

April 2012 - No. 199

# FR*ui*TROP

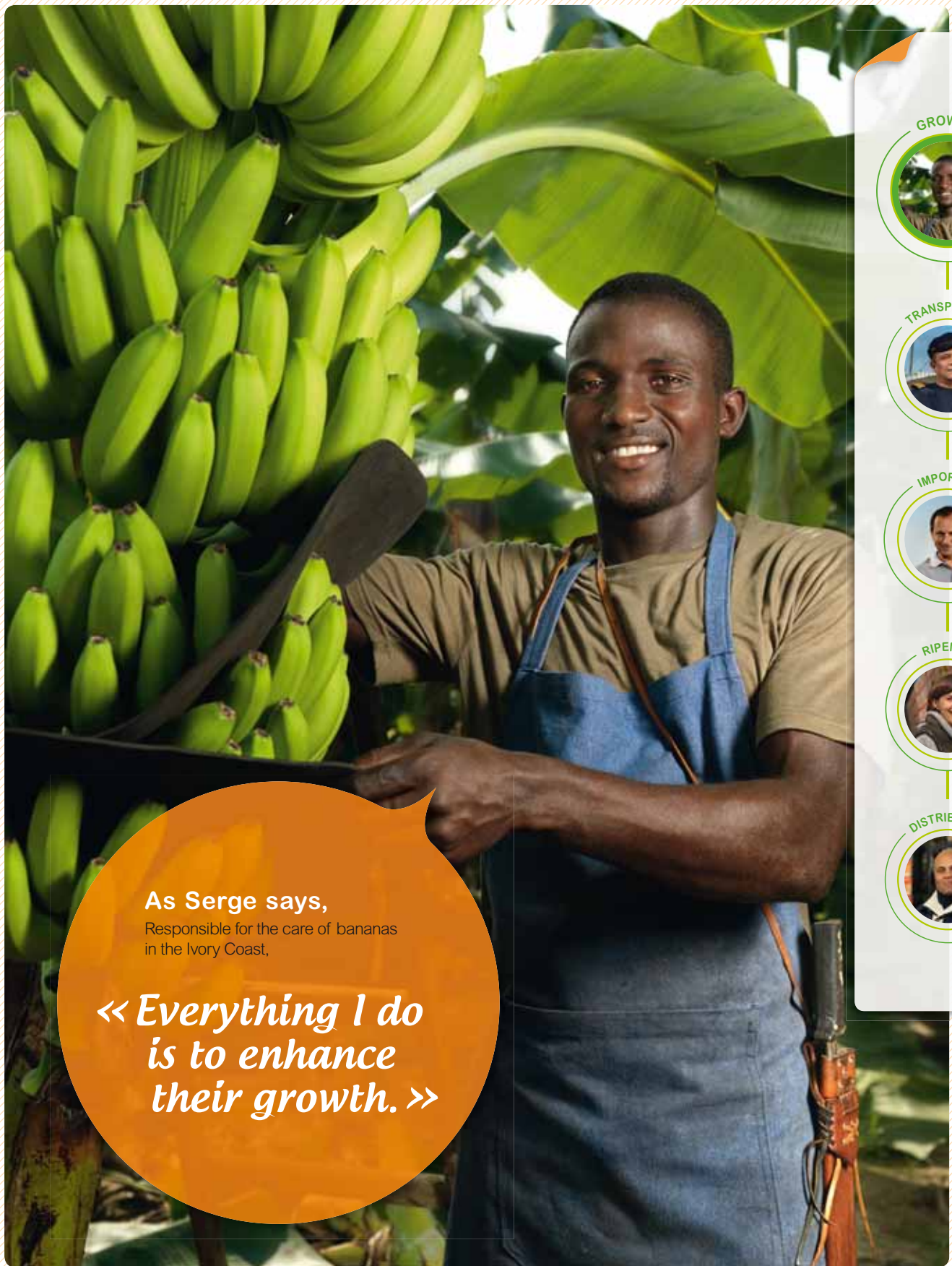
English edition

<http://passionfruit.cirad.fr>

Review of the 2011-12 litchi season:  
Madagascar: the best year of the decade?

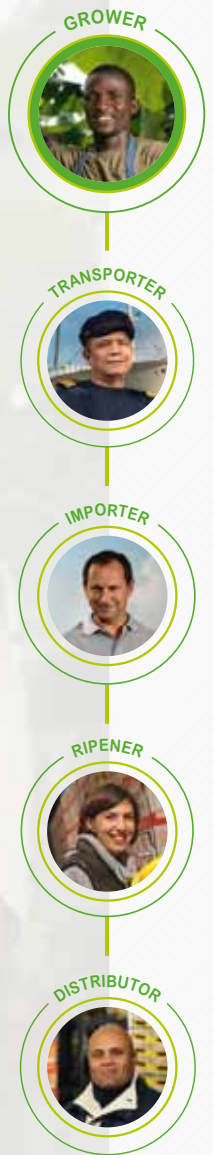
Counter-season avocado market in  
2012: on the eve of another Big Bang?

Southern hemisphere kiwi:  
fighting on all the fronts!



As Serge says,  
Responsible for the care of bananas  
in the Ivory Coast,

*« Everything I do  
is to enhance  
their growth. »*



Serge, like all his colleagues in Compagnie Fruitière, provides constant care to the fruit he is responsible for during their nine months of growth. Everything he does counts, like here, where Serge gently positions cushions between the banana hands to avoid damage to their fragile skin. It's with this care and attention that we grow 400,000 tonnes of bananas every year in Western Africa.

**Compagnie Fruitière has more than 16,000 people working at various stages everyday to bring you the best fruit.**

**Like Serge, we love fruit.**



**COMPAGNIE  
FRUITIERE**

We love fruit. *Les fruits, on les aime.*

## Greening has reached California.



For professionals, it was only a question of time after the detection of the first psyllid in August 2008. So less than four years elapsed before the Asian form of this deadly bacterial disease was confirmed—in the garden of a residence in Hacienda Heights in Los Angeles County at the end of March. Beyond the question of the direct threat to a sector producing an annual average of 3 million tonnes of citrus fruits with sales estimated to be 2 thousand million US dollars, most of the fresh citrus supplies for the United States and countries such as Japan, Canada and Korea are at risk. The cost of addressing the disease in Florida was calculated by the University of Florida to be financial losses totalling 3.6 thousand million and 6 600 lost jobs since the disease appeared in 2005. The cost is not 'virtual' by any means! However, the outbreak of the disease in a state that has used all the means of prevention available to a rich country is also a further alarm signal for Mediterranean producers who are much less well prepared and also threatened by the Yellow Dragon.

Eric Imbert



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**FRUITROP**

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*E. Imbert, D. Loeillet, C. Dawson, P. Gerbaud, T. Paqui, R. Bright*

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*Cécilia Céleyrette*

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Cover photograph: Eric Imbert

# Banana

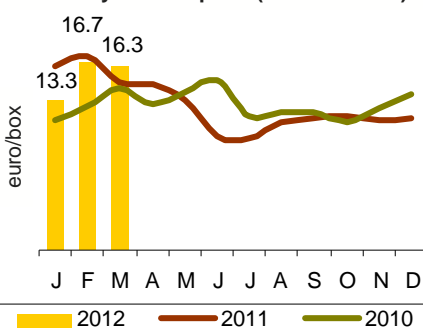
March 2012

The situation at the end of the first quarter was fairly satisfactory as the good momentum achieved in February continued in March. Demand was fairly good on most European markets. Sales were satisfactory in Northern Europe and fairly numerous promotion operations in France stimulated retail sales that were somewhat sluggish at the beginning of the month. The shortage of seasonal fruits (especially strawberries) also played a positive role. The only exceptions were the Southern European markets, with sales remaining slow in Spain and Italy. Supply was also slightly short, especially as regards dollar bananas. Exports from Ecuador were markedly smaller than usual as production suffered from cold weather followed by rain. Shipments from Colombia had already been marked in February and became more so in March. Shipments from Costa Rica also seem to have remained smaller than normal. Shipments from the West Indies remained stable and slightly smaller than usual as the seasonal increase in production did not start until the end of the month. The volumes of African exports increased in comparison with February but remained slightly smaller than average. Moderate shipments from Côte d'Ivoire and Cameroon counter-balanced the large volumes from Ghana. As a result, prices remained fairly firm and higher than average on most European markets, with the exception of Spain where the market was unable to stand up to the increase in fruits from the Canary Islands.

### NORTHERN EUROPE — IMPORT PRICE

March 2012 euro/box	Comparison	
	previous month	average for last 2 years
16.30	- 2%	+ 12%

### Germany - Green price (2<sup>nd</sup>/3<sup>rd</sup> brands)



■ Bananas from Ecuador: an affair of state! While the former French president Jacques Chirac liked apples, bananas are clearly Rafael Correa's thing. The president of Ecuador showed this again in March, both at home and on the international scene. His official trip to Turkey was so strongly devoted to the promotion of banana imports, currently slapped with a swingeing 140% customs duty, that the local press called the event 'The banana visit'. A few days before he left, the president unholstered a new tool aimed at better controlling relations between producers and exporters and also at respecting the minimum price. Since 19 March, every transaction must be recorded online at the Unibanano website controlled by the Ministry of Agriculture (<http://www.magap.gob.ec/unibanano/>). And the president does not intend to stop there as he has officially announced that the setting up of a state-controlled export company is being examined.

Source: Reefer Trends

■ Bananas from the French West Indies: when virtue doesn't pay. The seminar organised by banana producers in Guadeloupe and Martinique on the theme of conservation farming was both joyful and very depressing. The public enjoyed hearing about the effects of a switch from intensive production to rational farming or, more commonly, ecological intensification. Less spraying of pesticides has been a reality for a decade, with mention made of a 70% reduction. This is far from the 'greenwashing' that some operators are so vociferously proud of. It is obviously not a question of style or

a sudden passion for ecology that has led West Indian growers to change their crop management sequences in a radical manner. Regulations, past disasters and pressure from citizens have changed the scene in agriculture. And when French social and wages rules are added, there is no need for a research programme to see that these bananas are the most sustainable on the market. But this is where depression hit the conference room. Because the question of knowing if one can expect rewards for this very pro-environmental and socially responsible position, the representative of the major retail chains and then that of the Credoc (an institute that analyses purchasing behaviour) confirmed that these advantages will not generate value. Indeed, bananas have a reference price that must be respected in all cases. The food system does not seem to be working very well. Mortified, the chef Arnaud Daguin said that 'not paying virtue is one thing but never paying the price of vice is more serious'. But the business world is quite happy with this kind of thing and so are consumers. As Molière wrote in *Amphytrion*, 'I prefer an easy vice to a tiring virtue'.

Source: CIRAD



© UGPBAN

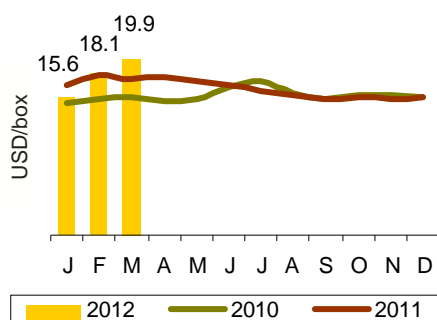
### EUROPE — RETAIL PRICE

Country	type	Comparison		
		March 2012 euro/kg	February 2012	average for last 2 years
France	normal	1.54	0%	- 1%
	special offer	1.24	- 6%	- 9%
Germany	normal	1.39	+ 5%	+ 6%
	discount	1.23	+ 6%	+ 8%
UK (£/kg)	packed	1.21	- 1%	+ 1%
	loose	0.72	- 5%	- 18%
Spain	plátano	1.82	- 1%	- 3%
	banano	1.39	+ 2%	- 1%

# Banana

UNITED STATES

USA - Green price (spot)

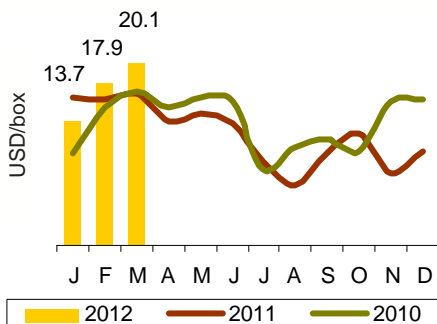


USA — IMPORT PRICE

March 2012 USD/box	Comparison	
	previous month	average for last 2 years
19.90	+ 10%	+ 20%

RUSSIA

Russia - Green price

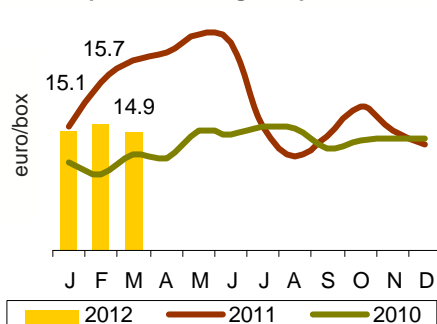


RUSSIA — IMPORT PRICE

March 2012 USD/box	Comparison	
	previous month	average for last 2 years
20.10	+ 12%	+ 19%

CANARIES

Spain - Platano green price\*



CANARIES — IMPORT PRICE\*

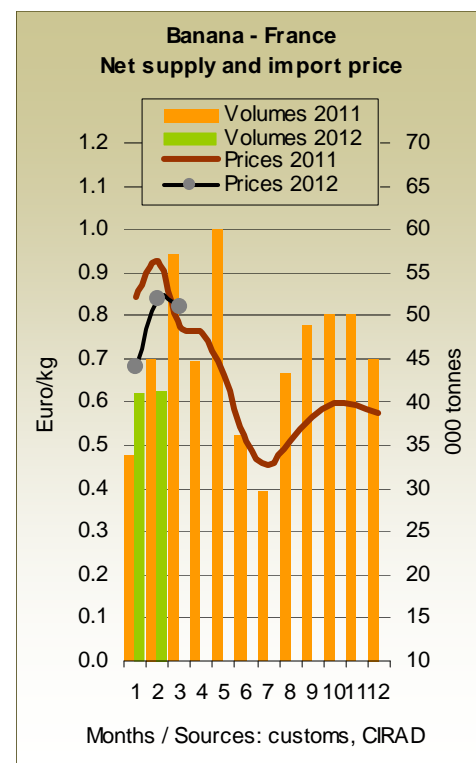
March 2012 euro/box	Comparison	
	previous month	average for last 2 years
14.90	- 5%	- 17%

\* 18.5 kg box equivalent

■ Banana — France — Net supply down and import price up in the first two months of 2012. After normal supply in January 2012 (41 100 t, with the 2005-2011 long average being 41 200 t), that of February was fairly small. French customs reported 41 400 tonnes in comparison with a long average of 43 300 t. Above all, the fall was 8% in comparison with February 2011 when the 45 000 t marked was exceeded, a very rare feature for the month. In the first two months of 2012, re-exports (intra and extra-EU) fell by 24% in comparison with 2011, totalling 26 000 t. Flow entering via another EU member state (introductions) also fell by a dramatic 34 500 t, that is to say 30% down on 2011. However, thanks to the net flow from other EU countries France covered 10% of its net supply (8 500 t of 82 500 t). In 2012 (January and February), seven suppliers covered 84% of a total of 108 500 t of imports directly or via an EU member state. Martinique accounts for 24% of the total, followed by Cameroon (19%), the Dominican Republic (10%) and Surinam (10%). It is noted that Belgium accounts for 3% of total imports but it is not possible to know where the fruits sold came from. The sources known for selling all or part of their fruits with organic and/or Fair-Trade labels (Dominican Republic, Ghana and Peru) account for some 13 800 tonnes (13%). The dollar origins Colombia, Ecuador and Costa Rica are comparatively little present, accounting for only 9% of the banana imported in 2012 (9 800 t) in comparison with 14% in 2011 (15 300 t). As regards import prices, the situation was particu-

larly good at the beginning of this year even though it was not up to the excellent start of the year in 2011. Everything shows that the favourable trend should continue at better than 2011 levels throughout the second two months of the year. Economic theory is verified once again as with limited volumes (world dollar banana supply fairly low in the first part of the year) with good import prices for green stage operators. In spite of it all, the average import price has decreased in the last 12 months but the good prospects for April and possibly May as well lead to hoping for a return for a price per box of about EUR 12.

