

Banana Market in France

All lights at green

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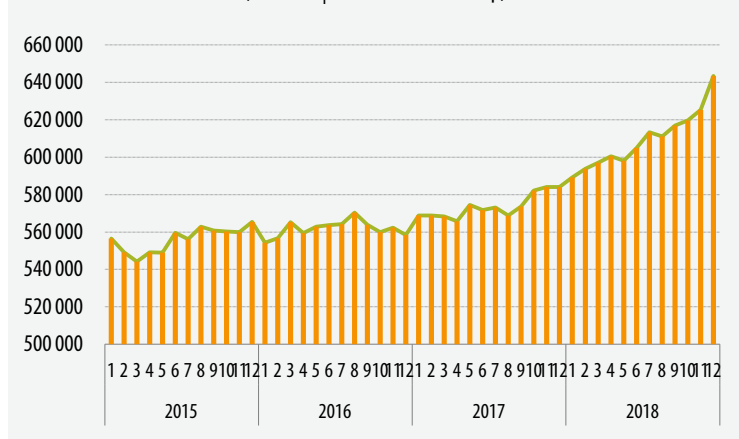
Banana – France – 2018 supply

in tonnes	2016	2017	2018	2018/2017 difference	
Guadeloupe + Martinique*	249 699	163 986	165 124	+ 1 138	+ 1 %
ACP, incl.	415 033	435 070	467 193	+ 32 124	+ 7 %
Côte d'Ivoire	167 307	194 212	232 750	+ 38 538	+ 20 %
Cameroon	160 690	150 758	114 960	- 35 798	- 24 %
Dominican Rep.	61 932	61 072	65 108	+ 4 036	+ 7 %
Ghana	13 911	22 798	36 267	+ 13 468	+ 59 %
Surinam	10 619	6 167	17 834	+ 11 667	+ 189 %
Dollar, incl.	108 577	196 833	228 268	+ 31 436	+ 16 %
Colombia	42 112	91 449	101 505	+ 10 056	+ 11 %
Costa Rica	33 549	56 507	59 407	+ 2 899	+ 5 %
Ecuador	26 741	42 328	58 765	+ 16 437	+ 39 %
Via a Member State**	31 046	37 098	30 479	- 6 619	- 18 %
Total	804 354	832 987	891 065	+ 58 078	+ 7 %
Re-exports***	245 923	248 937	247 734	- 1 203	0 %
Balance	558 431	584 049	643 330	+ 59 281	+ 10 %

* UGPBAN data | ** via another Member State, i.e. notion of origin obscured | *** mainly to other EU Member States | Sources: French Customs, UGPBAN | Processed by CIRAD-FruiTrop

Banana - Metropolitan France - Net supply on a 12-month sliding scale

(in tonnes | source: CIRAD-FruiTrop)



The French banana market has for the second consecutive year beaten a consumption record. With 584 000 tonnes in 2017, and then 643 000 tonnes in 2018, it has shown incredible dynamism. The two-year growth rate has been 15 %, and 10 % for last year alone. We might ask what is attracting people to this supposedly extremely commonplace product, which no longer fires purchasers' imagination, whose market by its own recognition has reached maturity; in short, completely the opposite of the never-ending foody circus in which consumer is immersed.

There are two opposing theories in this respect. The first holds that demand is the sole driving force for consumption – regulating and organising all the supply industries accordingly. The consumer is the master and commander. They are autonomous and independent. In short, they decide. Yet on many levels, this is an Aristotelean view of the world. The consumer is not actually active, they just respond to stimuli (promotions, price, merchandising, etc.) put on by the distribution sector. There is a feeling of freedom of choice, but this is very much restricted. In the banana world, 2018 (and even 2017) provided dazzling proof of this. With an abundant world supply, French operators were under pressure from upstream to shift volumes. They in turn pressed their sales teams to place the product. True, as we have observed, it is to the detriment of price, but in terms of volumes it worked wonderfully well. Consumption per capita reached 9.9 kg, i.e. nearly one kilo more in just a year. France has outperformed the European market, as was the case in 2017. We have to say that, although there is a big fruit supply to France due to its status as a major European producer, there is evidently still some remaining margin. We should recall that European consumption is around 12.8 kg... hence France is 3 kg short of the average, which converted into potential, gives us an amazing figure of 180 000 tonnes. Which is all very well, but at what price? That is another discussion entirely.

