

Banana Market in France

Unstoppable!

by **Denis Lœillet**, CIRAD
denis.loeillet@cirad.fr

For the third consecutive year, the French banana market has grown. According to our calculations (Customs data and professional sources), the size of the market in 2019 was estimated at 668 000 tonnes, a rise of 4 % over one year, to be contrasted with the EC market's fall of nearly 1 %. Since 2016, the market has increased by 110 000 tonnes, i.e. + 20 %.

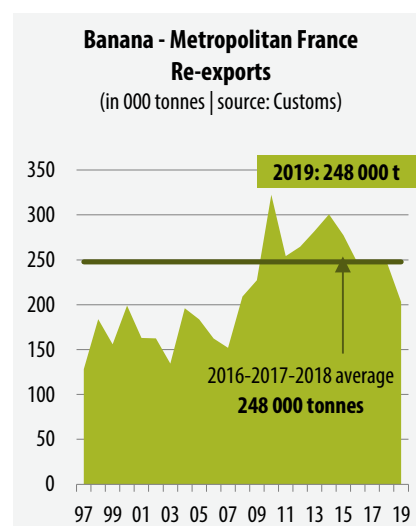
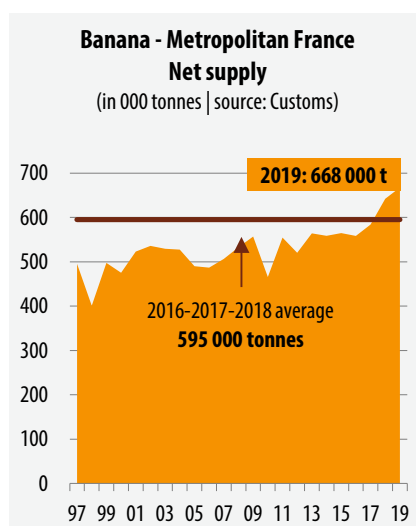
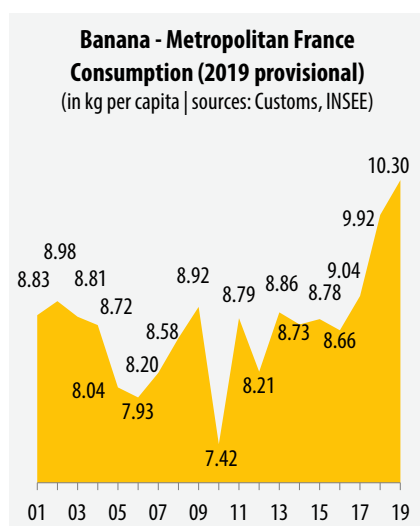
The supply structure went through a big change in 2019. The gradual return to production of Guadeloupe and Martinique (199 000 tonnes) led to an ebb in imports from the dollar zone (195 000 tonnes). This fall in incoming dollar shipments was considerable for direct imports, as well as imports via another Member State. The volume of ACP bananas held up (476 000 tonnes). The French market saw its gross supply level drop to 870 000 tonnes (- 2 %), with at the same time a bigger fall in re-exports to EU countries (- 18 %). The end result was that the net supply went up by 25 000 tonnes.

Consumption is also increasing mechanically, despite a growing population. For the first time in its history, it exceeded the 10-kg mark, with 10.3 kg/capita/year, a rise of 380 g per capita. This is still a long way from the European average, with 12.7 kg in 2019, but the curve is

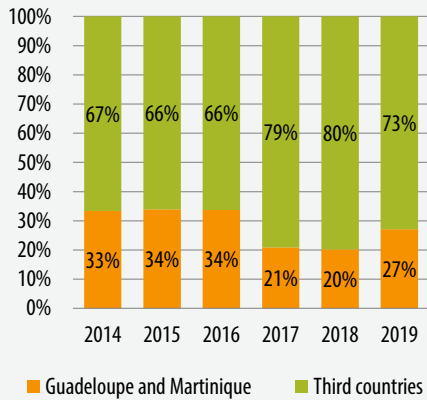
on the rise, with the fresh fruit supply much more diverse in France than in other European countries.

