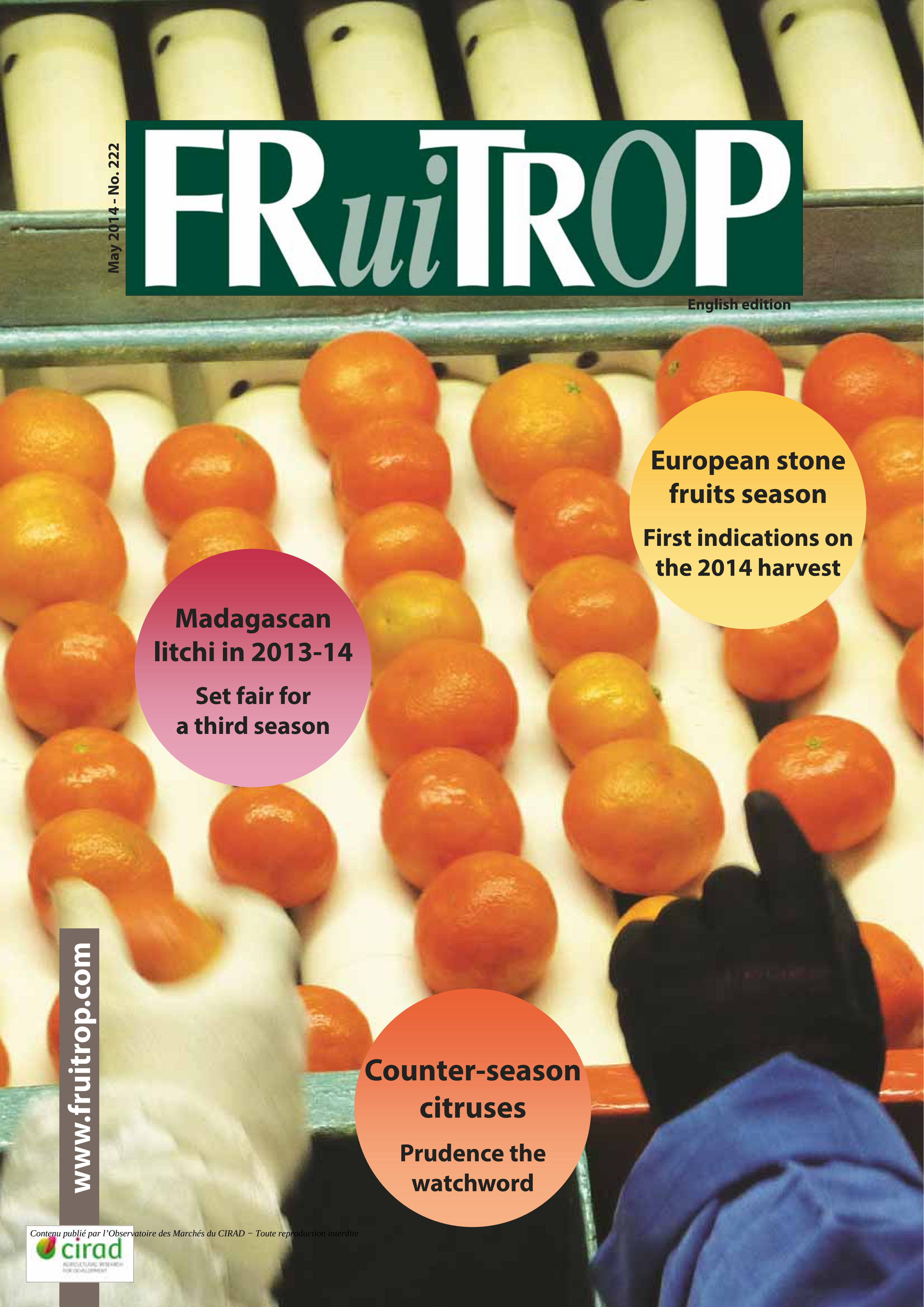


FRuiTROP

May 2014 - No. 222
English edition

Madagascan litchi in 2013-14

Set fair for a third season

European stone fruits season

First indications on the 2014 harvest

Counter-season citruses

Prudence the watchword

www.fruitrop.com

As in trade, so in research. *Researcher must market their activity, for the sake of their very existence. Reading committee reviews are to the researcher what aisle-end displays are to consumer products. You fight, and sometimes even pay, to get there, as often and for as long as possible. This then has some impact on sales - sorry, on the interest that the backers take in scientific works. In this field, the Holy Grail is a big scientific review such as "Nature". This type of marketing remains the prerogative of the big teams, the big ideas or the big topics of the moment. Sectors or teams with the lowest profile are left with what we might call direct marketing: generating buzz by announcing "an imminent catastrophe beyond any probable doubt." It is even more effective if the news is carried by a big organisation or an opinion leader. That will do the trick, all the world's media start talking about it. Moreover, the main thing is not to have good things said about it, but just to have it talked about. The hope for the sales forces - sorry, for the research teams, is that the backers' purse strings come undone in the face of this challenge, so important that even the free dailies handed out at metro station exits take it up! But what does that have to do with our tropical industries? Once again, as in 2003, it is the banana, or rather a disease that is supposedly threatening the very existence of the Cavendish banana. The alert was raised by the FAO, conveying the true-false scoop from research teams short of funding, who also wanted to promote the GMO solution. So what is this global threat? It is a soil fungus: Tropical Race 4 or TR4 fusarium wilt disease. Or perhaps we should use its new media nickname, "fusarium jaundice"! Since the ultimate aim is to find a good stage name to make the show complete!*

Denis Loeillet

cirad
AGRICULTURAL RESEARCH FOR DEVELOPMENT

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

Publishing Director
Hubert de Bon

Editors-in-chief
Denis Loeillet and Eric Imbert

Editor
Catherine Sanchez

Computer graphics
Martine Duportal

Iconography
Régis Domergue

Website
Actimage

Advertising Manager
Eric Imbert

Subscriptions
www.fruitrop.com

Translators
James Brownlee, Simon Barnard

Printed by
Impact Imprimerie
n°483 ZAC des Vautes
34980 Saint Gély du Fesc, France

ISSN
French: 1256-544X
English: 1256-5458
Separate French and English editions

Subscription rate
EUR 300 / 11 issues per year
(paper and electronic editions)

FRuiTROP

Contents

Banana

April 2014

The markets weakened in April due to the banana supply returning to a considerably higher level. Dollar banana volumes actually rose to a level 17 % above average: the rising supply from Ecuador and Costa Rica compensated for the moderate incoming shipments from Colombia, still suffering the effects of the drought. Similarly, volumes from Africa and the French West Indies reached a historically high level due to their production peak, especially from Côte d'Ivoire, well above average for the season. However, demand in Europe was highly dynamic until mid-April: temperatures remained very mild for the season and favourable for banana sales, competition from seasonal fruits was weak (apples and strawberries present, but with uncompetitive prices), and finally promotions remained in place across all the markets, helping keep sales fluid. The situation started to sway from mid-April, because of the Easter holiday period. The weight of the supply, coupled with quieter demand, led to the formation of stocks and set prices falling in France and Europe. In Germany, the contracts were renegotiated, and rates rose moderately for the April, May and June period. Yet rates on the free market, after reaching very high levels in March, took a downturn. In Russia, the markets maintained stable high prices due to the moderate banana supply. Spanish prices remained stable throughout April, because of a moderate Canaries platano supply for the period.

NORTHERN EUROPE — IMPORT PRICE		
April 2014 euro/box	Comparison	
	previous month	average for last 2 years
14.23	+ 6 %	- 8 %

■ **El Niño back in late 2014?** It is not yet a sure thing, but more than probable. The latest temperature readings, particularly from the waters of the Gulf of Guayaquil, hint that the climate phenomenon feared by all farmers will develop by late 2014. The forecasts indicate a 70 % probability of El Niño appearing in the last quarter of 2014. Its intensity and duration remain to be seen.

The El Niño phenomenon is manifested by a rise in the surface water temperature in the eastern tropical Pacific Ocean, where relatively cold water is usually concentrated. This abnormal situation in the ocean disrupts atmospheric circulation on a global scale, significantly affecting several parts of the world, not only in the tropics but also at middle latitudes. For example, for Ecuador, the phenomenon is manifested by abundant rainfall, and for Colombia by severe drought.

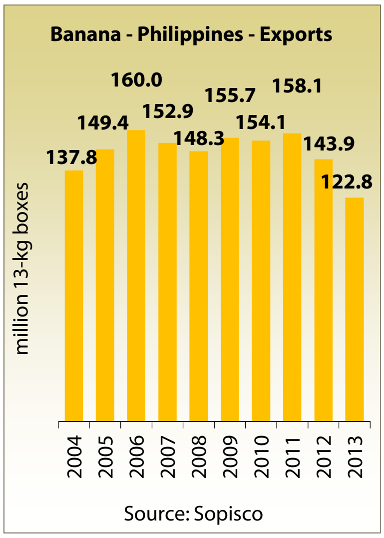
Recent El Niño phenomena:

- June 2002 to March 2003
- August 2004 to February 2005
- October 2006 to February 2007
- August 2009 to May 2010.

Source: CIIFEN

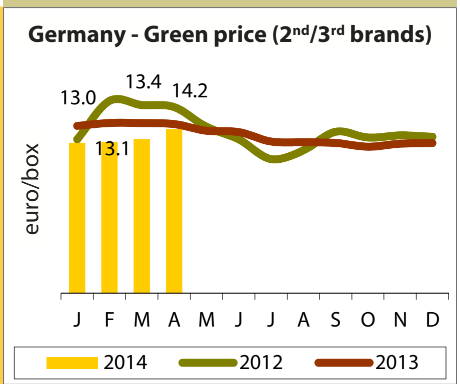
■ **Philippine banana: leanest export season for ten years.** 2013 was a very poor year for Philippine banana exporters. With just under 123 million 13-kg boxes, export volumes were down by 15 to 20 % from the past few seasons, registering their lowest level for the past ten years. The blame of course can be attributed to typhoon Pablo, which ravaged the Mindanao plantations in December 2012, but also to the increasingly imposing sanitary problems (black cercosporiosis and Panama disease strain TR4). These are of sufficient severity that some big Japanese traders are seeking to reduce their dependence on this fragile supply source, which is increasingly focusing its interest on the rapidly growing Chinese market. Some of them have set up small-scale but regular import programmes of fruits from Mozambique and Vietnam.

Sources: Sopisco, Reefer Trends



Source: Sopisco

EUROPE



EUROPE — RETAIL PRICE				
Country	April 2014		Comparison	
	type	euro/kg	March 2014	average for last 3 years
France	normal	1.59	+ 4 %	0 %
	special offer	1.34	+ 7 %	- 2 %
Germany	normal	1.33	+ 2 %	- 1 %
	discount	1.21	+ 2 %	+ 1 %
UK (£/kg)	packed	1.15	- 1 %	- 7 %
	loose	0.72	+ 2 %	- 1 %
Spain	plátano	1.93	- 1 %	+ 4 %
	banano	1.38	+ 1 %	0 %

Fresh
Asparagus

Fresh asparagus

The different touch to your dish!

Fresh European asparaguses are rich in vitamins and trace elements, have low fat levels and wonderful taste. Enjoy them now, creating unique dishes of haute cuisine!

KAVALA COOP SINCE 1927

alfa griechischer Spargel

Agiasma KAVALA

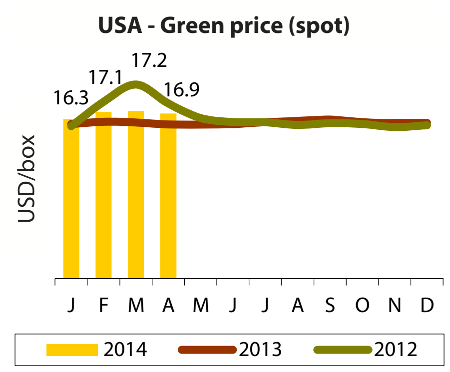
A.S.K.G.E. KOMARON

PROJECT CO-FINANCED BY THE EUROPEAN UNION AND GREECE

www.euasparagus.gr

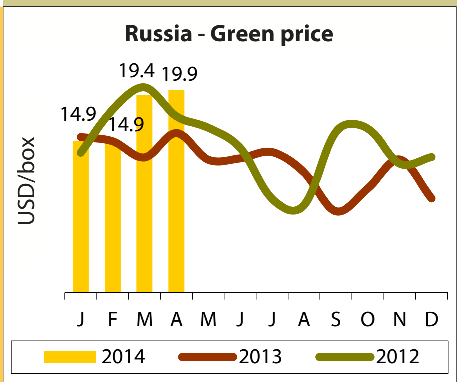
Banana

UNITED STATES



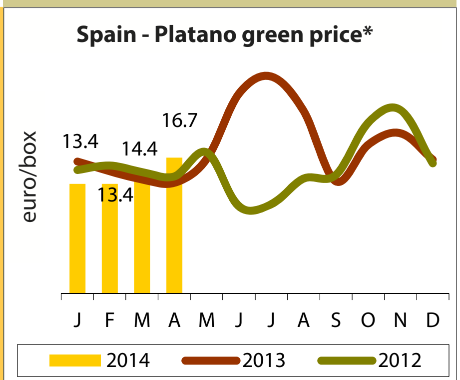
USA — IMPORT PRICE		
April 2014 USD/box	Comparison	
	previous month	average for last 2 years
16.90	- 2 %	0 %

RUSSIA



RUSSIA — IMPORT PRICE		
April 2014 USD/box	Comparison	
	previous month	average for last 2 years
19.90	+ 2 %	+ 21 %

CANARIES



CANARIES — IMPORT PRICE*		
April 2014 euro/box	Comparison	
	previous month	average for last 2 years
16.70	+ 15 %	+ 19 %

* 18.5-kg box equivalent

Banana consumption in the EU: unprecedented! European consumers have never purchased so many bananas. The results of Q1 2014 are incontrovertible. Imports were up 7 % from Q1 2013, which was already an excellent period. Dollar bananas were up by 8 %. There is no one left out from the group of major origins. Colombia leads the way, with an impressive 13 % increase for Q1. Ecuador also moved forward, with + 5 %, but slower than the market trend; and this is not because of its trade-offs favouring the United States. On this market, the source is stable. As for the ACP, the situation is much more contrasting. The Dominican Republic, Côte d'Ivoire and Ghana are booming, with growth rates of 20, 24 and 18 % respectively over the period. Cameroon, Belize and Surinam are in the red (between - 7 and - 9 %). European production followed the same trend, with the French West Indies rising steeply (+ 26 % for Martinique and + 12 % for Guadeloupe), whereas the Canaries supply is stabilising. In the final analysis, the EU-28 consumed more than an additional 100 000 t of bananas in just three months. Over the last twelve months (April 2013 to March 2014), the net supply to the European market went up by approximately 330 000 tonnes!

For France, the situation is similar. The net supply was up for the past 7 months, so that we exclude the minor fall in August 2013, its positive trend has lasted 14 months! For Q1 2014, consumption amounted to 159 000 tonnes (+ 11 %). Over the past twelve months, 580 000 tonnes of bananas have been purchased, an astounding figure as it was said that these mature markets had no further prospects.

According to our information, this brilliant trend in terms of volume should be confirmed in the official monthly statistics for April, which **FruiTrop** will of course reflect in its next edition.

For once, it is not the United States showing the way in growth. The US market is actually stable (1 % growth), once more thanks to Costa Rica, which increased its volumes by 20 %. The other sources are in poor shape. The leader Guatemala was up 1 %, while all the others (Ecuador, Honduras, Colombia and Mexico) were stagnant or fell.

Source: CIRAD

Banana - January to March 2014 (provisional)

tonnes	2012	2013	2014	Difference 2014/2013
EU-27 — Supply	**1 320 743**	**1 342 493**	**1 447 679**	**+ 8 %**
Total import, of which	1 163 816	1 193 387	1 287 417	+ 8 %
MFN	943 620	955 333	1 031 788	+ 8 %
ACP Africa	117 857	132 687	140 553	+ 6 %
ACP others	102 339	105 367	114 852	+ 9 %
Total EU, of which	156 927	149 106	160 263	+ 7 %
Martinique	40 036	39 225	44 044	+ 12 %
Guadeloupe	13 333	13 333	16 753	+ 26 %
Canaries	98 296	93 043	94 451	+ 2 %
USA — Import	**1 059 415**	**1 109 618**	**1 122 261**	**+ 1 %**
Re-exports	123 344	129 128	136 718	+ 6 %
Net supply	936 071	980 490	985 543	+ 1 %

Sources EU: CIRAD, EUROSTAT (excl. EU domestic production) / Source USA: US Customs

EUROPE — IMPORTED VOLUMES — APRIL 2014

Source	Comparison		
	March 2014	April 2013	2014 cumulative total compared to 2013
French West Indies	↗	+ 10 %	+ 13 %
Cameroon/Ghana/Côte d'Ivoire	=	+ 10 %	+ 6 %
Surinam	=	+ 2 %	- 3 %
Canaries	↗	- 10 %	- 2 %
Dollar:			
Ecuador	↘	+ 43 %	+ 38 %
Colombia*	=	- 15 %	- 8 %
Costa Rica	=	+ 143 %	+ 64 %

Estimated thanks to professional sources / * total all destinations

CMA CGM Group, the world’s third largest container carrier,
is a leading expert in controlled temperature logistics.

With 170 shipping lines across the world, CMA CGM offers a wide range of services thanks to an international network of experts in 85 countries, a young fleet of 170,000 TEUs (20’, 40’ high cube, 45’ pallet wide) and 150,000 reefer plugs available on board of 428 CMA CGM vessels.

CMA CGM applies state-of-the-art technologies for a **meticulous control of humidity, atmosphere and temperature**. It guarantees the best care of your cargo at each stage of the transport.

Stay cool with CMA CGM !

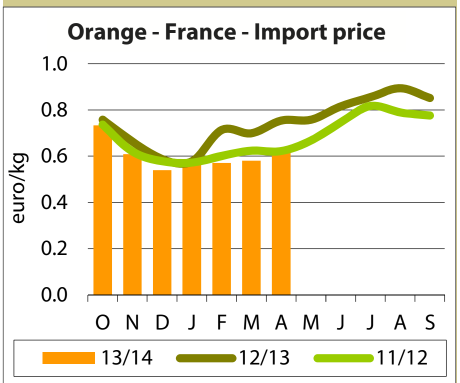
CMA CGM

www.cma-cgm.com

Orange

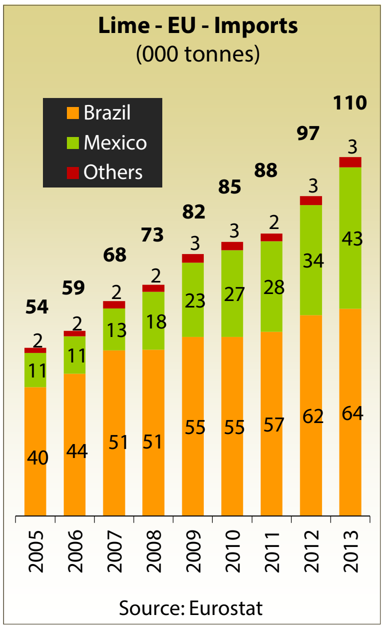
April 2014

Better late than never. The orange market, extremely difficult since the beginning of the season, improved slightly. The sales dynamic picked up for Navelate, reaching a level well above average. Prices strengthened slightly at the import stage, while maintaining a level well below average given the scale of the volumes still available at the production stage. Conversely, the juice orange market remained extremely difficult. The Salustiana season extended to the middle of the month, delaying the actual start of the Valencia Late season. Prices maintained a low level, with often heterogeneous quality. The Tunisian Maltaise season ended with a very disappointing record.