Source: CIRAD



EUROPE — IMPORTED VOLUMES — MARCH 2012

Origin	Comparison		
	February 2012	March 2011	cumulated total 2012 compared to 2011
French West Indies	=	+ 4%	+ 32%
Cameroon/Ghana	↗	+ 3%	+ 10%
Surinam	↗	+ 17%	+ 10%
Canaries	↗	+ 8%	+ 5%
Dollar:			
Ecuador	=↘	- 8%	- 1%
Colombia*	=↘	- 7%	- 3%
Costa Rica	=↗	na	na

Estimated thanks to professional sources / \* total all destinations

# Avocado

March 2012

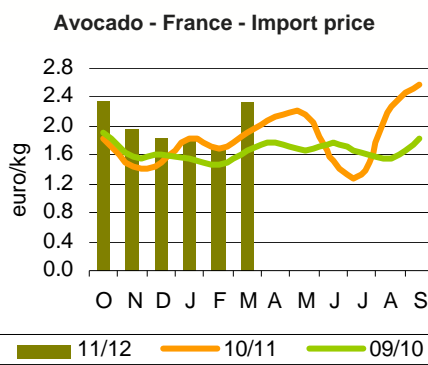
Prices increased considerably as a result of limited overall supply and a steady increase in demand for Easter promotion operations. Supply of 'Hass' was also slightly short. Production started to decrease in sources supplying the winter market, with exports from Chile becoming marginal at the beginning of the month. Israeli and Spanish fruits were clearly present on the market. Arrivals from Spain were larger in spite of losses caused by frost. Shipments from the summer suppliers Kenya and Peru remained limited. Green varieties displayed a more marked deficit. As a result, the market started to become tense at the beginning of the month. Prices started to climb markedly in the second half of the month with the stepping up of demand for Easter even though shipments from Spain and Israel were larger.



© Régis Domergue

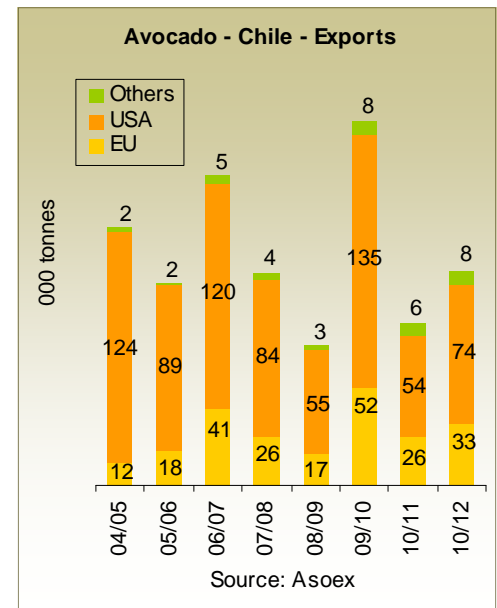
■ Review of the Chilean avocado season. The Comité de Palta forecast it and the exporters did it! The volumes exported in 2011-12 should be very close to the target of 120 000 t announced by the professional organisation at the beginning of the season. There has been fine progress in comparison with last season, but volumes are well short of those of the record seasons 2006-07 (166 000 t) and above all 2009-10 (more than 190 000 t). This is the result of continued serious drought, especially in the Petorca and Quillota regions where thousands of hectares of orchards have been abandoned. Shortage of water also seems to have had an impact on export financial performance. Comparison of 2011 and 2010 customs values indicates that the economic returns should be the same as those of the preceding season because of the decrease in average fruit size.

Source : InfoHass



■ Pooling research facilities to combat alternate bearing of avocado. The Australians, Californians, New Zealanders and Mexicans who founded the Avocado Research Consortium in September 2011 have decided to concentrate their efforts on finding technical solutions for achieving better control of alternate bearing. The physiology of the avocado tree features strong imbalance between strong flower production (often more than a million) and the small number of fruits (300 to 500) that the tree can nourish until maturity. This results from the poor photosynthetic efficiency of the foliage. Thus in a strong bearing year the plant devotes the greater part of its carbon reserves to fruit growth at the marked expense of shoot growth and flowering in the subsequent year. 'Hass', the king of avocado cultivars, is particularly susceptible to this phenomenon whose commercial management is very difficult.

Sources : InfoHass, FruiTrop



Source : Asoex

PRICES	Comparison		
	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Green	6.00	+ 12%
	Hass	8.50-8.60	+ 9%

VOLUMES	Comparison		
	Varieties	previous month	average for last 2 years
	Green	=↗	- 4%
	Hass	=↗	- 1%

VOLUMES	Comparison			Observations	Cumulated total / cumulated average for last 2 years
	Source	previous month	average for last 2 years		
	Chile	↘↘	+ 87%	A few arrivals throughout the month but quantities were insignificant from the second week onwards.	- 18%
	Israel	=↘	- 2%	Moderate volumes of green varieties but above average especially in the second half of the month. Substantial arrivals of 'Hass' although volumes were slightly smaller than in preceding years.	+ 2%
	Spain	=	- 2%	Above-average volumes of 'Hass', especially in the second half of the month. Quantities of green varieties were moderate and short.	- 6%
	Kenya	↗	- 10%	Marked deficit in volumes of 'Fuerte', but moderate, steady arrivals of 'Hass' started early.	- 3%
	Peru	↗↗	+ 33%	Deliveries of 'Fuerte' short but a very early and above-average increase in arrivals of 'Hass'.	+ 11%

## Pineapple

March 2012

March was marked by small overall supply of 'Sweet' while operators had expected an increase for Easter. The volumes decreased week after week. There were several different reasons for the decrease. In particular, freight preference was given to melon rather than pineapple in Costa Rica and ships were late. Africa suffered from delays and breakdowns. The coinciding of all these factors when the market was readying itself for Easter had a twin effect. Operators were very soon short of fruits of appropriate sizes for promotion operations (especially 8 and 9). Prices increased, remaining fairly average given the small supply. Indeed, although supply hardly sufficed to cover demand, the latter was not euphoric.

Supply of 'Smooth Cayenne' remained fairly limited overall. Inadequate fruit colour in the first half of the month prevented better sales of the few batches that arrived. In contrast, arrivals in the second half of the month were better coloured and sold at higher prices.

The situation was good on the air pineapple market. Supply from Benin was seriously affected by drought and there were hardly any quality problems and so the prices of fruits from other sources firmed. The overall increase in supply in mid-month resulted in a slowing of sales and a slight decrease in prices. The market for 'Sugarloaf' pineapple was under-supplied throughout the month. This fruit sold at EUR 1.90 to 2.00 per kg for the whole month, with a few peaks at EUR 2.10 per kg.

The situation on the Victoria market was good overall. The decrease in supply from Réunion enabled the firming of prices that benefited fruits from Réunion more than those from Mauritius.

### PINEAPPLE — IMPORT PRICE

Weeks 10 to 13	Min	Max
By air (euro/kg)		
Smooth Cayenne	1.70	1.95
Victoria	3.00	4.00
By sea (euro/box)		
Smooth Cayenne	5.00	8.50
Sweet	5.50	9.50

## Mango

March 2012

Deliveries from Peru were largely dominant on the European mango market in March. They slowed in the second half of the month, partially compensated by an increase in exports from Brazil. These were shipped mainly to Northern Europe, with sales on the other markets occasional and moderate in volume. Prices of Peruvian mangoes remained fairly stable in March although great disparities were caused by the worsening of fruit quality (black spoilage, fungal infections). The market soon became split in two with on the one hand steady, high prices for good quality fruits and on the other lower prices for fruits whose quality was more fragile. Returns from sales were decreased by the need to resort to a large number of batches. Furthermore, large fruits were dominant and these did not always suit the requirements of large retail chains that tend to prefer medium-sized fruits. The price of good quality Peruvian fruits firmed at the end of the month with increased demand as Easter approached.

The air market was also dominated by Peruvian shipments. But prices lost ground as a result of an increase in supply. Many batches of very ripe fruits

arrived from mid-month onwards and this resulted in clearance sales at much lower prices. Meanwhile, the export season began in West African producer countries with shipments of 'Amélie' from Mali and Burkina Faso forming an alternative to the omnipresent Peruvian produce. Several batches of 'Valencia' were also exported from Mali and these sold fairly well in spite of occasionally insufficient ripeness. In Week 12, shipments from Mali were disturbed by the political events in the country. A few batches of 'Cavallini' and 'Irwin' from Costa Rica also reached the market from the second week of the month onwards but sales were difficult in the face of competition from Peru.

### MANGO — ARRIVALS (estimates) Tonnes

Weeks 2012	10	11	12	13
By air				
Peru	40	100	120	120
Mali	5	5	10	5
Burkina Faso	-	20	30	20
Costa Rica	-	10	5	5
By sea				
Brazil	570	1 160	1 500	1 560
Peru	2 570	2 990	2 460	1 540

### MANGO — IMPORT PRICE ON THE FRENCH MARKET — Euro

Weeks 2012		10	11	12	13	Average March 2012	Average March 2011
By air (kg)							
Peru	Kent	4.80-5.30	4.50-5.00	4.00-4.80	4.00-4.50	4.30-4.90	3.75-4.40
Mali	Amélie	3.00	3.00-3.50	3.00-3.50	3.00-3.50	3.00-3.35	3.15-3.35
Mali	Valencia	3.80-4.20	3.80-4.00	3.50-3.80	3.50-3.80	3.65-3.95	4.15-4.40
Burkina Faso	Amélie	-	-	3.00	2.50-3.00	2.75-3.00	2.90-3.05
Costa Rica	Cavallini	-	4.50-4.80	4.00-4.50	4.00	4.15-4.40	4.40-4.50
By sea (box)							
Peru	Kent	4.00-5.00	4.00-5.00	4.00-5.00	4.50-5.50	4.25-5.10	2.30-3.50
Brazil	T. Atkins	-	4.50	4.50-5.00	-	4.50-4.75	-

### PINEAPPLE — IMPORT PRICE IN FRANCE — MAIN ORIGINS

Weeks 2012		10	11	12	13
By air (euro/kg)					
Smooth Cayenne	Benin	1.70-1.90	-	-	1.80-1.90
	Cameroon	1.80-1.90	1.75-1.95	1.80-1.95	1.70-1.90
	Ghana	1.75-1.90	1.75-1.95	1.75-1.90	1.75-1.90
	Côte d'Ivoire	-	-	-	1.75-1.80
Victoria	Réunion	3.50-4.00	3.50-4.00	3.80-4.00	3.50-4.00
	Mauritius	3.30-3.70	3.00-3.70	3.30-3.60	3.00-3.30
By sea (euro/box)					
Smooth Cayenne	Côte d'Ivoire	5.00-7.50	6.50-7.00	7.00-8.00	8.00-8.50
Sweet	Côte d'Ivoire	6.00-8.00	6.50-8.50	7.00-9.00	7.50-9.50
	Cameroon	6.00-8.00	6.50-8.50	7.00-9.00	7.50-9.50
	Ghana	6.00-8.00	6.50-8.50	7.00-9.00	7.50-9.50
	Costa Rica	5.50-7.00	6.00-7.50	6.50-8.00	7.50-8.50

# Orange

March 2012

The substantial production losses resulting from the cold spell that hit Spain did not change the trend. The market remained very difficult, especially in the first half of the month when fruits affected by frost were sold. Most table oranges consisted of 'Navelate' from Spain. Prices remained substantially lower than average in spite of a slight recovery in the second fortnight. The situation was similar for juice oranges. The end of the 'Salustiana' season was very difficult and the 'Valencia' season started with very low prices. Only 'Maltese' from Tunisia continued to be successful. Delivery volumes much smaller than average helped to maintain high prices.



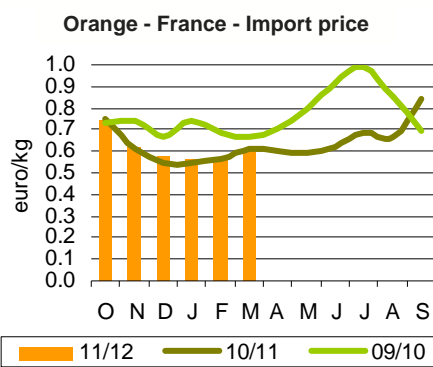
© Régis Domergue

■ Spanish exporters profit from Russian market growth! Eldorado is in the East rather than in the West for exporters of Spanish horticultural produce. Extra-community exports of fresh fruit and vegetables leaped by 20% to 815 000 t in 2011. This strong growth results mainly from trade with Eastern European countries outside the EU. The efforts made by Spanish operators to increase their shipments to the very promising Russian market have been successful: volumes increased by nearly 50% season on season and exceeded 240 000 t. Citrus export figures to mid-March exceeded 50 000 t, also displaying a 50% increase.

Source: Reefer Trends

■ European fruit juice market: a new, more restrictive directive. Approved on 8 March by the European Council, the new regulation clarifies the labelling of blends. Both components of products based on two juices must be mentioned, even if the quantity of one of them is minimal. The legal practice of blending orange juice with a limited quantity of easy peeler juice that is common in some Mediterranean countries is thus forbidden unless it is mentioned expressly. The term 'several fruits' can be used for blends containing at least three fruits. The regulation is also aimed at clarifying labelling with regard to the presence of sugar or a sweetener. These are forbidden in juices but permitted in nectars made from fruit purée and water as long as their presence is mentioned. In contrast, the term 'no added sugar' cannot be used for nectars containing sweeteners.

Sources: FoodNews, Council of Europe



© Régis Domergue

■ Making tyres more fruity? The Yokohama company, a world specialist in vehicle tyres, announced in early March that it is broadening its range and including essential oil of orange in the formulation. This is reported to give better adherence and reduce wear and fuel consumption. Peel yourself a tyre!

Source: Yokohama

PRICE	Type	Average monthly price euro/box 15 kg	Comparison with average for last 2 years
	Dessert oranges	8.50-8.50	- 21%
Juice oranges	7.50-8.00	- 22%	

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
Dessert oranges	↗	+ 2%	
Juice oranges	↘	+ 20%	

VOLUMES	Varieties by source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
Navelate group from Spain	↗↗	+ 2%	Average arrivals. Uneven quality according to brand (some fruits affected by frost) , especially at the beginning of the month.	+ 11%	
Salustiana from Spain	↘	+ 20%	Late end of the season in mid-month.	+ 30%	
Maltese from Tunisia	↘	- 22%	Arrivals smaller than average especially during the second half of the month.	+ 9%	



# Grapefruit

March 2012

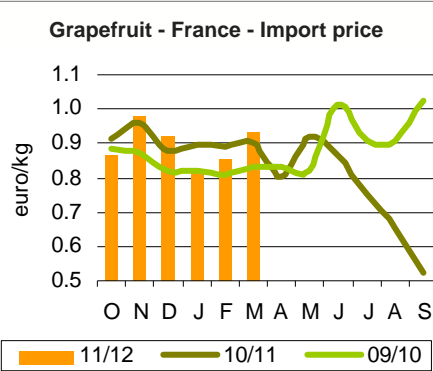
Confirmation of the slight improvement observed in February. First, demand was a little brisker. Second, overall supply was moderate. Arrivals from Florida came to an early end and became very limited at the end of the month, that is to say two or three weeks earlier than usual. As a result, prices of Florida fruits rose rapidly to a level higher than average. This situation benefited Mediterranean sources and sales of Spanish fruits increased, as did those of Israeli produce but to a lesser degree (large proportion of large fruits, price). Turkey was also more present, especially on the French market. Prices firmed but only reached an average level.