It is hard to give the market shares for each main type of origin, since the intra-Community data (shipments to France from the other Member States and vice versa) do not state the origin of the bananas. By cross-checking, we can hazard a figure. The market share from the French origin in 2019 seems to have been around 27 %, i.e. a 7-point leap over one year but 7 points down from 2016, a cyclone year.

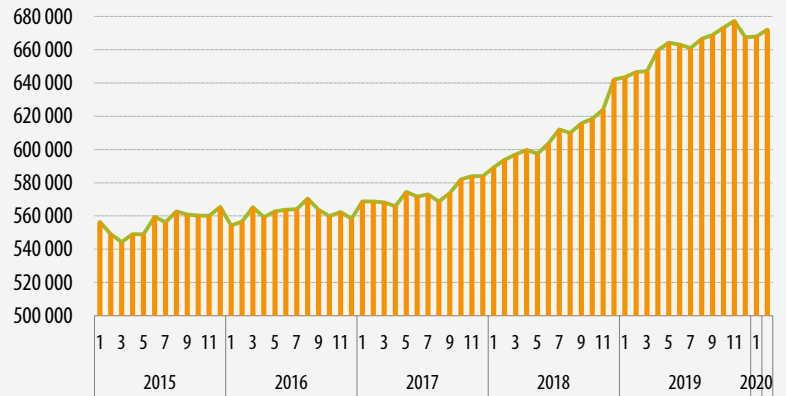
Over the first two months of 2020, growth still seemed to be in place, with a 4 % rise. On a twelve-month sliding scale, the net supply actually exceeded the 670 000-tonnes mark. The crisis caused by the Covid-19 pandemic does not seem to have slowed consumption, quite the contrary. The banana has the good fortune to be among those basic fruits forming the mainstay of the section. It was also popular among consumers for its relatively good storage life (funny as that might seem) and of course prices being as affordable as ever. The forthcoming figures will tell us whether the apparently good sales flows in the supermarket sector and specialist stores have offset the shutdown of sales to the out-of-home sector and in open-air markets (which have been suspended) ■



Banana - France - Market shares by origin
(in % of net supply | source: Cirad-FruiTrop)



Banana - Metropolitan France - Net supply on a 12-month sliding scale
(in tonnes | source: CIRAD-FruiTrop)



Banana – France – Supply in 2019 – Extra-EU breakdown

in 000 tonnes	2016	2017	2018	2019	2019/2018	2019/2018
Extra-EU supply, incl.	524	653	707	662	-45	-6 %
ACP, incl.	415	439	471	476	+5	+1 %
Côte d'Ivoire	167	194	233	280	+47	+20 %
Dominican Republic	62	65	69	79	+11	+15 %
Cameroon	161	151	115	62	-53	-46 %
Ghana	14	23	36	37	+1	+3 %
Suriname	11	6	18	17	-1	-6 %
Dollar, incl.	109	214	236	186	-50	-21 %
Costa Rica	34	60	62	64	+1	+2 %
Ecuador	27	52	62	56	-6	-9 %
Colombia	42	95	102	55	-47	-46 %
Peru	4	3	4	6	+2	+44 %
Guatemala	0	0	2	3	+1	+51 %

Sources: Customs, professional data | Processed by CIRAD-FruiTrop

Banana – France – Supply in 2019

in tonnes	2016	2017	2018	2019*	2019/2018	2019/2018
Gross supply, incl.	804 355	833 013	889 908	870 604	-19 304	-2 %
French West Indies, incl.	249 699	163 986	165 124	199 616	+34 492	+21 %
Guadeloupe	66 441	40 308	28 711	43 397	+14 686	+51 %
Martinique	183 258	123 678	136 414	156 220	+19 806	+15 %
ACP	415 033	438 782	470 863	476 240	+5 377	+1 %
Dollar	108 577	214 211	235 958	185 520	-50 438	-21 %
via a Member State	31 047	16 035	17 962	9 227	-8 735	-49 %
Exports to or outside EU	245 923	248 937	247 736	203 024	-44 711	-18 %
Net supply	558 432	584 076	642 172	667 580	+25 407	+4 %
Consumption per capita	8.7 kg	9.0 kg	9.9 kg	10.3 kg		

