

Banana

EU banana supply in 2020 for each origin group

Dollar supply picking up where it left off

by **Denis Loeillet**, CIRAD
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The EU27+UK market consumed 6.7 million tonnes of bananas in 2020, setting another absolute record after a slight downturn in 2019. In terms of supply, you will recall that it was the dollar banana which drove the upward trend on its own. European and ACP production saw heavy falls. The consequence was a new record market share for the dollar banana, setting a new record of 75.5 %, as opposed to 8.9 % for the European banana and 15.6 % for the ACP banana. More than 9 out of every 10 bananas consumed in the EU were imported – another new absolute record.



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European production

European production struggled in 2020, placing a volume of 594 000 tonnes. This was a 5 % fall from 2019, and miles short of the absolute record of 811 000 tonnes from 1997. European production covered just 8.9 % of European requirements, as opposed to 9.6 % in 2019. Fortunes varied between the production zones. The two main production regions, the Canaries and the French West Indies, weighed down the overall falling trend. After an excellent 2019 in terms of volumes (nearly 400 000 tonnes), Canaries production fell by 4 % in 2020 back to around its ten-year average, at 382 000 tonnes. As a reminder, it is the only European region that sells a large proportion of its production locally (45 000 tonnes), driven by mass tourism. Martinique had a heavier fall, with a 14 % downturn to 132 000 tonnes. We need to go back to 2008 to find such a low figure. The sector's figures were depressed by the effects of intense periods of drought and the impacts of black sigatoka. Meanwhile, Guadeloupe achieved a 21 % rise. It too had to face climate vagaries and parasite attacks, but maintained its recovery dynamic from the cyclones of 2018. The fact remains that its production was still below its ten-year low water mark. Madeira stayed on course with just over 23 000 tonnes. We need to go back to 1998 to find such good figures. With 1 500 to 2 600 tonnes, Cyprus and Greece were very marginal European producers.

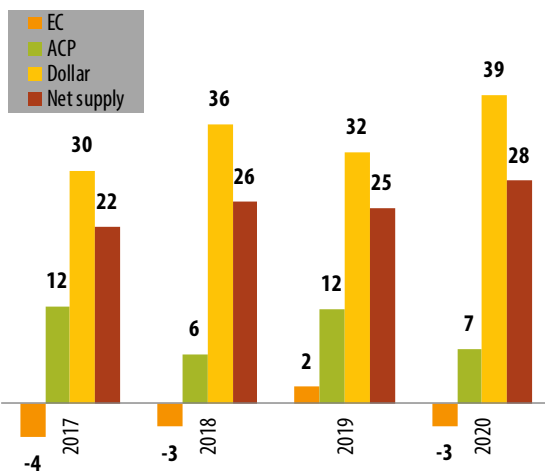
ACP origins

Like the EC supply, imports from the ACPs collapsed by 5 % in 2020. So logically the group's market share shrank over one year by 1.2 points, down to 15.6 %. It did remain above one million tonnes, but there were very few origins in the green. Among the producers that count, only Belize registered a modest rise in its exports to the EU (+ 1.4 %). Remaining in the Americas, the records will show that Suriname halted (for good?) its banana exports in 2020. In the Caribbean, exports from Saint Lucia continued to tumble. The Dominican Republic, the number one ACP, dropped by 3 % in Europe. African ACP exports fell by 4 %. Côte d'Ivoire, the number one African supplier, registered - 3 %, which given the production investment made in recent years is disappointing. In the case of Cameroon (- 3 %), we might think 2020 represented a low point. Ghana was also a long way from its record from 2019 (- 9 %). We should mention Angola, a still very marginal ACP origin which appeared on the market in 2018, but which is rapidly rising.

Dollar origins

As we always seem to be saying, the European market is becoming dollarized. For the first time, import volumes from this zone exceeded 5 million tonnes, thanks to an annual growth rate of 5.4 %! The market share of these origins saw another very considerable improvement in 2020, reaching 75.5 %. This primarily means three banana giants - Ecuador, Colombia and Costa Rica. They provide 86 % of the volumes placed on the market, leaving only crumbs for their neighbours. All three also beat their own records in 2020. Panama, Guatemala, Peru and Nicaragua each supplied between 75 000 and 300 000 tonnes, a long way behind Ecuador's 1.6 million tonnes. In terms of dynamic, Guatemala (for cyclical reasons due to the 2020 cyclones), Peru (lack of competitiveness on the organic segment, and now the appearance of TR4) and Mexico (trade-off in favour of the USA) were all down. All the other origins saw impressive rises, with Ecuador and Costa Rica registering one-year gains of no less than 10 %.