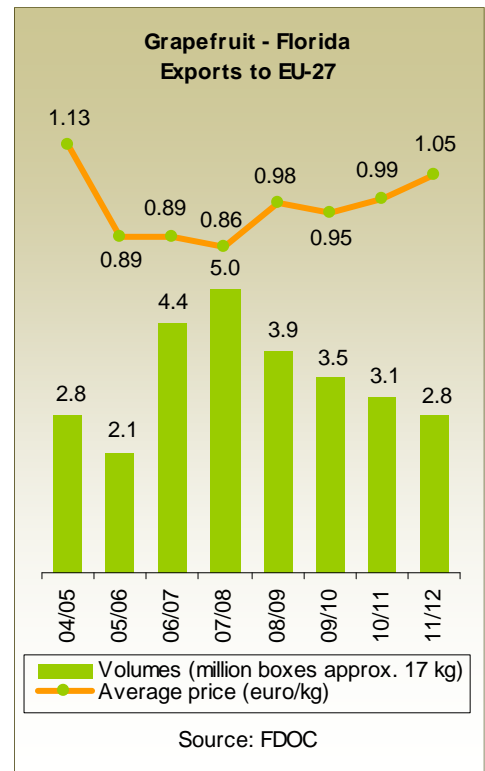
■ United States: anti-dumping tax on imports of Brazilian orange juice repealed. This additional tax was applied from 2006 at the request of US juice producers who considered that Brazilian juice was sold at less than cost price. It was applied to the three largest Brazilian producers (Citrusuco, Cutrale and Louis Dreyfus) with a rate of as much as 60% for certain products. The United States International Trade Commission decided to end it in mid-March.

■ Small Florida grapefruit season in the EU. Exports of grapefruit from Florida to the EU will probably be short of three million boxes in 2011-12. This is the lowest level ever recorded, with the exception of the 2004-05 and 2005-06 seasons when the crop was reduced drastically by hurricanes. As shown by the good average season price, demand was not lacking but the volumes of export quality fruits were short. Early ripening obliged exporters to halt operations very early and the sanitary restrictions in force in the EU for citrus canker prevention weigh increasingly on exports to Europe.

Source: FDOC



Source: The Ledger



Source: FDOC



© Régis Domergue

PRICE	Type	Average monthly price euro/box 17 kg box eq.	Comparison with average for last 2 years
	Tropical	18.00-19.00	+ 14%
Mediterranean	11.50-12.00	+ 2%	

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
Tropical	↘↘	- 15%	
Mediterranean	↗	+ 4%	

VOLUMES	Source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
Florida	↘↘	- 30%	Early end of shipments to both the EU and Japan. Fruits sold on the domestic market.	- 15%	
Spain	↘	na	Shipments decreased considerably to lower than the average, especially in the second fortnight.	na	
Israel	↔↗	- 10%	Slightly busier exports to the EU but volumes still smaller than average.	- 18%	
Turkey	↗	+ 46%	Exports to the EU much larger than in preceding months and well above the average.	- 5%	

# Roots & tubers

First quarter of 2012

## Sweet potato

Seen against the 107 million tonnes grown in the world, European trade in sweet potatoes seems marginal at 69 000 t imported in 2011. However, growth has been strong in the last decade as European imports totalled only 13 000 t in 2000. The major producer countries are not necessarily the leading suppliers of the European market as domestic consumption is markedly preponderant. In the first quarter of 2012, imports of sweet potatoes with red skins and white flesh were mainly from Egypt and China. Egyptian produce was cheaper in particular as cost prices are lower. The season for European sweet potatoes ended at the beginning of the year with the last shipments from Portugal. The new harvest began in South Africa in the second half of March with produce selling at around EUR 1.30-1.40 per kg. During the same period, sweet potatoes with red skin and orange flesh were shipped from the USA and Honduras. The produce sold at around EUR 1.30 per kg, with prices firming in March as supply decreased. The only sweet

potatoes with white skin and flesh shipped to the European market were shipped from Brazil in limited quantities and sold at higher prices. Deliveries from Brazil were fairly regular from mid-January to mid-February and then became more sporadic..

## Yam

Ghana was the main source of French supplies of yam in the first quarter of 2012, shipping the most common white variety complemented by the variety 'Puna' sold at a slightly higher price. Prices remained stable, increasing slightly from February to mid-March because of a decrease in shipment volume. The season for French yam (Val de Loire and South-West France) continued in the first quarter with prices decreasing in mid-January and then remaining stable at around EUR 2.00 per kg until the end of March. Complementary supply arrived from Colombia in limited quantities.

## Cassava

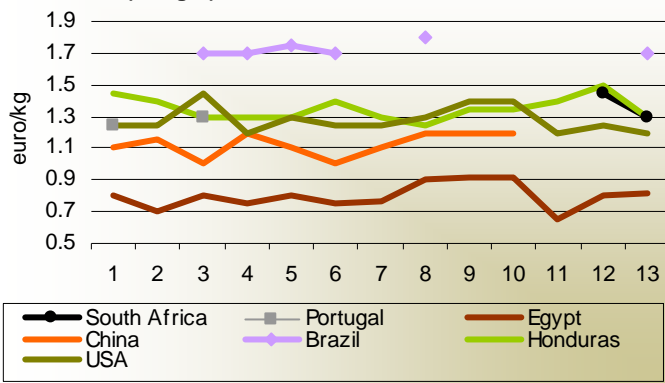
World cassava production is around 230 million tonnes according to the FAO. Like

other tubers, this large quantity is consumed in the producer countries. A minute part of production reaches the international market. Costa Rica is practically the only supplier of the EU, shipping varying volumes throughout the year. Cassava prices weakened in February 2012 and then recovered at the end of February/beginning of March before losing ground until the end of the month.

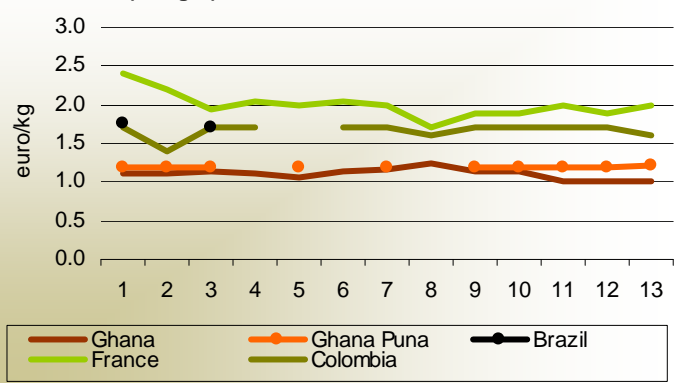
## Eddoe

Costa Rica was the main supplier of the European market in the first quarter of 2012. A deficit in volume at the end of February/beginning of March caused a temporary increase in prices. Shipments were léarger in March and weighed on prices once again. In parallel, regular shipments arrived from China. Benefiting from the decrease in Costa Rican shipments mentioned above, the price of Chinese produce increased. It weakened again in March with stronger competition from Costa Rica. A few batches from Brazil sold at higher prices in January before the ceasing of these shipments because of competition with the two other sources on the market.

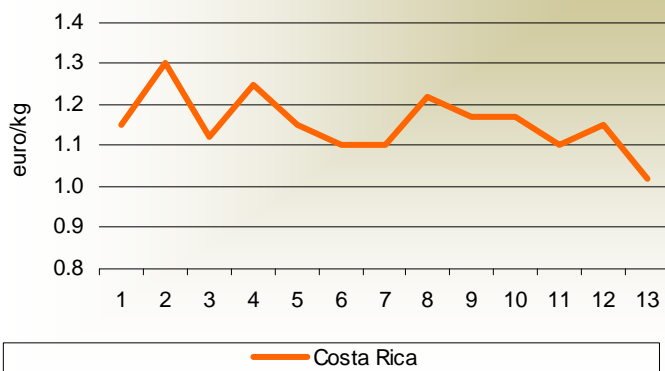
Sweet potato - France - Weekly average wholesale price (Rungis) in 2012 (Source: Pierre Gerbaud)



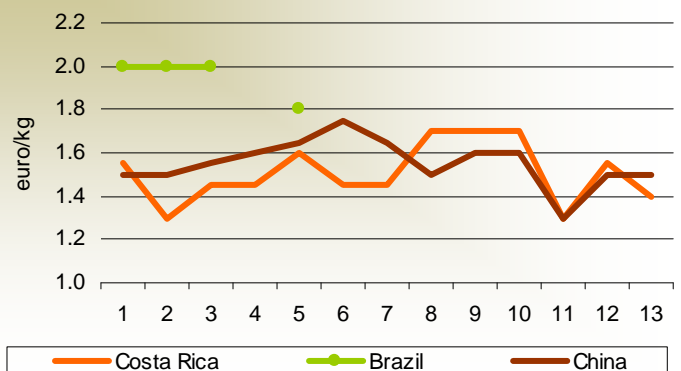
Yam - France - Weekly average wholesale price (Rungis) in 2012 (Source: Pierre Gerbaud)



Cassava - France - Weekly average wholesale price (Rungis) in 2012 (Source: Pierre Gerbaud)



Eddoe - France - Weekly average wholesale price (Rungis) in 2012 (Source: Pierre Gerbaud)



Cassava — European Union — Imports											
tonnes	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Extra-EU, of which</b>	<b>8 525</b>	<b>11 093</b>	<b>14 458</b>	<b>17 133</b>	<b>17 041</b>	<b>23 439</b>	<b>23 533</b>	<b>23 860</b>	<b>24 376</b>	<b>23 687</b>	<b>22 397</b>
Costa Rica	7 630	9 213	11 959	13 281	12 890	18 225	18 816	16 308	16 572	19 269	18 492
Ghana	117	310	835	1 979	1 771	2 865	2 209	2 650	2 527	1 244	1 399
India	2			2		31	79	194	287	243	469
Brazil	56	535	765	723	371	586	442	578	486	236	404
Vietnam	68	5	14	23	42	79	74	160	318	173	336
Sri Lanka			1	2	0	0	0	22	424	437	265
Ecuador	428	720	345	370	904	323	600	2 576	2 248	1 010	262
Cameroon	1	101	245	414	522	590	437	136	295	141	212
<b>Intra-EU, of which</b>	<b>3 062</b>	<b>3 089</b>	<b>2 733</b>	<b>3 437</b>	<b>3 769</b>	<b>4 138</b>	<b>4 908</b>	<b>4 919</b>	<b>3 866</b>	<b>4 973</b>	<b>6 286</b>
Netherlands	1 784	1 566	1 338	2 384	2 910	3 221	3 177	2 914	2 352	3 222	3 687

Source: EUROSTAT

Sweet potato — European Union — Imports												
tonnes	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Extra-EU, of which</b>	<b>13 117</b>	<b>16 031</b>	<b>19 003</b>	<b>21 868</b>	<b>27 025</b>	<b>37 423</b>	<b>48 945</b>	<b>51 919</b>	<b>57 659</b>	<b>57 887</b>	<b>62 221</b>	<b>69 056</b>
United States	3 417	5 180	6 371	7 285	9 397	15 683	19 910	18 592	25 589	32 933	41 273	49 157
Israel	3 437	3 662	4 905	6 329	10 718	14 135	19 592	21 797	19 488	12 456	6 291	4 547
Honduras	0	0	0	41	361	772	2 132	4 750	6 004	4 133	3 315	4 356
Egypt	2 404	2 978	2 831	2 609	2 654	2 651	2 834	2 870	2 278	3 042	4 780	4 212
China	6	71	232	409	252	183	428	362	433	565	556	2 359
South Africa	2 814	2 913	2 996	2 710	1 745	1 697	1 231	1 560	1 772	2 454	2 218	1 936
Brazil	157	228	512	973	1 057	1 126	1 781	1 000	1 451	1 724	1 996	1 421
Peru	4	23	78	227	153	0	55	17	20	177	138	244
Ghana	21	51	354	360	86	360	122	26	44	136	109	225
Vietnam	0	0	0	0	0	7	8	74	45	0	147	143
Jamaica	558	706	618	688	335	302	235	182	101	116	144	93
Uganda	0	2	2	0	2	1	5	18	58	55	72	78
Argentina	0	0	0	8	0	17	0	78	5	14	38	63
Cameroon	0	6	0	0	0	0	4	2	4	4	52	60
Costa Rica	21	4	2	70	26	86	101	76	60	12	51	57
Senegal	0	2	3	0	0	0	0	0	37	0	0	50
Iceland	0	0	0	0	0	1	11	5	0	0	0	19
<b>Intra-EU, of which</b>	<b>23 923</b>	<b>21 004</b>	<b>14 512</b>	<b>8 644</b>	<b>14 422</b>	<b>11 212</b>	<b>13 021</b>	<b>23 255</b>	<b>18 760</b>	<b>23 360</b>	<b>31 121</b>	<b>39 151</b>
Netherlands	3 635	3 272	1 718	1 992	2 463	3 267	3 756	4 345	4 459	5 162	6 848	11 801
France	12 052	7 580	10 158	4 391	10 000	4 386	6 774	14 109	10 468	8 580	10 894	9 142
United Kingdom	189	232	579	733	423	342	567	492	916	2 498	4 136	5 412
Spain	764	659	1 130	375	327	638	509	2 124	1 184	1 347	2 818	5 403
Italy	444	700	389	408	552	353	433	870	657	4 098	3 450	1 846
Belgium	178	48	36	418	340	2 046	644	357	185	414	424	1 567
Germany	6 123	6 607	444	53	71	121	147	783	728	841	1 121	1 239
Cyprus	0	0	0	0	0	0	0	4	8	30	742	797
Greece	0	21	0	1	0	0	88	21	26	23	4	712
Portugal	31	85	39	19	40	23	3	11	0	85	188	651
Austria	267	1 779	0	230	186	30	11	11	0	12	33	292
Denmark	0	0	0	1	0	0	62	55	86	89	58	84
Slovakia	0	0	0	0	0	0	0	0	0	0	2	75
Poland	232	0	0	0	0	0	0	15	0	2	276	39
Ireland	4	0	3	0	0	0	0	3	18	23	73	31
Malta	0	0	0	0	0	0	0	0	0	0	0	28
Luxemburg	3	2	1	0	0	0	1	0	0	1	4	17
Sweden	1	1	0	16	17	7	22	13	6	3	10	4
Czech Rep.	0	0	0	0	0	0	1	2	1	151	1	2
Slovenia	0	0	0	0	0	0	0	37	19	0	16	0

Source: EUROSTAT

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## Sea freight

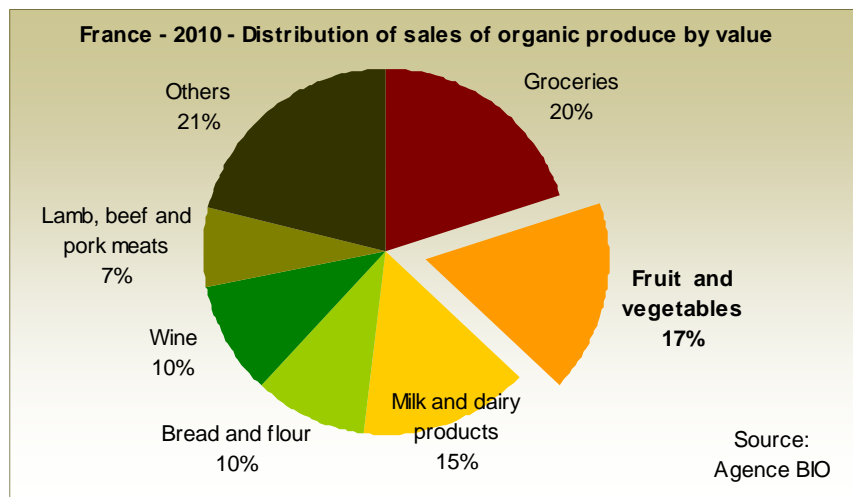
March 2012

The average TCE return for March for the both the large and small segments was the lowest on record. TC and banana box rates did inch marginally higher in mid-March from where they had been for the previous 10 months but any claim that this constituted some sort of seasonal peak would be a gross exaggeration. The March average of just above 50c/cbft meant that the average TCE return for those vessels fixed in the first quarter of 2012 is also the lowest on record. With fuel prices this high, will the charter market ever be able to achieve a TCE return that will generate a profitable yield for owners? The first quarter of the year, when demand for reefer capacity should theoretically be at its height demonstrated clearly that there is no market for older, fuel-inefficient units unless they are equipped with derricks for the deepsea trans-shipment of fish. Without question there has been a structural change to the reefer business: with so great a percentage of what was previously Spot business transferring into reefer liner services or third party boxship services, Spot demand for larger units has shrunk to a point of near-extinction. This is not yet the case for the smaller segment, which is heavily dependent on the fish trade, arguably now the most resistant sector to the encroachment of containerization. The question is, even with many fewer units, would the story have been any different? Put another way, can owners expect markedly improved returns in 2013 if, say, as many as 100 ships or 50m cbft is demolished this year? A superficial analysis would likely conclude that the market for reefer capacity will remain weak, particularly if the pace of reefer container production is maintained – last year the estimated net addition to the reefer box fleet was a little over 100K FFE, equivalent to 235m cbft, almost five times the 50m cbft figure! Much will depend on where and how

this new capacity is deployed – such a conclusion would be supported if the lines in general and Maersk and MSC in particular choose to continue building market share in the banana trades. Although it is more likely that this will happen in 2014 when a wider Panama Canal will be able to accommodate larger and therefore more fuel-efficient container vessels – with a greater number of reefer slots. This must be a concern initially for Seatrade, NYKCool and Baltic Shipping, all of whom offer direct banana services into N Cont and the Baltic respectively. Maersk in particular has made no secret of its ambitions to grab as much of the 12-month Ecuadorian banana business as it can – one assumes at the expense of the seasonal fruit exports if necessary, which the lines find inefficient to service in terms of re-positioning equipment.

