

# Litchi Reunion

## A quantitative boom

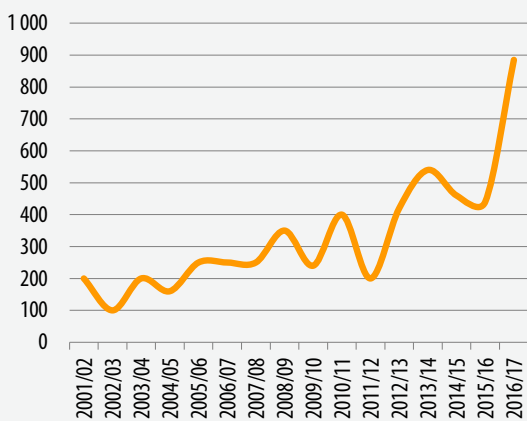
The biggest surprise of the 2016-17 campaign without a doubt lies in Reunion's achievements. After the slight downturn registered in 2015-16 with shipments of 440 t, Reunion doubled its shipments in 2016-17, with a total of 885 t according to estimates. The production capacities of this French Overseas Department have often been underestimated in view of the quantities sent each year to Mainland France. People were unaware that they were on the rise, and interest in this fruit was largely shared between the local market, intercontinental exports and a processing industry able to take in varying volumes. Conversely, it was hard to imagine fresh exports doubling. However, this is what seems to have occurred this year. Like all Indian Ocean origins, Reunion saw an early start to its export campaign. The first shipments were made from week 45, i.e. one week

earlier than previous years. True, volumes shipped remained limited for the first two weeks of the campaign, though they then rose more rapidly. In week 47, the deterioration in market conditions proved particularly marked, and there was a considerable fall in rates. The quiet demand and expansion of the supply across all origins plunged the market into the doldrums. There was a strong consumer reticence to the product, which even lowering the rates could not change. The implementation of promotions at attractive prices (5.95 euros/kg at the retail stage) barely modified the lack of market fluidity. Reunion fruits particularly suffered from this situation due to perishability of fresh litchis, a factor further accentuating the fall in rates. In this market configuration, the price gap between the various types of presentation (destalked, on-stem, trussed) narrowed.

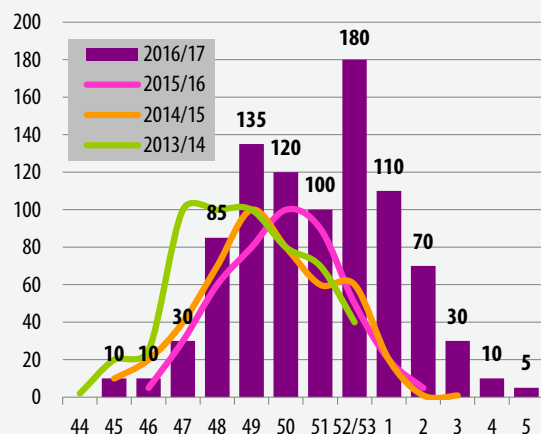


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**Reunion litchi**  
**Evolution of exports to Europe**  
(in tonnes / source: Pierre Gerbaud)



**Air-freight Reunion litchi**  
**Evolution of arrivals in France**  
(in tonnes per week / source: Pierre Gerbaud)



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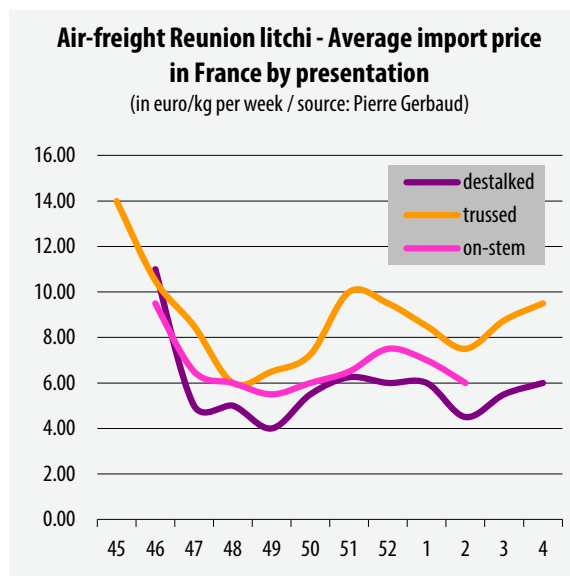
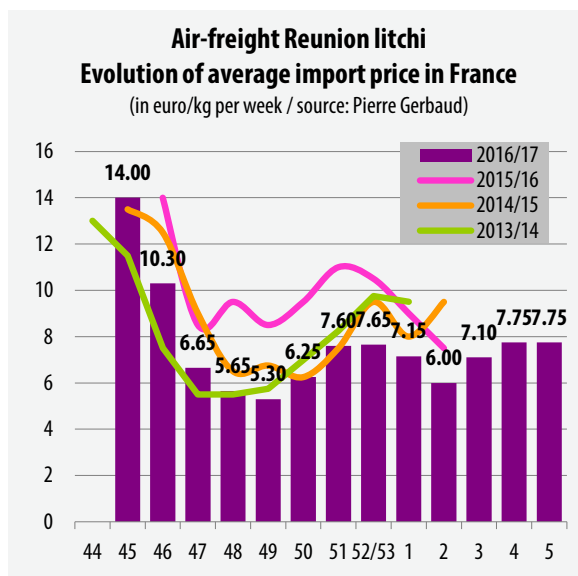
It was not until week 51, in the run-up to the end-of-year holidays, that demand became more intense, sales picked up and prices recovered. They remained firm in week 52, while shipments reached their high point. They dropped thereafter until the second week of January, when volumes were still substantial. The drop in quantities shipped in the middle of the month was accompanied by a price increase until the end of the campaign.

Reunion, which over the years had forged a top-end reputation with litchis primarily distributed by stores specialised in exotic fruits, has modified its strategy by somewhat broadening its outlets. Price swings have never been as great, with values occasionally as low as the competing sulfur-treated products. This fall in rates is not surprising, although in absolute terms the quantities on the market were not all that great. Sales difficul-

ties and the price falls which accompanied them must not be considered in isolation, but in a global market where the supply was particularly large and highly diverse. By doubling its volumes, Reunion registered a decrease of 2.00 euros/kg on sale prices from the 2015-16 campaign. Was this loss from one year to the next not ultimately offset by the volumes sold?

The segmentation of Reunion's litchis is at present a benchmark, with differentiated prices when the overall supply is not excessive. In the over-supply phase, the various presentations trade at distinct rates, though the gap between them is greatly narrowed, doubtless limiting the usefulness of the additional costs incurred. Though copied in part by exporters from Mauritius, but also South Africa, the presentations developed by Reunion remain its preserve ■

*Pierre Gerbaud*



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