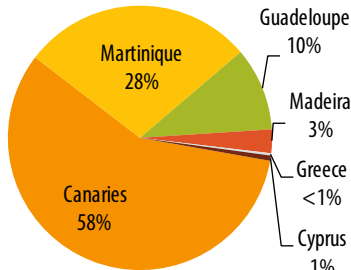
Banana - European Union
Supply dynamics by origin group
(Index 0 base 2011 | sources: Eurostat, CIRAD)



Banana - EU - Community sources

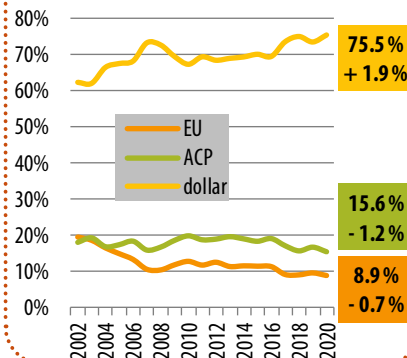
Total 2020: 646 739 tonnes

(2020/2019 | source: European Commission)



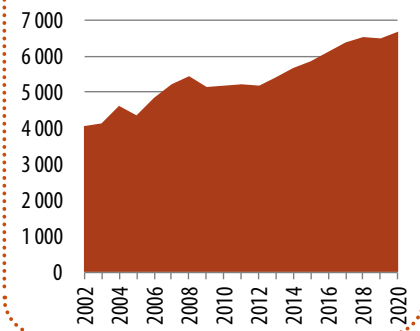
Banana - EU Market shares by origin

(source: Eurostat)



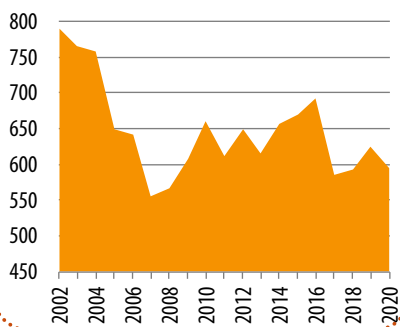
Banana - EU - Net supply

(in 000 tonnes | source: Eurostat)



Banana - EU - Community sources

(in 000 tonnes | source: European Commission)



Banana - EU - European production

in tonnes	2017	2018	2019	2020	2020/2019	
					in %	in tonnes
Total	585 582	593 786	624 425	594 198	-4.8 %	-30 227
Canaries	399 164	387 873	399 733	382 339	-4.4 %	-17 394
Martinique	119 844	150 146	154 383	132 186	-14.4 %	-22 197
Guadeloupe	40 003	30 450	43 215	52 228	+20.9 %	+9 013
Madeira	21 763	19 123	23 248	23 405	+0.7 %	+157
Cyprus	3 161	3 841	2 352	2 596	+10.4 %	+244
Greece	1 647	2 353	1 494	1 444	-3.3 %	-50

Source: Eurostat

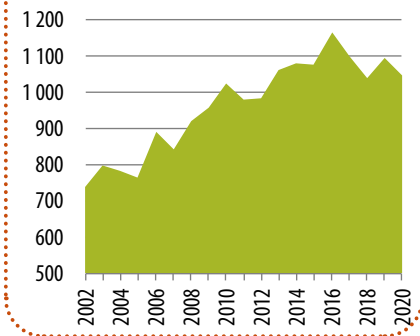
Banana - EU - Imports from ACP origins

in tonnes	2017	2018	2019	2020	2020/2019	
					in %	in tonnes
Total, of which	1 099 611	1 039 599	1 095 462	1 045 838	-4.5 %	-49 624
Dom. Rep.	305 366	300 643	365 146	354 886	-2.8 %	-10 259
Côte d'Ivoire	315 855	315 725	339 295	327 852	-3.4 %	-11 443
Cameroon	270 208	211 921	188 564	180 879	-4.1 %	-7 685
Belize	84 635	82 071	86 169	91 730	+6.5 %	+5 561
Ghana	70 372	75 406	85 113	77 285	-9.2 %	-7 828
Angola	458	3 717	4 888	7 173	+46.8 %	+2 285
St Lucia	8 291	9 692	6 447	3 812	-40.9 %	-2 635

