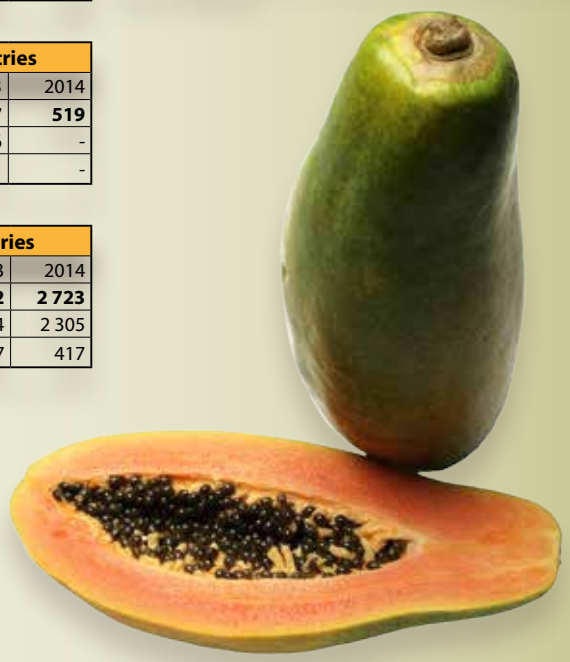
Source: Trademap

Papaya — Asia Main importer countries excl. Japan					
tonnes	2010	2011	2012	2013	2014
Total	**32 030**	**29 658**	**39 411**	**29 310**	**31 468**
Singapore	22 503	20 875	31 875	22 658	23 863
Hong Kong	6 756	6 710	3 976	3 329	3 512
Nepal	1 911	1 159	3 066	2 711	3 337
China	860	914	494	612	756

Source: Trademap

Papaya — Middle East Main importer countries					
tonnes	2010	2011	2012	2013	2014
Total	**5 383**	**14 418**	**12 880**	**10 646**	**12 427**
U.A.E.	2 218	10 093	8 248	6 022	7 367
Saudi Arabia	1 780	1 803	2 021	2 009	2 416
Kuwait	533	784	737	775	701
Bahrain	28	510	675	696	854
Djibouti	423	444	462	610	758
Qatar	401	-	-	534	331

Source: Trademap



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Description

Papaya is a semi-lignous tree 5 to 7 metres high, topped by a crown of large leaves similar to those of the fig. It grows in the hot, humid tropics. It is short-lived (3 to 5 years) but fruits continuously from the year of planting onwards. It is a sexual plant, making it difficult to produce homogeneous fruits. To overcome the disadvantage, fruit production for international trade is generally performed using self-fertilising hermaphroditic plants. The 'female' fruits are generally more rounded and little sold for export. Papaya fruits grow in bunches attached to the trunk beneath the crown of the tree.

Papaya is an ovoid berry, oblong to globular, measuring from 10 to 30 cm in length according to the variety. The fruit is green, turning yellow as it ripens. The smooth, fragile epidermis is a few millimetres thick. The cross-section reveals orangey to red flesh around a central cavity filled with spherical, non-edible grey or black seeds.

Many varieties exist but those most frequently seen on the European market are 'Solo 8', 'Sunrise' and 'Golden' among the varieties with small fruits (300 to 700 g) and 'Formosa' among those with large fruits (more than 1 kg).

The fruit is generally eaten fresh but can be used in the production of juice, jam, dried fruits, ice cream, etc. Both tree and fruit contain papain, a proteolytic enzyme with digestive properties, also used in pharmaceuticals and certain industries (tanning).

Nutrition

Papaya is low in calories and in sodium but rich in potassium and vitamins C and A.

Papaya — Nutritional value (pulp/100 g)	
Energy	47 kcal
Carbohydrate	11.6 g
Vitamin C	60 mg

Regulations

The papaya is covered by a Codex Alimentarius standard: Codex Stan-183/1993, revised in 2001 and amended in 2005 and 2011.

