

European date market

On a steep and continuous rise



The world date market is dynamic, with more and more origins are entering the scene, and more and more countries providing increasing consumption. In Europe, annual growth rates are very high, and the consumption growth potential is a very long way from saturation. The dynamism of this market is particularly aided by the diversification of the supply via the various origins, varieties, distinguishing features and quality indicators, production modes, etc.



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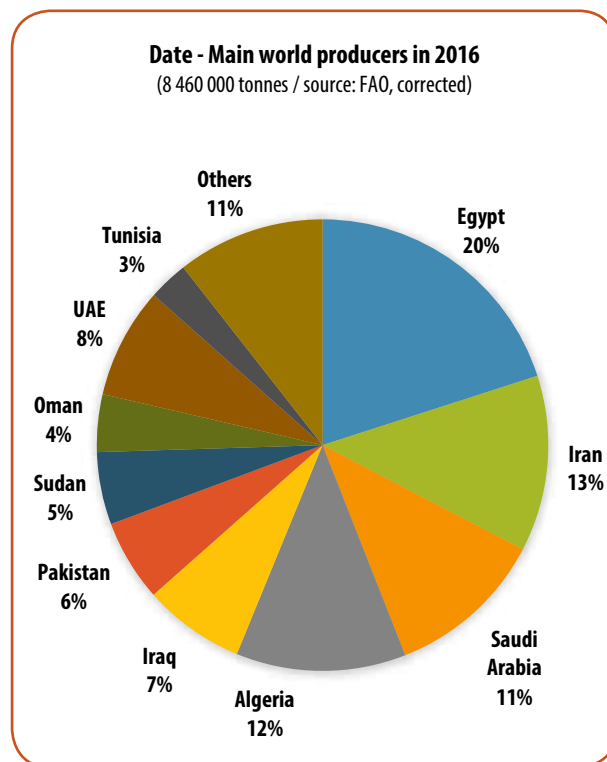
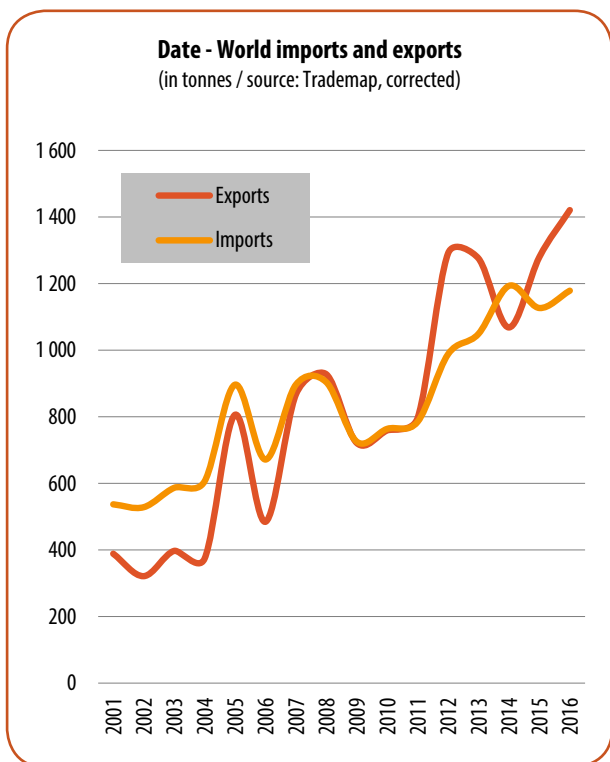
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Grower & so much **More**



For both production (source: FAO) and world trade (source: Trademap), only approximate figures are available. Wars and the partial or complete absence of administration in certain countries mean that we can only go by rough figures and trends. World production is around 8.5 million tonnes, rising slowly by approximately 1.5 % per year. The production area is limited, extending from the South Mediterranean to the Near and Middle East. Pakistan is the only one of the world's top ten producer countries situated in Asia. Egypt, Iran, Algeria and Saudi Arabia have all reached or are in excess of or have reached one million tonnes. The United Arab Emirates (UAE), Iraq, Pakistan and Sudan come next with 400 000 tonnes each. Oman and Tunisia bring up the rear, with 350 000 t and 240 000 t respectively. Besides the top ten, we can note that there are more and more producer countries, producing in total nearly 900 000 tonnes.

World date imports have been rising at a rate of around 5 % per year since the early 2000s, and exceeded the one-million tonne mark in 2013. They should reach 1.2 to 1.3 million tonnes in 2017. While more than 200 countries are listed as date importers, only ten account for 70 % of the world trade total. India, the world number one purchaser with 30 % by volume, is missing from the list of world producers. This is not the case for the UAE, which imports 18 % of the world total, as well as being the world number 5 producer. Indeed, it is a genuine trade hub for the date for the entire Near and Middle East, especially since this Federal State is also the world number two second exporter, just behind Iraq and ahead of Iran and Pakistan.