Source: Eurostat

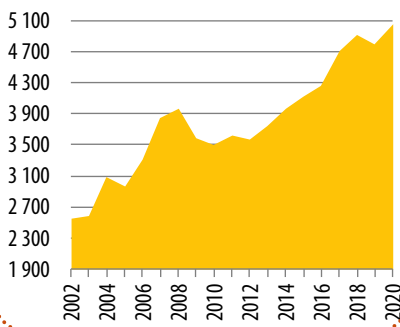
Banana - EU - Imports from ACP sources

(in 000 tonnes | source: Eurostat)



Banana - EU - Imports from dollar sources

(in 000 tonnes | source: Eurostat)



Banana - EU - Imports from dollar origins

in tonnes	2017	2018	2019	2020	2020/2019	
					in %	in tonnes
Total, of which	4 704 045	4 919 944	4 789 852	5 050 755	+5.4 %	+260 903
Ecuador	1 488 068	1 619 895	1 480 280	1 627 375	+9.9 %	+147 095
Colombia	1 413 262	1 394 694	1 406 194	1 454 462	+3.4 %	+48 268
Costa Rica	1 153 374	1 212 748	1 161 393	1 272 960	+9.6 %	+111 566
Panama	249 410	256 525	285 876	284 857	-0.4 %	-1 019
Guatemala	112 501	154 975	201 630	194 755	-3.4 %	-6 875
Peru	117 847	128 360	111 165	101 404	-8.8 %	-9 762
Nicaragua	83 205	81 307	74 658	75 167	+0.7 %	+509
Mexico	64 472	41 387	29 399	15 552	-47.1 %	-13 847

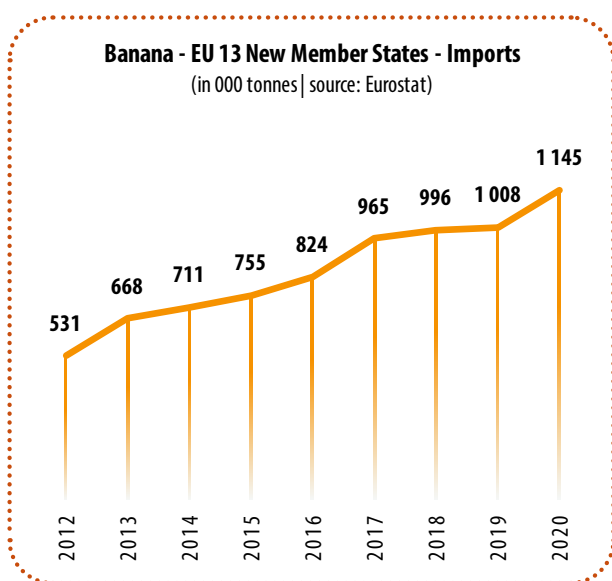
Source: Eurostat

Updated April 2021

By Member State

The same as every year, when we address this theme, we warn the reader of the difficulty of pinpointing the size and structure of the various European markets. The banana has great mobility between States, in both its green and yellow forms (after ripening). First and foremost, it is an imported product, and certain sea entry points capture large volumes, such as the Belgian or Dutch ports. All the European markets are supplied from these entry points, with Customs declaration rules which do not necessarily make it possible to trace the origin of the product (e.g. Ecuador) if it is forwarded. The origin is sometimes replaced by the name of the country where the merchandise cleared Customs (e.g. Belgium). Moreover, there is also the classic cross-border mode. For example, a French distributor has some of its bananas ripened by a ripener based in Belgium. These bananas will then be distributed in the distributor's French stores. This is also the case with the German market, which is supplied by bananas ripened further east. We can also of course add fraud. It does seem worthwhile for tricksters of all kinds: a saving of €75 per tonne for the dollar banana.

For all these reasons, we will be extremely cautious in the analysis. First let's recall the huge rise in consumption per capita. Average banana intake per capita in the EU in 2020 was 13 kg, i.e. 300 g more than in 2019, and a 1 kg gain in four years. This is an uncommon performance in the world of fresh fruits, and particularly in so-called mature products. This positive trajectory did not extend to all Member States. Yet the traditional boundary between markets in catch-up mode (especially in Eastern Europe) and mature markets (Old Europe) does not explain the variety of situations. What we can say has been a constant for years is the uninterrupted rise in consumption of the 13 New Member States (NMS). They took in 1 144 000 tonnes of bananas in 2020, i.e. 14 % more over one year, and 17 % of the EU's total consumption. Their net consumption per capita has now reached 11 kg, i.e. doubling in less than a decade. Poland has driven the trend with an annual gain of 25 %. Leaving aside probable fraud on the borders of Eastern Europe or movements of yellow bananas to Germany, the performance by the NMS is really remarkable.



