

## Madagascan litchi

### A new start for 2018-19



The 2017-18 Madagascan litchi marketing campaign proved to be harder than the previous one, when the very early production helped the campaign go fairly smoothly. For 2018-19, the distinctly more marked Southern summer points to a campaign more in line with the norm.

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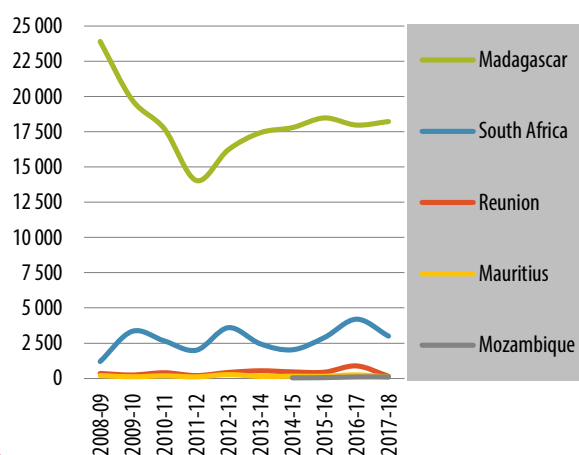
The litchi volumes shipped by Madagascar exhibit only marginal variation, remaining fixed at around 18 000 t, which corresponds to the overall absorption capacities of the European markets, whose consumption remains stable. Concentration of consumption around the end-of-year holidays is an increasingly consolidated phenomenon, with marketing of the litchi outside of this favoured period becoming practically anecdotal. Hence origins wishing to develop their exports at other times of year are often stymied by lack of interest in the product and competition from spring or summer seasonal fruits, available in quantity and cheap. So the litchi is a less common product, aimed at a higher-end clientele.

The very early timing of the 2016-17 campaign represented an opportunity, providing a longer marketing period, especially for sea-freight litchis distributed around the end-of-year festivities, and to a lesser degree for the Chinese New Year. In 2017-18, the campaign profile was very different, with a late start to the harvest because of less favourable weather conditions during flowering and fruit-bearing of the trees. On top of this delay, production was also smaller, which disrupted the supply to the packing stations and compromised the sea-freight export logistics. Unlike in previous years, when two conventional ships scheduled out of Tamatave were received in the Belgian port of Zeebrugge, industry professionals preferred to direct the first litchi ship to the French port of Sète, in order to minimise the transport times and reach the European markets quicker. The economic review for the 2017-18 campaign was less positive than in previous years. The greater rarity of the fruit forced collectors to considerably extend their harvest zone, which led to greater delivery costs and longer local transport times. This situation led to higher purchase prices for Madagascan exporters. With sale prices in Europe remaining stable, shippers' revenue came under greater pressure.

The late timing of the 2017-18 campaign did however favour air-freight shipments, which were up by fifty tonnes or so on the 2016-17 campaign. In this niche, we can also note a rise in shipments of fresh on-stem fruit during the first phase of the campaign. The paucity of production from Mauritius, and above all Reunion, specialists in this type of product, probably played in favour of Madagascan fruits. We might also highlight another secondary aspect in the 2017-18 campaign review, the Fairtrade litchi market. This segment, which has seen gradual progress over the past few years, was harder to place last campaign. The implementation processes for these products subject to specific certification are longer than for conventional fruits. The production delay, on the one hand, and the slowness of scheduling or misguided actions of European purchasers, on the other hand, greatly disrupted the sale of these litchis. A limited number of European consumers will accept a price in-

### Litchi - EU-28 - Evolution of imports

(in tonnes / source: Eurostat)





crease, in the knowledge that this additional cost directly benefits the producers associated with this Fairtrade approach. Yet the price distortions observed in certain European chains proved to be counter-productive. With retail sale prices touching on 10.00 euros/kg, while conventional fruits were at the same time on offer at around 3.00-4.00 euros/kg, poor sales of certified fruits built up, neutralising the expected effects for this type of product. The set-up will need to be put right for the coming campaign, or consumers could be put off these products for good.

Finally, we can note a disappointing last phase of the campaign, corresponding to the marketing of sea-freight container litchis received at the beginning of the year. The rapid loss of interest from January was one of the main causes, and is a trend confirmed year after year. Yet this phenomenon intensified last campaign in view of the fragile quality of the fruits shipped this way. The rapid deterioration in quality put consumers off the product, especially in the face of the better-keeping South African produce.

## A new start for 2018-19

This year's more distinctly marked Southern summer points to a campaign more in line with the norm. Flowering and fruit-bearing enjoyed better conditions, in spite of the damage by the cyclone which hit Madagascar in February. More abundant production and the return to a less tight calendar seem to be the signs prevailing over the coming campaign. We should remain cautious regarding campaign forecasts, as weather conditions can alter the state of production in both quantitative and qualitative terms. As at mid-October, the information provided by the Tamatave Technical Horticultural Centre (CTHT) stated that a significant harvest able to supply the packing stations was expected for week 47. However, the increasing temperatures in recent weeks and the water shortfall registered since August are likely to delay fruit bulking and maturation.

As regards trade organisation, the industry operators adopted the same logistical framework as in previous years. The two conventional ships scheduled for this campaign will be the same, insofar as their technical criteria have proven effective in the past. The European destination port(s) will be determined according to the official campaign opening date and the loading times. So the port of Sète, which made its litchi debut last year, remains an option, especially for the first ship because of the sailing time saving between Madagascar and Europe. The provisional quantities will be equivalent to previous years, namely between 7 000 and 8 000 pallets

per ship. The sea-freight container volumes will perhaps be revised downward, given the results obtained in the past in the latter phase of the campaign. Madagascan professionals are also contemplating stepping up their shipments to Russia, which would enable them to increase their export volumes, given the stability of quantities bound for the European markets. Every year, an external factor comes along to disrupt the campaign to some extent (climate conditions, epidemic, etc.). The 2018-19 campaign is no exception to the rule. The litchi campaign will be held between the two rounds of the presidential elections (7 November and 19 December). The complexity of the ballot and the large number of candidates could disrupt litchi shipments due to public disorder, as has been the case in the past. We hope that there will be no interference between these two events.

The other origins in the Indian Ocean zone also seem to have enjoyed better weather conditions this year for litchi production, which should be more abundant than last year. The probable start to the Mauritian campaign is predicted for week 45. Reunion, practically absent from the market last year, should return with a bigger presence, starting its campaign toward mid-November ■

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