PRICE Type	Average monthly price euro/15-kg box	Comparison with average for last 2 years
Dessert oranges	9.60	- 7 %
Juice oranges	8.00-8.50	- 22 %

VOLUMES Type	Comparison: previous month	Comparison: average for last 2 years
Dessert oranges	=↗	+ 16 %
Juice oranges	=↗	- 1 %



■ European lime market exceeds the 100 000-tonne mark!

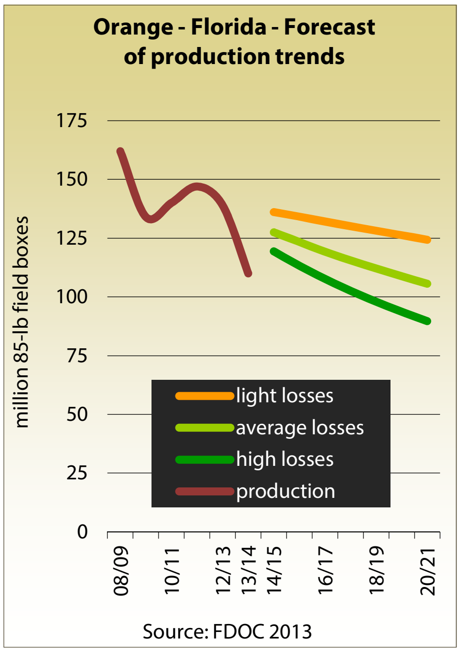
The 2013 customs figures show once again that the lime remains a citrus very much in fashion. European imports continued to grow at a tempo of approximately 10 000 t per year, exceeding 110 000 t in 2013. There still seems to be a big growth margin, although a downturn is likely in 2014 because of the scarcity of Mexican production. Annual consumption amounted to barely 300 g/capita in the European Community, whereas it exceeded 1.4 kg in the United States, with the difference not attributable solely to the Latino population, though it provides a massive consumption boost. Brazil remains the main supplier to the Community market. However, Mexico, the world's leading exporter, is continuing to increase its market share, currently providing nearly 40 % of the supply.

Source: Eurostat

■ Florida orange: plummeting into the abyss…

The latest revision of the Floridian citrus production forecast, published in April, brought no reassurance. With 110 million field crates, the harvest plunged to its lowest level since the late 1980s! Yet beyond the sensationalist aspect of this news, it is above all the increased rate in the fall of production which should hold our attention. The harvest, already down by 10 million boxes between 2011-12 and 2012-13, this season registered a drop of nearly 30 million boxes from last season. This collapse shows the devastating effects of greening, the main reason for the incredibly high level of fruit dropping recorded once again this season. This trend raises questions about the future: the 110 million boxes harvested this season equate to the harvest level predicted by the FDOC in three years, under its worst-case development scenario…

Source: FDOC

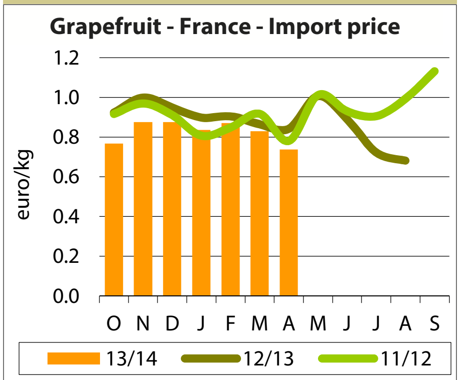


VOLUMES Varieties by source	Comparison: previous month	Comparison: average for last 2 years	Observations	Cumulative total / cumulative average for last 2 years
Spanish Navelate	=↗	+ 16 %	Season continuing in full swing. Very large volumes still available at the production stage.	+ 4 %
Tunisian Maltaise	↘↘	+ 7 %	Last volumes at the beginning of the month.	- 35 %
Spanish Valencia	↗	- 62 %	Widening delay. Volumes extremely moderate throughout the month.	- 63 %
Spanish Salustiana	↘	+ 420 %	End of the season in the middle of the month, after extending of nearly one month from previous years. Quality highly heterogeneous.	+ 12 %

Grapefruit

April 2014

The market remained lacklustre for Florida, with its contributions waning early in mid-April. The top-end brands retained some degree of fluidity. However, the market proved more difficult for standard brands, which represented an increasing proportion of the supply. The average monthly rate registered a slightly below-average level, despite the supply waning. Operators trading in the Mediterranean grapefruit had their fill of misfortune. The supply pressure increased, in a context of demand remaining slow. Incoming Israeli shipments were in line with the average. However, Turkey had a very big presence, with particularly aggressive prices. The average monthly rate registered its worst level since the beginning of the decade.



PRICE

Type	Average monthly price euro/box 17-kg box eq.	Comparison with average for last 2 years
Tropical (Florida)	16.00-17.00	- 4 %
Mediterranean	9.50-10.00	- 23 %

VOLUMES

Type	Comparison: previous month	Comparison: average for last 2 years
Tropical (Florida)	↘↘	+ 38 %
Mediterranean	=↘	+ 12 %

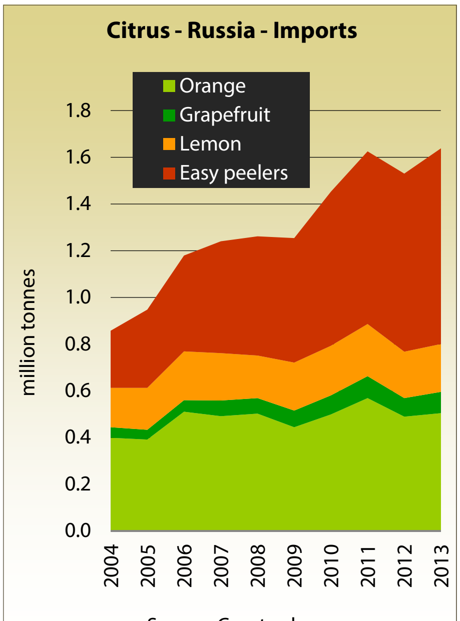
■ **Counterfeiting targeting the fruit industries.** Will a certificate of authenticity soon need to be supplied with each box of high-profile brand oranges? The Hong Kong authorities seized just over 5 000 Sunkist marked oranges. The problem was that they came not from California, but North Africa. It was a knowledgeable consumer who sounded the alert, after noticing a difference in taste and skin thickness from the oranges of their favourite brand. The fruits had been "disguised" by the retailer, which owns several stores. This is the first case of counterfeiting in the world of fruits and vegetables!

Source: Reefer Trends

■ **Russia, more than ever the number 1 market.** Is it the harsh temperatures or an insatiable taste for lemon vodka? Regardless, the 2013 customs figures show that Russia is more than ever the world's leading citrus market by volume. With 1.6 million tonnes, citrus imports in 2013 were greater than the total imports for Asia, excluding Japan, or the entire Arabian Peninsula (approximately 1.5 million tonnes in both cases), and represented more than 30 % of the total volumes on the EU-28 market (excluding local consumption in producer countries). While a new record was beaten in 2013, since 2011 the growth dynamic of the market has no longer been what it used to be. The 2013 figures confirm that volumes for the orange, lemon and grapefruit have levelled out again. Small citruses are the only family still on the rise, but for how long? With 6.0 kg per capita, annual Russian consumption is well above the 4.6 kg absorbed by non-producer countries from the EU-15, and equal to consumption in the Scandinavian countries.

Sources: Comtrade, CIRAD


© Régis Domergue



Source: Comtrade

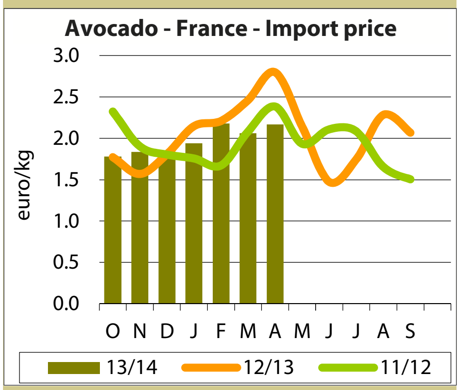
VOLUMES

Sources	Comparison: previous month	Comparison: average for last 2 years	Observations	Cumulative total / cumulative average for last 2 years
Turkey	=↘	+89 %	Heavy export flow remaining well above average, both to the EU and Russia & Ukraine, due to the abundant production and the delay to market at the beginning of the year.	+26 %
Florida	↘↘	+38 %	Incoming shipments waned early, from the beginning of the second half-month. Combined imports small, though above average for the past two seasons.	-9 %
Israel	=↘	-1 %	Shortfall less marked than in February, though nonetheless significant because of the still dissatisfactory market conditions.	-8 %

Avocado

April 2014

The market enjoyed another fine performance. The supply was particularly large, with incoming weekly shipments throughout the month of between 1.7 and 1.8 million boxes. On the one hand, the supply from winter market suppliers was well above average, due in particular to the highly atypical extension of the Chilean season. On the other hand, the growth of incoming shipments from counter-season market supplier countries was particularly rapid, especially for Peru. However, demand proved excellent. The supply was well divided between the various Community markets, while the Easter promotions boosted sales in the first half-month. Prices, slightly below average, nonetheless registered an excellent level.



PRICE

Varieties	Average monthly price euro/box	Comparison with the last 2 years
Green	5.50-6.50	- 2 %
Hass	9.00-11.00	- 4 %

VOLUMES

Varieties	Comparison: previous month	Comparison: average for last 2 years
Green	=↗	- 6 %
Hass	↗	+ 57 %

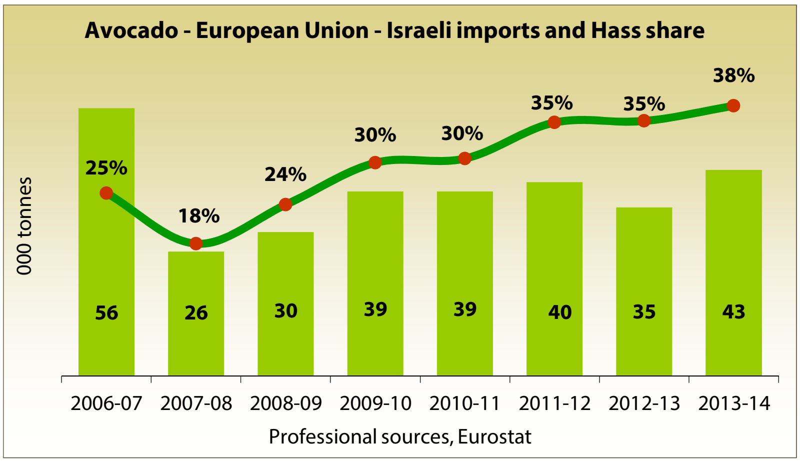

© Régis Domergue

■ **Colombian avocado: another step toward opening up the US market.** According to a press release by the Instituto Colombiano Agrario (ICA), APHIS is preparing a draft sanitary protocol which should enable the Colombian Hass to enter the United States. The key points are control of three pests (the moth *Stenoma catenifer*, and the two beetles *Heilipus trifasciatus* and *Heilipus lauri*), and of course traceability. The press release does not mention any date for the possible opening of the market. Meanwhile, the sector continues to grow: there are now four packing stations in operation, and surface areas are growing rapidly, especially in northern and western Caldas. Furthermore, the regional government of Antioquia has allocated a 6 million USD budget over three years to set up various projects aimed at developing the industry.

Professional sources, ICA

■ **Israeli avocado: a bumper 2013-14 season in the EU, but no record.** Chile was not the only source to benefit from the growing appetite of European consumers for the avocado during the 2013-14 winter season (see **FruiTrop** 221, April 2014). With exports to the EU estimated at between 42 000 and 44 000 t, Israeli producers registered their biggest season since 2006-07. Unsurprisingly, the volume rise of just over 10 % from the four-year average is to be credited to the surge of Hass production. Exports of this variety to the EU have risen by approximately 1.5 million boxes in four years.

Professional sources, Eurostat



VOLUMES

Sources	Comparison: previous month	Comparison: average for last 2 years	Observations	Cumulative total / cumulative average for last 2 years
South Africa	↗↗	+ 26 %	Rapid growth in volumes. Imports of green varieties high and well above average, but still modest for Hass.	+ 40 %
Peru	↗↗	+ 47 %	A storming start. Very large volumes of Hass from the middle of the month.	+ 29 %
Chile	↘↘	+ 1 082 %	Season ebbing away, though imports still very significant and well above average during the first half-month.	+ 64 %
Spain	=↘	+ 33 %	Hass volumes high and well above average. Supply of green varieties in considerable shortfall.	- 1 %

Their attitude will change their childrens' future

Summer Education Program for the Children

Every year, during January and February, we offer a "Summer Education Program" for our workers' children in order to reinforce their education and develop their artistic and athletic abilities, as well as to improve their self-esteem. We carry this out with the advice and support of local schools and universities.

Classes include verbal and mathematical reasoning, as well as workshops in art and creativity, computer skills, modern and traditional dances, and sports.

Commercial office Europe
Camposol EU - Honderdland 94
NL- 2676 LS Maasdijk - The Netherlands
Phone: +31 174 521 016 / Fax: +31 174 523 334

www.camposol.com.pe

Pineapple

April 2014

In April, the pineapple trade saw two phases. Over the three weeks before Easter, the overall Sweet supply was limited. Rates saw a regular rise, since demand was brisk and well in excess of the supply. We even witnessed speculative sales. Certain operators, short of fruits and committed to promotions, had to accept paying prices well above the market rate to be able to satisfy their customers. After Easter, the temporary increase in the supply coincided with the habitual fall in demand following this holiday period. So rates gradually slumped, especially as demand turned toward seasonal fruits, increasingly present on the markets. The Cayenne supply, which remained restricted throughout the month, sold at stable basic prices.

The air-freight pineapple supply was highly irregular in terms of quality, with the fruits lacking either coloration or durability. While during the first half-month sales remained fluid due to a limited supply, the situation deteriorated a week before Easter. Indeed, volumes saw a big increase, without the overall fruit quality improving. After Easter, the operators, burdened with fruits of ailing quality, had to resort to PSP sales (post-sale price) to clear their stocks. Conversely, rates were more stable on the Sugarloaf market. However, although prices slumped slightly at the end of the month, overall they fluctuated between 1.70 and 2.00 euros/kg.

The Victoria market was under-supplied before Easter, which led to sales at fairly high rates. After Easter, demand started to turn gradually toward the increasingly available seasonal fruits.

Mango

April 2014

Peru provided most of the supply to the European market in April, with quantities gradually falling. This dip in volumes was only partially compensated for by an increase in Brazilian shipments, while demand picked up considerably in the run-up to the Easter holidays. This under-supply caused a real price boom, reaching levels rarely observed. The West African export season only began at the very end of the month, when demand pressure was lower. The vast majority of purchasers switched their procurement to Côte d'Ivoire, causing a fall in rates of the last Peruvian batches, aggravated by the qualitative deterioration of the produce (fungal attacks). Following the Easter holidays, the market entered a period of free-for-all, resulting in a rapid dip in Ivorian mango rates, accompanied by a widening price range.

The air-freight mango market also saw a price boom in the first half-month, given the acceleration in demand against a waning Peruvian supply. The heavy shipments from Côte d'Ivoire in the second half-month, combined with those from Mali and Burkina Faso, caused a drop in the sale prices.

MANGO — INCOMING SHIPMENTS (estimates in tonnes) — EUROPE

Weeks 2014	14	15	16	17	18
Air-freight					
Peru	80	30	30	50	10
Mali	15	20	35	35	25
Burkina F.	20	15	10	20	-
RCI	-	-	100	120	100
Sea-freight					
Brazil	1 780	1 910	2 020	1 850	1 740
Peru	3 120	1 780	2 400	400	370
RCI	-	-	-	-	2 640

MANGO — IMPORT PRICE ON THE FRENCH MARKET

Weeks 2014		14	15	16	17	18	Average April 2014	Average April 2013
Air-freight (euro/kg)								
Peru	Kent	3.50-4.50	4.00-5.00	4.00-5.00	4.00-5.00	4.00-4.50	3.90-4.80	4.30-4.75
Mali	Amélie	2.80	2.60-2.80	2.80-3.00	2.60-2.80	2.80	2.70-2.85	3.00-3.30
Mali	Valencia	3.00-3.50	3.00-3.50	3.50	2.80-3.00	-	3.10-3.35	3.10-3.55
Mali	Kent	-	-	4.50	4.50	3.80-4.00	4.25-4.30	-
Burkina	Amélie	2.80	2.80	2.80-3.00	2.60-2.80	2.60	2.70-2.80	2.90-3.20
Burkina	Valencia	3.00-3.50	3.00-3.50	3.00-3.50	-	-	3.00-3.50	-
Burkina	Kent	-	-	-	3.80-4.00	3.50-4.00	3.65-4.00	4.50
RCI	Kent	-	-	5.00	4.00-5.00	3.80-4.50	4.25-4.80	5.00-5.50
Sea-freight (euro/box)								
Peru	Kent	6.00-8.00	7.00-9.00	7.00-8.50	7.00-8.00	4.00	6.20-7.50	5.75-6.85
Brazl	T. Atkins	-	-	6.00-8.00	4.00-5.50	4.50-5.00	4.80-6.50	-
Bazil	Keitt	-	-	-	6.00-6.50	5.50-6.00	5.75-6.25	-
RCI	Kent	-	-	-	6.00-8.00	5.50-7.50	5.75-7.75	-

PINEAPPLE — IMPORT PRICE — EUROPE

Weeks 14 to 18	Min	Max
Air-freight (euro/kg)		
Smooth Cayenne	1.70	2.00
Victoria	2.50	4.00
Sea-freight (euro/box)		
Smooth Cayenne	6.50	8.00
Sweet	6.50	9.00

PINEAPPLE — IMPORT PRICE IN FRANCE — MAIN SOURCES

Weeks 2014		14	15	16	17	18
Air-freight (euro/kg)						
Smooth Cayenne	Benin	1.80-1.90	1.80-1.90	1.70-1.90	1.70-1.90	1.70-1.80
	Cameroon	1.70-1.90	1.70-1.90	1.70-1.90	1.70-1.90	1.70-1.80
	Ghana	1.85-2.00	1.85-2.00	1.75-2.00	1.75-1.95	1.70-1.80
Victoria	Réunion	2.50-4.00	3.50-4.00	3.50-4.00	2.50-3.80	3.00-3.80
	Mauritius	3.00-3.30	3.00-3.30	3.00-3.30	2.80-3.00	2.80-3.00
Sea-freight (euro/box)						
Smooth Cayenne	Côte d'Ivoire	6.50-8.00	7.00-8.00	7.00-8.00	6.50-8.00	7.00-8.00
Sweet	Côte d'Ivoire	7.50-8.50	8.00-9.00	8.00-9.00	8.00-9.00	7.50-8.50
	Ghana	7.50-8.50	8.00-9.00	8.00-9.00	8.00-9.00	7.50-8.50
	Costa Rica	7.50-8.50	8.00-9.00	8.00-9.00	6.50-8.50	6.50-8.50

Sea freight

April 2014

The scale by which the reefer charter market has changed in the past 2-5 years can be quantified by the following rather unusual statistic: the April monthly average TCE return for larger units is above the March TCE figure for the first time since records began. This is less the measure of a weak peak season and more a reflection of the structural change in the specialized reefer business.