Alongside this clear trend, the supposedly mature markets have discovered a renewed passion for the banana. This was the case for example in France, with the market rising year on year to reach 700 000 tonnes (+ 5 %) in 2020, with a consumption of 10.8 kg per capita. We will cover this in greater detail later in the report. We can also mention Portugal, with a growth rate of + 16 %, Austria (+ 12 %) or Italy (+ 7 %). The majority of Member States saw rising consumption. The group of countries seeing their consumption fall in volume terms includes three heavyweights of the European market: Germany (- 7 %), Spain (- 7 %) and the United Kingdom (- 4 %).

In more general terms, three Member States accounted for half of the EU27+UK's banana imports (i.e. excluding European production): Belgium (17 %), the Netherlands (17 %) and the United Kingdom (15 %). While the first two States are natural entry points for the other European markets due to their port facilities, UK imports are almost entirely for internal consumption. If we add Germany, Italy and France to the top three, these six countries cover 77 % of European import capacity.

In terms of import structure, each country has their own particularities too. If we take out the "entry point" countries (Belgium and the Netherlands), and if we look at direct imports only (i.e. excluding intra-European trade), only France and Ireland have such a low coverage rate by the dollar banana, of between 20 % and 50 % of their imports, with the rest coming from ACP origins. That figure is 98 % for Italy, 100 % for Poland, and 96 % for Spain. Of course, some of them consume ACP bananas, but this flow is attributed to other European countries which have special entry points for these bananas, such as France ■





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Banana

French market

Simply irresistible

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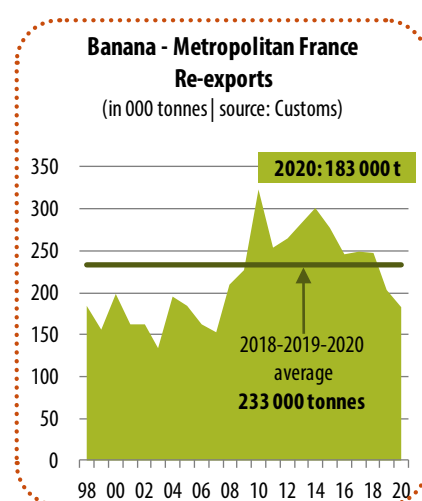
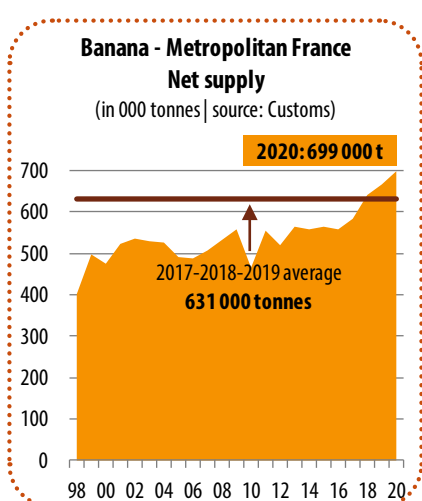
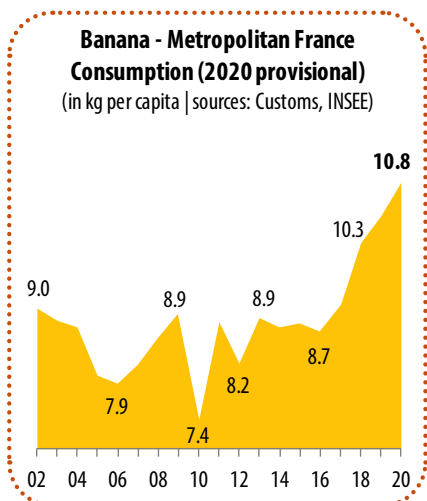
The French banana market has a highly peculiar position and trajectory within Europe. The French market is ultra-dynamic. There was a 115 000 t gain in banana consumption between 2017 and 2020. Over 2020 alone, it registered 4.7 % growth, well above the European growth level. Mainland France took in 699 000 t of bananas – an average of 10.8 kg per capita. This is a long way off the European figure of 13 kg, but the supply of competing products is not necessarily comparable between all the markets. The French market is also a re-exporting market. In 2020, 184 000 t arriving in French ports were forwarded to other EU Member States, such as Spain (84 000 t) or Germany (25 000 t). Re-export volumes have falling for a few years, a long way off the 2014 record with 301 000 t. The pandemic has greatly boosted banana consumption: it is one of the few fresh fruit products regarded as essential. This very good dynamic did not slip in 2021. The first two months were excellent in terms of volumes (albeit very disappointing in terms of value), and the estimated consumption on a 12-month sliding scale (March 2020 to February 2021) marked a new record at 708 000 t!