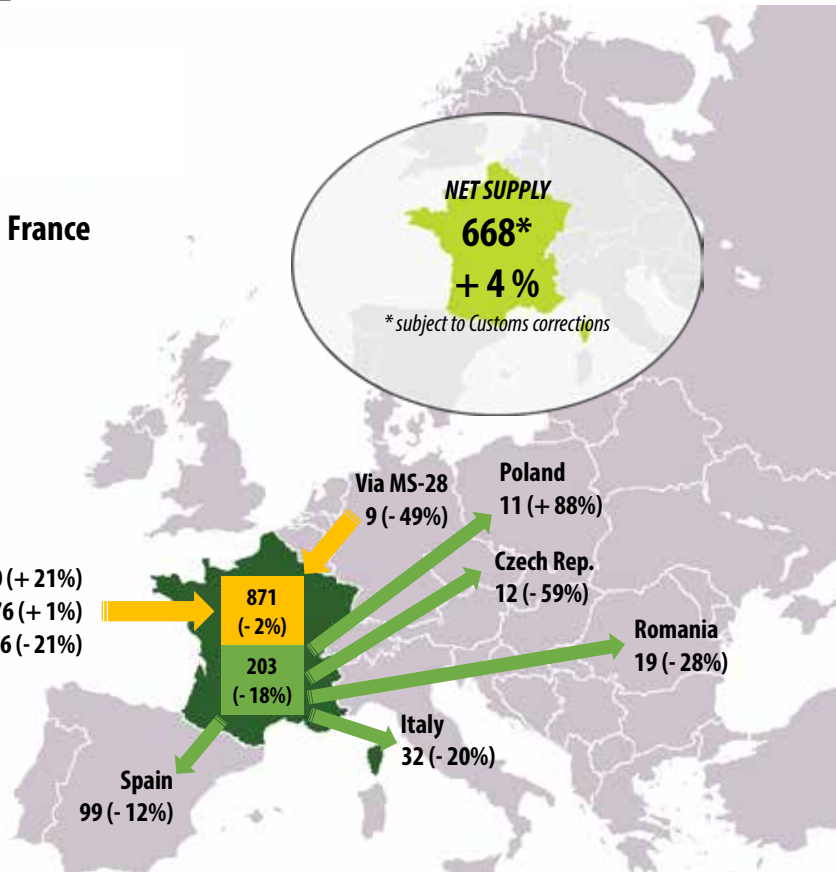
* 2019: possible revisions | Sources: Customs, professional data | Processed by CIRAD-FruiTrop

© Guy Brehiner



Banana - France Supply
in 000 tonnes

BGM 200 (+21%)
ACP 476 (+1%)
DOLLAR 186 (-21%)



Banana US market

Everything under control

by Denis Lœillet, CIRAD
denis.loeillet@cirad.fr

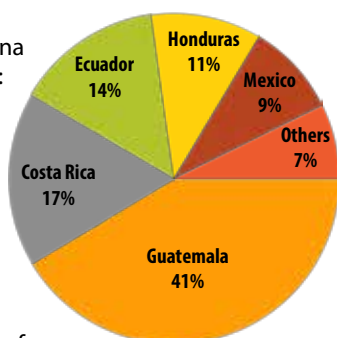
The US market is a law unto itself in the banana world. It has all the attributes of an oligopoly: the operators control the volumes entering the market, and thereby the prices. The 2019 review once again revealed a falling net supply (- 2 %), leading to an even more marked fall in consumption per capita: - 3 % to 12.5 kg/year (- 400 g). As a reminder, the annual spot US import price (only price published at this commercial stage) maintained its peak level in 2019, with an average level of 17.2 USD/box, the second highest level after the 17.6 USD reached in 2018. At the same time, in 2018 the European market slumped into one of the most serious crises in its history (11.9 euros/box), with only a slight bounce-back in 2019 (12.2 euros/box). The latest news is further proof of the highly peculiar management of the world's number two import market. The Covid-19 crisis is extremely instructive in this respect. While in March and April 2020 there was a big world supply (production peak from Ecuador, for example) and the markets were ailing or completely saturated, the green banana spot price was at its peak in the USA, even exceeding 23 USD/box in Florida or approaching 20 USD on the West Coast. True, this period shows once again that the banana is a cheap crisis product, with a relatively good storage life and highly popular, but above all reveals precision management of volumes entering the market.