French banana making a comeback 2019

The highlight on the French market has been two years of a very lean domestic supply from Guadeloupe and Martinique, severely hit by two cyclones in two years. 2019 will mark the resurrection of these suppliers. The distribution circuits, partly isolated from these bananas, have been fed by other origins such as the ACP suppliers, but also the dollar origins. Since the supply, especially the dollar banana, was really massive, it sent consumption racing. The market took in nearly 60 000 extra tonnes, nearly equally divided between ACP and dollar. However, we should beware of making conclusions on the market share of each origin, since France imports 138 % of what it consumes. Hence it re-exports 250 000 tonnes (stable figure), the origin of which is technically lost. Bearing in mind that the dollar bananas arriving in France are not re-exported, and making assumptions as to the nature of re-exports from other origins (unloaded in France) and on imports from other Member States (mainly comprising bananas ripened on contract outside France), we get the following result: the ACP origins with approximately 45 %, dollar origins with 35 %, and French production with 20 %. The situation in 2019 will be radically different, with the French West Indies origins making a big comeback on their own market.

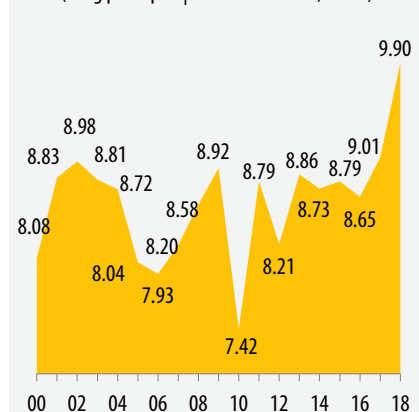
As regards the dollar supply, the leading trio of suppliers has a very traditional look, with Colombia, Costa Rica and Ecuador. The same could be said for the ACP banana, with the four major origins Côte d'Ivoire, Cameroon, the Dominican Republic and Ghana.

Re-exports from France will go to Spain, Italy, the Czech Republic and Romania.

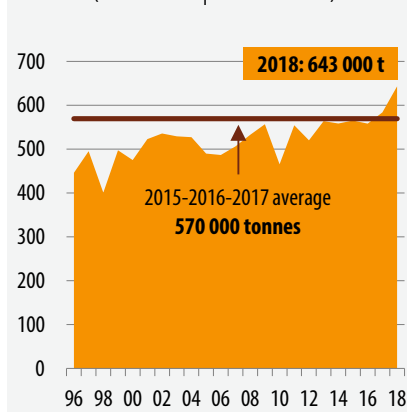
Segmentation stimulating consumption

One of the other difficulties in correctly understanding this market is down to its increasingly high segmentation, especially the organic and organic/Fairtrade labelled supplies. A recent bulletin by the Fairtrade movement, carried by our colleague Reefer Trends, announced a volume of bananas bearing this label of around 64 000 tonnes. While most of these bananas are also organic labelled (87 %), the solely organic part is still missing. Finally, there has been a proliferation of initiatives too from the FWI producers, getting involved in the niches of "Francité" (bunch sold with a fixed per-banana price, promoting France as the origin), North-North Fairtrade, and from 2019, kids' bananas. So segmentation is the rule, and is contributing to the boom in French consumption volumes. The good old British recipe has found some imitators, with convincing results. Professionals agree that, for example, on the "Francité", organic and organic/Fairtrade segments, new consumers have come knocking, and so most kilos sold in these ranges have not cannibalised market share of the conventional segment. On the flip side is the great complexity that this causes upstream. For the sake of these segments, as for the core market, we hope that 2019 will bring improved financial returns, particularly to growers. Since the only question that counts in this industry, as elsewhere, is: who has benefitted from the increasing volumes? ■

Banana - Metropolitan France Consumption (2018 provisional)
(in kg per capita | sources: Customs, INSEE)



Banana - Metropolitan France Net supply
(in 000 tonnes | source: Customs)



Banana - Metropolitan France Re-exports
(in 000 tonnes | source: Customs)