The French market provides the most diversified import structure in Europe. Its supply is organised based on its internal production (Martinique and Guadeloupe), which in 2020 represented approximately 24 % of its consumption, with the remaining three quarters provided by ACP and dollar imports. So, based on Customs data, it is hard to estimate the respective market shares of these two groups, due to the loss of origins labelling for volumes shipped to France from other Member States (in green or yellow form) and for volumes

forwarded by France to other Member States. So we will proceed based on the gross import figures.

There is no point in employing big calculations. The French market is becoming dollarized at a high rate of knots. The volume of dollar bananas (identified as such) has gone within the space of a decade from 49 000 t to 240 000 t. The acceleration since 2017 has been dazzling, with imports from Colombia, Ecuador and Costa Rica doubling. Between 2019 and 2020, the growth rate was 30 % (+ 55 000 t). The rule has not held up every year (2018), but there is something of a connecting vessels mechanism between the origins. The paucity of the African ACP or FWI supply benefits the dollar origins. This was typified in 2020, when ACP imports collapsed by 40 000 t, and French production by 17 000 t, while direct dollar imports increased by 55 000 t! The same phenomenon continued over the first two months of 2021.

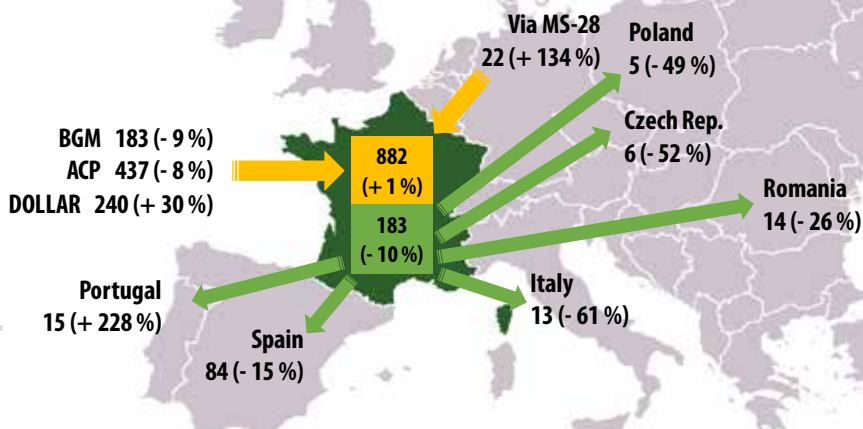
As you can see, the French market is dynamic, and the market share for each origin is changing rapidly. It remains to be determined whether the reasons for these underlying movements will last. Will the big international groups retain their interest in the dynamic of the French market? Will the appetite of operators already present on the market, whether distributors or intermediate operators, increase? Will cross-border sourcing of yellow bananas, which is already setting a trend, continue to grow? Besides business strategies, we can hail the collective actions conducted by the French banana inter-professional association (AIB), the only industry organisation of this type in Europe which works to promote banana consumption, regardless of origin ■





Banana - France Supply in 2020

in 000 tonnes
(% = 2020/2019)