Post-harvest

Papaya is a climacteric fruit. It is fragile and requires much care during picking and transport. It is sensitive to temperatures lower than 7°C, that cause the formation of small depressed dark green spots that are readily colonised by moulds.

Papayas are picked when green-ripe and can be stored for 3 to 4 weeks at 8 to 12°C. When ripe, they can only be stored for 2 weeks at 8°C. The fruits ripen in two or three days when stored at 12 to 18°C. Shelf-life is 3 to 5 days.

Packaging and boxing

Papayas aimed at export to Europe are most often packed in 3.5-kg cardboard boxes. The fruits are generally individually wrapped in paper or protective polystyrene, in order to prevent bumping between them. Formosa variety papayas are generally packed in 4.5-kg cardboard boxes, with the fruits protected by a polystyrene sheath. The grading of the papayas corresponds to the number of fruits per box. For fruits packed in 3.5-kg boxes, the most common grading is 6 to 10 fruits per box. For the large-sized Formosa variety, the grading is 3 to 4 fruits per 4.5-kg box. Specific 7-kg boxes are used on some North European markets.

Counter-season blueberry

Blue on the horizon

If there is still a dynamic fruit sector today, besides the exotics, with the promise of some growth over the coming years, it is the small berries, and in particular the blueberry. By virtue of its health benefits, its use for snacking and its exceptional preservability, it is winning over more and more consumers and exporters.

Community imports on the increase

The blueberry is still a fairly unfamiliar product, and actually cultivated little in Western Europe. Its production amounts to approximately 2 500 t in France, 10 000 t in Germany and 5 000 t in Benelux. It is now expanding around the Mediterranean, especially in Spain (more than 10 000 t) and Morocco (4 000 t), to supplement the range of small berries, surface areas of which are extending in order to compensate for loss of strawberry revenue. It could rapidly follow in the wake of the Southern Hemisphere countries, where this crop has seen massive progress in recent years.

Community imports of blueberry are already on a steep rise. In 2014 they amounted to 37 000 t (+ 34 % on 2013), coming from numerous sources. However, Chile is the main supplier to the Community, with volumes which have practically tripled in five years (18 000 to 21 000 t in 2014, according to sources). It is ahead of the other Southern Hemisphere countries, especially Argentina (5 000 t), whose shipments seem to be rather stagnating; South Africa (1 700 t), which managed to double its quantities over the period; and Uruguay (1 000 t), which also seems to be stabilising, and should rapidly be overtaken by Peru (1 000 t in 2014 from 2 t in 2010), where surface areas are booming.

Cranberry and blueberry — EU-28 — Imports by supplier country

tonnes	2010	2011	2012	2013	2014	2014 / 2013
Chile	7 255	8 898	11 894	13 579	18 813	+ 39 %
Morocco	1 265	1 867	2 928	3 416	5 678	+ 66 %
Argentina	3 996	4 851	4 476	3 824	5 221	+ 37 %
South Africa	740	983	1 180	1 377	1 672	+ 21 %
United States	1 297	1 291	1 248	1 368	1 179	- 14 %
Peru	2	4	41	499	995	+ 99 %
Uruguay	1 214	1 433	1 265	993	971	- 2 %
Canada	209	630	359	634	765	+ 21 %
Total extra-EU imports	**18 018**	**22 486**	**25 530**	**27 863**	**37 393**	**+ 34 %**
incl. total S. Hemisphere	**13 207**	**16 169**	**18 856**	**20 272**	**27 671**	**+ 37 %**
S. Hemisphere market share	73 %	72 %	74 %	73 %	74 %	

Source: European Customs

Royal blue for Chile

The blueberry enjoyed a rapid spread on the other side of the Atlantic. Chile is one of the main driving forces of this growth, and along with the United States (240 000 t) and Canada, is among the world's three main producer countries. The first Chilean plantations were set up in the late 1980s in the south of the country, though high prices during October and November encouraged operators to plant further north. So it is the central zones of the country which have seen the greatest expansion in recent years. The bulk of production can now be found between regions VII and XIV, with a production peak in January to mid-February and the campaign closing in April.

