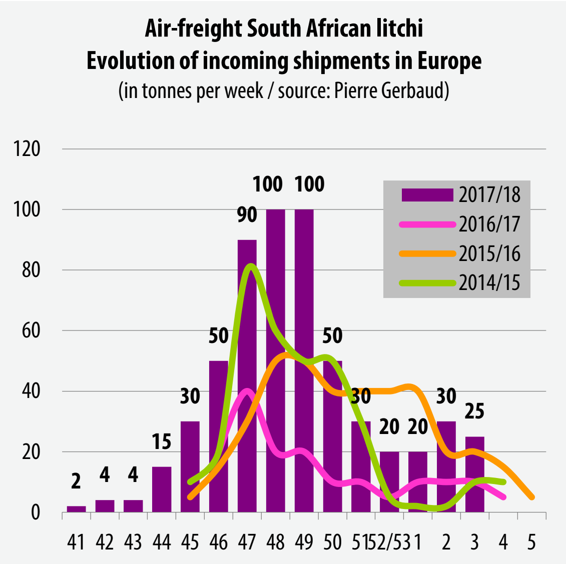
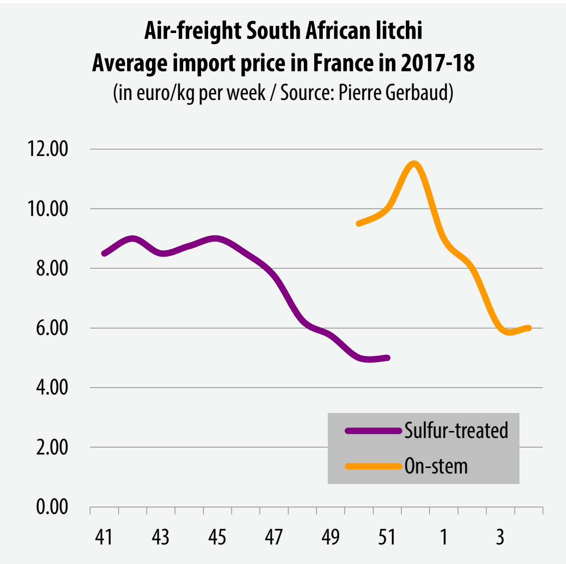
Litchi
South Africa

An uneven campaign

by Pierre Gerbaud





In 2016-17, South Africa exported approximately 4 200 tonnes of litchi to Europe. In 2017-18, exports probably subsided the same as with the other Indian Ocean origins (except for Madagascar). They amounted to around 3 000 tonnes, of which approximately 20 % by air-freight.

A long air-freight campaign

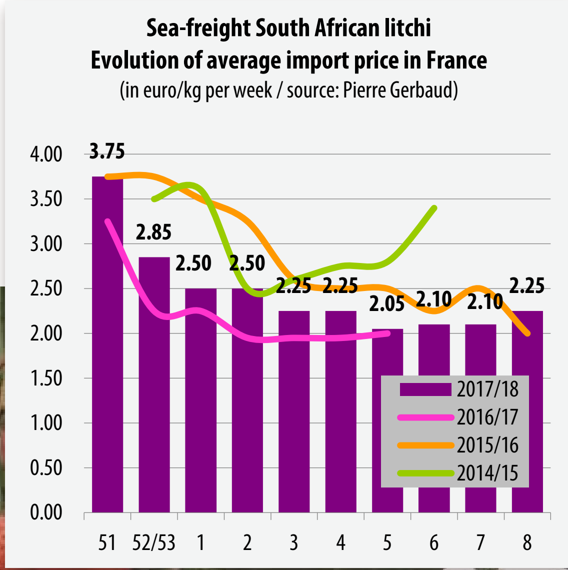
The South African campaign was particularly long this year, especially for air-freight fruits, the first shipments of which were received in week 41, i.e. in mid-October. This unusual earliness was due to the market launch of a new variety from a specific region, hitherto underexploited. This variety, known as Third Month Red, sold at high prices in the absence of competition and in spite of its taste quality not proving popular on the markets. The quantities on the market remained marginal over the first three weeks of the campaign. These fruits were then replaced by the Early Delight variety, which provided the transition from week 45 along with the Mauritius variety, better suited to European demand. Air-freight treated and destalked fruits continued to be sold until week 51, slightly overrunning the arrival of the first ship from Madagascar. Prices gradually dropped from week 47 to more or less align with those of the Madagascan litchis. Given the expansion of the supply over weeks 47 to 50 and the predominance of shipments from Madagascar, this year the better sized South African litchis did not achieve the higher value usually observed.

From week 50, South African exporters modified their supply, offering on-stem fresh fruits, in particular taking advantage of the scarcity of produce from Reunion and Mauritius, which specialise in this niche. Well received until the end of the year and selling at 10.00 euros/kg or more, these products saw their prices decline thereafter between 8.00 and 10.00 euros/kg. The transition to the Red McLean variety in mid-January aggravated the fall in prices down to 4.00-8.00 euros/kg. This price deterioration, due in part to the varietal changeover, also coincided with a great lack of consumer interest in the litchi and the greater qualitative fragility of the fruits.

A mediocre sea-freight campaign

The South African sea-freight litchi campaign began in week 52 with modest shipments. Their sale price was at a higher level than for Madagascan litchis, especially because of their more standardised sizing. However, big coloration variations compared to competing produce occasionally complicated sales. The predominance of small fruits weighed down on sales, and rates rapidly aligned with the price ranges for Madagascan litchis. From the middle third of January, the South African litchi rate gradually declined because of lack of interest from supermarkets in the product, while shipments expanded. Despite prices being slightly higher than for Madagascan litchis, the South African supply did not manage to really stand out from the pack. In addition, the produce suffered qualitative deterioration, with mould appearing on certain batches tarnishing the origin's brand image. In the second half of January, the drop in process picked up pace, to stabilise at around 2.00 euros/kg for large and good quality fruits. Volumes waned in late January/early February, with produce of fragile quality struggling to find takers. Despite a slight jump in the run-up to the Chinese New Year holidays, the South African campaign finished on a particularly gloomy note.

Faced with the Madagascan competition and the concentration of market activity around the end-of-year festivities, the South African litchi, with its fragile quality, saw its footing shaken. With efforts apparently concentrated on air-freight shipments, more substantial this year, could this point to a new positioning of the South African industry? ■




© Henri Vannière