■ Mutual US-EU recognition on organic regulations. The United States and the European Union signed a mutual recognition agreement of their organic standards in mid-February 2012. From 1 June 2012, European and US operators will not have to submit a certificate for each market. The United States is the largest producer of organic produce. The total sales of the American and European sectors is estimated to be 38 thousand million euros. The two sources form 90% of the world market. The organic food market in France reached 2% of total food sales in 2010 in comparison with 4% in Germany. Sales by organic sectors total some 3.4 thousand million euros. Fruit and vegetables form the most active sector after grocery products.

Source: CIRAD

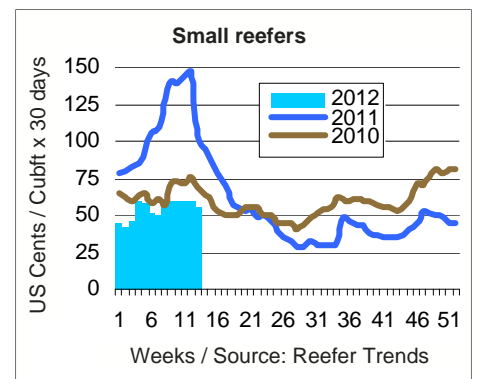
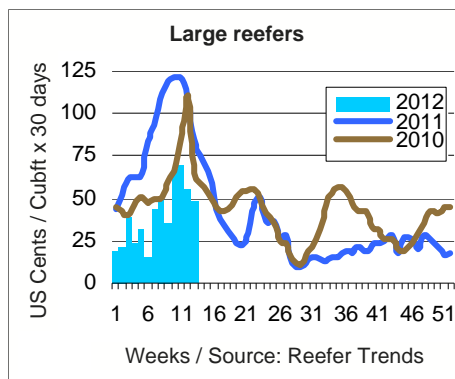


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MONTHLY SPOT AVERAGE		
US\$/cents/cubic foot x 30 days	Large reefers	Small reefers
March 2012	53	59
March 2011	110	131
March 2010	81	69



# Review of the 2011-12 litchi season

## Madagascar: the best year of the decade?

**The trend observed for a number of years seems to have been confirmed in 2011-12. In spite of an overall decrease in volumes, litchi exports from the Indian Ocean zone clearly dominate European supply at the end of the year. The sources on the market outside this period have difficulty in gaining a foothold. Many of them—like Thailand—are limiting their shipments. However, a few new sources such as Morocco and Vietnam emerge from time to time each year but remain marginal.**

Madagascar has not had such a season for years! It can be summarised by its lateness, smaller production and better control of both quality and sales. However, the cause was not lost but just worrying after the 2010-11 season. The figures for the 2011-12 season are some 14 000 tonnes sold on the European markets, of which 510 tonnes was shipped by air and 13 530 tonnes by sea (12 250 tonnes in conventional ships and 1 280 tonnes in containers). This performance is clearly down on the previous season when Malagasy operators shipped 17 700 tonnes of fruits.

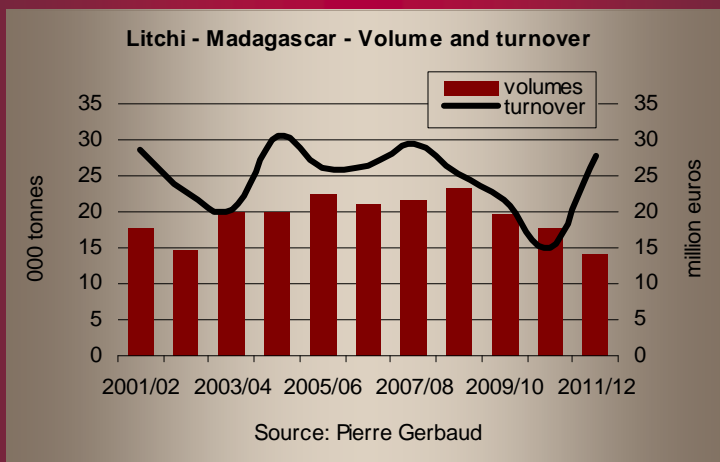
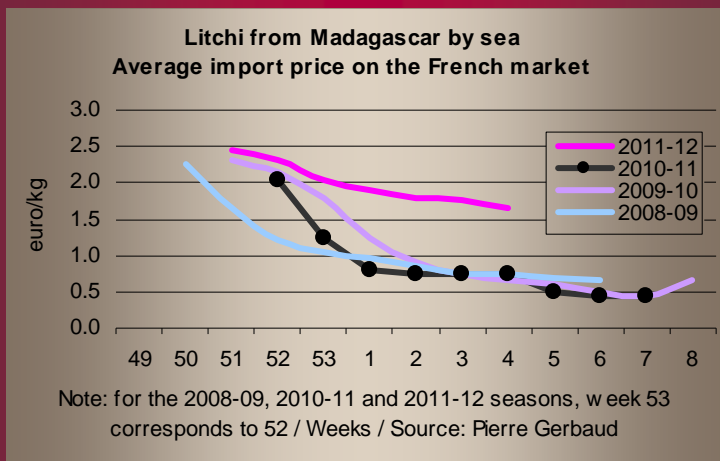
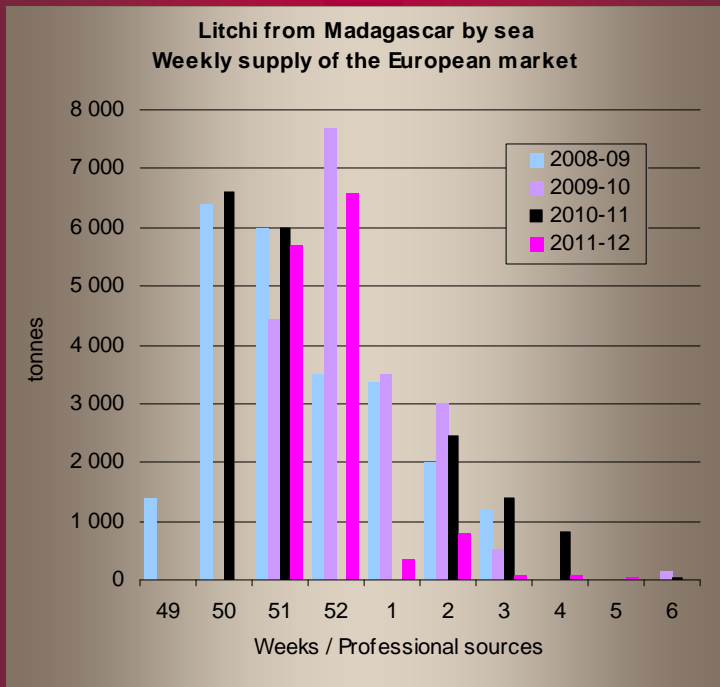
### Smaller production

The drought that hit the east coast of Madagascar during the fruiting period strongly limited litchi production. Poor pollination of flower bunches compromised the usual production potential. It would seem that the bee population was smaller and less active than in preceding year. It is difficult to know if the weather was the main reason or if other factors were involved. Unfavourable weather conditions not only reduced production but also caused slow, late fruiting. These problems also caused the staggering of fruit ripening between the production zones in the Tamatave region—later in the north

and earlier in the south. Although overall production potential did not call Madagascar's export capacity into question, the staggering increased harvest difficulties and disturbed the rate of supply of the treatment and packing stations.



© Guy Bréhinié



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## A busy, concentrated air shipment season

Madagascar started to sell litchis shipped by air in a sluggish market context in Week 46, at the same time as Mauritius and Réunion. Supply increased the following week with shipments from South Africa. The high prices of these first shipments doubtless slowed sales. The large and rapid increase in arrivals in Week 47 sent prices downwards and they stabilised in Week 48 at between EUR 5.00 and 5.50 per kg, a level rarely attained for a number of years for treated fruits. Supply of fresh fruits on the branch or destemmed developed, with no common measure with the volumes sold previously. The prices of this produce weakened until Week 50 and then recovered until the end of the season, given the limited supplies from Réunion and Mauritius in this market segment. In spite of the uncertainties of the economic situation and occasional dull periods, sales of litchis from Madagascar were fairly fluid. Consisting mainly of small fruits, overall quality was nonetheless satisfactory and respected European regulations concerning sulphur residues.

## South Africa: a short and difficult season

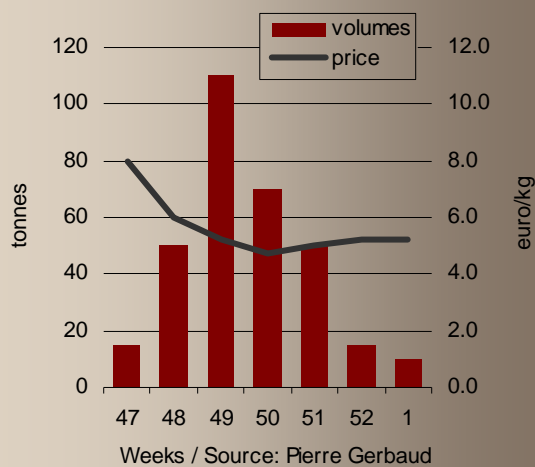
With less than the 2 700 tonnes of the 2010-11 season, 2011-12 litchi exports from South Africa totalled around 2 000 tonnes, with 1 600 tonnes shipped by sea and the rest by air. The air freight season started in Week 47, slightly later than the other Indian Ocean sources. The first batches consisted of 'Fay Zee Siu', a variety that is green, has a small stone and good taste qualities. These fruits are little known and often require a tasting to demonstrate their intrinsic qualities to clients. Sales were difficult and finally ended in Week 49. Shipments continued with the variety 'Mauritius' that is more common on the European market. The price of these fruits sank rapidly for reasons of sluggish demand and the cumulated arrivals from the various sources. They reached lower levels than those of competing produce. However, air shipments continued after the arrival of the first sea cargoes and continued until the beginning of 2012. Indeed, the quantities available were too small to be shipped by sea. This limited supply allowed a slight price recovery in Week 51.

The sea freight season started in Week 52. The hot weather in certain production zones reduced export potential and also affected fruit quality as these were particularly fragile and were soon affected by fungi. The sale of arriving fruits became increasingly difficult as demand dwindled noticeably in January when the export season was in full swing. The uneven quality of South African litchis and the decrease in the quantities of large fruits weighed heavily on sales and sent prices down. Price only recovered a little at the end of the season—for good quality fruits. A few batches of the variety 'Wai Chi' were released on the market at the end of the season but poor keeping quality soon put an end to this attempt to diversify the varieties available. The same happened to the few batches of 'Red MacLean' that arrived at the end of the season.

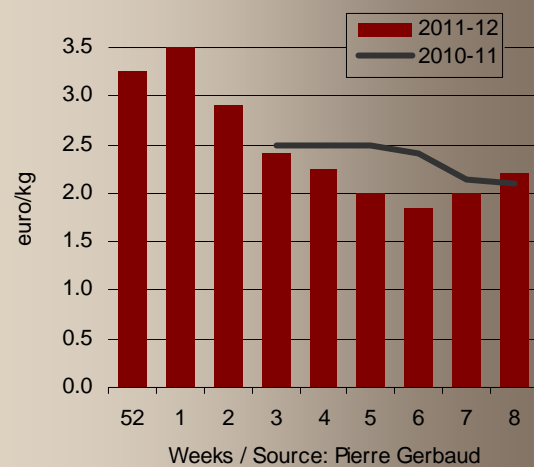


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**Litchi by air - South Africa - 2011-12 season**  
Volumes and average import price in France



**Litchi by sea - South Africa**  
Average import price in France





## A smaller but smooth sea freight season

The slow ripening of the fruits resulted in a late start to the season on 26 November. The staggering of ripening between the production zones in the Tamatave region first reduced fruits availability and hence the loading of the first conventional ship. This sailed from Madagascar on 29 November short of more than 800 palettes of fruits in comparison with the initial forecasts (6 500 palettes). True to the tradition of unforeseen events each year, the first ship sailed a few hours late as it was stuck in the mud. Full production of all the Malagasy orchards then made it possible to load the second conventional ship that sailed on 4 December with a cargo of nearly 6 600 palettes. Sailing has been planned for 3 December but there was a problem with dock cranes.

The late season and Christmas and New Year calendar were not at first sight favourable for sales of litchis from Madagascar. The sales period was a weekend short as the first ship docked in Zeebrugge in the evening of Friday 16 December. Nonstop unloading made it possible to deliver to the main European markets on Sunday 18 December for sales at the beginning of Week 51. Pre-sale of a large proportion of the cargo, the good dissemination of the produce and satisfactory quality resulted in a fluid market with high prices. There was even a comparative dip in supply at the end of the first week of sales, accentuated by the arrival of the second ship at Vlissingen-Flushing in the evening of Thursday 22 December. Rapid nonstop unloading enabled partial deliveries on Friday 23 and Saturday 24 December. However, sale of most of the cargo was postponed until Week 52, after Christmas. Sales continued at a brisk rate until the last week of the year. Prices weakened steadily but remained more than EUR 1.00 euro/kg higher than during the preceding season.

Demand for this festive fruit faded rapidly in January and sales became more difficult. The modest season of imports in containers limited the clogging of the market and a fall in prices. The Chinese New Year celebrations were very early this year (end of the third week of January) and partially re-stimulated consumption and boosted sales for a little while. The sales season finished in mid-February with falling prices for the last batches whose quality had remained astonishingly satisfactory.

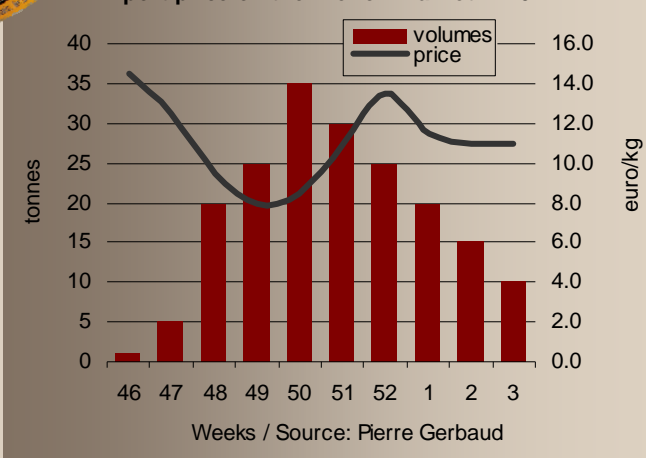
## Réunion: a poor season

After an exceptional season in 2010-11 with more than 400 tonnes of litchis exported, shipments from Réunion fell considerably in 2011-12 to hardly 200 tonnes, the result of a small harvest. The first batches from Réunion were received in Week 46 when the sales seasons for most Indian Ocean sources began. The small deliveries in the first two weeks of the season resulted in abnormally high prices. Prices moved downwards in the third week when supply increased and also because of lack of customer interest in this fruit whose retail prices were very high. Prices continued to fall at the beginning of December. Operators then performed market segmentation, supplying destemmed fruits at a lower price and bunches of fruits at EUR 2.00 more per kilo. In Week 50, both demand and deliveries increased and prices firmed at the end of the week. This evolution continued during the last two weeks of the year when demand was still strong but deliveries decreasing. Scarcity even caused another rise in prices at the end of the year when a few sales were completed at as much as EUR 15.00 per kg. The trend reversed at the beginning of the year as a result of a marked decrease in demand. However, prices stabilised at over EUR 10.00 per kg and the last batches sold in the third week in January even fetched EUR 13.00 per kg.