The source now has a capacity of more than 100 000 t for a surface area of approximately 16 000 ha, though not all the potential has reached the production stage. So volumes should climb a little higher over the coming years, thanks to these young orchards, planted with tastier and larger-sized varieties, entering production, and to the renewal of the old plantations.


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If quantities shipped to Europe are for the moment relatively limited, it is because production has until now primarily been aimed at the US market, which absorbs 70 % of quantities produced. As for many other Chilean fruits, shipments have also increased towards other Asian markets, especially Hong Kong, China and South Korea (more than 9 300 t in total to Asia in 2014). Europe already imports 21 000 t, according to the figures of the Chilean exporters (ASOEX), of which 10 000 t via the Netherlands and 9 000 t direct to the United Kingdom. Nonetheless, Chilean exporters hope to be able to continue to develop their shipments to Europe, including to France, where the Chilean blueberry committee is planning to organise in 2016 several events/tastings in at least two supermarket chains, and at the Rungis market.

Peru hoisting its colours

It is from Peru that the steepest rise is expected. Thirty years after Chile, twenty years after Argentina and fifteen years after Uruguay and Mexico, Peru is getting into blueberry production. The very first plantations date from 2007, and since then there has been an unrelenting frenzy of planting. From 30 ha in 2010, surface areas reached 1 000 ha in 2013, and 2 250 ha today. The country's biggest companies are lining up to announce new large-scale projects, from 300 ha to 600 ha/year. For its part, the Ministry of Agriculture has launched an aid programme to help small producers set up, by providing plants, funding and technical support to begin production.

Hence the rise is nowhere close to finishing, especially in the north of the country (Lambayeque and La Libertad). The support and promotion body Sierra Exportadora estimates that surface areas should already reach 4 000 ha in 2016, with a projection of around 7 000 ha for 2021. However, the blueberry is not the only fruit concerned by this vast development plan, which is actually aimed at the entire range of small berries, with the ambition of planting 30 000 ha by 2021.

Exports are of course still modest, though now significant, having already doubled last year (3 400 t as opposed to 1 800 t in 2013), according to the figures of the Peruvian exporters' association (ADEX). For the moment, the bulk is aimed at the United States (70 %), well ahead of Hong Kong (13 %) or the European Union (15 %). Shipments to China should also progress.

Morocco too adding some blue to its berry range

Other sources local to Europe could come to the fore, such as Morocco, where surface areas should rapidly expand over the coming years, under the vast development plan for the berry supply (strawberry, raspberry, blueberry, etc.). Just under 500 ha of blueberry have been planted in this country, which is aiming for a target of 3 000 ha by 2020, for an export potential of 30 000 t. The production calendar is at present rather concentrated, along with Spain's, in April, though it should gradually be brought forward, with earlier varieties being tested.

Stabilisation for the other South American sources

Conversely, the other counter-season South American sources, Argentina and Uruguay, seem to be in a stabilisation phase, due to Chile's rise to the fore and the extension of the European production calendars, especially since the blueberry is a fruit which keeps very well in a controlled atmosphere. The campaign begins in Argentina from September in the regions of Tucuma and Concordia, and continues until December in the Buenos Aires zone. Uruguay enters the market from September with the Salto region, until November-December with Montevideo. So production has stabilised in these production zones, and at times has struggled to hold up, especially in Argentina due to the economic difficulties and the climate vagaries. Surface areas reportedly dropped slightly, back below 3 000 ha, making for a production potential of less than 30 000 t; though exports were still up from last year's 16 500 t. Similarly, production is at best static in Uruguay (2 500 t) due to several producers shutting down ■