In detail, the USA imported 4 674 000 tonnes in 2019, i.e. 100 000 tonnes less than in 2018. Some 575 000 tonnes were re-exported to Canada. So net US consumption was 4 099 000 tonnes. The only country to produce statistics on organic banana imports, the USA (+ Canada) imported 463 000 tonnes, i.e. 9.9 % of their gross supply (excluding re-exports). After correcting major errors by US Customs (e.g. Guatemala does not produce organic bananas), the organic market share only dropped by 0.5 % in 2019, i.e. a rate of reduction four times slower than the overall banana market. Among the big organic suppliers, Ecuador and Mexico dragged the trend downward, while Colombia and Peru strengthened their positions.

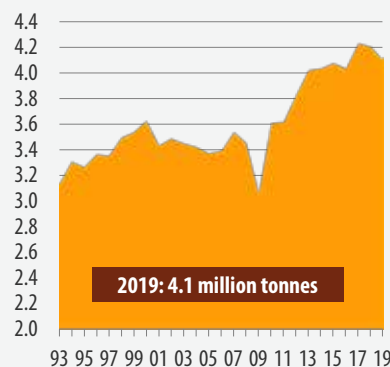
Generally speaking, the main suppliers all scaled back their contributions, except for Mexico which saw a very slight rise. Colombia confirmed its loss of market share in the USA and Canada, increasingly favouring the European market in terms of trade, though nonetheless reinforcing its position on the US organic market.

The initial data for 2020 (1st two months) confirm that the North American market fell by practically 1 % ■

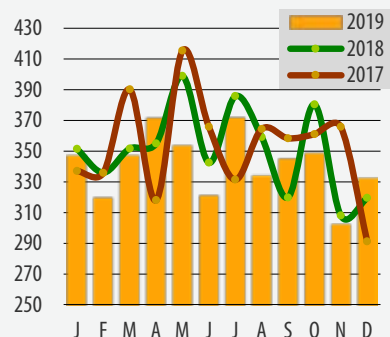
Banana - USA and Canada
Imports in 2019
(source: national Customs)



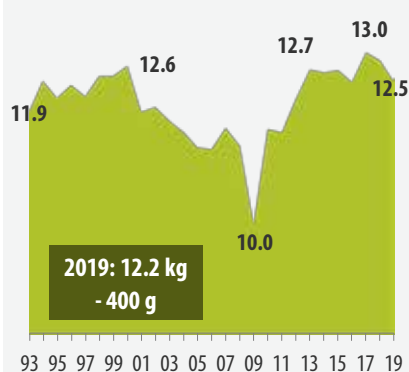
Banana - USA - Net supply
(in million tonnes | source: Customs)



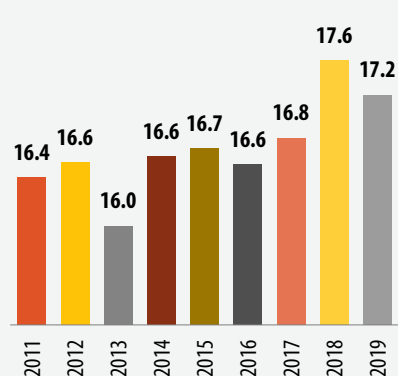
Banana - United States
Monthly supply
(in 000 tonnes | source: national Customs)



Banana - USA - Consumption
(in kg per capita | source: Customs, 2019 provisional)



Banana - USA - Annual spot import price
(USD/box | source: Sopisico)