It is true that the shortage of produce reduced sales this season but performance was positive, given the price levels throughout the sales period. The quality of Réunion litchis was fairly mediocre initially (size and colour) and then recovered their position of much appreciated fruit during the Christmas period. This source remains the reference for fresh litchis on the European market.



Litchi from Réunion - Volumes and average import price on the French market in 2011-12



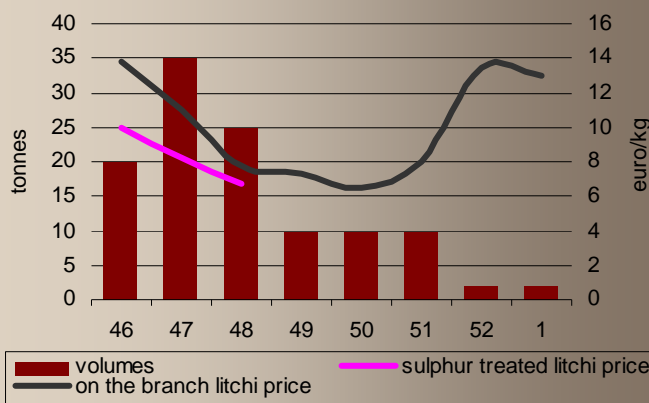
## Mauritius: a small, tense season

The 2011 season was small in 2011 as poor weather conditions affected fruiting. Estimated at around 110 tonnes, Mauritian exports were markedly down on the 120 to 150 tonnes of the preceding season. Late production in the Indian Ocean zone was particularly marked in Mauritius and was once again a handicap for producers as they could not open the season with early produce. The first litchis from Mauritius thus arrived on the European markets in Week 46 at the same time as the fruits from the other sources in the zone. The first shipments were released on the market at high prices that then fell steadily to the extent that the profitability of exports was called into question. After the first three weeks of the season, given the strong competition from produce from Madagascar and South Africa operators decided to ship only fresh fruits on the branch or destemmed. Profiting from the limited supplies from Réunion, Mauritian operators thus hoped to benefit from better market conditions for their fresh litchis. Prices did improve from Week 50 under the effect of demand enhanced by the Christmas and New Year period. Prices shot up to their beginning-of-season level during the last three weeks of sales.

The position of Mauritius on the international litchi market is still difficult. Small, variable production makes its trading position weak on European markets. The absence of early litchi for several years now for reason of late production has amplified this fragility. Fruits from Mauritius often have a higher cost price delivered to Europe than fruits from competing sources. It was only possible to maintain positive results in the last season by segmenting the produce (fresh litchis) and profiting from the small shipments from Réunion.



Litchi from Mauritius - Volumes and average import price in France in 2011-12



Weeks / Source: Pierre Gerbaud

## QED

There is no doubt that the poor 2010-11 season, finished off by the suspension of sales of fruits by German distributors for failure to conform to European regulations, sent shock waves through the litchi sector. The main issue during the last season was to make exports from Madagascar sustainable, to ensure supply of this festive fruit on the European markets and also make foreign currency earnings that are significant for the island. This means that it was a wager for the future and operators were quick to recognise its importance. The strategy used was good in the light of the results. The reduction of the quantities shipped and respect of sulphur treatment regulations were the main approaches of operators at the upstream end of the sector. Better mastery of sales was the third part of the approach and took the form of a drastic reduction of the number of consignees (change from about ten to two). Some people saw this as a kind of kidnapping of the sector that just left them the possibility of buying fruits for resale or non-treated litchis intended for shipment by air.

The reduction in tonnage that had already started in the previous season has been positive. The evolution of recent seasons already displayed a slackening of consumption outside the limited Christmas and New Year period. The more the season was extended thanks to technical means (logistics and treatment), the more competition seemed to become concentrated during a short period of time. Proof of this is that January-February sales in preceding years were often concluded at a price lower than the cost delivered to Europe, without allowing for the quantities withdrawn for reasons of quality and that are difficult to evaluate but significant all the same. This does not mean that the potentially saleable volumes will be set at the level of the last season. The balance that seems to have been reached in 2011-12 could form the basis for a fresh departure to regain the market that better matches consumption conditions in the present economic context.

The improvement of quality as regards the regulations was also a capital factor in the good progress of the last season. The implementation of a revised procedure and closer monitoring of its application made it possible to export fruits that matched specifications and avoid a repetition of painful trade crises.

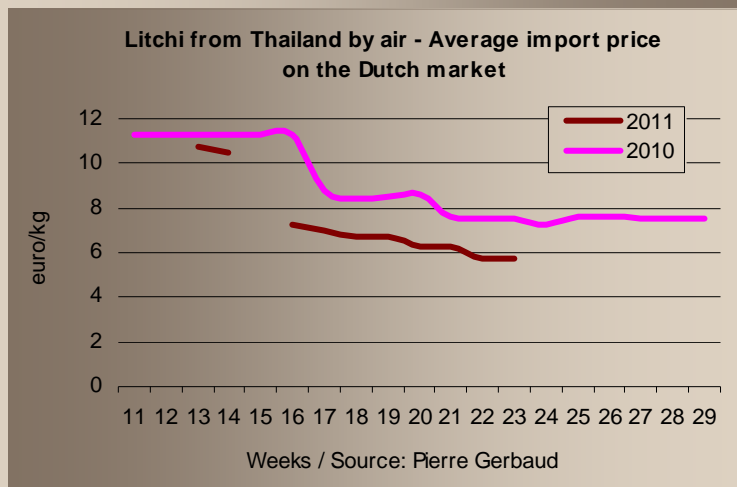


## Thailand: the decrease confirmed

European imports of litchis from Thailand were estimated to total around a thousand tonnes during the 2010 season. This was well down on preceding seasons when the total had been around 2000 tonnes. The trend seems to have been confirmed as 500 to 600 tonnes was shipped in 2011. Exports were concentrated from mid-March to mid-July, a longer period than in 2010 when they stopped at the end of June when the first shipments from Israel appeared on the market. However, the longer period did not result in increased tonnage. On the contrary, shipments seemed to be very small and measured. The decrease in the volumes available led shippers to choose air freight as the only means of shipment and this led to sometimes chaotic supply with periods of shortage. The irregularity of deliveries during the season doubtless resulted from a production shortage and also from problems of quality and of the respect of EU regulations on residual SO<sub>2</sub> levels. Indeed, analyses were positive in May and disturbed deliveries in subsequent weeks.

As in preceding years, the fruits were shipped mainly to the Dutch market and then re-shipped to the other European markets. However, the markets seemed to be less permeable than before. The Belgian market was supplied only occasionally in May and the French market later in July, with the exception of a few batches of fruits on the branch received at the end of June (EUR 7.50-10.00 per kg). Thailand had enlarged the range of varieties available in recent years, including in particular 'Emperor' or 'Chakrapad' with its large fruits, but seemed to reduce operations in 2011. This variety was only present on the French market and sold at the same price as the others. Limited deliveries in April made it possible to set prices at high levels and these then dipped until the end of the season although they did remain substantial. There was no common measure with preceding seasons when larger arrivals by sea caused prices to fall but within the EUR 2.00 to 4.00 per kg bracket.

The devastating flooding that hit Thailand in October 2011 may have harmful effects for the 2012 season and accentuate the withdrawal of this source of supply from the European market.



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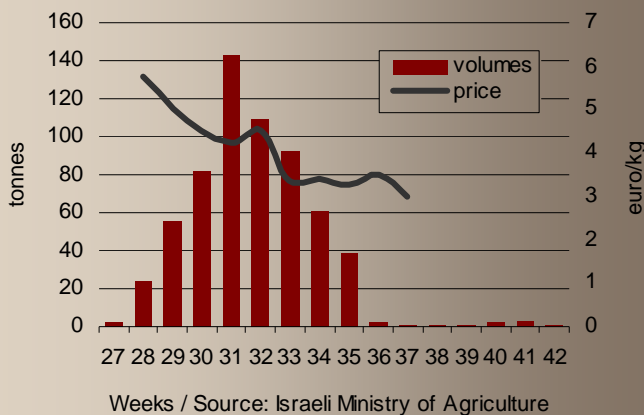
## Israel: trend reversed

After reaching an estimated 1000 tonnes at the beginning of the 2000s, Israeli litchi exports fell by nearly half (600 tonnes) in the middle of the decade. The trend was subsequently confirmed, with 450 tonnes exported in 2009 and 310 tonnes in 2010. Did the slide stop in the 2011 season? This would seem to be confirmed by an increase in exports to an estimated 620 tonnes.

The season was in two phases. The first period started in the first week of July and lasted until the beginning of September. It was dominated by the variety 'Mauritius', whose price fell steadily. It dropped below EUR 3.50 per kg in mid-August and the quantities available decreased strongly. Demand at this time of year remained marginal and sales were difficult with competition from seasonal produce available everywhere and sold more cheaply. The poor keeping quality of the fruits accentuated the poor market conditions in the second half of August and sent prices downwards. Small quantities of the variety 'No Mai Chi' were also shipped from Israel. This variety is seedless and the price is generally EUR 2.00 higher than that of 'Mauritius'. In the second period in September and October supply slowed markedly to a few tonnes per week. The rest of the season mainly concerned the French market where the variety 'Yellow Red' fetched a steady EUR 5.00-5.50 per kg, falling to EUR 4.50-5.00 per kg at the end of the month. More spherical than 'Mauritius', these fruits displayed satisfactory colour overall and good taste quality. In contrast, they did not keep well and sales had to be rapid on a market that was not very receptive.



Litchi from Israel - Volumes in Europe and average import price on the Dutch market in 2011



But the legitimate satisfaction of litchi sector operators should not be considered as the final aim but rather as a lasting driving force. For if the 2011-12 can be considered in rugby terms as a 'fine try', it now has to be converted. Although the season undoubtedly ran better, questions remain. We know from experience that years of smaller production often give good commercial seasons. Might larger production have changed the season profile? In the same way that a bad season generates reflection on the improvements to be made in the next one, might not a good season bring a certain careless attitude that might lead to harmful errors? Without calling into question the good base of the strategy developed this year, were not factors outside the sector a favourable but non-reproducible combination of circumstances? A close look at the next season will give the answer ■

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## Mexico, Vietnam and Morocco: complementary supply in search of a market

Complementary sources on the litchi market were not very visible and the difficulties they experienced in shifting produce indicated the poor receptiveness for litchi in a context of strong competition from the season's fruits that were early in 2011.

Litchis from China, which had arrived in June for several years, were totally absent from the traditional distribution channels. But Mexican fruits were found on the European markets from the end of May to mid-July. Shipments were small in May and larger in June. Shipped by sea and distributed mainly on the Dutch, Belgian and French markets, the fruits sold with difficulty at unstable prices (EUR 3.50 to 6.00 per kg), a result of the uneven quality of these fruits that were frequently small and of varying flavour.

Vietnam started shipments by air to Holland for the first time. Available in July, the fruits were sold at around EUR 8.00 per kg after three weeks before disappearing from the market.

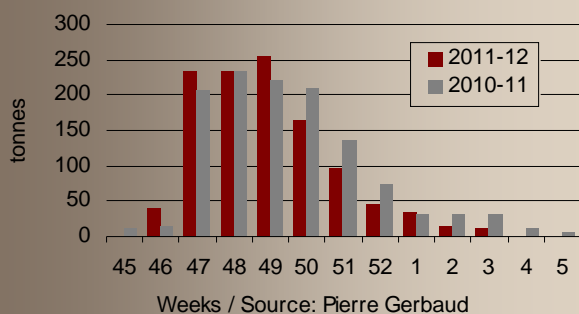
Finally, a few shipments from Morocco reached the French market at the end of July. They consisted of non-treated spherical fruits packed in filmed 500 g punnets and offered at around EUR 5.00 per kg wholesale. Sales were difficult for lack of demand and also because keeping time was limited.

The appearance of new sources such as Vietnam and Morocco shows once again the range of countries that can potentially ship litchis. But it is difficult to sell this fruit in the spring and summer, demonstrating the narrow commercial potential at this time of the year. Selling exotic fruits at high prices would appear to conflict with consumption that tends to be focused on fruits grown in Europe, especially in difficult periods as regards the economy.

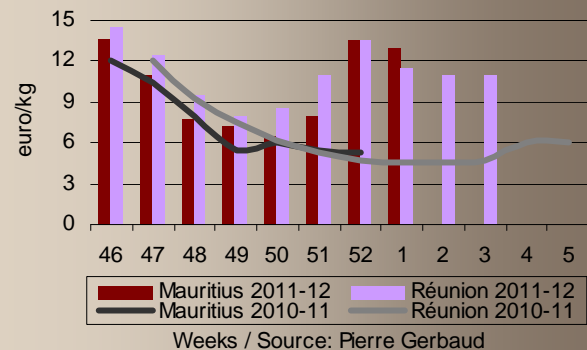


## Summary of the 2011-12 air litchi season

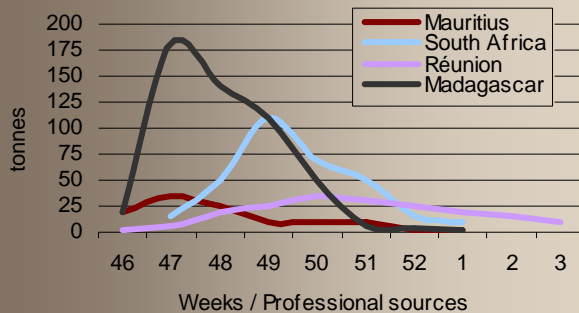
Litchi by air - Weekly arrivals on the European market from all origins



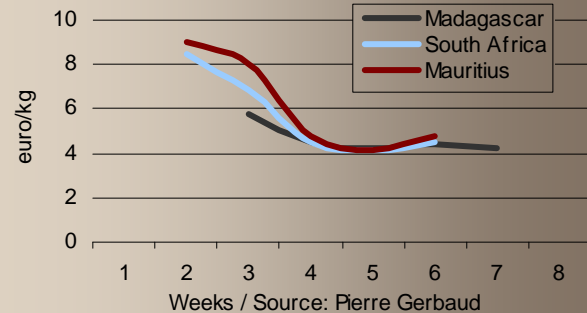
Fresh litchi by air - Average import price in France



Litchi by air - 2011-12 season Weekly arrivals on the European market



Sulphur treated litchi by air - 2011-12 season Average import price on the French market



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# Counter-season avocado market in 2012

## On the eve of another Big Bang?

How will Peruvian exporters choose between markets?

**What will be the pattern of avocado supply to the EU market during the 2012 summer avocado season? Forecasts seem to be more difficult than in other years. In addition to the question of purely conjunctural factors related to production levels in the various supplier countries with whom operators are accustomed to do business, the consequences of an event with more structural effects are going to appear this season.**

The last event of this type took place in the mid-2000s with the emergence of Peru as a new supplier country alongside the historical sources South Africa and Kenya. It is no exaggeration to say that this arrival revolutionised the market. Volumes shipped have more than doubled in less than ten years and balances of power between source countries have been upset to the degree that the newcomer has been the leading supplier since 2009, and the increase in 'Hass' has been such that one may well wonder whether this variety may not wipe out the green varieties.