It is perfectly possible that the TCE yield for April would have been at a similar level to 2012, had it not been for the squid. The impact of the South Atlantic squid catch on the charter market for large and small vessels this year cannot be underestimated: while the catch may not be as big as it was in 2007 or 2008, there was enough squid to absorb the Lavinia tonnage, 10 Seatrade units, 5 Baltic Shipping ships and 3 Holyhouse vessels, all on long journeys and at TC levels or yields of between 70c/cbft to 110c/cbft depending on the size, type and age of vessel chartered.

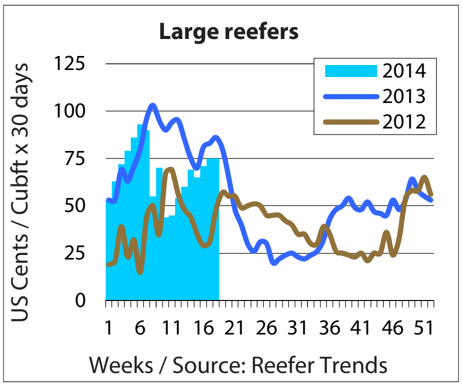
As well as keeping the less efficient trampers away from what would otherwise have been a difficult banana market, the squid trade gave operators the opportunity to choose between demolition on the Indian subcontinent or sale to Chinese interests – or a late return for bananas east of the Canal. With many units still loading or sailing into the Far East, it is not yet known how many will take advantage of the relatively strong market for scrap, and how many will take their chances on a ballast back to Ecuador for a transatlantic voyage into a likely Mediterranean lay-up for the rest of the year.

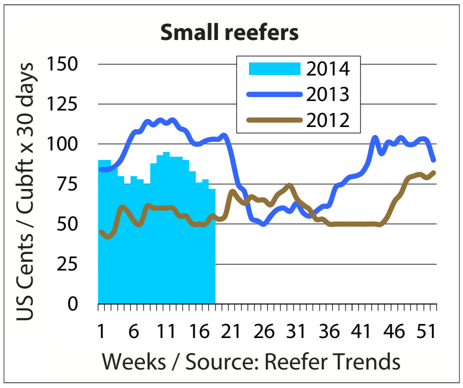
It is abundantly clear that the squid cannot be relied upon to underwrite the charter market. The years after 2008 saw the catch drop from near-record highs of 450K MT to less than 100K MT – precisely why it has taken this long for volumes to recover to a mark near 400K MT, nobody is quite sure. Most importantly, there is no reason why this year's success should be replicated next year.

It wasn't just the market for small units that benefitted from the increase in demand from squid charterers. Not only were some of the larger and handysize units actually fixed for the trade, but also the absence of this tonnage narrowed the selection of tonnage available for banana or citrus charterers. Had there been more Chilean deciduous, Argentinean lemons or Ecuadorian bananas, the TCE rate for April would have been significantly higher.

What instead developed was a 3-tier market in which spot banana charters for the traders generated a return less than 50c/cbft on a box-rate voyage fixture, modern units fixing TC to the multinationals achieved between 65-70c/cbft, while the tonnage fixed to squid varied from 70c/cbft to 110c/cbft.

REEFER – MONTHLY SPOT AVERAGE		
USD cents/cubic foot x 30 days	Large reefers	Small reefers
April 2014	65	81
April 2013	77	100
April 2012	34	51





■ Creation of a joint venture between UNIVEG and the Indian firm Mahindra ShubhLabh Services. The entity will be 60 % owned by Mahindra ShubhLabh Services, a subsidiary of the Indian group Mahindra (16.7 billion USD turnover), and 40 % by UNIVEG. It will be supported by the expertise and structure of both groups, to offer a high-quality range of fresh produce on the local Indian market and on the international market.

Source: Univeg

■ 12th edition of the SIFEL MOROCCO show. SIFEL MOROCCO will be held from 13 to 16 November 2014 near Agadir, the venue where the show moved in 2013. The early produce industry, for which Morocco has many comparative advantages, will be prominent in this 12th edition. The show received 50 000 visitors in 2013, with 50 % foreign visitors from 26 countries.

PR contact: Ghita Mestassi, gmestassi@iecgroup.org

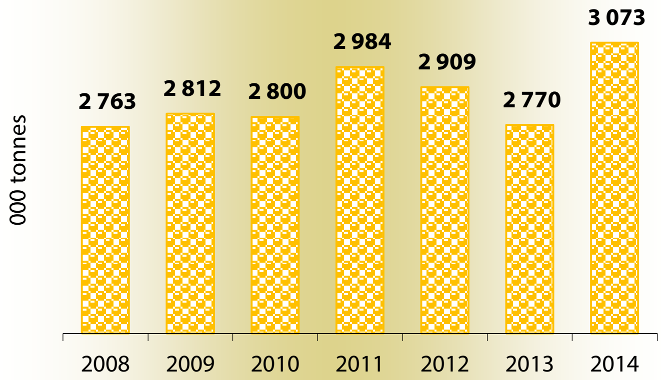
Source: Sifel

European stone fruits season

First indications on the 2014 harvest

The predictions for the European stone fruits harvest, unveiled at the EuroMéditerranée show (Medfel) held in Perpignan from 15 to 17 May, confirmed the first indications already issued by the professionals. We are expecting a good harvest level for the peach and nectarine (3 million tonnes, i.e. + 11 % on 2013 and + 6 % on the average for the past 3 years), and to a lesser degree for the apricot (520 755 t, i.e. + 13 % on 2013). This follows a particularly mild spring, although for apricots the fruit-setting was not ideal everywhere, especially in southern Spain and southern Italy. The harvest should start approximately one to two weeks early.

Peach & nectarine - European Union
Evolution of production



Source: Europech

Peach & nectarine — European Union Evolution of major producer countries' production			
in tonnes	2014	Comparison	
		2013	average for last 3 years
Italy	1 427 670	+ 2 %	- 4 %
Spain	1 050 674	+ 16 %	+ 22 %
France	260 749	+ 15 %	- 2 %
Greece	334 200	+ 44 %	+ 20 %
Total	**3 073 293**	**+ 11 %**	**+ 6 %**

Source: Medfel / Processed by INFOFRUIT

Toward a new production record for the peach and nectarine

The 2014 peach and nectarine harvest is set for a very good overall level, and could even be a new record (+ 3 % on the very abundant production of 2011), barring major climate incidents and given the planting of modern varieties over the past few years. Hence while in Italy the expected potential should be fairly similar to last year, it should be up by at least 15 % in France and Spain, and return to a very good level in Greece, after the big shortfall registered last year.

The conversion of surface areas in Spain is continuing, with old varieties and other species such as seeded fruits being uprooted, although the planting tempo is no longer as high as at the beginning of the decade. So production of donut peaches and nectarines should see another very considerable rise this year (+ 30 % on 2013), with the entry into production of the young orchards planted between 2010 and 2012, to achieve a potential of 216 260 t. Similarly, there is a dynamic renewal in Greece, where exports have stimulated over the past few years the conversion of the cultivation stock, with red and sweet varieties of nectarines and peaches being planted, as well as donut nectarines. However, surface areas are falling slightly in Italy due to their conversion to seeded fruits in the northern half of the country, but we are also seeing the modernisation of the orchards, as well as a minor resurgence in planting in the south of the country. The situation seems to be stabilising now in France, after the considerable fall in surface areas over the past few years due to Sharka disease.

So the market should be well supplied throughout the season, with most European zones set to return to a decent production potential. We may even witness periods of abundant production, with the hot weather potentially further accelerating the harvest calendar, already one or two weeks early. Hence the diversification of the export customer portfolio, begun in recent years by the big facilities in order to decongest the saturated European market, should continue (South America, Middle East), especially as there is great uncertainty hindering the East European markets (political situation in Ukraine, devaluation of the rouble).

A surge for the apricot

The situation is a bit more heterogeneous for the apricot, though the overall potential is also set to be at a good level, while remaining a long way off the record registered in 2012 (604 000 t). Indeed, while there was a fine flowering period in nearly all the production zones, the cold requirements of certain modern varieties could not be fully satisfied, especially in southern Spain and southern Italy, and the fruit setting was also very uneven in places.

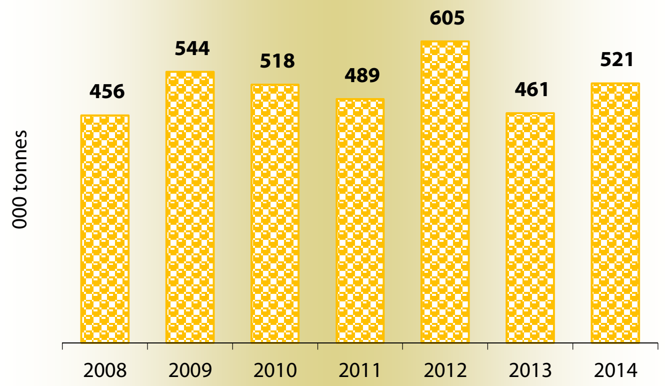
Hence Spanish production is slightly below last year's level, especially as the stock uprooted in Bulida has not yet been fully compensated for by the new varieties planted in Murcia or the north of the country (Aragon, Castilia and Catalonia). So the harvest is set for an 8 % fall in Murcia (60 000 t). Similarly, the potential is slightly lower than expected in Italy, due to an 8 % fall in volumes in the south of the country (115 400 t), while the potential in Emilia-Romagna should return to its 2012 level (70 000 t).

French production, however, should return to a very good level, though without getting back to its 2012 level (183 000 tonnes), maintaining a strong varietal renewal and an extension of the calendar thanks to the entry into production of early cultivars and late varieties, with the season now extending from May through August. The potential is set to be practically normal in Languedoc-Roussillon, with a 7 % increase from 2013 (41 500 t). The volumes should also return to very good levels in the PACA region (23 500 t, i.e. + 37 % on 2013) and in Rhône-Alpes (95 300 t, i.e. + 27 %) after the losses sustained last year, though without reaching full capacity. Similarly, Greece is set for a decent potential this year.

So while the supply is set to be not overly excessive at the beginning of this season, the market could rapidly swell during June/early July, given that the season is one or two weeks early and the very good potential for the latest production zones ■

Cécilia Céleyrette, consultant
c.celeyrette@infofruit.fr

Apricot - European Union - Evolution of production



Source: Europech

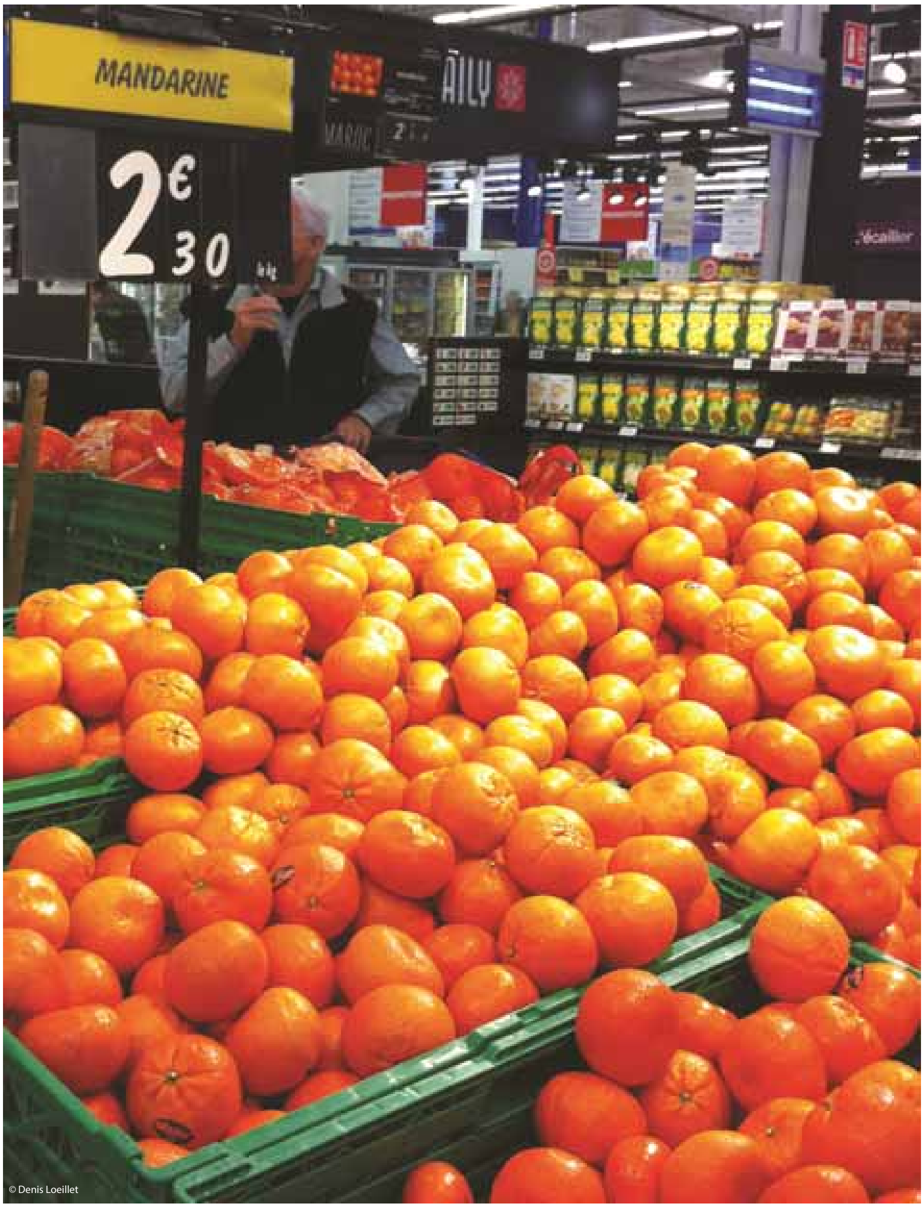
Apricot — European Union
Evolution of major producer countries' production

in tonnes	2014	Comparison	
		2013	average for last 3 years
Italy	210 263	+ 11 %	- 6 %
France	160 453	+ 22 %	+ 3 %
Spain	87 939	- 10 %	+ 3 %
Greece	62 100	+ 47 %	+ 15 %
Total	**520 755**	**+ 13 %**	**0 %**

Source: Medfel / Processed by INFOFRUIT

Counter-season citruses

2014 European season: prudence the watchword



© Denis Loeillet

The 2014 citrus counter-season is not set to be trouble-free. However, the volumes set to be offered on the world market do not appear to be wildly excessive. There will even be a clear shortfall for the lemon. For the other citruses, the combined production of the various Southern Hemisphere supplier countries is registering a high level, but not so far off the 2013 level. However, the market context seems much more difficult, especially on the Old Continent. In the EU-28, competing produce is set for a much bigger presence, through both the leftover Mediterranean citruses and the stone fruit harvests which are taking up most of the shelf space in Southern Europe. In Eastern Europe, the devaluation of the rouble could hinder shipments to the big Russian market.

South Africa
A new production record … or nearly

South Africa is once more set for a bumper season, as the number one supplier to the world counter-season citrus trade. Combined exports for all the citrus families should be able to maintain the record level of 113 million 15-kg boxes achieved in 2013. The season will be in line with the average for the past two seasons for the orange (small rise for Navel and slight fall for Valencia). It is set to be big for small citruses and the lemon (15 % above average for the past two years), while the grapefruit will remain just as abundant (10 % above average), despite a downturn from 2013. The size range appears to be up from last season, except with small citruses.

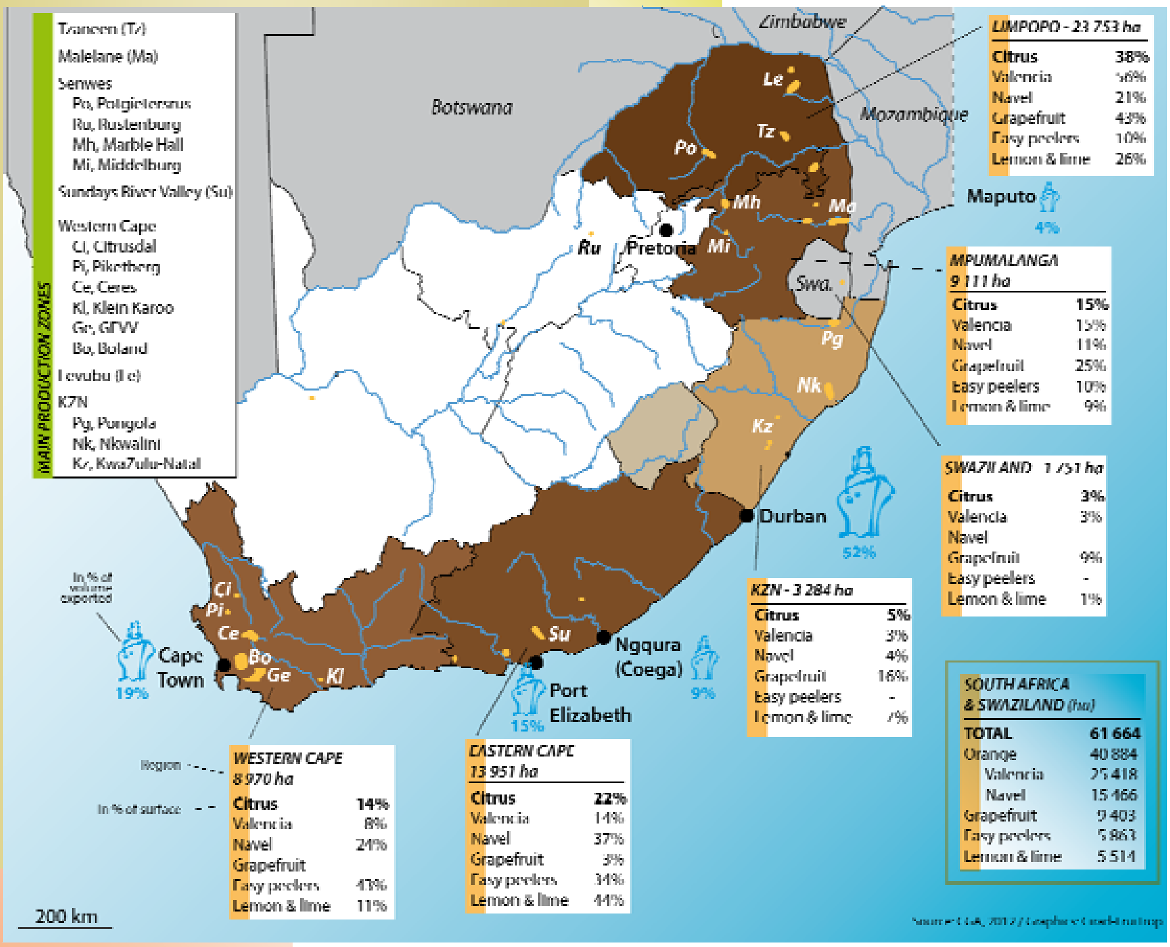
The high production level once more this year reflects the expansion of the South African cultivation stock. Sales of plants, waning to below the 2 million units per year mark until 2008, have picked up. They were between 2.9 and 3.2 million units from 2009 to 2012. While no-one is planting grapefruit any more, growth is continuing at a very high tempo for small citruses (particularly late hybrids), and to a lesser degree for the lemon. As for the orange, planting seems relatively stable for Navel, but has bounced back for Valencia. Expansion is greatest in the Limpopo, in the far north of the country, as well as in the more southern provinces of Eastern and especially Western Cape.