European Union: growth potential intact

Ultimately, the European Union is a small market of around 120 000 tonnes, but with strong growth: there was an increase of 10 % between 2016 and 2017. Since 1988, when European imports were just 38 000 tonnes, there has been an average rise of 4 % per year!

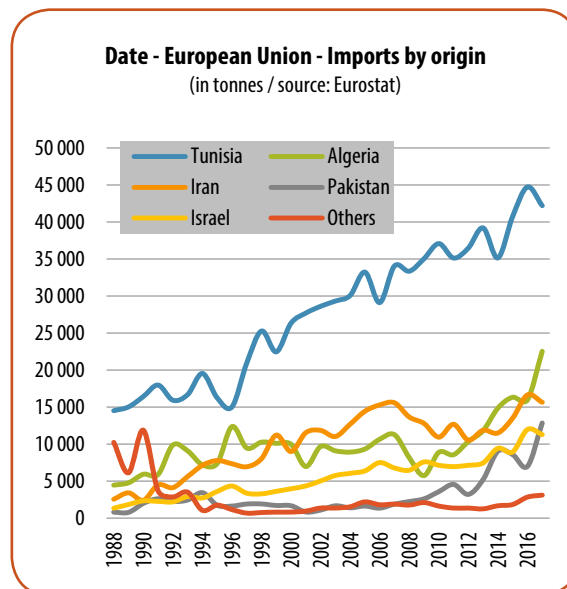
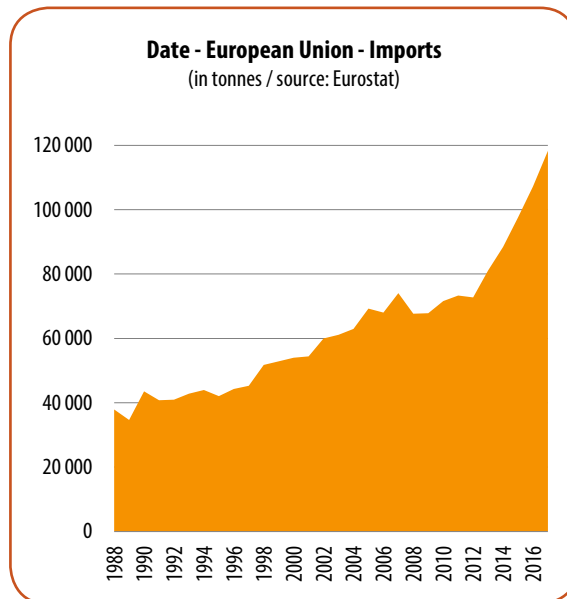
One origin stands out, and that is Tunisia. For the past three years, its exports to the EU have been between 40 000 and 45 000 tonnes of dates, with a market share of just over one-third. With 42 000 tonnes in 2017, its performance was below par for the market: - 1 % as opposed to + 10 % for all origins. This producer has a strong flow of exports to the EU, though also to Morocco (30 % of the total). Tunisia exported 110 000 tonnes of dates over the 2016-17 season (1st October to 30 September), for a production evaluated at just over 300 000 tonnes (diverging greatly between sources). The blip in 2017 should be taken in context, since for the 2017-18 season, which is yet to finish, the authorities have announced a 7 % rise in exports, as well as an even more considerable improvement in value (+ 22 %). It is the diversification markets (Australia, Qatar, India and even Canada) which are seeing rapid rises. Tunisia has also for a few years now been developing an organic date supply (exporting approximately 5 000 t per year).