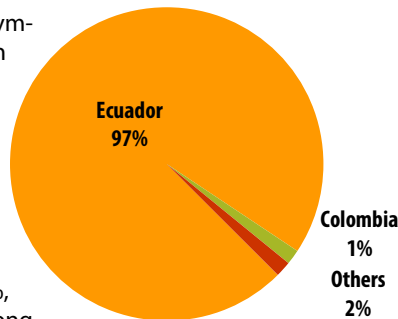


Banana Russian market

The weak link

by **Denis Lœillet**, CIRAD
denis.loeillet@cirad.fr

**Banana - Russia - Imports
by origin in 2019**
(source: Customs)



The Russian market just held on to the symbolic 1.5-million tonnes mark in 2020, with an imports figure of 1 512 000 tonnes, a really considerable fall of 3 % from 2018, an absolute record year. We should bear in mind that over the long term (five years), the market has grown by 23 %. Consumption per capita fell to 10.4 kg/year (- 300 g). The Russian market's supply structure is uncommonly simple, with Ecuador providing 97 %, and Colombia and Costa Rica following a long way behind.

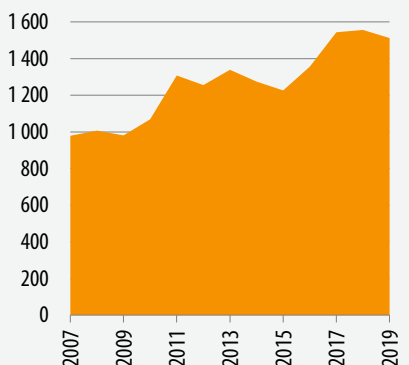
As was the case for the EU, volume management had an effect on the annual import price, which rallied somewhat back up to 13.7 USD/box CIF into Saint Petersburg, after a very depressed 2018 (12.3 USD). Converted into roubles (excluding inflation), the increase was more abrupt with the price per box climbing by 14 %, reaching a historic record level of 880 roubles/box.

We all know how much the Russian dynamic has a contaminating effect on the European banana market. The spring 2020 crisis serves as a reminder. A cocktail of increasing unloaded quantities, the rouble tumbling against the US dollar and disruptions due to the Covid-19 crisis, caused prices to collapse to 6 to 7 USD/box CIF into Saint Petersburg. Some volumes were forwarded to Poland, bit by bit contaminating nearly all European markets. So the stability of the Russian market is vital for Europe ■

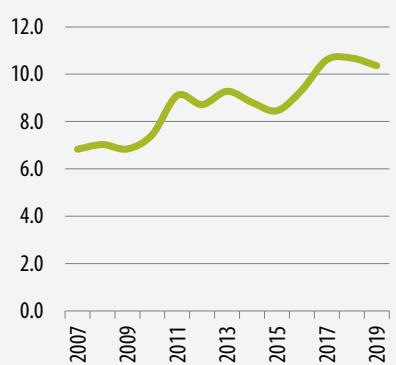


© Denis Lœillet

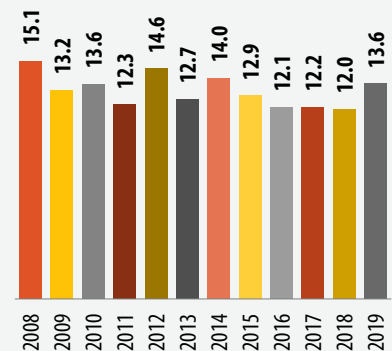
Banana - Russia - Annual imports
(in 000 tonnes | source: Customs)



Banana - Russia - Consumption
(in kg per capita | sources: Comtrade, Eurostat, Cirad)



Banana - Russia - Annual import price - CIF St. Petersburg
(USD/box | source: CIRAD)



