European mango market

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An expanding market, though subject to phytosanitary constraints

The mango marketing campaign had a fairly satisfactory 2015, going by the increase in import volumes and the price levels charged. True, the supply level, although on the up, proved difficult at times with a particular source behind schedule, another source’s campaign ending early or overlapping volumes from two major supplier countries. Nonetheless, at no point did mangoes disappear from supermarket shelves. Sales prices too, besides some fairly short-lived crises, were rather high and on the rise.

Summary

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Recovery in the United States

Mango consumption in the United States took an upturn in 2015, after a cyclical downturn in 2014 apparently due to the fall in production from its main supplier, Mexico, which was hit by disastrous climate conditions. This source recovered its traditional footing. While other countries reduced their shipments to the United States, such as Peru with a considerable downturn of 11 000 t, or Guatemala (- 5 000 t), these failures were abundantly offset by the increase in exports from Brazil (+ 10 000 t), Ecuador (+ 4 000 t) and more modestly Haiti, the Philippines and secondary sources each rising by around a thousand tonnes.

Consumption in the United States is based on the large Latin American population, who are familiar with the product and are regular purchasers. Yet this hardened group of consumers does not explain the scale of the volumes imported and distributed. The product enjoys a communication campaign which is aimed right across the spectrum. Promotional funds are being harnessed for communication via the mass media; but there are also more targeted actions based on sporting events, in schools, etc. A rapid web search makes it possible to appreciate the scale of the actions undertaken by professionals to boost the mango. This type of operation and organisation is similar to that developed for the avocado, which has supported its consumption boom.
European market continuing its rise

With 290,000 tonnes of imports (including Spain) in 2015, the European market continued its rise, though at a slower tempo. More divided than the US market in terms of distribution circuits and dietary habits, the European market is increasingly opening up to the mango, with a different segmentation and clear lack of communication. The traditional markets remain the same, and continue to represent the driving force of European mango consumption. The economic context is not particularly favourable to the fruit’s progress, and yet imports are on the increase - thus we might imagine that consumption is too. The production vagaries in certain supplier countries at times hit the supply level, but overall the biggest sources increased their market share. Thus Brazil, despite a late start to its Kent winter campaign, increased its shipments by 12,000 t. Hot on its heels, Peru shipped 6,000 t more than in 2014. Côte d’Ivoire, the Dominican Republic and Mali consolidated their market shares by increasing their exports by 2,000 to 2,500 t each. More modestly, Pakistan returned to the market after a big downturn for phytosanitary reasons, with a rise of a thousand or so tonnes, as did Senegal and Mexico. Only Israel and Puerto Rico saw their shipments shrink, by 2,000 and 4,000 t respectively.

In economic terms, 2015 was visibly more profitable. Without factoring in any cost price increases for the merchandise, nor any exchange rate variations, sale prices were overall higher than the previous year, in a context of bigger volumes on the market. The perhaps uncertain comparison of the average sale price on the French market for sea-freight Kent mangoes across all sources reveals a difference of more than 2.00 euros/box between 2014 and 2015. In 2015, the low rate periods (less than 4.00 euros/box on average) occurred twice in June and December, and lasted only around two weeks. In 2014, these periods also occurred twice, but extended for longer, from three weeks to a month and a half, with average rates of 3.00 euros/box. Conversely, periods of average prices of more than 7.00 euros/box occurred three times in 2015, for more than one month, as opposed to just two short-lived periods in 2014. Besides the fact that this indicator shows the good health of the sector, it illustrates the absorption capacity of a price increase ultimately borne by the consumer. The key elements of this rise are probably a better spread of the product and qualitative improvements, with in particular the growth in ready-to-eat fruits.

The spectre of the fruit fly

In spite of seizures of mango batches by the phytosanitary services of EU Member States due to fruit fly infestation falling between 2014 and 2015, it remains a worrying qualitative problem. The seizure and destruction of infested batches hit the export companies facing this obstacle hard. They can compromise the profitability of a whole export campaign, especially for modest-sized facilities which lose their gains from one or more shipments (merchandise, packaging, transport cost, but also batch destruction expenses).

West African producer and exporter countries are particularly concerned by this problem, in view of the number of seizures made. Management actions still seem to be isolated and uncoordinated in this major production zone, despite the implementation of regional programmes which have hitherto not proven highly effective. True, the problem is complex, though the striking decrease in the number of seizures for Côte d’Ivoire would seem to show that a management plan can positively affect this parasite pressure. The reinforced monitoring and the warnings by the European Union to Côte d’Ivoire in late 2014 are a patent example of this. The mobilisation of the country’s public authorities, industry operators and the contribution of support bodies has resulted in bringing down the number of seizures in Europe, although the problem has still not been resolved.

The European regulation against the introduction of harmful organisms, listed in the Appendix of Council Directive 2000/29/EC (and subsequent updates), which include the various non-European fruit flies, appears somewhat hypocritical. It entails the destruction, pure and
simple, of contaminated batches. So there is no way out, with liability dumped onto the shipper. Ignorance of the law is indeed no defence!

The US system is completely different, although the prohibitions are of the same nature. The US administration is especially vigilant with regard to harmful organisms such as the fruit fly as, like its European counterpart, its remit is to protect national fruit crops. Yet the US regulation goes further than the one in force in Europe. It actually requires that imported mangoes have undergone heat treatment to ensure the absence of parasites in the product. To this end, every packing station in the supplier countries must accept the presence of a USDA representative responsible for checking the implementation of the required treatment. Consequently, mango batches are then imported into the US without any controls. The only question raised by this system, beyond the requisite heavy investment, lies in the intrinsic quality of the product. Does the heat treatment applied not cause damage during the physiological development of the fruit? The rise in volumes imported by the United States seems to deny this, unless US consumers are used to eating fruits which are different in terms of taste properties and structure to those distributed in Europe.

The regulations in force on the different continents are not about to be modified. But comparing them may be a source of inspiration for operators. Perhaps the industry players, especially in Africa, should study more closely and at greater length the most appropriate methods for managing the parasite pressures which are undermining trade flows.