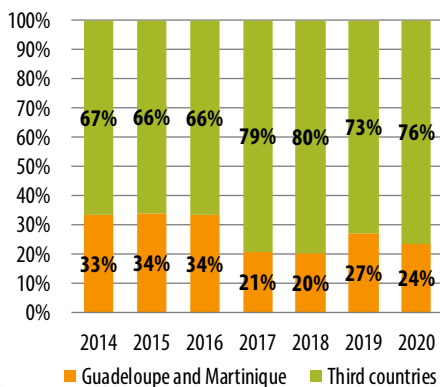


Banana – France – Supply in 2020

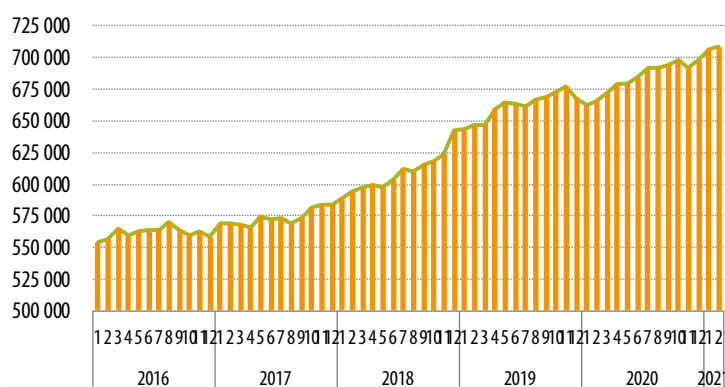
in 000 tonnes	2014	2015	2016	2017	2018	2019	2020	2020/2019 difference	
Gross supply, of which	859	842	804	833	890	871	882	+ 11	+ 1.3 %
DOM, of which	261	263	250	164	165	200	183	- 17	- 8.5 %
Martinique	189	200	183	124	136	156	132	- 24	- 15.2 %
Guadeloupe	72	63	66	40	29	43	50	+ 7	+ 15.8 %
Third countries, of which	532	541	524	653	707	662	677	+ 15	+ 2.3 %
ACP, of which	457	443	415	439	471	476	437	- 40	- 8.3 %
Côte d'Ivoire	159	148	167	194	233	280	269	- 11	- 3.9 %
Dominican Rep.	65	65	62	65	69	79	70	- 9	- 11.9 %
Cameroon	144	155	161	151	115	62	57	- 5	- 8.6 %
Ghana	15	15	14	23	36	37	39	+ 2	+ 5.0 %
Suriname	73	59	11	6	18	17	1	- 16	- 92.6 %
Dollar, of which	75	98	109	214	236	186	240	+ 55	+ 29.5 %
Colombia	30	43	42	95	102	55	93	+ 38	+ 68.9 %
Ecuador	20	22	27	52	62	56	65	+ 8	+ 14.4 %
Costa Rica	20	24	34	60	62	64	61	- 3	- 4.4 %
Guatemala	0	0	0	0	2	3	12	+ 9	+ 324.7 %
Peru	2	3	4	3	4	6	5	- 1	- 11.2 %
Via a Member State	67	38	31	16	18	9	22	+ 12	+ 134.4 %
Exports to or outside the EU	301	277	246	249	248	203	183	- 20	- 10.0 %
Net supply	559	565	558	584	642	668	699	+ 31	+ 4.7 %

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

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 US market

Simply unbeatable

by Denis Lœillet, CIRAD
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Analysts can only raise their eyes to the heavens when they have to study the US banana market, such is the degree of control there. It is a technically oligopolistic market. The volumes placed see only slow changes, in either direction, if indeed there is any change. As it happens, 2020 was a perfect illustration of this control. The difference between net supply in 2020 and 2019 was just minus 1 730 tonnes, i.e. a fall of 0.04%! Absolute control indeed.

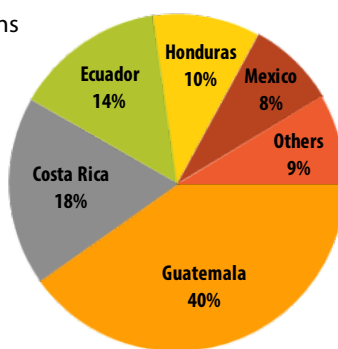
And since we are in the agricultural sector, where predictability of production levels is inherently low, we should hail the excellent trade-offs made between the origins. Especially when the number one market supplier, as well as the number four and five - Guatemala, Honduras and Mexico, respectively - were more or less hard hit by two cyclones in November 2020 (Eta and Iota). Costa Rica, and to a lesser degree Colombia, stepped in instantly to make up the losses.

So the USA imported 4 669 000 tonnes in 2020, of which 571 000 tonnes was re-exported, nearly entirely to Canada. Hence the US consumed 4 098 000 tonnes, an extremely stable figure since 2013. The organic segment share (Customs declaration) was just over 11%, i.e. 1 point more than in 2019. Ecuador held a 45% share of the organic banana market, followed by Mexico at 25% and Colombia at 16%. Struggling Peru rounded off the market with a share of 14%.