Citrus — South Africa
Export forecast

in tonnes	2014	Comparison	
		2013	2010-2013 average
Orange	1 130 000	- 2 %	+ 8 %
Small citrus	138 000	+ 9 %	+ 20 %
Grapefruit	251 000	- 6 %	+ 18 %
Lemon	182 000	+ 14 %	+ 17 %
Total	**1 701 000**	**0 %**	**+ 11 %**

Source: CGA

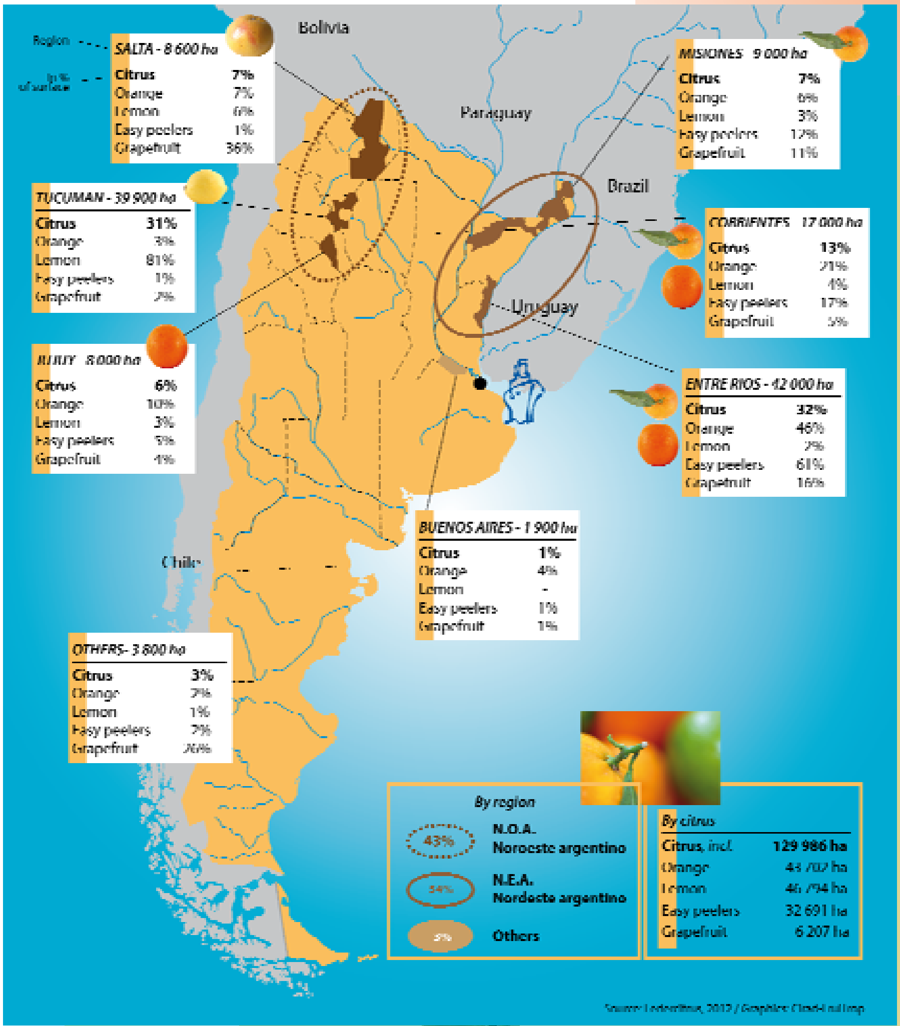
© Régis Domergue



Argentina
Less production, but a bit more competitiveness

The trend seems very different for Argentina, the world number two player. The frost during the Southern winter 2013 in the north of the country (in particular the provinces of Tucuman and Salta) caused major production losses, especially as the trees were at an advanced vegetative stage and already stressed by the drought. The ongoing low precipitation level, followed by the hot summer, did nothing to help matters. The lemon, the jewel of the country's citrus growing industry, was particularly affected. With barely 700 000 t, the harvest was 40 to 50 % down on a normal season, registering its lowest level for the past ten years. Valencia production should also register a fall, with the early northern zones more affected than the coastal zones. Only the small citrus harvest should rise, thanks to the planting carried out in recent years.

The country's economic situation remains unfavourable for the export sector, although the 20 % devaluation of the peso applied in early 2014 should enable Argentinean professionals to claw back some of their lost competitiveness. The rampant inflation of recent years caused an explosion in production costs, which did not fail to affect exports: after exceeding one million tonnes in 2007, volumes dropped below the 500 000-t mark in 2013. Furthermore, the risk of introduction of greening seems increasingly significant. No new cases have been detected since the discovery of a few isolated contaminated plants in the far north of Misiones province, but the disease is now present in regions of neighbouring Paraguay adjoining the citrus growing region of Corrientes where the vector is present. Finally, frost seems to have caused the loss of certain young orchards, especially lemon ones, in Tucuman province. So 2014 production is very likely to return to its nominal level for this citrus.



© Régis Domergue

Citrus — Argentina — Export forecast			
in tonnes	2014	Comparison	
		2013	2010-2013 average
Orange	50 000	- 37 %	- 56 %
Small citrus	90 000	+ 2 %	- 15 %
Lemon	200 000	- 29 %	- 24 %
Total	**340 000**	**- 25 %**	**- 30 %**

Sources: Federcitrus, Shaffe

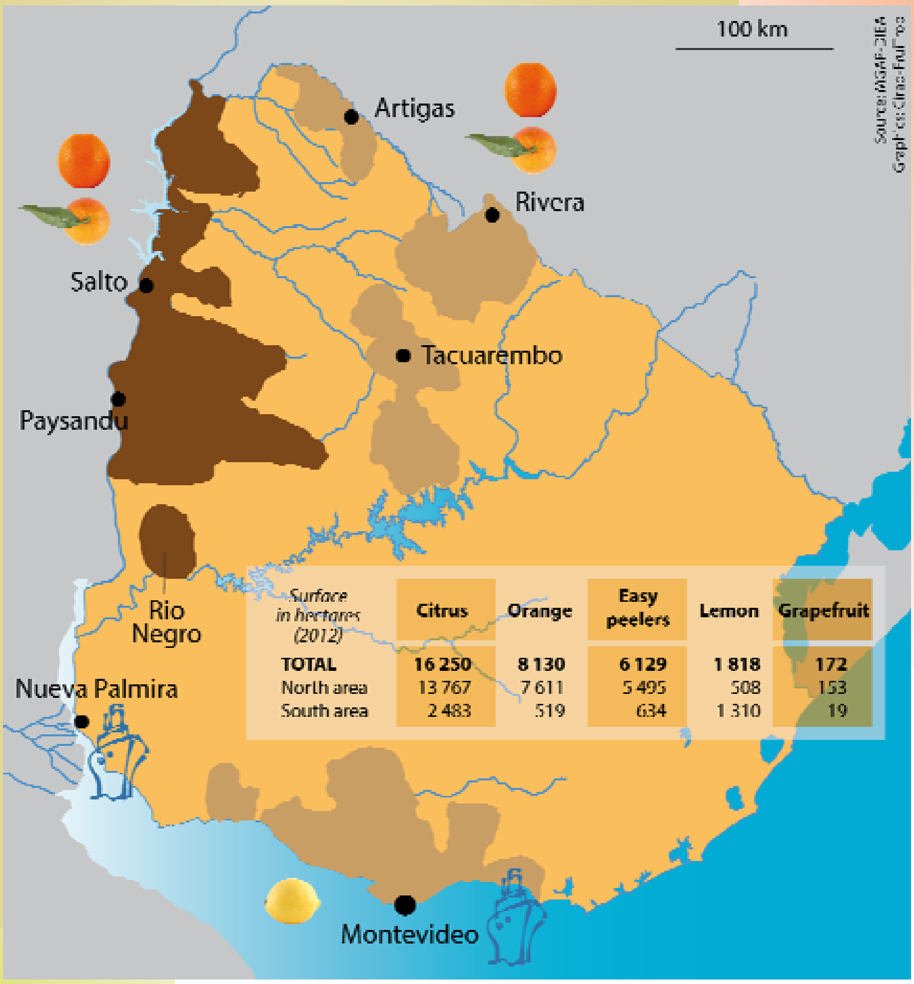
Citrus — Uruguay — Export forecast			
in tonnes	2014	Comparison	
		2013	2010-2013 average
Orange	75 000	+ 7 %	+ 12 %
Small citrus	48 000	+ 29 %	+ 18 %
Lemon	17 000	+ 37 %	+ 20 %
Total	**140 000**	**+ 17 %**	**+ 15 %**

Sources: MGAP, Shaffe

© Régis Domergue

Uruguay
From one extreme to the other

The 2013 harvest was the lowest for the past ten years, in particular because of a devastating spell of frost. The 2014 harvest could be one of the biggest, according to an initial estimate provided by professionals. With just over 320 000 t, it should slightly exceed that of 2012, marking a rise of more than 20 % from last season. Exports could climb back to their best level since the beginning of the decade, both for small citruses, and the orange and lemon. The very high humidity prevailing in early spring does not seem to have had a major impact on the quality of the produce.



Surface in hectares (2012)	Citrus	Orange	Easy peelers	Lemon	Grapefruit
TOTAL	16 250	8 130	6 129	1 818	172
North area	13 767	7 611	5 495	508	153
South area	2 483	519	634	1 310	19

	Hectares	In % Junin	Piura	Lima	Ica	Lambayeque	Others
Total, incl.	**61 696**	**26%**	**26%**	**9%**	**4%**	**3%**	**32%**
Easy peelers	11 691	32%	0%	37%	12%	0%	19%
Lemon	22 749	1%	67%	0%	0%	7%	25%
Orange	27 256	44%	2%	5%	3%	2%	44%

Source: MINAG 2012
Graphics: Cirad FruiTrop

Peru
Still growing

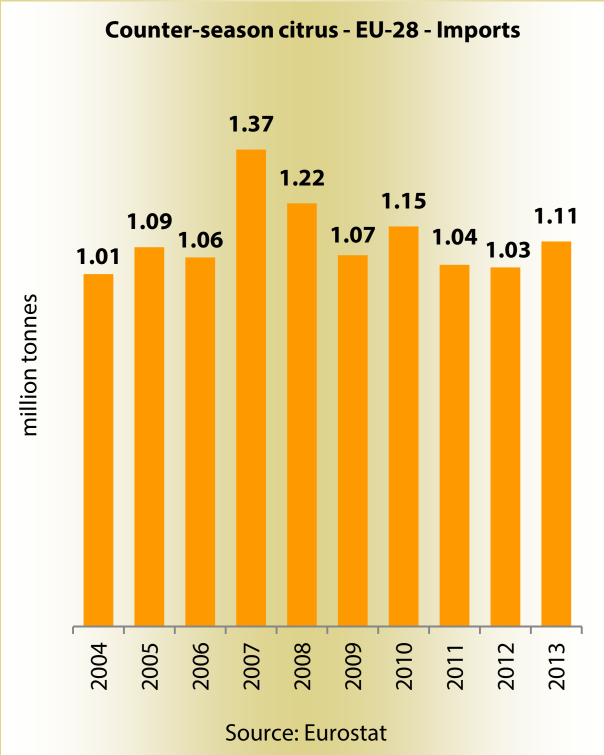
Unsurprisingly, the production growth dynamic will remain lively in Peru. The new orchards, planted at a very high tempo in recent years on the central coast (2 000 to 2 500 ha/year according to professional sources), are entering production or reaching their prime. Hence exports should register an increase of approximately 10 %, and for the first time exceed the symbolic 100 000-t mark. The dynamic will vary between small citrus varieties, with this family making up most of Peru's exports. The increase should be particularly considerable for the satsuma (+ 20 %), especially Okitsu, thanks to a positive alternation effect on production. It should also be considerable for W. Murcott and other late hybrids abundantly planted in recent years. Conversely, no significant increase is expected for Minneola.

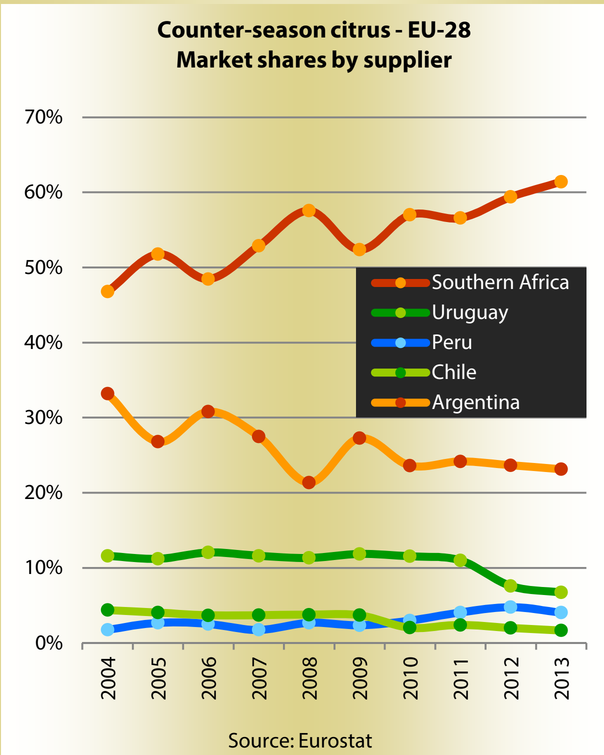
© Régis Domergue

Citrus — Peru — Export forecast

in tonnes	2014	Comparison 2013	Comparison 2010-2013 average
Orange	10 000	- 17 %	+ 4 %
Small citrus	94 000	+ 23 %	+ 42 %
Total	**104 000**	**+ 2 %**	**+ 37 %**

Source: Procitrus





European consumption not to be overestimated

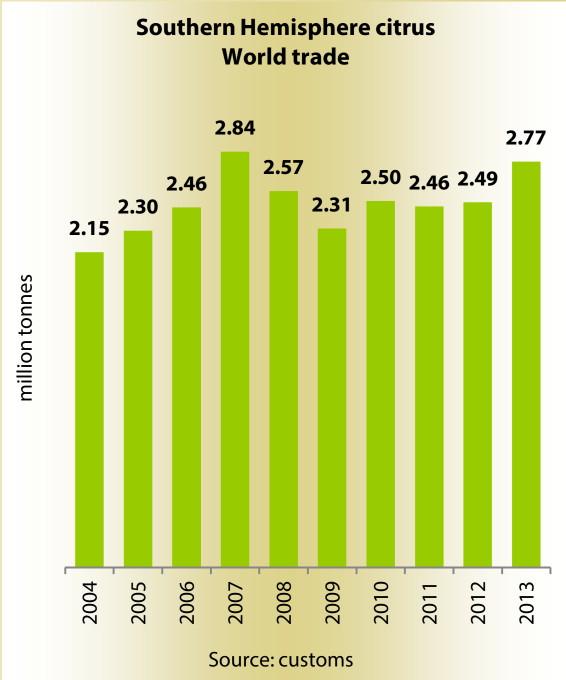
The EU is still the leading world market for Southern Hemisphere citruses, and as such is essential. Nonetheless, imports have been fixed at between 1.0 and 1.2 million tonnes for around a decade (excluding climate effects on Mediterranean production). In the absence of large-scale promotions, which are not in place today, no natural market growth should be expected. Consumption seems to be at best mature for all the citrus families, including small citruses. Unsurprisingly, it seems to be waning for the grapefruit, as well as the orange. While certain sources are on the rise, such as Southern Africa and Peru, this is to the detriment of the other market suppliers. Faced with major competitiveness problems, countries from the southern tip of Latin America (Uruguay and above all Argentina) have lost a lot of ground over the past decade.

A notoriously more difficult market context in 2014 in terms of competing fruits

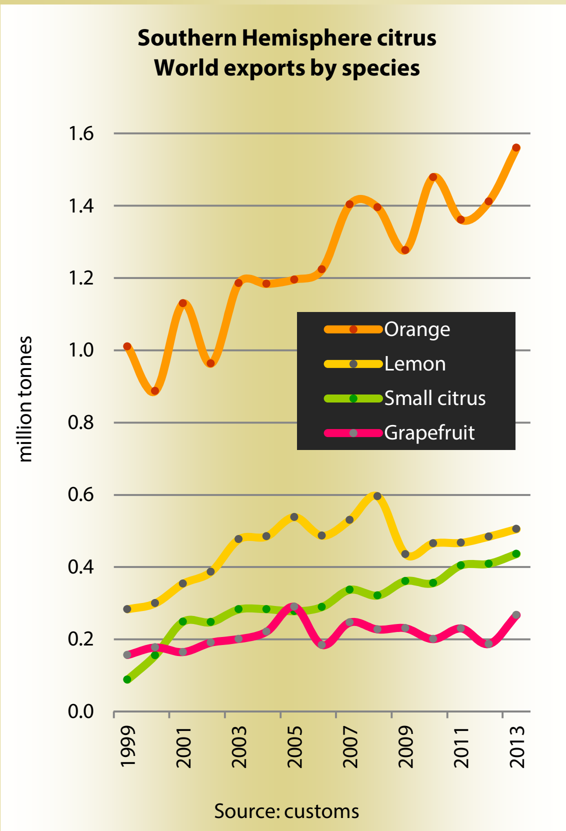
Besides the flat consumption trend described above, other more short-term factors are making the market unwelcoming in 2014. Competition from the fruit section "heavyweights" is set to be highly intense. On the one hand, unlike in 2013, apple prices will be very aggressive given the size of European stocks. Yet above all, the stone fruits supply is set to be very large in all

World market for Southern Hemisphere citruses

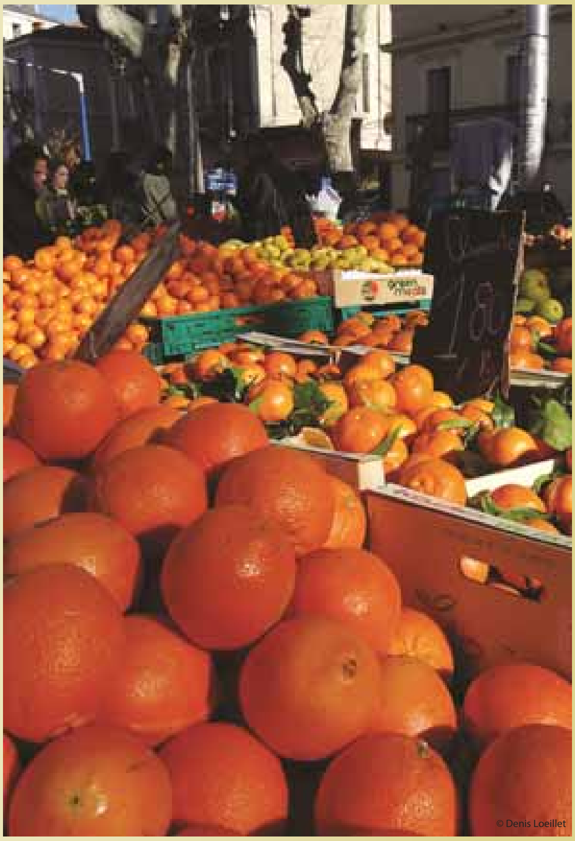
Stability on the Southern Hemisphere citruses market? That is the conclusion we might draw from the misleading combined exports figure for all citrus families, which has plateaued at approximately 2.5 million tonnes since 2007 (except for a minor spurt in 2013). The abrupt slump in lemon volumes in the late 2000s conceals regular and solid growth on the markets for the other families, except for grapefruit. Orange exports have risen by nearly 400 000 t over the past decade, despite waning volumes absorbed by the EU. The Asian, Middle East and, to a lesser degree, US markets have been particularly dynamic. Regarding small citruses, world trade has risen by more than 100 000 t, with the United States, Russia and Asia the main driving forces. The grapefruit and lemon are the two poor relations. The grapefruit has seen a downward trend, with the EU-28 waning more distinctly than Japan in recent years. The lemon market has recovered some of its dynamic, without returning to its late 2000s level.