Cécilia Céleyrette, consultant
c.celeyrette@infofruit.fr

Wholesale market prices in Europe

November/December 2015

					EUROPEAN UNION - EURO				
					Germany	Belgium	France	Holland	UK
AVOCADO	Air	TROPICAL	DOMINICAN REP.	Box			14.80		
	Sea	ETTINGER	ISRAEL	Box	6.00		6.00	7.50	6.39
		FUERTE	ISRAEL	Box	8.75				
		HASS	CHILE	Box	10.63		9.90	12.00	12.40
			COLOMBIA	Box	11.13			12.00	
			ISRAEL	Box	9.00		8.80		
			KENYA	Box			10.50		
			MEXICO	Box	8.50		8.75	9.75	
			MOROCCO	Box			9.50	12.00	
		PINKERTON	ISRAEL	Box	8.75		7.50	9.50	11.02
	Truck	BACON	SPAIN	Box			10.00	7.50	
		FUERTE	SPAIN	Box			9.25		11.37
		HASS	SPAIN	Box	12.00		10.96		11.36
BANANA	Air	RED	ECUADOR	kg				5.25	
		SMALL	COLOMBIA	kg			6.90		
			ECUADOR	kg				5.67	
	Sea	SMALL	ECUADOR	kg			1.70		
CARAMBOLA	Air		BRAZIL	kg					4.73
			COLOMBIA	kg					5.51
			ISRAEL	kg					6.89
			MALAYSIA	kg			4.86	5.45	6.26
	Sea		MALAYSIA	kg				3.57	
COCONUT	Sea	GREEN	COSTA RICA	Bag				15.50	
		NOT DETERMINED	COTE D'IVOIRE	Bag			9.25	11.71	13.99
			SRI LANKA	Bag					10.84
			THAILAND	Bag					10.33
		YOUNG	THAILAND	Bag				13.00	
DATE	Sea	BAHRI	PERU	kg				7.20	
		DEGLET	ALGERIA	kg			5.50		
		KOUAT ALIGH	TUNISIA	kg				1.90	
		MEDJOOL	ISRAEL	kg			10.75	7.31	6.38
			PERU	kg				6.00	
		MOZAFATI	IRAN	kg				3.30	
		NOT DETERMINED	TUNISIA	kg					1.81
		STONELESS	TUNISIA	kg				2.75	
GINGER	Sea		BRAZIL	kg			2.50	1.88	
			CHINA	kg			2.50	1.34	1.67
			THAILAND	kg					1.29
GUAVA	Air		BRAZIL	kg				7.61	
	Sea		BRAZIL	kg					3.07
KUMQUAT	Air		BRAZIL	kg					4.80
			ISRAEL	kg				4.25	
			SOUTH AFRICA	kg			5.00		6.28
LIME	Sea		BRAZIL	kg	1.41	1.53	1.90	1.60	1.29
			GUATEMALA	kg				1.45	
			MEXICO	kg	1.41	1.56	1.90	1.49	1.69
LITCHI	Air	NOT DETERMINED	MADAGASCAR	kg	7.38				4.13
			MAURITIUS	kg			11.00	7.19	
			REUNION	kg			18.00		
			SOUTH AFRICA	kg			7.75	5.88	
		ON VINE	MADAGASCAR	kg			6.75		
			MAURITIUS	kg			10.00		
			REUNION	kg			10.00		
	Sea	NOT DETERMINED	MADAGASCAR	kg			2.90	3.38	
			SOUTH AFRICA	kg					1.38
MANGO	Air	HADEN	BRAZIL	kg				4.75	
		KENT	BRAZIL	kg			5.44	3.67	
			PERU	kg			5.46	4.92	
		NAM DOK MAI	THAILAND	kg				9.20	
	Sea	ATKINS	BRAZIL	kg	1.13			1.55	1.50
			ECUADOR	kg				1.38	
		KEITT	BRAZIL	kg	1.88			1.62	2.67