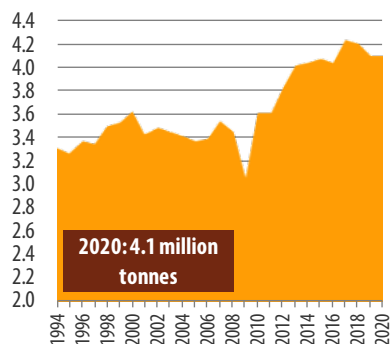
US consumption is slowly waning due to the stable supply and an increasing population. The consumption per capita in 2020 was 12.4 kg, i.e. approximately 100 g less over one year ■

**Banana - USA and Canada
Imports in 2020**

(source: National Customs)

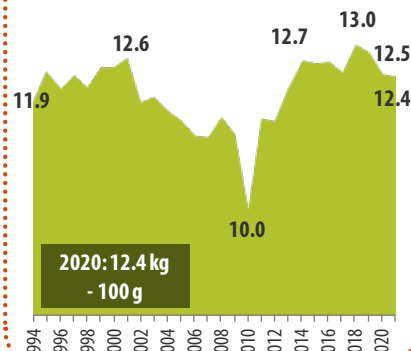


Banana - USA - Net supply
(in million tonnes | source: Customs)



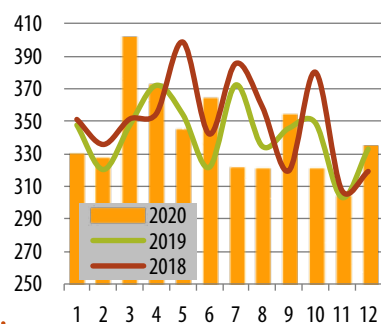
Banana - USA - Consumption

(in kg per capita | source: Customs, 2020 provisional)



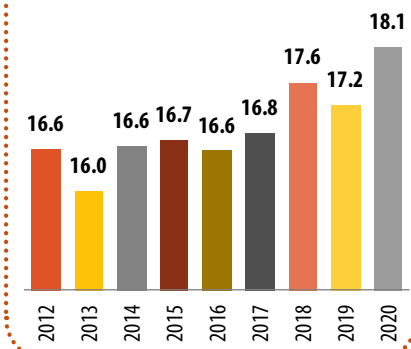
**Banana - USA and Canada
Monthly supply**

(in 000 tonnes | source: National Customs)



Banana - USA - Annual spot import price

(USD/box | source: Sopisco)



Banana

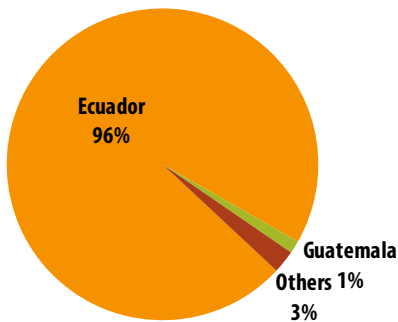
Russian market

Stable and Ecuadorian

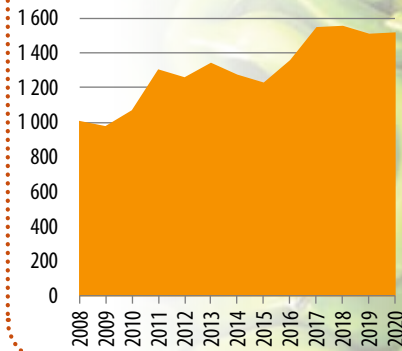
by Denis Lœillet, CIRAD
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The Russian market has lost some of the dynamic on which it embarked in 2016. It seems to have levelled out at 1.5 million tonnes, having maintained that figure for the past three years. Consumption per capita gained 50 % in one decade to reach 10.4 kg. The monthly supply tempo is marked by a high seasonal bias - monthly imports in July, August and September are below 100 000 tonnes. The very strong consumption season takes place over the first three or four months of the year, and then the last three. Russia is the exclusive domain of Ecuador, which has seized a market share of 96 %, leaving a few crumbs for Guatemala (a new origin in 2020), Colombia and Costa Rica to pick up ■

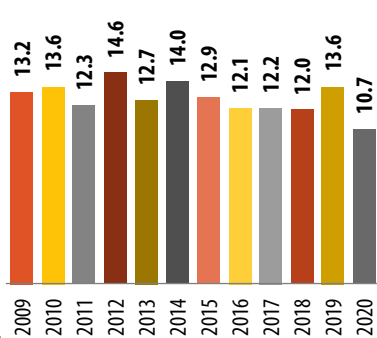
Banana - Russia - Imports by origin in 2020
(source: Customs)