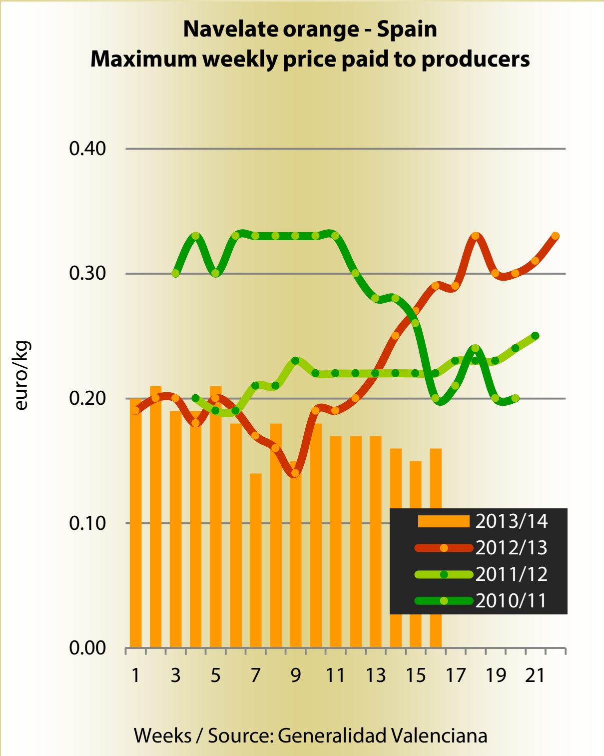


Source: customs



Source: customs


© Denis Loeillet




© Eric Imbert

the big Southern European producer countries. The climate conditions were very favourable for all families of these fruits, with a mild winter (no production loss due to frost to lament). In addition, peach and nectarine surface areas are continuing to rise slightly in Spain, to the detriment of seeded fruits. Hence peaches, nectarines, apricots and cherries should register an above-average production level in Spain, France and Italy (combined Mediterranean production up by 10 to 12 % from 2013, and by 6 to 7 % from the 2009-2012 average for peaches and nectarines, according to Europech). An aggravating factors is that the apricots will become increasingly appealing thanks to the renewal of the varietal range over recent years.

Leftover Mediterranean citruses much more present in 2013

The Mediterranean production volumes will also have a bigger presence than in 2013. The extension of the small citrus winter season, due to the growth in production of late varieties, such as the Israeli Or or Spanish/Moroccan Nadorcott, can be seen as a positive point. It enables the Southern Hemisphere sources to harness an already established sales dynamic, and prevent an interruption in the supply to the supermarket sector.

Conversely, the risk of overlap between produce from the two Hemispheres seems to be extremely high for the grapefruit in May, and above all for the orange. Spanish Navelate is still widely available. The large surface areas for late and super-late table oranges, set up until the end of the last decade, are continuing to reach their prime, while demand has been particularly slack, probably because of the mild winter. Egypt, on the strength of its resurgent orange production, will also have a bigger presence than in 2013. There is a similar observation for the grapefruit: there was high production in both Israel and Turkey, with the big downturn in Russian demand adding to a structural problem of declining consumption in Western Europe, which seems to be intensifying.

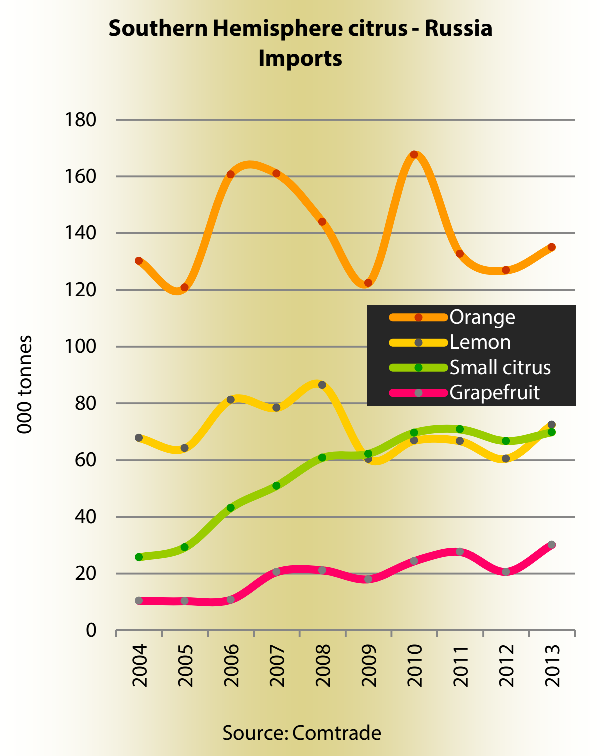
Prices were extremely poor throughout the season for both these citrus families, with no improvement taking shape for the end of the season. As for the lemon, the Spanish Verna volumes still to be sold also seem to be greater than in 2013, though the prices are registering a decent level for this variety nonetheless.

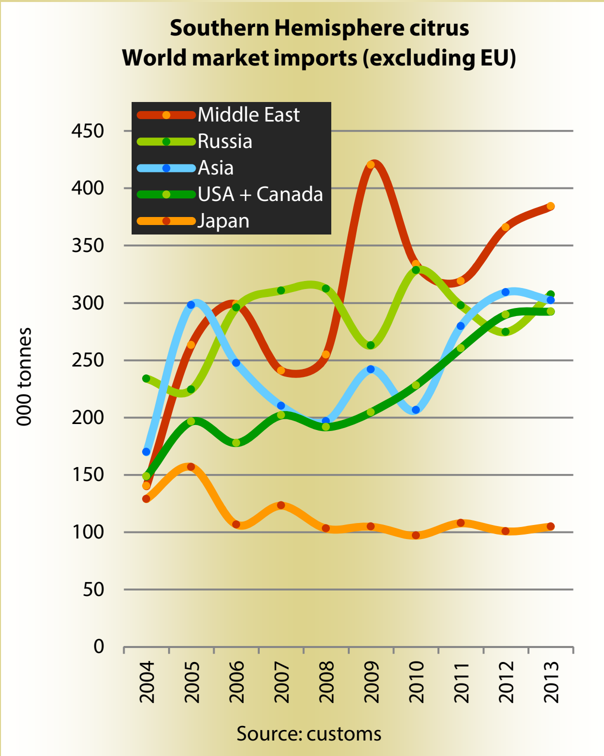
More difficult market access for Argentina and Uruguay, and sword of Damocles hanging over South Africa more menacingly than ever

On top of all that, the market access conditions seem to be more difficult or uncertain than in 2013 for most of the major sources. Unlike in previous seasons, produce from Argentina and Uruguay will no longer be entitled to zero customs duty. Citruses will no longer be among the products eligible for the Generalised Scheme of Preferences, and this season importers will need to pay duty ranging from 6 % for the lemon to 16 % for small citruses, with 10 % for the orange (source: Export helpdesk - EU). Finally, while the Community's borders have been re-opened to South African citruses since January, without any change to the black spot control measures, the risk of a sudden closure persists. Such a decision, or the possible modification of the access rules that could be decided at the DG SANCO meeting of 26 or 27 May, would of course radically change the scenario for this season, and not only in terms of the European market. South African professionals have spared no effort in preventing the fateful threshold of five interceptions from being reached - which would mean a lockdown of the borders (reinforced spot checks, withdrawal of export approval to the EU from nearly 1 200 orchards, i.e. ten times more than in 2013, etc.).

Finding alternative markets, but outside of Europe!

Given the constraints mentioned above, the European Community seems to be a high-risk market, particularly for the orange and grapefruit, at the beginning of the season. Prudence is the watchword, with import levels liable to be in the lower range, particularly for the two above-mentioned families. The other world markets, which absorb nearly 50 % of the world summer citrus trade, seem to represent more than useful alternatives this season. Nonetheless, some of these too should be contemplated with the utmost prudence. This is the case with Russia, the world number two market after the EU, with imports stabilised at 300 000 t in recent years (i.e. just over 10 % of world trade). The devaluation by nearly 20 % of the rouble from last season will doubtless deter many exporters from this market. The Argentinean pear export season, registering a 20 % drop in exports from 2013 despite falling prices, is a clear illustration of this.

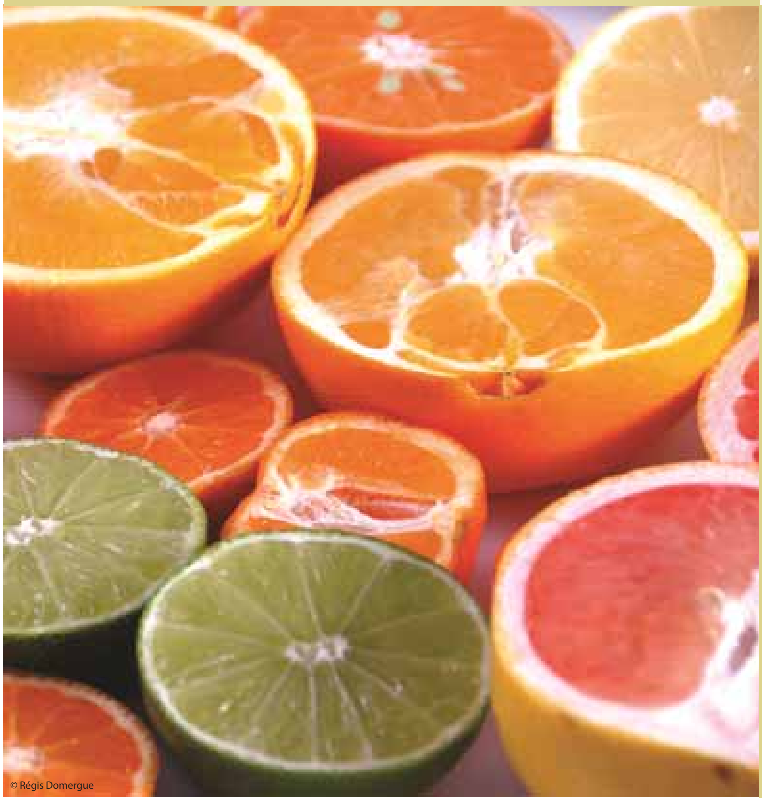




Relatively open markets in North America and Asia

So it is rather markets outside of Europe that will need to be the focus for absorbing the production growth from certain sources. The United States and Canada appear to provide relatively safe value. Prices there have registered a level considerably higher than last season, because of production losses caused by frost in California. Doubtless South Africa, which this season will launch a simplified sanitary protocol test (in particular, reduced cold insect control treatment time), will seek to take advantage of this. The same goes for Uruguay, which for the first time will see the doors of this market open from the beginning of the season. Nonetheless, the scale of these two markets must not be overestimated either, with average imports of approximately 200 000 t for the United States, and 100 000 t for Canada in a normal Californian production year. Demand should be at a fairly good level in Asia, thanks to the natural growth of markets such as China, Malaysia, the Philippines or South Korea. On the other hand, the probable extension of the Egyptian season on the Middle East markets, which absorb large volumes of around 400 000 t, should be considered at least at the beginning of the season ■

Eric Imbert, CIRAD
eric.imbert@cirad.fr



Real progress in the negotiations to reopen the US market to the Argentinean lemon?

The US and Argentinean plant health sanitary inspection bodies (APHIS and SENASA) have just written a new chapter in the saga of their quest toward reopening the US market to the Argentinean lemon, which has been running since 2001. The work of two research bodies has demonstrated that the lemon did not host *Xylella fastidiosa*, the bacterium behind variegated chlorosis, and that the disease could not be transmitted by the pips. The US authorities declared that this argument should help speed up the process of reopening the borders to lemons from north-west Argentina, and that consequently, it would also have a positive impact on the negotiations on “sweet citruses”.

European counter-season lemon market

Luxury lemonades!

True, lemon consumption has been fixed at between 220 000 and 250 000 t for six years. True, it is also perfectly inflexible. And true, Spanish late lemon volumes (Verna) seem to be bigger than last season because of the slightly more abundant production (+ 15 % from 2012 and 2013). However, it is indeed the lemon that seems to be the least uncertain of all the summer citrus markets this season. The obvious reason is of course the scarcity of Argentinean production. The world's main Southern Hemisphere lemon exporter, which provides three-quarters of the Community market supply during the summer, reportedly has a harvest of approximately 700 000 t, 40 to 50 % less than last season. This production level does not even represent the average annual volumes sent for processing, which fluctuate between 800 000 t and one million tonnes! And more than ever this season the industry can afford to pay a decent price for the raw materials, with essential oil rates registering another boom: with 43 000 USD per tonne in late April according to FoodNews, they are nearing the historical high of 45 000 USD/t seen in 2008, marking a rise of more than 15 000 USD/t from 2013. In this context, will Argentina be able to maintain its average export level to the Community, which is at between 160 000 and 190 000 t? The question is being asked, with certain professionals banking on a fall in volumes of approximately 30 % (200 000 t against just over 280 000 t in 2013). What is for sure is that the shipments will not be made under just any price conditions. A transfer to the EU of some of the 40 000 t per year exported to the Russian market, which seems unappealing this season, could contribute to considerably narrowing the shortfall.

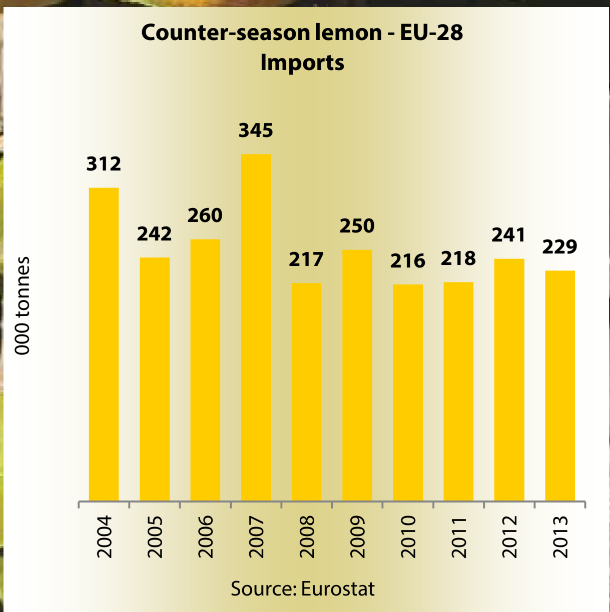
So the context seems extremely favourable for South Africa, the number two player on the Community market. Its production is coming together. The harvest should recover a normal level in Sundays River, the country's main production area. In addition, the expanded surface areas in the Senwes region (Mpumalanga) are starting to bear fruit. Hence the export potential could reach a record level, exceeding for the first time 12 million 15-kg boxes. But, there is a but! Exporters will probably remain cautious with respect to the Community market, with the main production zones situated in sectors of low to high prevalence for black spot.

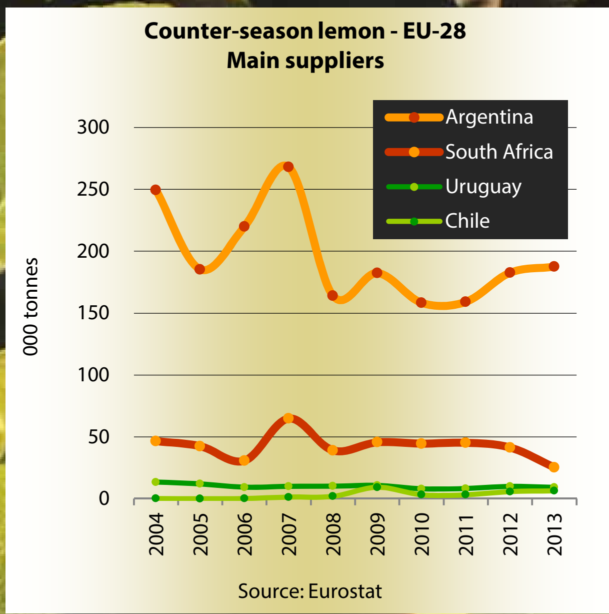
The auxiliary sources should not have much of a presence in the EU. The US market seems highly appealing, with this winter's frost causing the loss of approximately 20 % of the Californian harvest according to official sources. The average price calculated by the USDA was in excess of 26 USD per box in late April, as opposed to 20 to 22 USD the previous two seasons. So Chile, the historical market supplier, should remain focused on its natural market. Uruguay, a "minor" player on the Community market, should be more discreet than ever. The US market will be open from the start of the season, for the first time.


© Eric Imbert

Lemon — Southern Hemisphere Export potential estimates			
in tonnes	2014	Comparison	
		2013	2010-2013 average
South Africa	182 000	+ 14 %	+ 17 %
Argentina	200 000	- 29 %	- 24 %
Uruguay	17 000	+ 37 %	+ 20 %
Total	**399 000**	**- 12 %**	**- 8 %**

Professional sources, Shaffe





Counter-season lemon — European Union — Imports

in tonnes	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total, of which	**311 618**	**242 182**	**260 389**	**344 793**	**216 854**	**250 009**	**215 532**	**217 737**	**241 025**	**229 253**
Argentina	249 449	185 303	219 942	267 893	163 969	182 387	*158 391*	159 063	182 580	187 449
South Africa	46 571	42 466	30 722	64 830	39 007	45 633	*44 532*	45 233	41 385	25 363
Uruguay	13 512	11 983	9 342	10 002	10 166	10 762	*8 064*	8 280	9 959	9 194
Chile	95	25	187	1 353	1 888	9 275	*3 211*	3 217	5 751	6 333
Dom. Rep.	3	38	99	237	1 172	1 947	*1 198*	1 943	1 256	632
Brazil	1 573	2 366	96	477	652	5	*136*		92	249
Zimbabwe	415	0	2	3				0	2	32

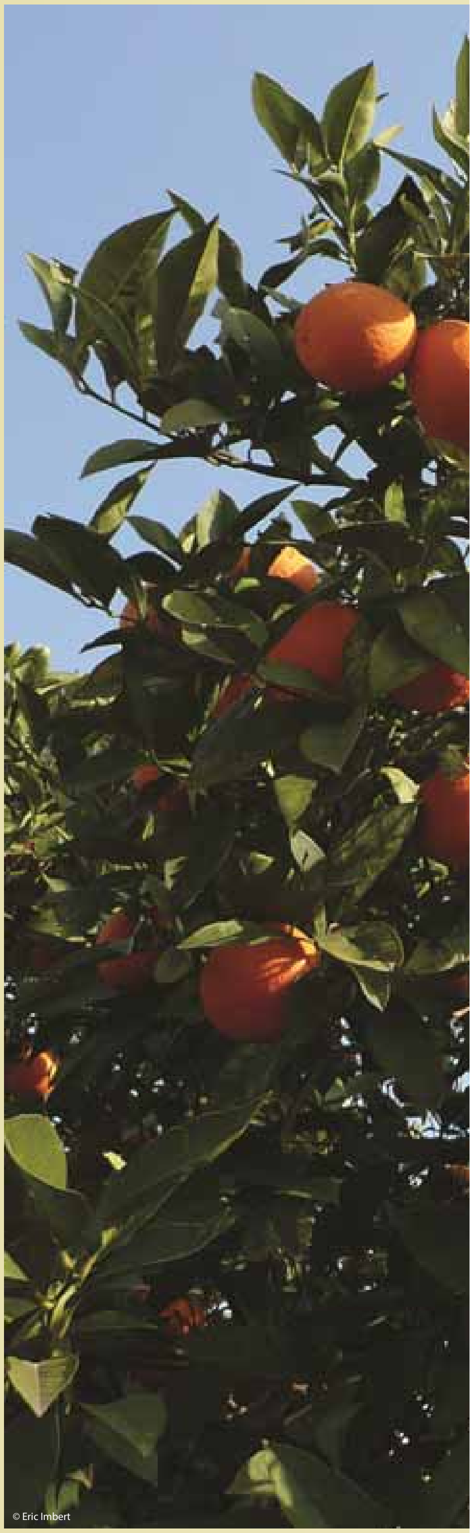
Source: Eurostat

European counter-season orange market

How to move on from the "worst winter season in history"?