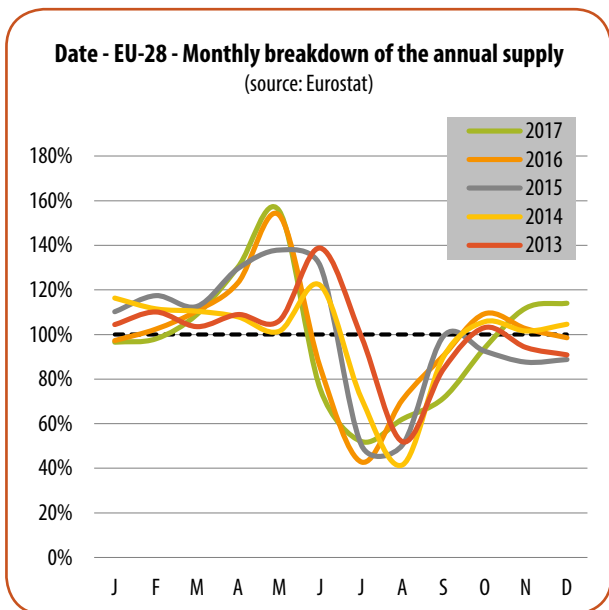
Algeria is the number two date supplier to Europe, with a market share of 19 %. After exporting around 15 000 tonnes to the EU since 2014, this origin made a leap forward in 2017 with 22 500 tonnes, i.e. a 23 % increase in one year. The strong devaluation trend of the Algerian dinar against the euro, which began in early 2017, has made a big contribution to this export flow, by automatically improving the country's competitiveness. It is a direct competitor of Tunisia. In the space of a decade, Algeria has increased its shipments to the EU nearly fivefold. Successive development plans have tripled Algerian production within just twenty years or so.

The number three supplier is Iran, whose annual exports to the EU have been more than 15 000 tonnes for the past two years. Its exports to Europe are on an upward trend, though very restrained. It has a 13 % market share.

Pakistan and Israel round off the list of the main suppliers, with market shares of 11 % and 10 % respectively. While Israel has practically doubled its shipments in the space of a decade, Pakistan has been a big hit, going from 1 800 tonnes in 2007 to nearly 13 000 tonnes in 2017.

Among the secondary suppliers on the rise, the United Arab Emirates is worthy of a mention. While the EU imported some 3 600 tonnes from this country in 2017, the flow in 2007 was less than 100 tonnes. Finally, Saudi Arabia is seeing a slow rise (doubling within a decade), to reach nearly 3 800 tonnes in 2017. Turkey, Palestine, the United States, South Africa and also Jordan round off the supply to Europe.





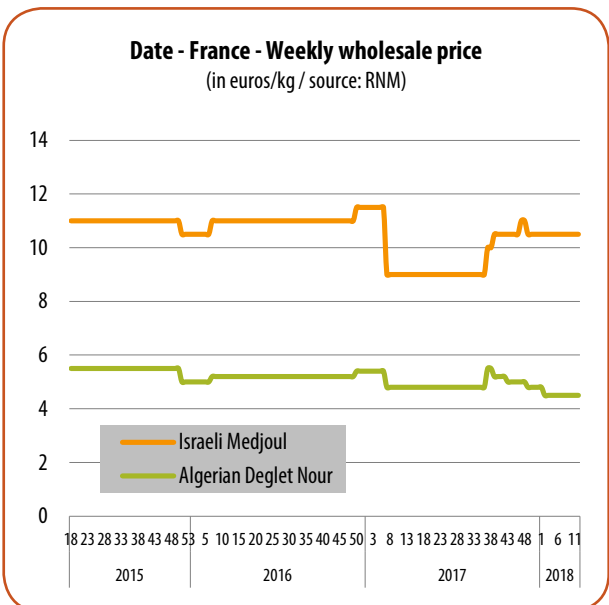
Ethnic-based consumption, though not exclusively

Date consumption is largely ethnic-based, and the consumption calendar is marked by the Ramadan period. When processed on an annual basis, European imports provide a perfect illustration of the interrelation between the Ramadan period and the import peak. Weekly shipments or sales, if there were any, would confirm this hypothesis. As an example: to within a few days, the Ramadan periods of 2016 and 2017 extended between late May and early July. In these two years, the import peaks were observed in May and June. If we take an earlier year, for example 2013, Ramadan went from early July to early August; and the import peak shifted by one month, falling in June.

While this religious holiday sets the tempo for consumption and therefore imports, we can nonetheless observe merchandise flows year round (long shelf life), with interest outside of Ramadan in Q1 and a small end-of-year peak for the festive period.

The Tunisian production calendar for export dates (excluding common varieties) runs from October to mid-December for the Tozeur region, and from November to late December for the Kebili region, the dominant production zone for the export market.

In Europe, France is historically the entry point for dates from around the Mediterranean. It apparently consumes at least one quarter of imports into Europe, i.e. approximately 24 000 tonnes. It is followed by the United Kingdom and Germany, with 20 000 t and 14 000 t respectively. All the other European Member States consume much less than 10 000 tonnes per year, which is a very low level. The potential in Eastern Europe is immense. The Czech Republic actually takes in just 1 700 tonnes, and Poland 3 300 tonnes. Nonetheless, there is a dynamic; between 2012 and 2017, their consumption leapt up by 300 %!