Banana

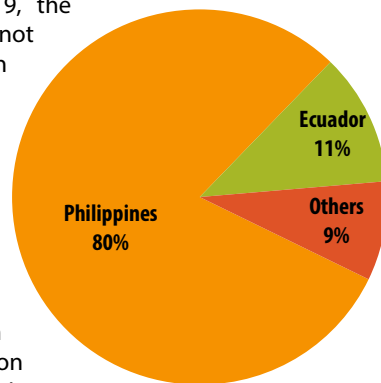
Japanese market

A really nice surprise

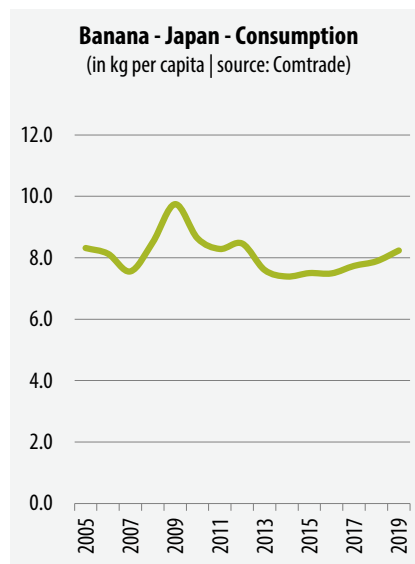
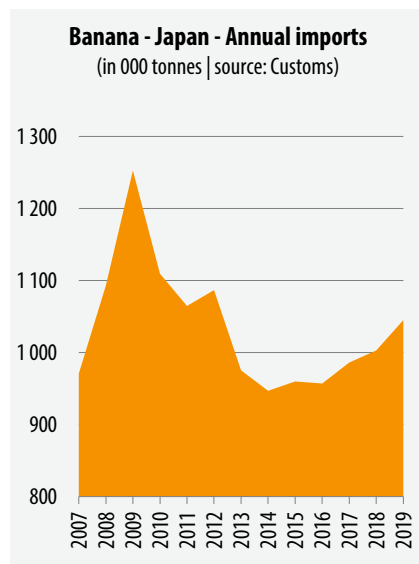
by **Denis Lœillet**, CIRAD
denis.loeillet@cirad.fr

**Banana - Japan - Imports
by origin in 2019**
(source: Customs)

In the real good news story of 2019, the Japanese market continued its rise, and not modestly either. Its annual growth rate in 2019 was 4% (+ 42 000 tonnes), reaching 1 045 000 tonnes. From the low point registered in 2014 (947 000 tonnes), the market has gained 100 000 tonnes. This performance, which bucks the trend of the big markets (EU, USA/ Canada, Russia), is all the more remarkable given that the country's population is steadily falling: 300 000 less in 2019 than in 2018, and a loss of 1.4 million inhabitants in five years. Despite this toughest of contexts, consumption per capita has risen by 350 g to reach 8.2 kg/year.



The Philippines provides the bulk of the supply, with an 80% market share, followed by Ecuador and Mexico. The latter two origins are on the rise, though a long way behind the Asian giant ■



Photos © LOLITA FRUIT

Banana Market in China

Chasing mirages

by **Denis Lœillet**, CIRAD
denis.loeillet@cirad.fr

This market was the big hit of 2019. Before plunging the world into a pandemic whose human and economic consequences are still unfathomable at the time of writing, China offered the world banana market a breather by soaking up an excess supply that could have messed up the whole sector. The Chinese giant took in an additional 400 000 tonnes of bananas in barely a year! True, in view of its population of 1.5 billion, this is a trivial performance, but if we consider the import volume of 1.5 million tonnes in 2018, it is remarkable. The growth rate was 26 %, following + 49 % in 2018 and + 17 % in 2017. The Philippines provided 53 % of Chinese imports. Yet the most astounding thing was the massive rise by the world's number one exporter, Ecuador, which in 2019 reached half a million tonnes, i.e. practically doubling in one year. Vietnam is also present on the market. Yet the situation is more complex than the statistics would lead us to believe. It is believed that there is a healthy cross-border trade with Myanmar, or even Laos.

Beyond the considerable imperfection of the Chinese statistics (just as in the number of deaths due to Covid-19), it is true that the 400 000 to 450 000 boxes per week shipped by Ecuador in 2019 made a big contribution to relieving the pressure on the other markets. The main issue is of course to find out whether the rise (on average 30 % per year since 2017) is sustainable or whether, as was the case in 2012 for example, it will run out of steam. Furthermore, will the Philippines let themselves be squeezed in their own natural catchment area? We can also say that the prices are very hard fought, and that payment conditions are difficult. In any event, courting this market has often led to catastrophe. Time will tell ■

**Banana - China - Imports
by origin in 2019**
(source: Customs)