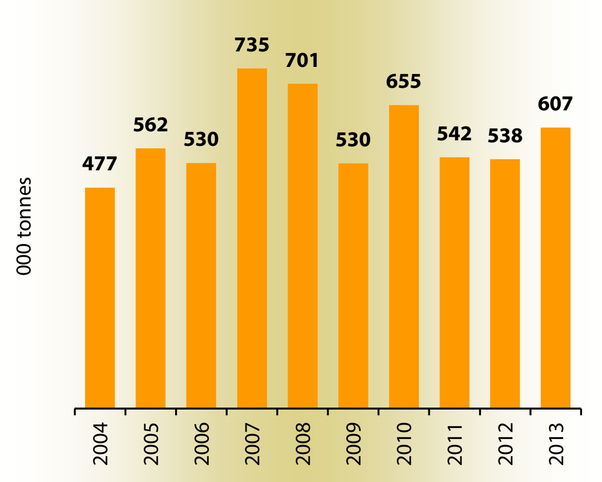
That is undoubtedly the question haunting the nights of South African exporters. There is again a bumper harvest in South Africa. The export potential of Navel should reach a historic level. Among the three main production areas providing three-quarters of the country's exports, two registered a 5 to 10 % rise (Western Cape and Sundays River), with Senwes down by approximately 10 %. The Valencia volumes available are set to be slightly less than in the record 2013 season, but have maintained a very high level. The small production rise expected in Letsitele (25 % of the South African harvest) and Hoedspruit only partially compensates for the fall in the other big areas (Sundays River and above all Senwes). Yet the Community market seems very difficult this season. True, it is no longer absorbing 50 % of exports from this source, as was still the case in the late 2000s. Yet with approximately 400 000 to 430 000 t imported in recent years, it nonetheless remains South Africa's main market. It is not the other Southern Hemisphere competitors that Southern Africa should fear, as it is increasingly firmly established in the EU, with a market share going in ten years from just over 50 % to nearly 80 %. Argentina and Uruguay are now just auxiliary sources for the Old Continent. The positive effect of the devaluation of the Argentinean peso on competitiveness could be counterbalanced by a less favourable customs regime on the EU-28 borders as of 1 January (10% customs duty on oranges, instead of the exemption previously in force), a measure also affecting Uruguay. It is rather the demand level which could pose problems. Combined annual imports for all sources have fluctuated for the past five years between 530 000 t and 655 000 t. There is every reason to believe that an extremely conservative hypothesis should be favoured this season. Consumption was extremely poor during the winter, and still is now in early spring. Furthermore, Spain, which provides 70 % of the Community market supply, has very large leftover volumes to sell, both for juice orange and table orange. The Valencia harvest seems to be of a similar level to last season, but it started very late because of poor Salustiana sales. As for late and super-late Navel, sales are slack, while production is peaking due to the entry into production of the new orchards planted between the mid and late 2000s. The smallish size range, though less marked than with Naveline, could maybe help ease the pressure a bit. The rise to prominence of Egypt, more significant every year, is another competition factor on the East European markets, but also in the EU-28.

It is most fortunate that some diversification markets seem to be much less gloomy than the EU-28. Prices are appealing in the United States, due to the production losses suffered by California during the winter (more than 20 USD per box in late April, versus 14 to 16 USD in the previous two seasons). The test implementation of a simplified sanitary protocol for South Africa is an additional attraction factor. The Asian markets could also continue to grow (China, Malaysia, Korea, etc.). Conversely, prudence is probably the order of the day in the Middle East, because of a bigger Egyptian presence than in previous years.


© Eric Imbert

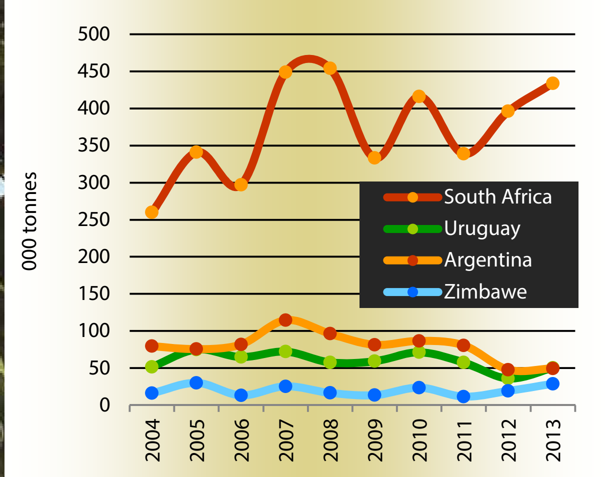
Orange — Southern Hemisphere Export potential estimates			
in tonnes	2014	Comparison	
		2013	2010-2013 average
South Africa	1 130 000	- 2 %	+ 8 %
Argentina	50 000	- 37 %	- 56 %
Uruguay	75 000	+ 7 %	+ 12 %
Total	**1 255 000**	**- 4 %**	**+ 2 %**

Professional sources, Shaffe



Counter-season orange - EU-28 Imports

Source: Eurostat



Counter-season orange - EU-28 Main suppliers

Source: Eurostat

Counter-season orange — European Union — Imports										
in tonnes	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total, of which	**476 929**	**561 676**	**530 340**	**734 565**	**701 032**	**529 560**	**655 309**	**542 240**	**538 071**	**606 770**
South Africa	260 034	341 031	296 973	448 674	453 956	333 211	416 018	338 664	396 015	433 637
Uruguay	51 825	75 145	64 930	72 261	57 700	59 293	71 279	57 610	36 012	50 268
Argentina	79 584	75 607	81 906	114 628	96 350	81 413	86 702	80 720	47 971	49 653
Zimbabwe	16 215	30 153	13 342	25 488	16 582	13 517	23 705	11 645	19 257	28 903
Brazil	50 414	20 459	47 937	34 066	26 091	16 217	33 903	26 872	13 276	21 248
Peru	81	166	454	5 921	12 361	2 678	6 192	9 892	7 254	10 565
Swaziland	13 645	10 375	13 654	19 274	14 878	12 983	9 566	11 879	12 005	9 801
Chile	4 019	4 426	10 105	9 006	21 385	8 609	6 899	4 716	5 730	2 208
Australia	1 113	4 315	1 041	5 250	1 730	1 640	1 045	243	553	487

Source: Eurostat

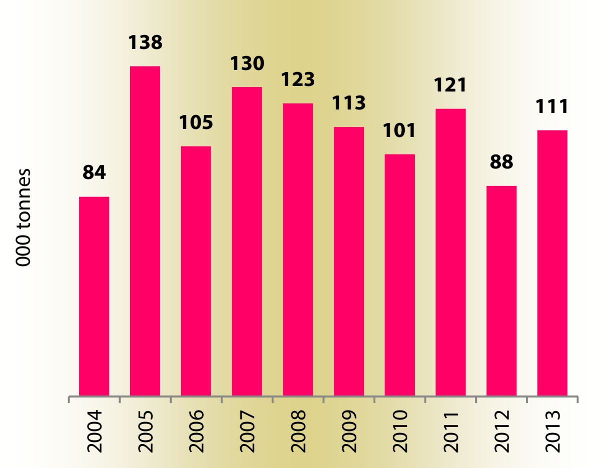
European counter-season grapefruit market

Heavy volumes and markets tighter than ever

Just as for the orange, it is not the Southern Hemisphere competitors that will pose problems to South Africa this season. This country is currently in a near-monopoly position in the summer, with Argentina having pulled out since the late 2000s. Nonetheless, this lack of competition still less makes for a gentle stroll than in previous years. On the one hand, the harvest will not reach the record level of 2013, but will remain particularly large, with the fruit size range on the big side. On the other hand, the season will start in a rather swollen context in the EU. Despite incoming shipments falling and waning early, significant stocks of Floridian fruits will remain available in the first half of May. The Mediterranean season was catastrophic (significant downturn in volumes and prices), but should finish earlier. The record for this winter season — no better than lacklustre — highlights the third problem facing all the players on this market: an increasingly pronounced decline in consumption. Finally, there are strong grounds to fear that the alternative markets will be unable to absorb greater volumes than last season, or even similar volumes. Will Japan, South Africa's other main market as well as the EU-28, still maintain an import level of approximately 50 000 t, despite another collapse of the winter market? Incoming shipments from Florida actually registered a 25 % fall between 2012-13 and 2013-14, i.e. approximately 1 million lost boxes. The previous seasons show that hitherto the winter market decline has never affected the counter-season market. Conversely, we can be more concerned about the Russian market, South Africa's number three market in 2013 with approximately 25 000 t. The devaluation of the rouble could easily raise retail prices and deter exporters from this destination. The only good news in this very gloomy outlook is the possible lateness of the Mexican season, which could slightly extend the South African trading period.

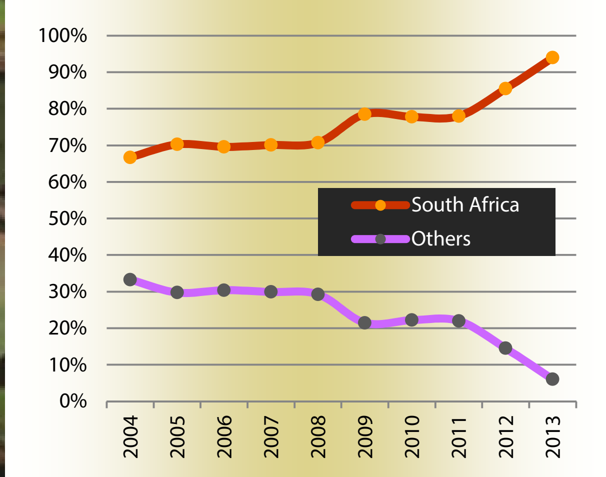
Grapefruit — Southern Hemisphere Export potential estimates			
in tonnes	2014	Comparison	
		2013	2010-2013 average
South Africa	251 000	- 6 %	+ 18 %

Professional sources - Shaffe



Counter-season grapefruit - EU-28
Imports

Source: Eurostat



Counter-season grapefruit - EU-28
Market shares by main suppliers

Source: Eurostat

Counter-season grapefruit — European Union — Imports

in tonnes	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total, of which	**83 676**	**138 291**	**104 771**	**129 566**	**122 792**	**112 876**	**101 410**	**120 529**	**88 210**	**111 461**
South Africa	55 833	97 170	72 924	90 825	86 852	88 616	78 897	94 006	75 412	104 725
Zimbabwe	1 436	5 001	2 227	3 556	1 409	1 947	2 053	2 228	1 360	2 414
Swaziland	5 369	7 197	7 210	10 085	9 260	6 707	9 906	14 986	8 480	2 328
Argentina	19 583	26 869	17 627	23 186	24 171	14 828	9 129	8 276	1 485	1 080
Chile	200	474	2 513	959	719	70	363	18	176	105
Mozambique	780	919	120	0	0	240	669	1 016	840	89
Uruguay	401	576	2 063	775	298	213	140	0	0	0
Others	75	85	87	180	83	255	251	0	457	721

Source: Eurostat

European counter-season small citrus market

Musical chairs on a market no longer on the rise

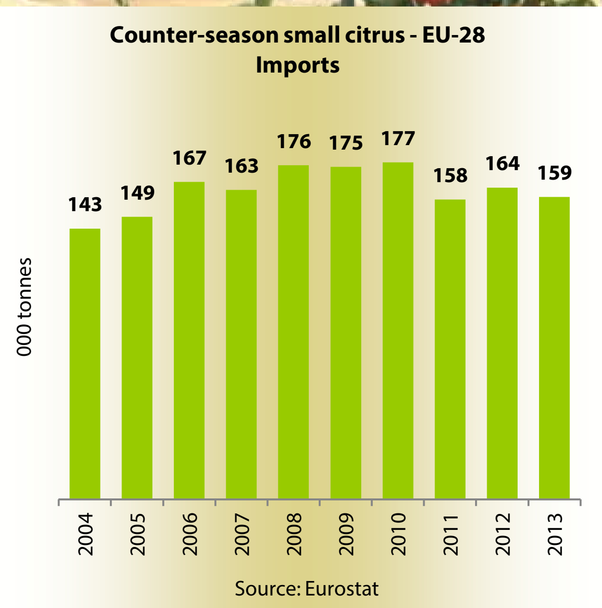
Unsurprisingly, the small citrus harvest from Southern Hemisphere producer countries promises to be bigger in 2014. Planted surface areas, which have developed vigorously in most Southern Hemisphere producer countries in recent years, are continuing to reach their prime. South Africa is set for another record season. Exports from the number one supplier to the Community market should exceed 9 million boxes, marking a rise of approximately 8 % from last season. The increase is set to be approximately 6 % for the satsuma, 7 % for the clementine and just over 8 % for the hybrids. This dynamic should grow even more considerably in the years to come, in particular for the hybrids (the most planted family in South Africa since 2009, and which represents from 20 to 25 % of total sales of citrus plants since this date). Peru, in second position on the Community market for several years, will not be outdone. Combined exports for all destinations should grow by just over 10 %, for the first time approaching the symbolic 100 000-t mark. The increase will be particularly considerable for the satsuma (+ 30 %) and W. Murcott.

So while the supply seems considerably larger for most exporter countries, the appetite of European consumers must not be overestimated, in particular in a context of strong competition from summer fruits. The figures for the 2013 season have unfortunately confirmed those of previous seasons: consumption of small citruses has stopped rising during the summer season since 2010. Import quantities have even lost just over 10 000 t since this date. The UK and Irish markets, which absorb more than 50 % of total EU-28 imports, are continuing to grow. Conversely Scandinavia, the Community's number two market, is stuck in a dead calm, with volumes no longer growing. The other EU-28 markets are still exhibiting low consumption, with no dynamic seeming to take shape. It is most fortunate that the US market appears to be very open. The growth rate in exports, of around 10 000 t per year on average in recent years, could go through a short-term peak given the early end to the Californian season.

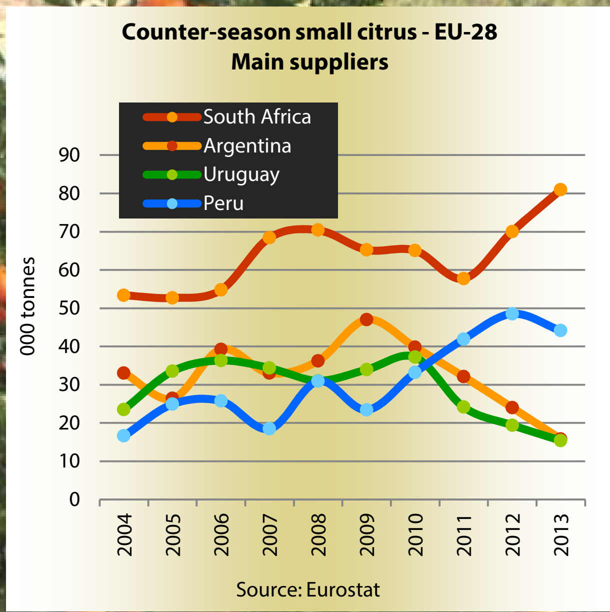
© Eric Imbert

Small citrus — Southern Hemisphere Export potential estimates			
in tonnes	2014	Comparison	
		2013	2010-2013 average
South Africa	138 000	+ 9 %	+ 20 %
Argentina	90 000	+ 2 %	- 15 %
Peru	94 000	+ 23 %	+ 42 %
Uruguay	48 000	+ 29 %	+ 18 %
Total	**370 000**	**+ 12 %**	**+ 13 %**

Professional sources, Shaffe



Source: Eurostat



Source: Eurostat

Counter-season small citrus — European Union — Imports										
in tonnes	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total, of which	**142 647**	**148 776**	**167 143**	**162 971**	**175 929**	**175 157**	**177 400**	**157 853**	**164 109**	**159 344**
South Africa	53 378	52 683	54 790	68 412	70 389	65 261	65 100	57 755	70 030	80 939
Peru	33 023	26 403	39 271	33 022	36 243	47 020	39 800	32 130	24 025	15 818
Argentina	23 548	33 519	36 336	34 359	31 046	33 948	37 200	24 160	19 431	15 421
Uruguay	16 611	24 924	25 728	18 469	30 981	23 414	33 200	41 925	48 536	44 139
Australia	10 925	6 770	7 618	6 950	4 886	2 249	1 400	1 560	1 314	1 012
Chile	2 584	3 288	2 059	93	441	378	200	102	310	112
Brazil	756	456	710	652	926	2 214	500	220	463	1 903

Source: Eurostat

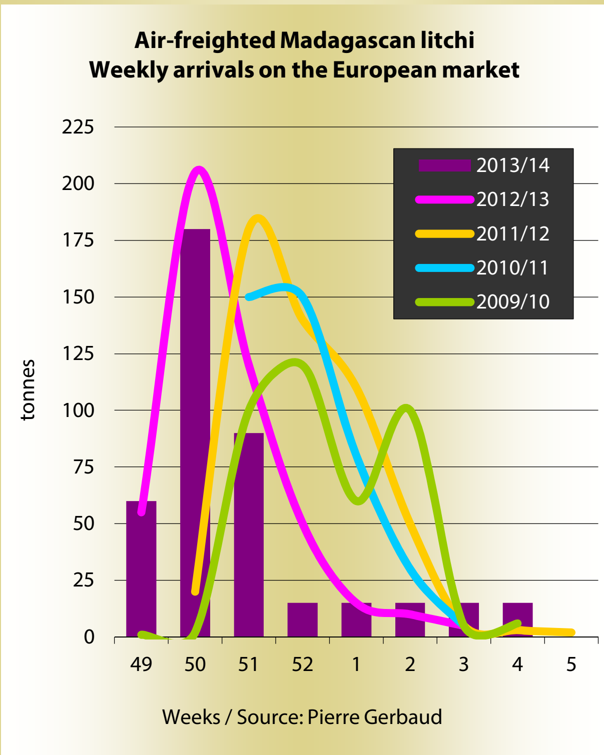
Madagascan litchi in 2013-14

Set fair for a third season

A satisfactory season is always something to remember. To have two good seasons in succession is sometimes down to coincidence. But three seasons in succession owes nothing to chance. This is definitely the first general observation that can be drawn from recent Madagascan litchi export seasons.