Not one but several date markets

There are a host of date varieties, but the one which hugely dominates European imports is Deglet Nour (Finger of Light). As for other products, the market tends to be segmented based on geographic distinguishing features, such as the Majhoul date from Taflet (Morocco) or the Deglet Nour from Tolga (Algeria), which both enjoy a PGI. For Israel, the supply primarily comprises the Medjoul variety. California also offers this variety. The organic production mode and Fairtrade labelling are also among the sector's avenues of diversification. Beyond these segmentations by variety or production mode, the market organisation is based on two main products: fresh dates and glucose-coated rehydrated dates. These two products have little in com-



mon in terms of taste quality; glucose-coated rehydrated dates can be considered far inferior to fresh dates.

There is no reliable public information system on export or import prices. Hence it is difficult to have an idea of their evolution by origin and category. The Customs values nonetheless provide some relative information on the markets targeted by the various suppliers. In outline, without prejudging specific supplies from any particular operator, or the volume share in terms of the fresh date or glucose-coated rehydrated date, we can observe that the market is organised in three strata.

The first stratum is the top-end market, with prices ranging between 5 500 and 6 500 euros/t. This market segment includes the Israeli or Californian Medjoul. Note that every year, imports values see a tremendous drop in August, down to between 3 500 and 4 000 euros/t. For the past five years, Customs values have been on a downward trend.

The second stratum involves the leading market origin, Tunisia. The Customs value of European imports from the number one suppliers is between 2 000 and 2 500 euros/t. There too, there is a marked upward trend. Furthermore, dizzying intra-annual variations can be observed: from 1 650 to 2 575 euros/t in 2017.

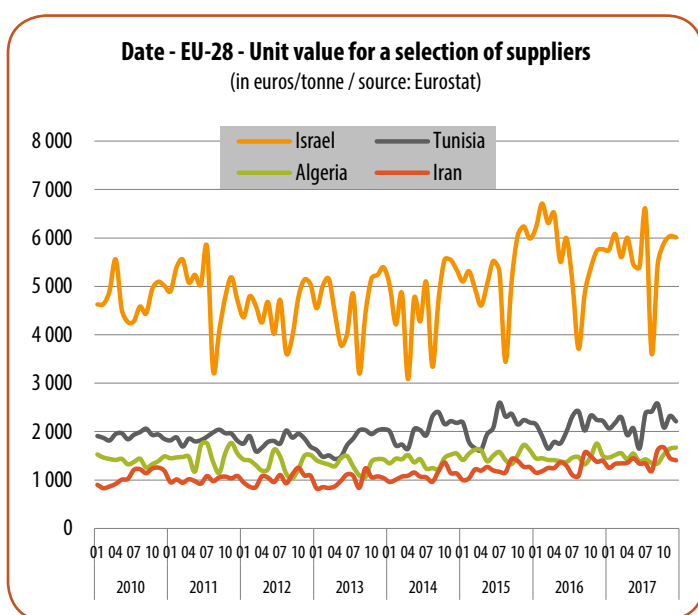
The third and final stratum (excluding highly specific products or confidential origins) involves Tunisia's rivals, i.e. Algeria and also Iran. Here we have a level of 1 500 euros/t, or even less for Iran. The Customs unit value for this supplier has been rising steadily for the past five years: from 1 000 euros/t in 2013, it has reached 1 500 euros/t and in certain months exceeded that mark.

A crop under severe threat

Two major pests and diseases pose severe threats to the date palm cultivation area: bayoud and the red weevil. Date palm bayoud is a fungal disease (similar to wilt) very common in North Africa, causing palm blight. According to the FAO, palm red weevil has recently become one of the biggest enemies. Part of the problem lies in that the red palm weevil is extremely difficult to detect at the initial stages of an infestation. There are very few visible external signs of the pest's presence in a tree: nearly 80 % of the pest's life cycle is hidden. For very large tree species, an infestation at the top is even more difficult to detect, and once the tree is infested, it is too late to save it.

To summarise, we can say that the date market is highly buoyant internationally, more especially in Europe. The supply is improving in terms of quality and service, while the range of products available is expanding, based on production systems (organic and Fairtrade), distinguishing features (especially PGI) or varieties other than the current star i.e. Deglet Nour, such as Kenta, Allig, Kouatallig, Medjoul, etc. The dynamic is due to ethnic and festive-based consumption. However, the date is meets just about all the criteria for success which will enable it to emerge from this specific niche: nutritional attributes (fibre, potassium, iron, magnesium, energy, etc.), good image (energy and natural, filling for the dry fruit), practicality (long shelf life) and finally multi-purpose potential (fresh or cooked) ■

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