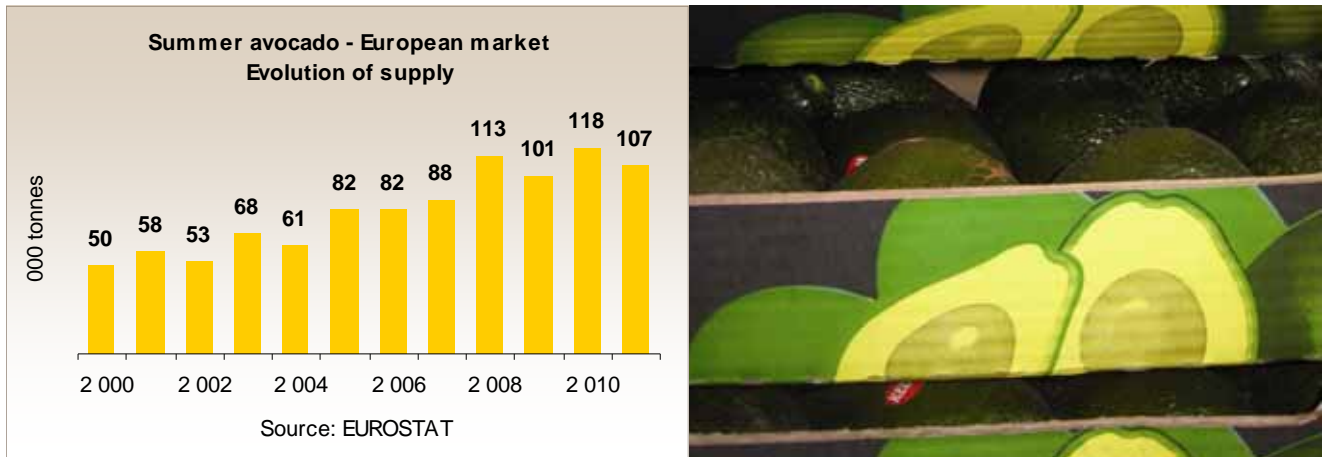
Today, Peru might shake up European Union market structures once again. The possibility for Peruvian exports to enter the very attractive US market right from the start of the season for the first time may result in a radical change in patterns. If Peruvian exporters were to rush for this newly opened door, supply of the EU market could decrease for at least several seasons. Con-

versely, with the somewhat unlikely hypothesis of the maintaining of flows almost entirely devoted to the EU, the effects on European prices would probably be dra-

matic, given the rate of increase of Peruvian production. FruiTrop provides an outline of the possibilities and reviews the situation in the different supplier countries and consumption on the various markets.



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Summer avocado — European market — Evolution of supply

tonnes	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Total</b>	<b>49 857</b>	<b>57 683</b>	<b>52 631</b>	<b>67 958</b>	<b>61 407</b>	<b>81 733</b>	<b>81 887</b>	<b>87 509</b>	<b>113 156</b>	<b>101 216</b>	<b>117 754</b>	<b>106 706</b>
South Africa	38 205	38 908	36 266	36 404	29 872	46 955	35 934	37 944	50 451	38 377	47 286	26 844
Peru	1 299	2 849	4 401	11 266	14 590	18 096	30 508	35 857	49 894	45 818	56 345	65 217
Kenya	10 294	15 600	11 523	19 828	16 236	15 458	13 641	11 999	11 841	15 038	14 123	14 273
Argentina	58	326	440	460	709	1 224	1 804	1 709	970	1 983	0	372

Source: EUROSTAT



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# South Africa



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## Good, but not exceptional export potential in South Africa

Fortunately, not all the avocado seasons are the same in South Africa! Nature is more friendly this year than in 2011 and South African professionals have an export potential of some 12 million boxes. Although large exports are forecast, especially in comparison with the 7 million boxes shipped in 2011, such a performance is not exceptional and was already reached or approached in 2005, 2008 and 2010.

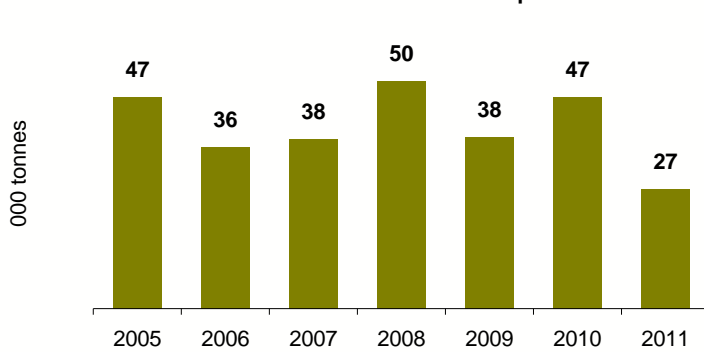
The variety 'Hass' should form around 55% of shipments, with the proportion tending to stabilise in recent seasons after strong growth at the beginning of the 2000s. Nursery seedling sales statistics, in which 'Hass' and green varieties account for similar proportions, show that South African growers are still planting substantial number of 'Pinkerton', 'Fuerte' and similar. This strong potential that is seen increasingly frequently also illustrates the small growth trend in South Africa. The area under avocado increases by about 250 ha per year, especially in the more temperate zones where it is possible to profit from a generally buoyant end of season.

However, the production increase expected in coming years may not be accompanied by an increase in shipments to Europe. First, domestic consumption displays a marked growth trend, as the population of South Africa is over 50 million and incomes are rising. Second, the US market may open its doors to South African avocado exports in the medium term. Sanitary protocols have been fully developed and some professionals consider that the more political aspects of the question could be settled within two or three years in the best of cases. However, this possible market opening should not trigger a flux on the scale expected from Peru. It takes a minimum of 20 days to reach Newark from Cape Town and this means that the EU, with a week's less sailing time, will remain South Africa's natural market.

Avocado — South Africa — Harvest calendar by production zone

	N	D	J	F	M	A	M	J	J	A	S	O
<b>Fuerte</b>												
Levubu												
Tzaneen												
Nelspruit/Hazyview												
Southern KwaZulu-Natal												
<b>Hass</b>												
Levubu												
Tzaneen												
Nelspruit/Hazyview												
Southern KwaZulu-Natal												
<b>Pinkerton</b>												
<b>Ryan</b>												

Avocado - South Africa - EU-27 imports



Source: EUROSTAT



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## Kenya



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Avocado — Kenya — Harvest calendar

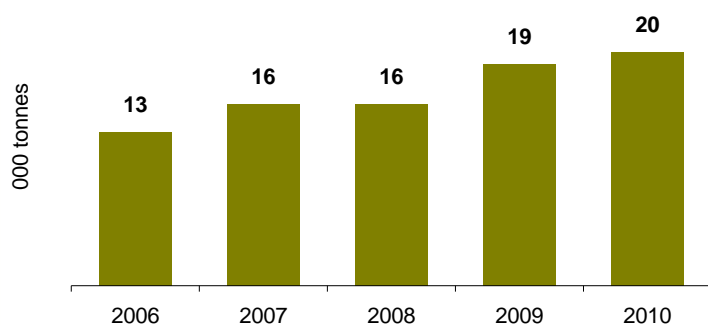
	J	F	M	A	M	J	J	A	S	O	N	D
Fuerte												
Hass												

Avocado — Kenya — Exports

tonnes	2006	2007	2008	2009	2010	2011
EU	11 832	13 229	13 371	15 964	15 743	16 000*
Arabian peninsula	1 243	2 107	2 196	2 972	4 280	-
Others	172	366	121	147	160	-
<b>Total</b>	<b>13 246</b>	<b>15 702</b>	<b>15 688</b>	<b>19 083</b>	<b>20 183</b>	-

\* estimate / Source: SUNAT

Avocado - Kenya - Exports



Source: COMTRADE

The growing, increasingly better structured sector in Kenya is still hampered by sea freight logistics

The Kenyan harvest promises to be better than in 2011. First, weather conditions have been better and yields should be good, especially in August and September. Second, production is increasing or starting in about 1 000 ha of new 'Hass' orchards planted in recent years and this is seen in the proportion of this variety in shipments to the EU, with an increase from 20% in 2006 to more than 50% since 2010. Thus, thanks to the combination of these two factors, the volumes available for export—especially of 'Hass'—should be larger than they were last year.

However, will the quantities for the EU exceed the 14 000 to 15 000 t that seems to have been the rule for the last three seasons? This year again, importers consider that difficulties in sea freight logistics risk limiting exports to Europe in spite of the constant efforts made upstream to structure the sector, to ensure better control of the quality and ripeness of the fruits exported and to develop the proportion of 'Hass'. None of the solutions currently offered by the shipping companies that put in at Mombasa are fully satisfactory. Messina Line offers a direct link from Mombasa to Genoa in hardly more than two weeks but there are only an average of two sailings per month. The other services by other companies putting in at Mombasa are more regular but transport times are must longer because there is at least one transshipment. Furthermore, freight costs are extremely high in all cases.



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# Peru



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Avocado — Peru — Arrival calendar in EU

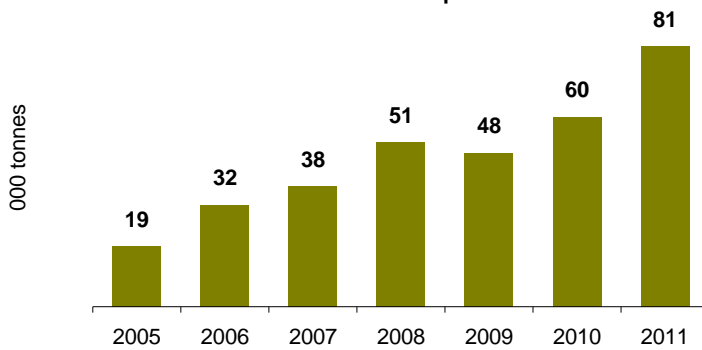
	J	F	M	A	M	J	J	A	S	O	N	D
Green												
Hass												

Avocado — Peru — Exports

tonnes	2005	2006	2007	2008	2009	2010	2011
<b>EU, of which</b>	<b>18 380</b>	<b>30 521</b>	<b>36 129</b>	<b>49 832</b>	<b>46 312</b>	<b>56 750</b>	<b>67 050</b>
Netherlands	5 601	8 011	14 430	23 106	24 160	26 570	38 124
Spain	6 111	12 291	12 362	17 669	13 612	20 224	20 708
UK	3 378	4 757	5 899	4 953	4 097	4 412	6 030
France	2 934	4 962	3 058	3 957	4 170	5 025	1 828
<b>N. America</b>	<b>224</b>	<b>891</b>	<b>807</b>	<b>1 013</b>	<b>1 426</b>	<b>1 700</b>	<b>11 481</b>
United States	-	-	54	563	84	434	8 998
Canada	224	891	753	450	1 342	1 266	2 483
<b>Chile</b>	<b>0</b>	<b>102</b>	<b>400</b>	<b>453</b>	<b>479</b>	<b>281</b>	<b>400</b>
Others	66	224	270	0	129	790	2 500
<b>Total</b>	<b>18 670</b>	<b>31 738</b>	<b>37 606</b>	<b>51 298</b>	<b>48 346</b>	<b>59 521</b>	<b>81 431</b>

Source: SUNAT

Avocado - Peru - Exports



Source: SUNAT

In this context, shipments to diversification markets in Asia and above all the Arabian Peninsula should continue to develop. Led by the United Arab Emirates, these destinations took nearly 25% of the volumes shipped in 2010 in comparison with hardly more than 10% in 2006. In addition to their proximity, another advantage of the markets in the Arabian Peninsula is that the green varieties that are increasingly difficult to place in the EU are welcome there.

## Peruvian potential increasing and rational allotment

Nobody will be surprised by the slight increase expected in Peruvian export potential. The planted area—reported to have reached 10 000 ha in 2010—has grown by an annual 1 000 ha since 2006. Thus even if operators in the north of the country expect a slight decrease in production, the volumes of 'Hass' available on the international market should reach 80 000 to 85 000 t this season. As regards distribution between the two major consumption areas in the world, our information shows that Peruvian operators should schedule two-thirds of the volumes for the EU and one third for the USA. This is probably a rational choice with regard to both short term profitability and strategic investment.



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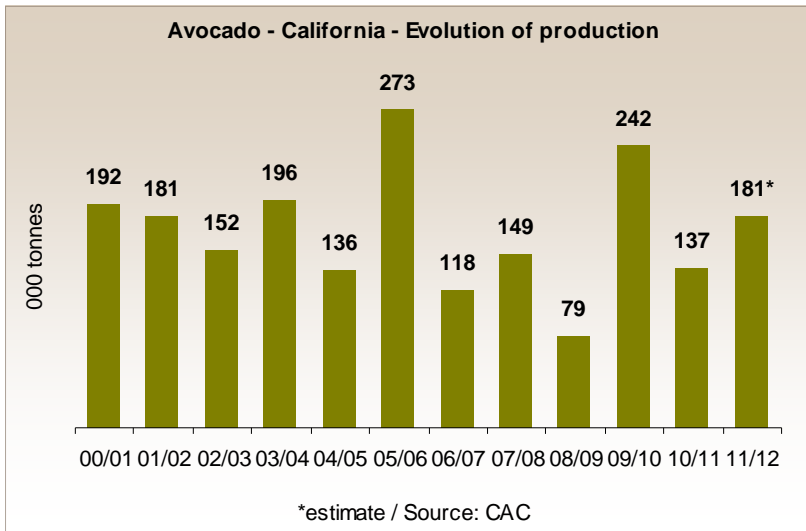
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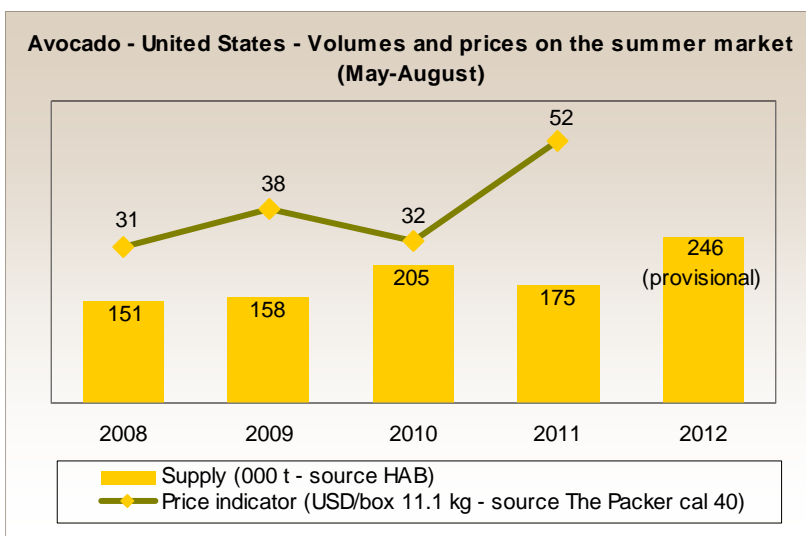
The EU market more open than the USA this season, on certain conditions

Financial returns would seem less uncertain this season on the EU market than on the US market. Although the quantities shipped from South Africa and Kenya will certainly be greater than those of the preceding season in the EU, the total value should not reach record-breaking levels. When 12 to 13 million boxes from Peru are added, total supply of the EU market should reach about 120 000 t, as seen in 2010 when prices remained at a satisfactory level. Good scheduling is also necessary to avoid the over-supply trap in June when production peaks in Peru and South Africa coincide. Peruvian operators must also ensure that supply matches the requirements of the EU market by avoiding too many shipments of large fruits and maintaining high quality standards. This has not always been the case for certain brands in the last two seasons.



A more difficult situation in the United States

Competition seems much fiercer in the United States where Hass Avocado Board forecasts indicate record shipment volumes in May-August. Volumes are well above average in the two main sources supplying the market during the period. In Mexico, the large harvest should make it possible to maintain a stronger export flow than in 2011. The APEAM (Association of Michoacán Avocado Growers, Packers and Exporters) expects some 87 000 t from April to June against 70 000 t last year. In California, the harvest peaks from mid-April to mid-August and will be a large one at 180 000 t. This is 20% more than the average for the last four years. If these forecasts turn out to be accurate, total supply should be 20% greater than that of the record 2010 season when the price per 11.15 kg box peaked at USD 30 to 35 at import stage from April to August for the Californian fruits of the right size that hold the top end of the market.