					EUROPEAN UNION - EUROS				
					Germany	Belgium	France	Holland	UK
MANGO	Sea	KENT	BRAZIL	kg			1.38	1.66	
			PERU	kg	1.19			1.67	
		NOT DETERMINED	PERU	kg					1.63
		PALMER	BRAZIL	kg				1.79	
	Truck	KENT	SPAIN	kg			1.50		
		OSTEEN	SPAIN	kg			1.08		
MELON	Air	CHARENTAIS	DOMINICAN REP.	kg			4.50		
		CHARENTAIS YELLOW	DOMINICAN REP.	kg			4.50		
			SENEGAL	kg			3.50		
	Sea	CANTALOUP	BRAZIL	kg			1.40	1.54	1.05
		CHARENTAIS	BRAZIL	kg				1.71	1.92
		GALIA	BRAZIL	kg			0.90	1.30	1.13
			ISRAEL	kg				1.20	1.23
		HONEY DEW	BRAZIL	kg	0.90		0.97	0.70	0.90
		PIEL DE SAPO	BRAZIL	kg				0.77	1.04
		SEEDLESS WATER	BRAZIL	kg			0.80	0.69	0.48
		WATERMELON	BRAZIL	kg				0.74	0.57
PAPAYA	Air	FORMOSA	BRAZIL	kg				3.08	
		NOT DETERMINED	BRAZIL	kg		3.57	3.40	3.57	5.13
			MALAYSIA	kg				4.44	
			THAILAND	kg				5.25	
	Sea	FORMOSA	BRAZIL	kg				1.83	
		NOT DETERMINED	ECUADOR	kg				2.43	1.67
		SOLO	ECUADOR	kg				2.36	
PHYSALIS	Air	NOT DETERMINED	COLOMBIA	kg	4.56	4.38	5.50	5.25	5.34
			KENYA	kg		3.50			
		PURPLE	KENYA	kg		5.25			5.17
			SOUTH AFRICA	kg			5.20		
			VIETNAM	kg				7.50	
			ZIMBABWE	kg		5.25		5.50	
		YELLOW	COLOMBIA	kg				8.47	
			ECUADOR	kg				8.10	
			VIETNAM	kg			9.00		
PHYSALIS	Air		COLOMBIA	kg			9.00	7.47	8.87
	Sea		COLOMBIA	kg	6.25			6.66	
PINEAPPLE	Air	VICTORIA	MAURITIUS	Box				14.00	
			MAURITIUS	kg			3.80		
			REUNION	kg			4.40		
	Sea	MD-2	BRAZIL	Piece					0.55
			COLOMBIA	Piece					0.92
			COSTA RICA	Box	7.75	8.25		8.43	
			COSTA RICA	kg			1.04		
			COSTA RICA	Piece					0.91
			COTE D'IVOIRE	kg			1.00		
			DOMINICAN REP.	Box				6.00	
			PANAMA	Box				8.31	
			PANAMA	kg			0.95		
			PANAMA	Piece					1.06
PITAHAYA	Air	PURPLE	VIETNAM	kg				7.50	
		RED	ISRAEL	kg				5.38	
			VIETNAM	kg				7.50	
		YELLOW	ECUADOR	kg				9.30	
PLANTAIN	Sea		COLOMBIA	kg			1.28		
			COSTA RICA	kg					1.47
			ECUADOR	kg			1.23	1.13	
RAMBUTAN	Air		COLOMBIA	kg					9.75
			GUATEMALA	kg				8.50	
			INDONESIA	kg				8.25	
			VIETNAM	kg				8.38	
SWEET POTATO	Sea	NOT DETERMINED	EGYPT	kg			1.05		1.03
			HONDURAS	kg					1.51
			ISRAEL	kg					1.54
			SOUTH AFRICA	kg			1.55		
		ORANGE	EGYPT	kg				0.95	
			ISRAEL	kg				1.07	

Note: according to grade

These prices are based on monthly information from the Market News Service, International Trade Centre UNCTAD/WTO (ITC), Geneva.
MNS - International Trade Centre, UNCTAD/WTO (ITC), Palais des Nations, 1211 Geneva 10, Switzerland — T. 41 (22) 730 01 11 / F. 41 (22) 730 09 06

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