© Clio Delanoue


© Clio Delanoue



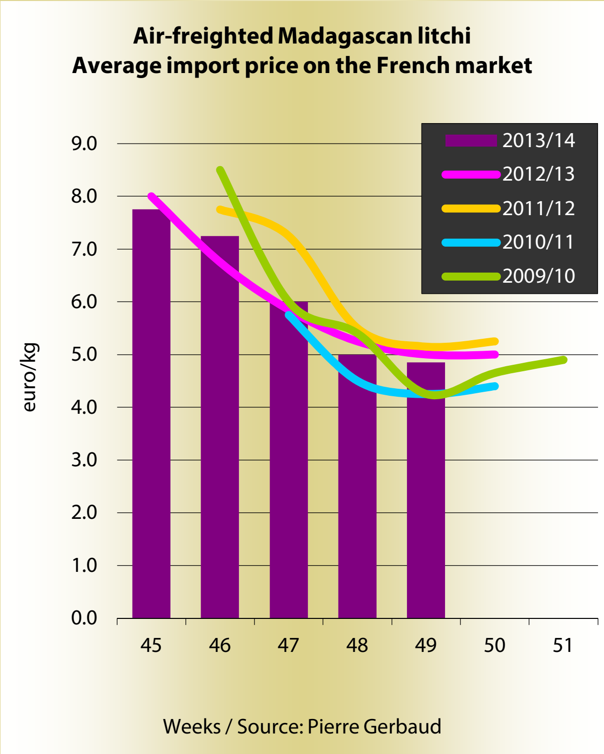
With approximately 17 785 tonnes of litchi exports in 2013-14, Madagascar is reviving its most glorious years in terms of volumes. Indeed we need to go back to the 2010-11 season to find similar quantities (17 700 t). The cutbacks deliberately inflicted in 2011-12 (14 000 t), by the Madagascan industry players themselves, definitely helped its recovery after the severe crisis of 2010-11. In 2012-13, after the good previous season, export tonnages climbed to reach 16 220 t. Last season followed the same trend, with an additional 1 500 tonnes. The division of export volumes reveals a gradual subsidence in air-freight quantities, down from 510 t in 2011-12 to 460 t in 2012-13, before finally settling at 405 t last season. Conversely, sea-freight export tonnages have increased overall, and are behind the rise over the past three seasons. While quantities sent by conventional shipping steeply increased between 2011-12 and 2012-13 (+ 1 750 t), they proved to be smaller between 2012-13 and 2013-14, with an additional 880 t. As for merchandise arriving by sea containers, they swelled the total quantities with an additional 480 t in 2012-13 and 740 t in 2013-14.

Early once again

Like the previous season, 2013-14 was characterised by an early start and a substantial production level. These factors helped set up the maritime logistics sector just right to supply the European market during the end-of-year holidays, the favoured period for litchi trading. Conversely, this earliness perhaps did not help the air-freight season, which started a long way before the end-of-year holidays and at the same time as competing sources from the Indian Ocean.

Air-freight season competitive in a context of crisis

The air-freight season began in week 45, like last year. The early production from all the Indian Ocean sources led to a simultaneous market launch of their litchis, in an undynamic atmosphere. After the considerable success of the first shipments sold by means of the traditional distribution circuits, sales quickly took a downturn. Madagascan litchis, facing strong competition from neighbouring sources, struggled to find their place on the market, especially since the combined volumes were large. Demand still proved hesitant given the high prices charged at the retail stage. In week 47, Madagascan



quantities culminated at 180 t, contributing to congesting the market. From the following week, operators reduced their procurement, and attempted to open up the market toward the supermarket sector and external markets, in order to get sales moving. Flows dipped significantly in week 48, with prices stabilising at around 5.00 euros/kg. The arrival of the first sea-freight litchis in week 50 put an end to air-freight imports, with the exception of small batches of untreated fruits, whose season continued until the end of the year.

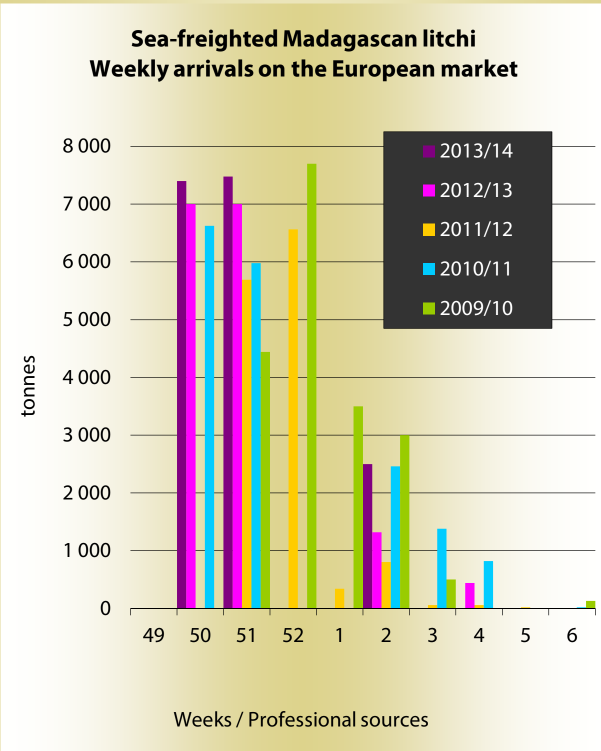
The past three years have seen a dip in Madagascan litchi imports, manifesting how tough trade in this produce is. The first incoming shipments, in early November, launched the Indian Ocean sources season, on a European market still with little inclination for festive produce. Year after year, marketing remains a difficult task in an economic climate where consumers are increasingly watchful of fruit prices. The supermarket sector remains cautious during the early season when it is tempting to communicate about new produce, while being limited by the volumes available and the high prices charged. Furthermore, distributors and consumers know perfectly well that just before the end-of-year holidays, litchis will be available in quantity and at much more appealing prices.

Competition from the other Indian Ocean sources is also a limiting factor for Madagascan produce. Several of them take advantage of more competitive price conditions for air freight, which gives them greater latitude on sale prices. Finally, Madagascan fruits are generally of standard quality, whereas the other sources are specialised toward the top end. Hence South Africa adds value to its produce through a bigger size range, though the coloration often remains less appealing. In another area, Reunion specialises in untreated litchis, a factor increasingly recognised by consumers in spite of higher prices. We can of course advance the argument that each type of product or source has a corresponding market niche. Yet we have to observe that the concomitance of shipments leads to direct confrontation between the various litchi quality levels, a source of commercial strain.

A successful, though tougher, sea-freight season

The earliness of production once again eased the task of the logistics sector to deliver Madagascan litchis to European consumers just before Christmas. Hence it was possible to organise


© Guy Bréhinier



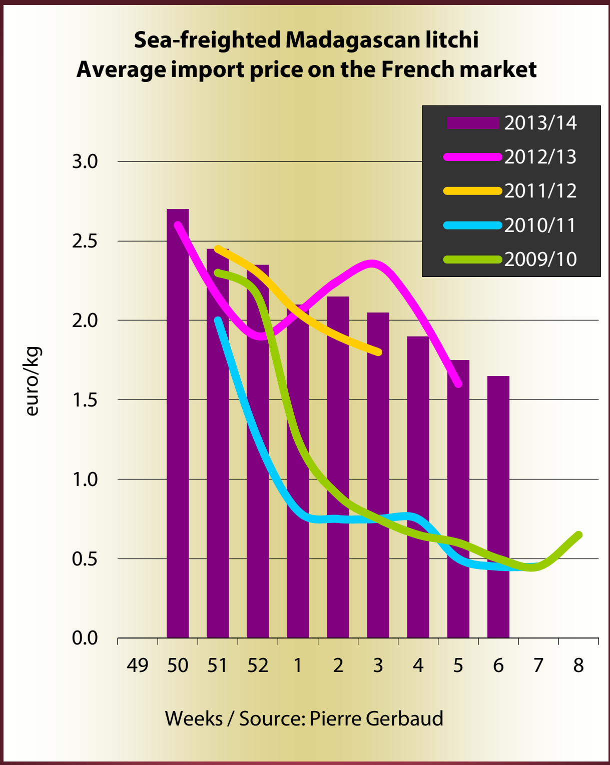
the loading under satisfactory conditions without haste, an important factor in the quest for quality (more staggered harvest time, and wider treatment, packing and loading time frame). The season officially opened on 18 November, taking into account the state of maturity of a sufficient mass of fruits for loading the scheduled conventional ships. The first ship loaded upon the opening of the season, and left the port of Tamatave on 22 November. The second ship was loaded thereafter from 23 to 26 November. They arrived in Europe on 9 and 16 December respectively, providing a good supply to the markets, while taking advantage of two business weekends before Christmas.

The first sea-freight litchis were sold at a price a bit higher than the previous year, taking into account the increased delivery costs. The cargo of the first ship sold mostly before the holidays, at a rate gradually dipping but still fairly strong. Whereas in 2012-13 prices subsided more quickly, but bounced back at the end of the year, this time their decline continued uninterrupted until the end of the season. Indeed the previous season litchis from the conventional ships took advantage of more fluid and quicker sales, creating a relative supply trough between the conventional ships and the first containers delayed because of sailing difficulties. This scenario did not recur, with a continuous dip in rates observed. The litchis arriving by containers in the second week of January found more difficult market conditions, aggravated by the increase in volumes scheduled for this latter phase of the season. The greater fragility of the fruits and their lower durability triggered the end of the season, with prices then fixed at a lower level than the previous season. While the economic results of last season were undeniably satisfactory, they seemed less robust and more difficult to achieve.

An overestimated market?

The plain sailing of the past few seasons has encouraged operators to gradually increase their volumes toward European markets. Yet last season showed some signs of running out of steam, especially at the end of the period. In the current market state, we can estimate the level that can be sold under decent conditions at 16 000 t, looking at the history of the Madagascan litchi industry. Exceeding this threshold seems to lead to quicker deterioration of prices and greater difficulty selling off the produce.

The argument of the economic conditions of the European countries, though becoming re-



petitive and trite, remains a factor explaining how this threshold has been fixed. Consumers are more watchful of prices, and hold back on purchasing until a period closer to the end-of-year holidays. This is illustrated by the decrease in air-freight litchi volumes (above a variable cost price) and by quicker loss of interest in the produce in January. Under this hypothesis, is increasing shipments by sea containers, as was the case last season, a wise move? Of course, the trade and consumption mechanisms are more complex, and are not limited to just quantitative variation. The increase in volumes would be more justified if new markets opened up considerably to Madagascan litchis, but this does not seem to be the case.

Another factor is quality. Clear progress has been achieved in this area, especially with regard to fruit treatment, but also in accession to certification recommended by numerous import companies. The implementation of a series of firm measures, both for exporters and importers, has helped drastically reduce cases of excessive residual sulphur. Nowadays few fruits are not up to standard. This was the essential challenge after the crisis of 2011 to restore the Madagascan industry. Nonetheless, the problem is still there. Treatment ensuring compliance with the authorised residue contents is practically a secondary consideration for the cargo of the first ship, which reaches Europe under optimum trade conditions for the holidays, and generally sells quickly. The problem becomes trickier for the merchandise on the second conventional ship, which generally sells more slowly; and for the fruits shipped by sea containers, put on sale until February, even more so. This scenario is intensified in an early season configuration, with production of physiologically ripe fruits, which undergo senescence all the quicker.

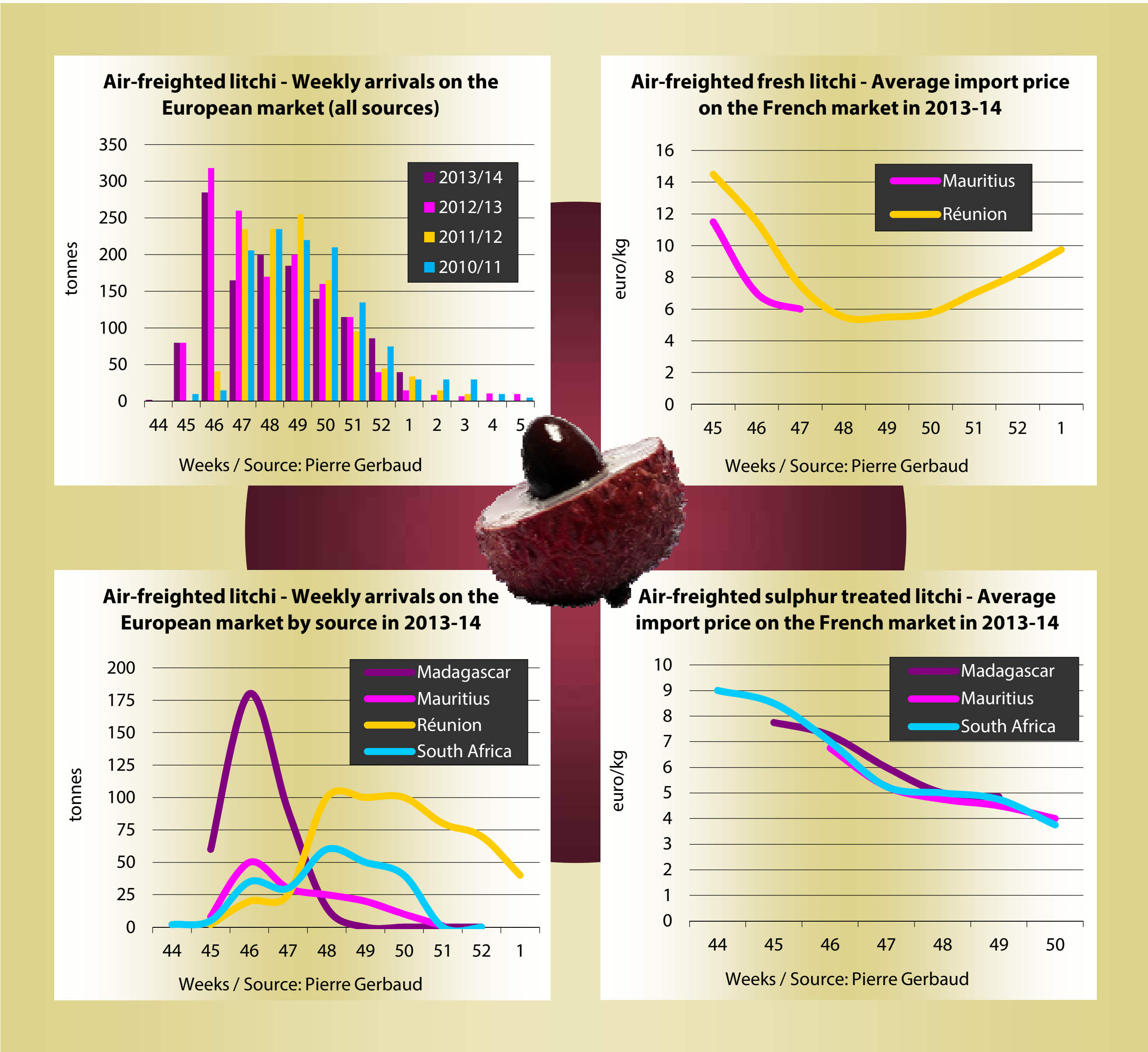
Litchi quality is not based solely on the issue of sulphur treatment, although this remains of prime importance. Selection of fruits, and above all of their sizes, also represents a major aspect of quality. And it seems that it is taking its time in coming together. True, the standard quality of Madagascan fruits loaded on the conventional ships corresponds to a commercial niche, at a given consumption period. Yet outside of this major flow, little progress has been made to date. For air-freight and sea container shipments, serious improvements could be made. At the beginning and end of the season, Madagascan litchis are faced with direct and stronger competition from other sources, better rated in terms of quality. At these periods it would be appropriate to better segment the Madagascan supply. In addition, the lower pressure during loading than with conventional ships would easily enable stricter fruit selection, and help keep prices stronger. This quest for quality would probably lead to stagnation of volumes, which in the current economic context would perhaps not be a bad thing.

Determining new guidelines

For the past three years, the Madagascan industry has managed to restructure itself, and there can be no complaints about that. But this year it seems to have reached a kind of plateau in its development. It is definitely only through raising its efforts that it will be able to tackle the coming seasons. Certain avenues explored in recent years provide hope for new market niches. Hence the export of approximately 300 pallets of litchi by conventional ship under the "Fair trade" label represents a promising line of development, though it is still marginal in terms of the total exports. These fruits, mainly aimed at the Scandinavian and North European markets, could in future provide a wider supply to markets currently unreceptive.

In another area, the trials of alternatives or complements to the traditional sulphur fumigation treatment have proven effective, and should now enter a more operational phase. The improvements in food safety guarantee of the produce and in compliance with the regulations, as well as the extension of the fruit shelf life, represent major assets in building up the industry. The consolidation and intensification of the various aspects of Madagascan litchi quality is an essential step prior to seeking new outlets ■

Pierre Gerbaud, consultant
pierregerbaud@hotmail.com



2013-14 litchi season

The other Indian Ocean sources

© Guy Bréhinier

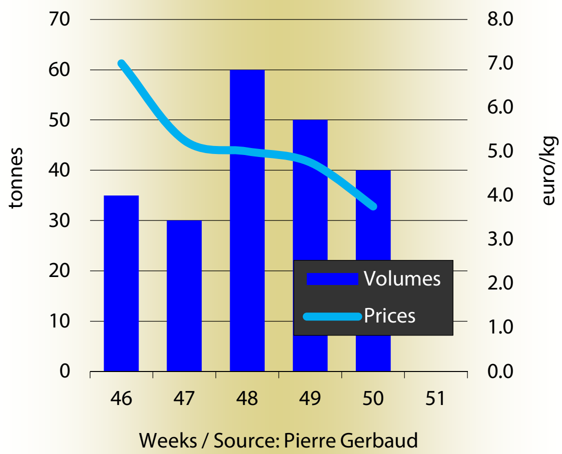
The glory years, when the litchi was present practically year round, seem to be behind us. Nowadays, the end-of year holidays are the focal period for the supply of this fruit, exported mainly by the Indian Ocean sources. The other sources which once tried to impose themselves at other times of the year are now making only hesitant efforts at shipment growth, and with no real success. Thailand has reduced its shipment season, with sanitary problems appearing in the background. Only Israel is continuing its summer exports, though with more restrained volumes. As for China, Vietnam, Australia and Mexico, their supplies often remain erratic.