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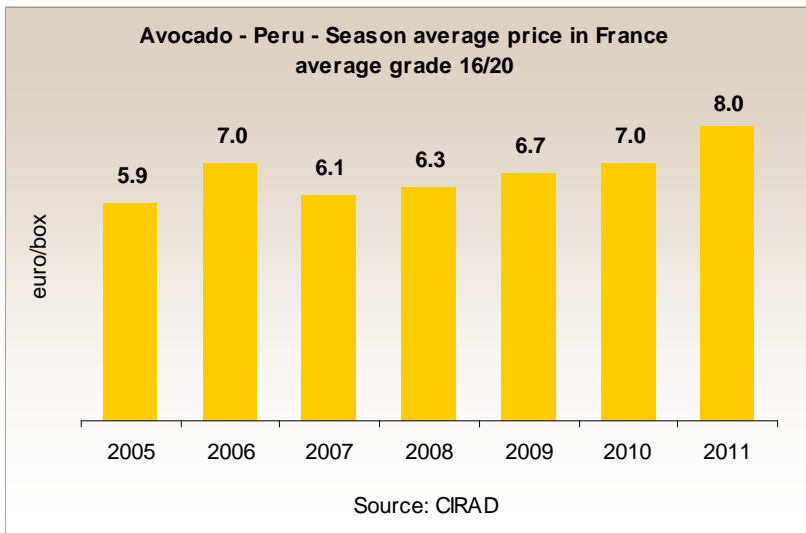


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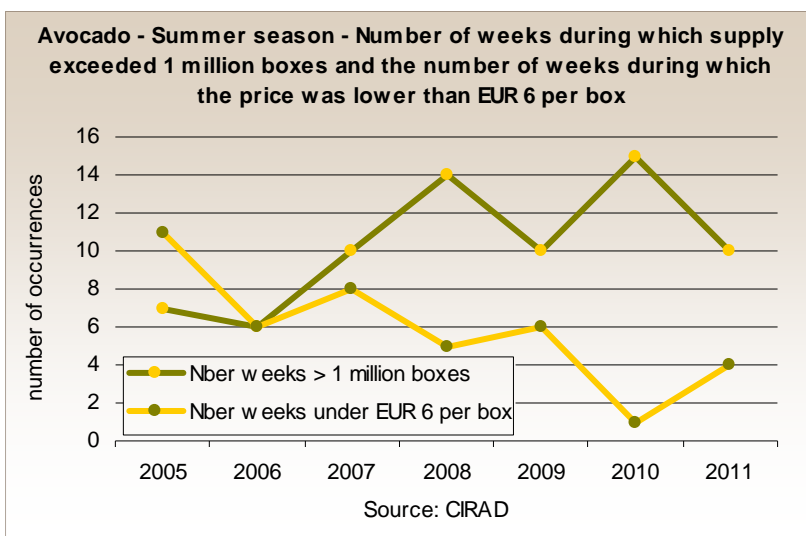
### ...but a market with strong potential

In addition to benefiting from EU prices that should be satisfactory, this judicious allocation should allow Peru to begin to gain a foothold on the promising US market by shipping significant volumes, if the analysis is set at a less immediate level. The closeness of the USA in comparison to Europe makes it a natural outlet with smaller approach costs and better visibility. In addition, strong contractualised functioning is a serious guarantee of security. Finally, a 10% annual growth rate for a decade opens incomparable prospects for development, even if European demand seems to be showing signs of waking up (see the end of this article). There is no doubt that this means that Peruvian operators will start to take positions with regard to this destination with strong potential. And there is also no doubt that the allocation of produce between the EU and the USA will tend to favour the latter increasingly in coming seasons. As a comparison, Chile, whose geographical position is very similar to that of Peru, displays an inverse ratio—that is to say two-thirds of shipments to the US and a third to the EU.



### A growing appetite for summer avocado in Europe

The last season gave interesting signs with regard to the dynamics of European demand and the news seems quite good. Although the supply level did not allow an overall increase in the volume of the market, clear signs of the increasing interest of European consumers in avocado appeared or were confirmed. First of all, in spite of a difficult period, the average season price was excellent, illustrating the considerable tension on the EU market during the 2011 season. The indicator calculated by our market news service approached EUR 8 per box, a record level! Furthermore, the increasing capacity of the market to weather periods of very ample supply is another example of the good dynamics of the market in Europe in the summer. This is clearly illustrated in the graph opposite. In spite of an increasing number of weeks during



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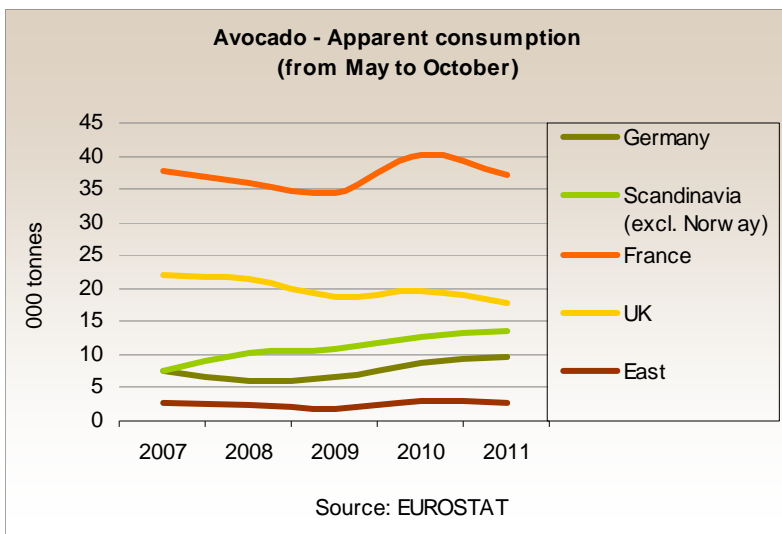


Avocado — Estimated consumption per capita			
	Population (millions)	Consumption (grams)	
		summer 2011	2011
<b>Scandinavia</b>	<b>24.5</b>	<b>597</b>	<b>1 443</b>
Denmark	5.4	768	1 926
Sweden	9.1	711	1 796
Norway	4.7	708	1 395
Finland	5.3	131	385
<b>France</b>	<b>63.4</b>	<b>585</b>	<b>1 186</b>
<b>United Kingdom</b>	<b>60.8</b>	<b>294</b>	<b>549</b>
<b>Germany</b>	<b>82.3</b>	<b>118</b>	<b>286</b>
<b>Eastern Europe</b>	<b>102.2</b>	<b>26</b>	<b>66</b>

Source: EUROSTAT

Avocado — Apparent consumption of main European markets (from May to October*)					
tonnes	2007	2008	2009	2010	2011
Germany	7 446	6 029	6 689	8 748	9 706
Scandinavia	7 649	10 285	10 768	12 649	13 594
France	37 803	35 942	34 545	40 092	37 084
United Kingdom	22 033	21 377	18 771	19 631	17 889
East	2 801	2 289	1 796	2 900	2 684

\*this includes most customs declarations of volumes from South Africa, Peru and Kenya / \*\*excluding Norway / Source: EUROSTAT



which supply exceeded a million boxes, prices were less and less inclined to fall. There may seem to have been poor performance in 2011 but it should be considered that supply was extremely large, if not unreasonably so, during a fair proportion of the busy weeks.

Which markets cause this dynamics? This can be approached by analysis of consumption although the accuracy of the calculation has its limits.

### The French market ready to be a driving force?

The French market has kept its role of pillar by taking 35 to 40% of the total volumes delivered in Europe. This scale, combined with great elasticity of demand in relation to price, means that it plays an important stabilising role on the EU market. Its overconsumption during the 2010 season where supply was large and prices attractive is a clear illustration of this feature. This is a major role as avocado production displays strong alternate bearing. The trend towards specialisation of importers working with avocado in France should enhance this absorption capacity.

Completed and ongoing investment in ripening facilities and ripeness monitoring systems will allow a distinct increase in the supply of pre-ripened fruits and stimulate impulse buying. The French market thus seems ready to act as a driving force again.

### Scandinavia is still in the lead, but for how long?

The two northern European markets have displayed the strongest growth dynamics in recent years. Nobody will be surprised to find Scandinavia leading the field: markets like Sweden and Denmark have played a driving role since the 2000s, in particular thanks to longstanding investment in promotion by South African and Chilean operators. But how long will this last; given the high consumption levels attained in non-producer countries. Consumption exceeds

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2 kg per person per year in Denmark and 1.5 kg in Sweden. Norway and Finland, whose combined populations total a little over 10 million, are far behind at 360 g and 900 g respectively.

### Germany is waking up but the United Kingdom is nodding off

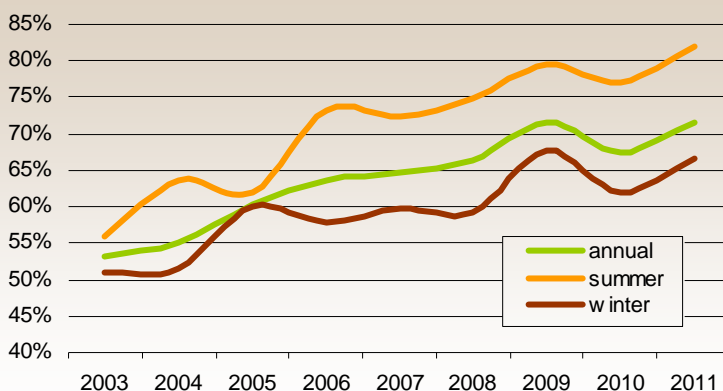
Consumption figures are beginning to confirm the awakening of the German market felt by operators for several years. Although the trend is recent it is clear. Since 2009, volumes sold are reported to have increased by 3 000 t in the summer season and nearly 10 000 t during the calendar year. And unlike some Scandinavian countries, the limits seem far from having been reached as annual consumption has not yet reached 300 g per person on a market totalling over 80 million people.

In contrast, the situation in the United Kingdom is more that of a recession. After fine growth until the end of the 2000s, consumption has tended to decrease, especially in the summer season. Is this for lack of ammunition, with exporters put off by the weak pound? Is it because of the effect of the economic downturn on produce whose retail price is increasing? Is this market reaching the limit in terms of extra costs generated by certification and/or the service that consumers are willing to pay for?

### Green soon to be in the red?

While European consumers seem to be increasingly keen on avocado, the position of green varieties seems to be increasingly weak. The change is particularly obvious in the summer season, with the market share of 'Hass' exceeding 80% in 2011 in comparison with hardly more than 55% in 2003. It is very probable that the trend will become more marked in 2012 as not only is the increase in shipments of 'Hass' causing the green fruit share to shrink, but in addition the clear ostracism with regard to this varietal group is followed by an increasing

Hass avocado - Evolution of its market share in EU-27



Source: CIRAD

## Promotion of avocado

Prohass is to undertake promotion operations for Peruvian avocado in Europe for the third year running. The German market is to be a target for the first time, alongside the United Kingdom and France, where operations started in 2010. The resources are there, with a budget of a million US dollars. The marketing plan includes operations for both professionals and consumers. Focus will be on the source, on the advantages of 'Hass' in comparison with green varieties, the health benefits of the fruit and will provide advice for consumers on preparation and ripening.



South African professionals at SAAGA are also to continue their efforts for the 17th year running. The targets remain the United Kingdom and Sweden in addition to the South African market. As for Peru, actions will target both professionals and consumers. Like last year, emphasis will be placed on consumption of the fruit on friendly occasions such as barbecues and picnics—an approach that has proved its worth in North America.



proportion of European retail distributors. Thus some of the last citadels held by green varieties are wavering and even beginning to fall. First, certain traditional markets for 'Fuerte', 'Pinkerton' etc. are switching. The case of Germany is symbolic. In addition, some 'budget' lines that had become refuges for green varieties have also fallen to 'Hass'. This is the case in particular in France where even purchasing centres—positioned in the centre of the range—have simply excluded 'Fuerte' and the other varieties from their programmes. This movement accompanies the generalisation of pre-ripened fruits on a fair number of markets. South African, Kenyan and Israeli operators will have to seriously wonder about alternative markets during the winter season.

## Further strong increase in volumes on the horizon

The growth of European demand described above is good news as production in southern hemisphere sources will continue to increase in the years to come—and probably at a faster rate than now. We have seen that the trend seems to be gradual in Kenya and South Africa but other important developments are to be expected in Peru in coming years. The opening of the US market seems to have given fresh impetus to planting that had already broken records with an average of 1 000 ha per year since 2006. It is reported to have reached 2 000 ha in 2011. First, new production infrastructure has been set up and especially the Olmos irrigated perimeter where 38 000 ha has been developed for farming. Second, foreign investments have been added to those of local professionals. As an example, Chilean agroindustrial groups that already grew winter avocado are seeking to develop counter-season production. Some experts therefore consider that the Peruvian avocado orchard could reach 20 000 to 25 000 ha in five years, with the low hypothesis representing the doubling of present production. It is certainly not the moment to suspend promotion efforts on the European Union market! ■

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# Southern hemisphere kiwi

## Fighting on all the fronts!

### Redeployment on emerging markets is necessary

Given the increasing competition on the northern hemisphere markets (EU and North America) between the two main southern hemisphere producer countries (New Zealand and Chile) on the one hand and the lengthening of local seasons on the other, southern hemisphere operators have had to develop new outlets to shift their potential.

**After two fairly competitive years, especially for green varieties, the kiwi sector is still diversifying with regard to both market strategy and technical matters. But before anything else, it is necessary to halt the *Psa* (*Pseudomonas syringae* pv. *Actinidiae*) bacterial canker epidemic that is decimating yellow kiwifruit plantations.**

Production finally reached a good level in New Zealand (12% up on 2010) while the Chilean crop was slightly reduced by late frosts that limited South American potential. According to the Chilean Ministry of Agriculture (ODEPA), Chilean exports totalled 178 500 t from January to December 2011. This is 2% less than in 2010 and even 4% less according to the Chilean Kiwifruit Committee (CKC). Shipments from New Zealand totalled only 360 000 t, 2% down on 2010.

However, although all exports—especially to the European market—decreased again in 2011 with 158 000 t shipped from New Zealand (- 2% on 2010) and 75 000 t from Chile (- 15%), those to the US market held fairly well at 20 300 t from New Zealand (+ 11%) and 22 200 t from Chile (- 1%). Shipments to Asia also increased again. New Zealand shipped

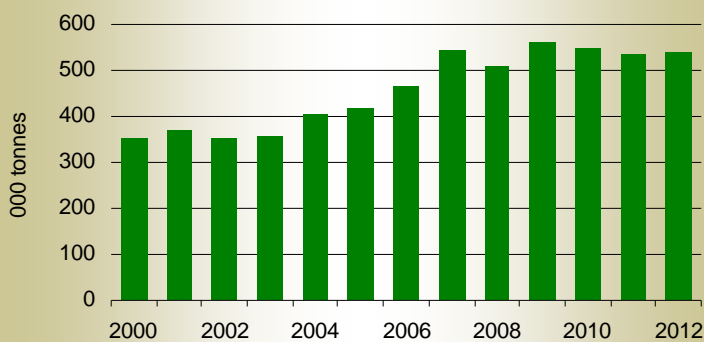
more than 60 000 t to Japan, more than 35 000 t to China, more than 25 000 t to South Korea and more than 21 000 t to Taiwan. The trend was similar for exports to Latin American countries such as Colombia, Mexico and Brazil where Chilean exports increased by 3% in comparison with 2010. Chilean operators also performed well on the Russian market (+ 11%).