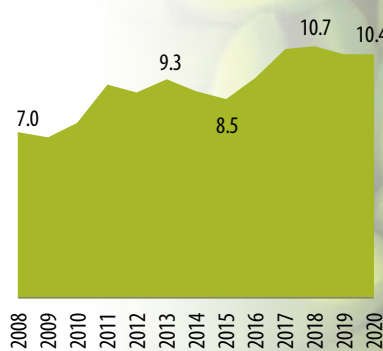
Banana - Russia - Annual imports
(in 000 tonnes | source: Customs)



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



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



Banana

Japanese market

Controlled growth

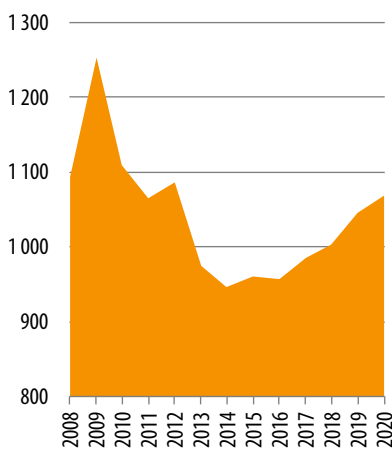
by **Denis Lœillet**, CIRAD
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It is something unprecedented: 2020 was the fourth year of growth in a row for the Japanese market. Put like that, it sounds like a revolution. We should specify that it is a small-scale, very modest revolution, since we are talking about an annual growth of 23 000 tonnes, i.e. 2 %, and a total consumption of 1 068 000 tonnes. And it is Ecuador (+ 14 % with 136 000 tonnes) which is enabling this performance, since the Philippines, the number one traditional and historic supplier, scaled back its supply by 4 %. Then came Mexico, relentlessly forging ahead year in year out with 80 000 tonnes to achieve a crazy growth rate of 47 %! Consumption per capita is very low, at around 8.4 kg/year ■

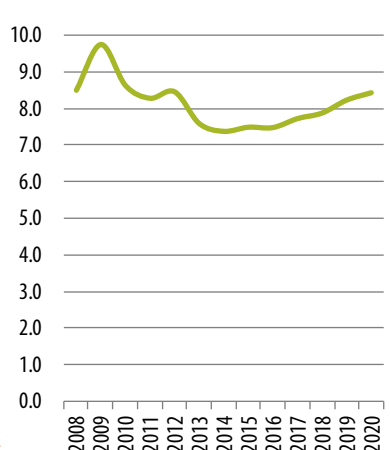


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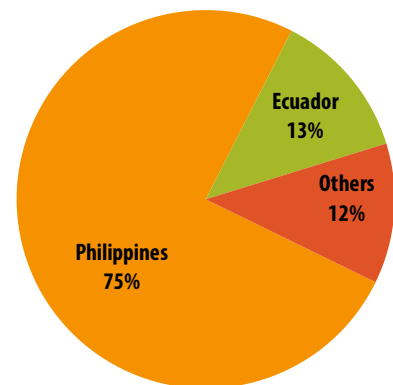
Banana - Japan - Annual imports
(in 000 tonnes | source: Customs)



Banana - Japan - Consumption
(in kg per capita | source: Comtrade)



Banana - Japan - Imports by origin in 2020
(source: Customs)



Banana

Chinese market

“Local” supply coming to the fore

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Since 2018, China has imported between 1.5 and 2 million tonnes of bananas. In 2020, imports shrank by 193 000 tonnes (- 10 %) to 1 747 000 tonnes. The Chinese market has always been dependent on the supply from the Philippines, and so reflects variations in supply from the export giant, especially those due to typhoons. This was the case again in 2020, with a huge fall in the Philippine presence (- 238 000 tonnes); yet this time, for once, it was fully replaced by the very recent surge in the export potential of countries neighbouring or close to China. Five countries (Vietnam, Cambodia, Laos, Myanmar and Thailand) now cover 35 % of total Chinese imports, as opposed to 9 % in 2015. Ecuador, after making a fine breakthrough in 2019 with 459 000 tonnes, slipped back to 330 000 tonnes in 2020. This surge by the “local” supply is an important turning point for the Philippines, which is losing market share on one of its main outlets. It is also bad news for the environment and local populations, since it is often Chinese operators which develop the plantations or provide technical support. And we cannot really say that they are interested in the agro-ecological approach say - to put it mildly! This is for example a disaster in terms of the spread of TR4 Panama disease, which seems to be the least of their worries, just as the food production sector is paying a heavy price. China is itself a big producer in the south of the country, with according to the FAO, a production level of 12 million tonnes (2019) ■