South Africa

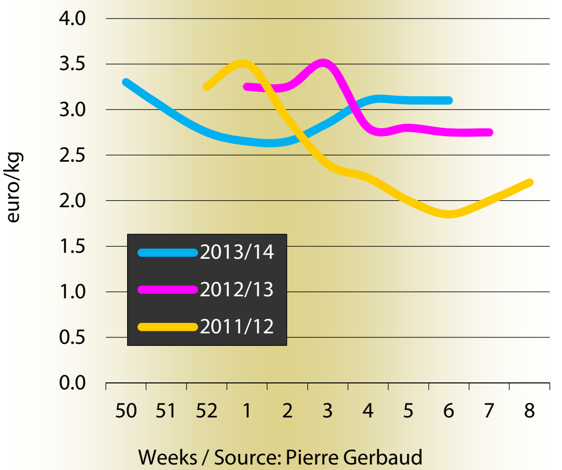
An early and staccato season

© Guy Bréhinier

Air-freighted South African litchi Volumes and average import price on the French market in 2013

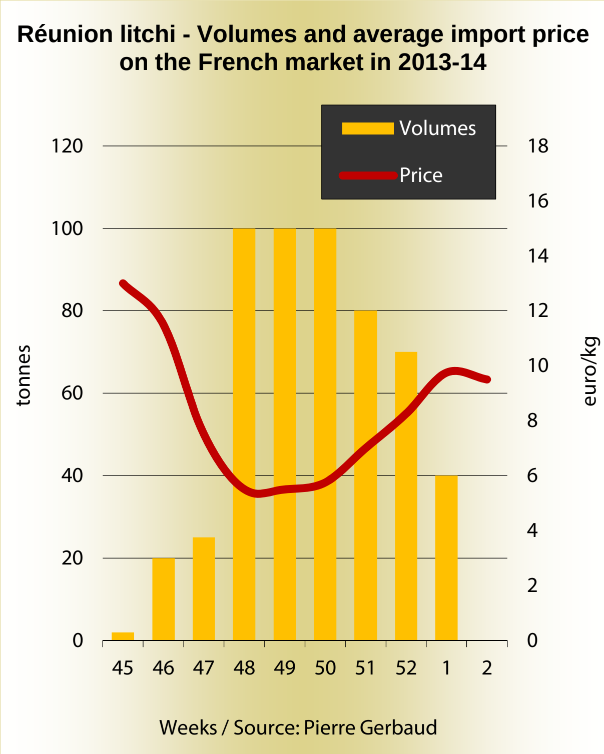


Sea-freighted South African litchi Average import price on the French market



South Africa began its export season particularly early this year. The first air-freight shipments were received in week 44. True, the first two weeks of the season were limited to a few hundred boxes, but the absence of competition favoured their sale at high prices (9.00 euros/kg). It was only really in week 46 that volumes expanded, with a rapid accompanying fall in prices (5.00 euros/kg), given the seasonal launch of the neighbouring Indian Ocean sources. South Africa has in a sense pinched the place traditionally reserved for Mauritius in the early fruits slot. The subsequent part of the air-freight season proved more complex, with on the one hand the overall growth of supply, and on the other hand the irregularity of deliveries because of abundant rains in the production areas. However, from week 47 to week 49, prices stabilised at around 5.00 euros/kg in spite of difficult market conditions. The size range and good taste quality of the fruits were probably the main reasons for this success relative to competing products. Conversely, the heterogeneous coloration of the fruits, and their lack of durability, often required rapid sales at lower prices. Finally, in week 50, prices declined again while the first sea-freight litchis went onto the market (at below 4.00 euros/kg). South African litchis (sulphur-treated) occupy a similar commercial slot to Reunion produce (fresh) in the traditional distribution circuits. Their size range is an undeniable asset compared to other treated fruits offered in parallel. Some air-freight shipments continued until January, particularly to the Netherlands, with sale prices of around 4.50 euros/kg for a customer base of retailers specialising in the exotic fruits range.

The sea-freight container season, earlier than in 2012-13, started up in week 50, while sea-freight litchis from Madagascar were also on the European market. From 3.25 euros/kg on average for the first incoming shipments, South African litchi rates then dipped, stabilising at around 2.65 euros/kg. Despite the pressure from Madagascan fruits, South African litchis sold at higher prices because of their smaller volumes and better size range. The diversification of outlets also helped avoid direct and systematic confrontation with competing fruits. Large quantities were sold on the German and British markets, for example, to a different customer base. From mid-January, the South African supply dipped steeply, leading to rates climbing back to above 3.00 euros/kg on average. Prices remained strong until the end of the season (mid-February), taking advantage of the gradual withdrawal of produce from Madagascar, of more fragile quality. The irregular shipments from South Africa also contributed to maintaining interest in a less common product, particularly during the latter part of the season.



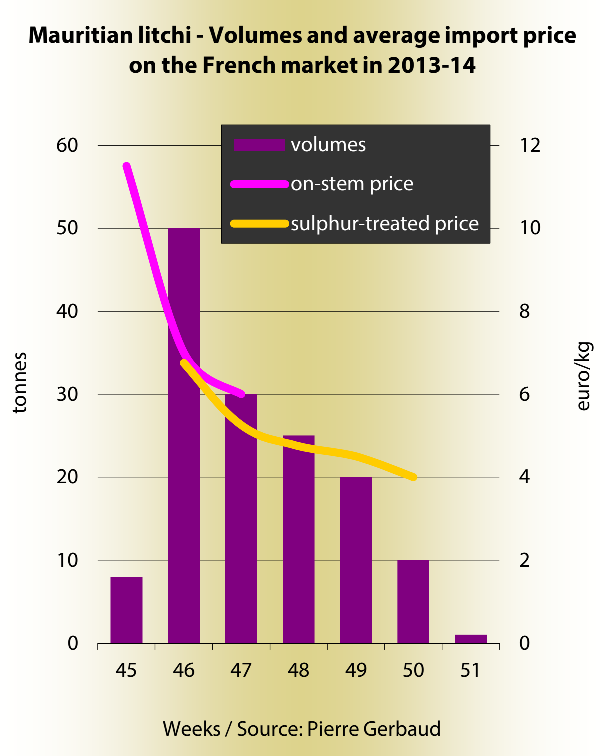
Réunion

A source asserting itself at the top end

After an abundant 2012-13 season, Reunion repeated its surge in terms of quantities shipped out. With nearly 540 tonnes, this source exported more than 100 extra tonnes this year, as opposed to 420 tonnes last year. Taking advantage of good production conditions, the first shipments were made early in week 45, but with limited quantities of still marginal quality. In weeks 46 and 47, the volumes received rose slightly, accompanied by a considerable deterioration in prices in the face of competition from other sources. From week 48 to week 52, volumes from Reunion boomed. Their rates stabilised, and then climbed back up rapidly in the following weeks, given the invigoration of demand in the run-up to the end-of-year holidays. The improved fruit quality in terms of size and coloration accelerated the recovery in rates. At the end of the year, volumes decreased, favouring price rises in a context of still lively demand. The passage of cyclone Bejisa at the very start of the year triggered the end of the Reunion season. The logistical difficulties, added to weakening fruit quality, led operators to suspend their procurement. Those batches that were shipped before the cyclone hit were sold at high prices in the first week of January.

Specialised in shipping fresh fruits, Reunion has segmented its supply for the past few seasons, with a range of three products differentiated by their presentation: destalked, on-stem and trussed litchis. These three products are valued differently, with a lower price for destalked fruits and a higher price for trusses, with on-stem fruits generally obtaining an intermediate rate. Trussed fruits enabled retailers to offer an attractive presentation, creating a festive look similar to that on the fruit source markets.

Reunion litchis were primarily sold via the traditional distribution circuits, finding less supermarket shelf place due to their high retail price. The quest for superior quality, the ambition of Reunion shippers, seems to have been achieved with volumes to market expanding over the past few years. The moderate tonnages correspond to a specific demand consolidating itself year on year. While the average sale price is declining, this is compensated for by the rise in quantities sold. Nonetheless, we can observe that opting for a top-end product is not preventing Reunion from hauling itself up into the leading group of litchi suppliers. The perishability of the produce doubtless limits its distribution, which still targets the French market.



Mauritius

A rapid small-scale season

With approximately 140 tonnes exported this year, Mauritius registered a big downturn from the 2012-13 season, which amounted to 270 tonnes, a record season for the source. The fall in exports resulted from lower production because of less favourable climate conditions. The market season for Mauritian litchis began in week 45, at the same time as the other Indian Ocean supplier countries. The first shipments primarily comprised fresh on-stem fruits. Rated of satisfactory quality, they sold off rapidly at high prices, in the absence of real competition in this market slot. From the following week, the Mauritian supply diversified with the receipt of the first sulphur-treated litchi batches. In weeks 46 and 47, the source reached its shipment peak, which combined with the incoming shipments from the other exporter countries, quickly saturated a market with still low demand. Rates took a downturn, both for on-stem fruits, which clashed with competition from Reunion whose shipments were picking up, and for treated fruits, up against the abundant supply from Madagascar. In week 48, the operators slowed down or even suspended their procurement, with rates reaching their profitability limit in spite of competitive delivery costs. From then on, Mauritian volumes constantly decreased until week 51, when they disappeared from displays.

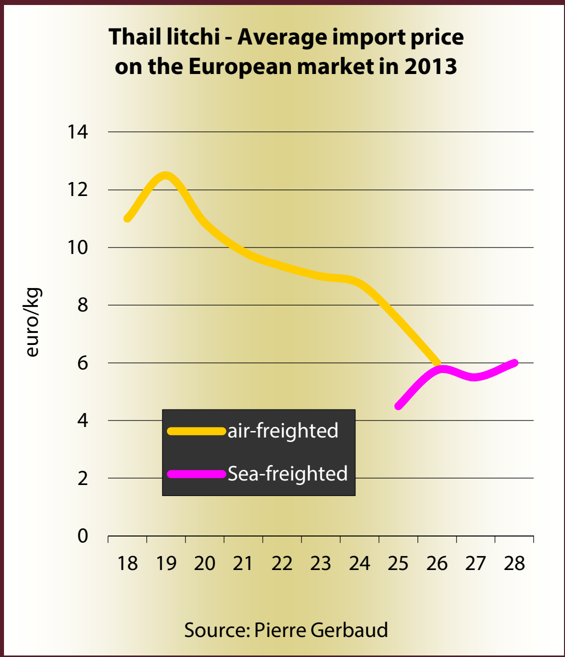
Despite the tough competition from other sources, Mauritian litchis were aimed at the traditional trade sector, but also at supermarkets, where they began the market season prior to the arrival of sea-freight litchis. The adaptation of the Mauritian supply to European market demand remains the main asset of this top-up litchi source. Its supply of fresh or treated fruits is able to fit into the generally more massive competing supplies ■

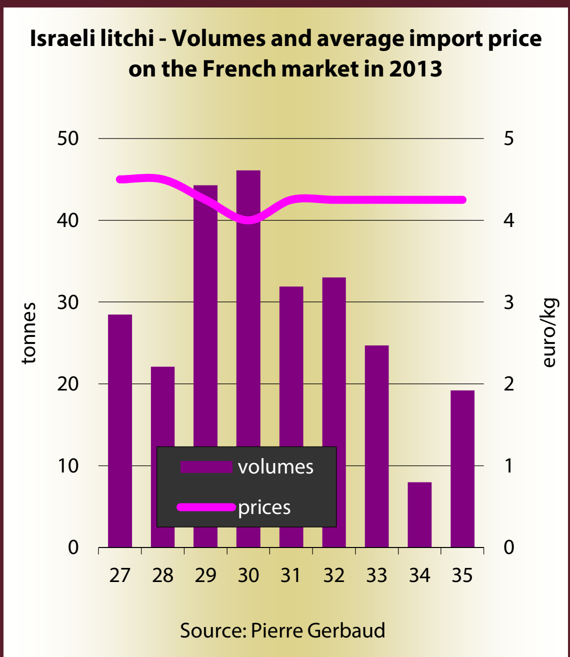
Pierre Gerbaud, consultant
pierregerbaud@hotmail.com

Thailand

In decline

As we had seen in previous seasons, Thailand seems to have restricted its litchi exports to Europe. In 2013, the source was present on the European market from May to mid-July. Not too long ago, its presence extended from April to August, and was split between an air-freight season until June and a sea-freight season until late August. This year, the air-freight season extended from May to June, leaving just one month for sea-freight fruits. This configuration, which has consolidated itself over the past two years, illustrates the source's decline. The lack of profitability over the export period from Thailand probably represents one of the primary reasons for this downturn, up against on the one hand competition from European fruit produce, and on the other hand, the appearance in June/July of Israeli litchis, which limits Thai exports at the end of the period.





Israel

A limited season

Like the sources exporting litchis outside of the end-of-year period, Israel shipped limited quantities during the 2013 season. Estimated at around 300 tonnes, they marked the continuing decline of the source. Beginning in late June one week earlier than the previous year, the season finished in early September. The peak came in the second half of July, when demand for exotic fruits waned in the face of the growing supply of seasonal fruits. Nonetheless, the moderate quantities brought to market sold regularly at stable prices of around 4.25 euros/kg on average, which definitely corresponds to a natural demand level for a fruit mainly distributed via traditional commercial circuits. The rate of the Israeli litchi rose only at the end of the period, with the supply becoming scarcer.

Wholesale market prices in Europe

April 2014

					EUROPEAN UNION — EURO				
					Germany	Belgium	France	Holland	UK
AVOCADO	Air	TROPICAL	BRAZIL	Box			15.20	16.73	
	Sea	ARDIT	ISRAEL	Box				9.50	
		FUERTE	PERU	Box	7.25			7.00	
			SOUTH AFRICA	Box	7.25		5.38	7.75	
		HASS	CHILE	Box					14.62
			COLOMBIA	Box			8.54		
			GREECE	Box				10.50	
			ISRAEL	Box			9.25		10.96
			KENYA	Box			7.38		9.14
			MOROCCO	Box			9.25		
			PERU	Box	9.00		8.69	10.00	
			SOUTH AFRICA	Box	8.00		10.00		
		NOT DETERMINED	PERU	Box					8.69
			SOUTH AFRICA	Box					8.47
		REED	ISRAEL	Box			6.50		
	Truck	HASS	SPAIN	Box			10.92		10.35
BANANA	Air	RED	ECUADOR	kg				4.88	
		SMALL	COLOMBIA	kg			6.90	5.17	
	Sea	RED	ECUADOR	kg				2.29	
		SMALL	ECUADOR	kg			1.70	2.65	
CARAMBOLA	Air		MALAYSIA	kg			5.43		
	Sea		MALAYSIA	kg					3.48
COCONUT	Sea	NOT DETERMINED	COTE D'IVOIRE	Bag			9.50	12.40	13.40
			DOMINICA	Bag					12.18
			SRI LANKA	Bag				20.00	11.27
		YOUNG	COSTA RICA	Bag				17.50	
DATE	Sea	MEDJOOL	ISRAEL	kg	6.60			7.85	5.12
		NOT DETERMINED	IRAN	kg		3.00			
			TUNISIA	kg				1.99	
		RAVIER	TUNISIA	kg					1.71
GINGER	Sea		CHINA	kg	2.23		3.30	2.26	2.29
			THAILAND	kg			3.00	2.44	
GUAVA	Air	NOT DETERMINED	BRAZIL	kg				6.77	
		PINK	ECUADOR	kg				7.00	
LIME	Air		MEXICO	kg			4.50		
	Sea		BRAZIL	kg	1.56		1.75	1.94	1.56
MANGO	Air	AMELIE	MALI	kg			3.10		
		KENT	COTE D'IVOIRE	kg				5.00	
			PERU	kg			6.10		
		NAM DOK MAI	THAILAND	kg				8.00	
	Sea	ATKINS	BRAZIL	kg	1.38			1.54	
		KEITT	BRAZIL	kg	1.63			2.19	
			COSTA RICA	kg	1.82				2.07
		KENT	PERU	kg	1.69		2.50		2.13
		NOT DETERMINED	BRAZIL	kg					1.59
			KENYA	kg					1.52
		PALMER	BRAZIL	kg				2.31	
MANGOSTEEN	Air		INDONESIA	kg				7.97	
MANIOC	Sea		COSTA RICA	kg			1.25	1.05	
MELON	Air	CHARENTAIS YELLOW	DOMINICAN REP.	kg			4.00		

					EUROPEAN UNION — EURO				
					Germany	Belgium	France	Holland	UK
MELON	Sea	CANTALOUP	BRAZIL	kg					1.46
			COSTA RICA	kg				1.55	2.01
			HONDURAS	kg				1.60	2.07
		CHARENTAIS GREEN	MOROCCO	kg			2.20		
		GALIA	BRAZIL	kg					2.44
			COSTA RICA	kg				1.80	
			HONDURAS	kg				1.65	2.68
			MOROCCO	kg					1.46
		HONEY DEW	BRAZIL	kg					1.16
			COSTA RICA	kg			1.30	1.48	1.58
			PANAMA	kg			1.30		
		PIEL DE SAPO	COSTA RICA	kg			1.50	1.48	
			PANAMA	kg			1.50		
		SEEDLESS WATER	COSTA RICA	kg				0.94	
		WATERMELON	COSTA RICA	kg			1.15	0.92	1.22
			PANAMA	kg				0.94	1.29
PAPAYA	Air	FORMOSA	BRAZIL	kg	3.39	2.66		3.23	3.73
		NOT DETERMINED	BRAZIL	kg			3.50		
			THAILAND	kg				4.81	
	Sea		BRAZIL	kg		3.43			
			ECUADOR	kg				2.41	
PASSION FRUIT	Air	NOT DETERMINED	COLOMBIA	kg	5.07	4.25	6.00	6.05	
		PURPLE	COLOMBIA	kg					4.87
			ISRAEL	kg				5.55	
			KENYA	kg		4.25			
			SOUTH AFRICA	kg			6.50		
			VIETNAM	kg			7.50		
			ZIMBABWE	kg		4.25		4.76	
		YELLOW	COLOMBIA	kg				9.10	
PHYSALIS	Air	PREPACKED	COLOMBIA	kg			9.50	9.19	
	Sea		COLOMBIA	kg	5.73			6.41	6.60
			ECUADOR	kg				6.25	
PINEAPPLE	Air	SMOOTH CAYENNE	BENIN	kg			2.00		
			GHANA	kg			2.00		
		VICTORIA	MAURITIUS	Box				13.88	
			MAURITIUS	kg			3.80		
			REUNION	kg			4.00		
			SOUTH AFRICA	Box				12.15	
	Sea	MD-2	COSTA RICA	Box	9.50	8.83		8.83	
			COSTA RICA	kg			0.95		
			COSTA RICA	Piece					0.96
			COTE D'IVOIRE	kg			0.95		
			DOMINICAN REP.	Box		8.00			
			PANAMA	Box				9.50	
PITAHAYA	Air	RED	VIETNAM	kg				7.00	
		YELLOW	COLOMBIA	kg				9.33	
			ECUADOR	kg				8.40	
PLANTAIN	Sea		COLOMBIA	kg			1.00	0.91	
			ECUADOR	kg			0.95	1.08	
RAMBUTAN	Air		THAILAND	kg				7.91	
			VIETNAM	kg				7.72	
SWEET POTATO	Sea	NOT DETERMINED	EGYPT	kg			1.00	1.23	
			HONDURAS	kg			1.60		1.68
			ISRAEL	kg				1.25	
			SOUTH AFRICA	kg			1.60		1.22
		WHITE	BRAZIL	kg				1.85	
TAMARILLO	Air		COLOMBIA	kg				7.00	
YAM	Sea		GHANA	kg			1.35	1.31	

Note: according to grade

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