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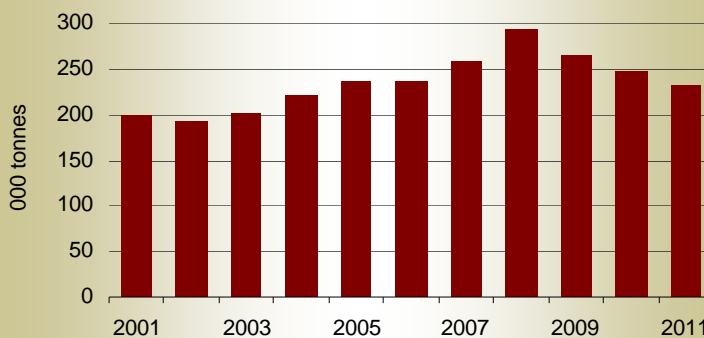


Kiwi - Southern hemisphere - Total exports



Source: IKO

Kiwi - Southern hemisphere - EU-27 imports



Source: EUROSTAT

## In spite of the Psa epidemic that is decimating the production of 'Gold'

Production potential may decrease more markedly from the 2012 season onwards following the spread of Psa in plantations in New Zealand. The epidemic seems difficult to stop and affected 1 070 orchards at the beginning of 2012 in comparison with 800 in October 2011 and only 126 a year previously. The disease mainly affects plantations of 'Gold' (Hort 16) that nonetheless forms 20% of kiwi production in New Zealand with 45% in the Te Puke zone where infection is most serious and where a considerable proportion of the trees will probably have to be grubbed up. The New Zealand Ministry of Agriculture (MAF) considers that the production potential of 'Gold' could fall from 30 million boxes to 20 million boxes in 2012, with only 20% of the fruits harvestable in the Te Puke zone and 80% in the Bay of Plenty. But the disease spreads must more slowly on 'Green', even though the future is uncertain for this variety at the moment in spite of the research budgets currently devoted to the problem.

The preliminary MAF season forecast was therefore 89 million boxes, a 21% fall in comparison with 2011. This includes yellow fruit potential of only 16 million boxes. Zespri has just announced that it would decide to grub up a third of its 'Hort 16', the variety that is most susceptible to Psa and that producers would be encouraged to invest in the new variety 'Gold 3' which, in spite of uncertainties, seems to be more resistant. However, it will take three years for this variety to reach full production stage but it is more productive, has very good storage features and is easier to handle than 'Hort 16'. Production should reach 1 million boxes this year already.

## A necessary innovation

Although the yellow varieties are more susceptible genetically to diseases than green ones ('Hayward'), they are still developing in order to broaden the range of varieties and to attract increasing numbers of consumers. Thus, after New Zealand and in spite of the failure to establish the 'Hort 16' variety in Chile, the Chilean Kiwifruit Committee and Chilean growers in general are continuing to invest in new varieties, but favouring the most resistant cultivars. The trials conducted in Chile on 'Hort 16' since 2003 have led to the complete grubbing up of these orchards decimated by *Verticillium albo-atrum*, a

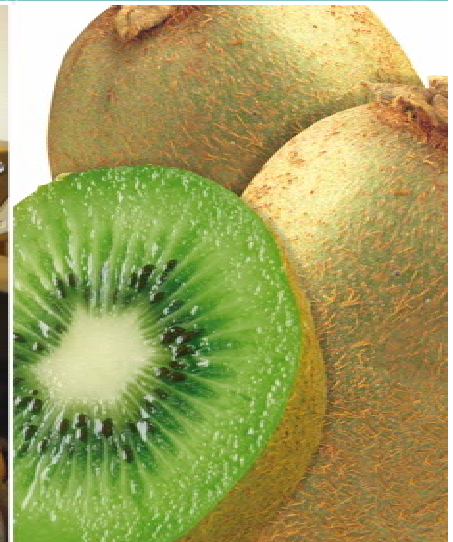


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fungus that attacks the root system of the plant and soon causes the wilting and death of the lianas. Plantations of new varieties such as 'Enza Gold' (140 ha now planted in the Limache, San Fernando and Santiago areas) do not seem to be conclusive either as the variety is particularly susceptible to the same fungus, although it does seem to have resisted the Psa epidemic in the Te Puke zone in New Zealand.

Growers are thus turning to new varieties like 'Jintao' ('Kiwigold'). But two new yellow varieties also seem promising and should be much-planted in the coming years. First of all, 'KiwiKiss' (600 ha forecast by 2014), a yellow variety budded on 'Hayward' to improve resistance to *Verticillium* and that gives yields of 50 to 60 t/ha. The second is the 'Soreli' variety (200 ha forecast in Chile by 2016) developed by Udine University in Italy and that is reported to have better genetic resistance to *Verticillium* and give better yields than 'Jintao' because the fruits are larger. Plantations of 'Summerkiwi' are also continuing with 380 ha now attained in Chile in the Metropolitan Region and in Region VII (Maule). There is no more than 6 ha so far in New Zealand (in the Kerikeri zone in the northern part of the country) but the area should reach 100 ha in three years.

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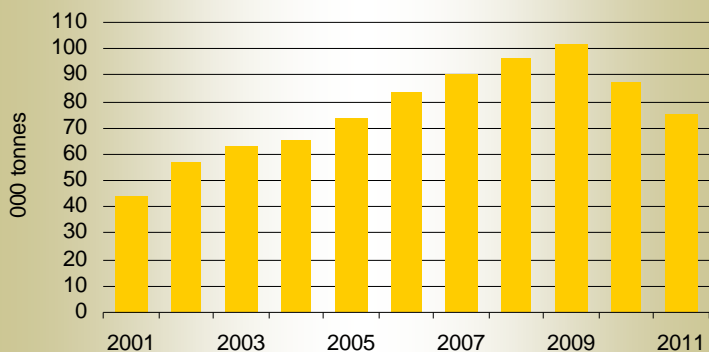


Kiwi - New Zealand - EU-27 imports



Source: European customs

Kiwi - Chile - EU-27 imports



Source: European customs

## Doubtless still a few difficulties in penetrating traditional markets in 2012

Pressure from southern hemisphere kiwi should be moderate this year as the potential in New Zealand is well down even if the deficit finally seems less marked than forecast. Zespri forecasts potential of 95 million boxes close to that of 2010 and 17% down on the 2011 figure, after marked progress in recent years. 'Zespri Gold' (Hort 16) should still form 21% (20 million boxes) of the total and 'Hayward' 74% (70 million boxes). To this should be added 3.5 million boxes of organic fruits and 2 million boxes of new varieties ('Gold 3', 'Gold 9', 'Green 14' and several red-fleshed varieties).

The Chilean potential should be a little larger after last year's decrease, thanks among other things to excellent spring weather conditions. The export potential could therefore increase by more than 10% in comparison with 2011, reaching 195 000 or even 200 000 t.

But existing stocks, especially in Europe, mean that the start of the season is not very lively. Indeed, although sales of Italian kiwis have increased steadily since the beginning of the year and are now running 9% higher than 2011 figures, a substantial lag has accumulated since the beginning of the season. Italian stocks still totalled 173 400 t on 15 March 2012 (21% more than in 2011 and 6% higher than the 3-year average) and the harvest is 13% up on 2010; this means that sales are running a good two weeks later than last year, when the season finished in June. French stocks are also reported to be larger than they were last year, with some lagging of sales but above all a larger potential (8% more than in 2010). Fair volumes still remained in Greece in March.

Thus sales are still smaller, not only on the European market but also in Russia and in China, where Italy was still strongly present. Indeed, Chilean professional bodies have observed a 36% decrease in shipments at the beginning of this season and are encouraging operators to slow their shipments until April and to favour the Latin American markets and especially Colombia. The season has also started in New Zealand with the first 'Summerkiwi' in March and 'Zespri Gold' at the beginning of April. As usual, the first shipments (mid-April) have been reserved for the Japanese market. The first produce from New Zealand is expected in Europe at the beginning of May (end of Week 18) ■

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# Wholesale market prices in Europe

## March 2012

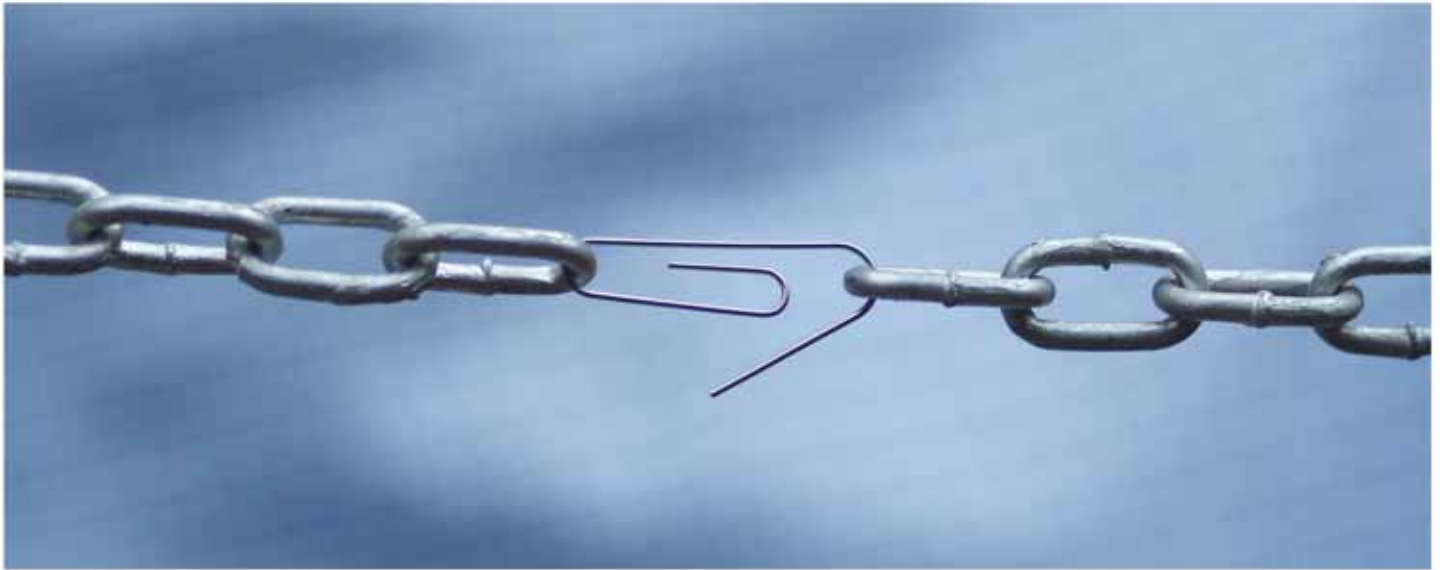
					EUROPEAN UNION — EURO				
					Germany	Belgium	France	Holland	UK
BANANA	Air	RED SMALL	ECUADOR	kg				4.88	
			COLOMBIA	kg			7.49	6.70	
	Sea	SMALL	ECUADOR	kg		5.67		5.00	
			ECUADOR	kg			1.70	2.01	
CARAMBOLA	Air		MALAYSIA	kg		4.57	4.50	4.32	
	Sea		MALAYSIA	kg					3.42
CHAYOTE	Sea		COSTA RICA	kg			1.20	1.43	
COCONUT	Sea		COSTA RICA	Bag		15.00		15.50	
			COTE D'IVOIRE	Bag		10.82	12.75	10.10	18.54
			DOMINICAN REP.	Bag				19.00	
			SRI LANKA	Bag				19.00	9.87
DATE	Sea	MEDJOOOL  MOZAFATI NOT DETERMINED	ISRAEL	kg			7.50	7.81	
			MEXICO	kg	10.20				10.77
			IRAN	kg				3.13	
			ISRAEL	kg				3.49	6.46
			TUNISIA	kg				1.88	1.75
EDDOE	Sea		BRAZIL	kg				1.90	
			CHINA	kg			1.80		
			COSTA RICA	kg			2.00	1.47	
GINGER	Sea		CHINA	kg	1.15	1.66	1.26	1.23	0.92
			THAILAND	kg				1.13	1.10
GUAVA	Air		BRAZIL	kg			3.67	5.98	
KUMQUAT	Air		ISRAEL	kg				3.18	4.79
LIME	Air		MEXICO	kg			3.70		
	Sea		BRAZIL	kg	1.11	1.56	1.37	1.26	0.80
			MEXICO	kg			1.89		
LITCHI	Air		THAILAND	kg				11.25	
MANGO	Air	KENT	PERU	kg			5.75	4.86	
			SOUTH AFRICA	kg			6.00		
	Sea	NAM DOK MAI ATKINS KEITT KENT  NOT DETERMINED	THAILAND	kg				7.00	
			BRAZIL	kg					1.38
			PERU	kg		2.00			
			BRAZIL	kg		2.00			
			PERU	kg	1.31	2.00	1.47	1.63	
			BRAZIL	kg	1.19				
			MEXICO	kg					0.75
MANGOSTEEN	Air		INDONESIA	kg				7.32	
			THAILAND	kg			9.50		
MANIOC	Sea		COSTA RICA	kg			1.30	1.00	
MELON	Air	CHARENTAIS	DOMINICAN REP.	kg			4.00		
			GUADELOUPE	kg			4.50		
	Sea	CANTALOUPE	BRAZIL	kg					0.72
			COSTA RICA	kg			1.60		0.72
			HONDURAS	kg				1.70	1.56
	CHARENTAIS	BRAZIL	kg			1.50			
		MOROCCO	kg			2.75			

					EUROPEAN UNION — EURO					
					Germany	Belgium	France	Holland	UK	
MELON	Sea	GALIA	BRAZIL	kg				2.00	1.56	
			HONDURAS	kg					1.79	
			PANAMA	kg						1.44
			HONEY DEW	BRAZIL	kg					0.66
				COSTA RICA	kg	0.70		0.70	0.80	0.98
				GUATEMALA	kg					0.60
			SEEDLESS WATER WATERMELON	COSTA RICA	kg					0.98
				BRAZIL	kg					0.97
				COSTA RICA	kg	0.85				
PANAMA				kg				1.12		
PAPAYA	Air	FORMOSA	BRAZIL	kg	3.11		3.00	3.22		
			BRAZIL	kg		2.86	3.55	3.48		
			THAILAND	kg				4.69		
	Sea	NOT DETERMINED	BRAZIL	kg					2.66	
			ECUADOR	kg		1.71		2.50		
PASSION FRUIT	Air	NOT DETERMINED PURPLE	COLOMBIA	kg	5.75		6.00	6.10	4.19	
			ISRAEL	kg			6.50	5.65		
			KENYA	kg		4.50		5.00	4.19	
			SOUTH AFRICA	kg	7.00		6.50			
			ZIMBABWE	kg				6.00		
			COLOMBIA	kg		8.75		9.13		
PERSIMMON	Air		BRAZIL	kg		4.00		4.70		
	Sea		BRAZIL	kg	4.67					
			ISRAEL	kg	1.93	2.05		2.62		
PHYSALIS	Air	PREPACKED	COLOMBIA	kg			8.25	8.33	6.74	
	Sea		COLOMBIA	kg	4.90	5.83		5.80		
PINEAPPLE	Air	SMOOTH CAYENNE	BENIN	kg			2.05			
			CAMEROON	kg			2.50			
			GHANA	kg			2.50			
		VICTORIA	MAURITIUS	Box		12.00		13.48		
			MAURITIUS	kg			3.60			
			REUNION	kg			4.20			
	Sea	MD-2	SOUTH AFRICA	Box			12.10			
			COSTA RICA	Box	11.25	8.35	8.75	11.36		
			COTE D'IVOIRE	kg			1.00			
			DOMINICAN REP.	Box			8.75			
			ECUADOR	Box			8.75			
			SOUTH AFRICA	Box			11.96			
PITAHAYA	Air	RED YELLOW	VIET NAM	kg		6.00	9.00	6.52		
			COLOMBIA	kg			9.00			
			ECUADOR	kg				8.00		
PLANTAIN	Sea		COLOMBIA	kg			0.95	0.86		
			ECUADOR	kg			0.88			
			JAMAICA	kg				1.20		
RAMBUTAN	Air		THAILAND	kg				8.00		
			VIET NAM	kg		7.10	9.50	8.10		
SWEET POTATO	Sea		EGYPT	kg			0.95			
			HONDURAS	kg				1.38	1.04	
TAMARILLO	Air		COLOMBIA	kg		7.10		6.89		
YAM	Sea		BRAZIL	kg					1.44	
			COTE D'IVOIRE	kg				1.13		
			GHANA	kg			1.17	1.22		

Note: according to grade

These prices are based on monthly information from the Market News Service, International Trade Centre UNCTAD/WTO (ITC), Geneva.  
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