

## Some seeds of doubt...

*The counter-season melon market seems to be stabilising, after the upward trend seen in 2016-17 as Brazil bounced back. European imports have an average level of 365 000 t. While the main suppliers did not disappoint in terms of volumes in 2018-19, the top-up origins are finding it tougher to make room for themselves on an increasingly tight market. Furthermore, the watermelon is putting the melon in the shade at certain times of year, and would seem to have reached an initial plateau. The Southern Hemisphere origins however had a good 2018-19 campaign, for both the melon and watermelon, though spring proved more complicated due to unfavourable climate conditions.*

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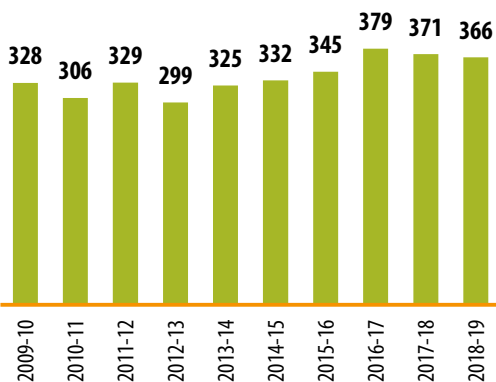
## Southern Hemisphere looking after its own patch...

Despite a slightly laborious start to the 2018-19 season, because of the late presence of the European origins, and a slight downturn on the EC market (192 000 t, i.e. - 3 % on 2017-18), Brazil ultimately obtained decent results, with good price levels. The same was true for Costa Rica (50 000 t, i.e. + 1 %) and Honduras (+ 2 %), taking advantage of the difficulties besetting the Mediterranean campaign, which was well placed until April. Above all, price levels held up better thanks to the efforts undertaken upstream, on the one hand to offer new varieties of Galia and Cantaloup better suited to the market, and on the other hand to expand the customer portfolio. Asia saw particularly significant progress. Brazil has just entered into an agreement with China for the melon, which should subsequently be extended to other products such as the grape.

Similarly, the agreements obtained by Honduras resulted in the shipment of eight containers per week to Taiwan, while other destinations have opened up and are progressing (Japan and Singapore). Honduran operators are also targeting the Latin American markets. The Mexican market has recently been opened up, and they have their sights set on the Chilean market. Their exports actually exceeded expectations, smashing the previous record by selling 281 000 t in 2018-19 (+ 6 % on 2017-18, i.e. 22 % above the 3-year average). Last year this origin became the number two supplier to the EC, ahead of Costa Rica. Producers have done a lot of work with the sanitary authorities on the Mediterranean fly monitoring programme.

The other Latin American origins, especially Costa Rica (49 800 t), and to a lesser degree Panama (1 500 t) or Guatemala (500 t) provide a top-up supply to Europe, though they are struggling to find a place on an already well-supplied market. However, the 2018-19 campaign provided a small respite. Hence production confidence has been restored, which has already for the 2019-20 campaign brought about an expansion in Brazil's surface areas.

**Melon - European Union  
Extra-EU imports - October to May**  
(in 000 tonnes | source: Eurostat)



**Melon – European Union  
Extra-EU imports (October to May)**

in tonnes	2015-16	2016-17	2017-18	2018-19
Brazil	188 954	206 355	199 080	192 272
Costa Rica	51 705	49 818	49 802	50 323
Morocco	42 889	48 934	40 786	41 625
Honduras	39 191	45 788	49 440	51 872
Senegal	11 423	14 407	17 758	18 445
South Africa	1 854	7 633	5 671	4 140
Turkey	1 527	3 901	3 386	-
Panama	4 366	2 467	1 580	2 307
<b>Total melon</b>	<b>344 980</b>	<b>379 186</b>	<b>370 993</b>	<b>366 248</b>
<b>Total watermelon</b>	<b>188 598</b>	<b>209 111</b>	<b>276 976</b>	<b>269 178</b>

Source: Eurostat

## ...Though the market sometimes stalls in spring...

The problems encountered by Morocco also benefitted the West Indian origins, although they were hampered by the winter climate conditions which affected the initial planting. Hence the French West Indies played their cards right with steady shipments between late February and late April. Conversely, the Dominican Republic found it tougher to penetrate the market, due to the price levels charged. Its shipments have fallen in recent years to 270 tonnes, as opposed to 1 500 t in 2014-15. Senegal had a slightly more mixed campaign, although export volumes were also up (18 445 t, i.e. + 4 % on 2017-18) due to the problems encountered by Morocco.

Morocco was the hardest hit, and although the 2018-19 campaign seemed decent in terms of volumes, the financial results were lacklustre. EC imports totalled 41 600 t (+ 2 % on 2017-18), but prices fell to very low levels from mid-April (<1.00 euro/kg for size 12 in week 17). The campaign was highly disrupted, with a late start to the season, after planting was deferred because of the poor climate conditions. The situation deteriorated above all in April due to the very heavy rains in March, which flooded the greenhouses, which we should recall now represent more than 50 % of surface areas in Marrakech, and affected product quality. The season also ended poorly; besides the fact that the open-field campaign regularly overlaps with the beginning of the Spanish campaign, it now faces competition from the watermelon in terms of market and logistics.

## ...Especially with the watermelon keeping a few tricks up its sleeves

Meanwhile, the watermelon market is exhibiting a variety of trends. Hence although overall the supply was slightly smaller in 2018-19 (269 000 t, i.e. - 3 % on 2017-18), it remained heavy nonetheless (20 % above the 3-year average), especially in spring. Since while the market was balanced in the counter-season, allowing the Southern Hemisphere origins to continue their progress, it was over-supplied in spring. Hence Brazil (68 700 t, i.e. + 20 % on 2017-18) and Costa Rica (55 900 t, i.e. + 29 %) recorded very big rises, Panama regained a good level (17 400 t, i.e. + 3 % above the 3-year average) and Senegal continued its steady progress (13 800 t, i.e. + 3 % on 2017-18). However volumes seemed to exceed the market's absorption capacities in spring, and although Moroccan volumes were a bit less abundant than in 2017-18 (approximately 100 000 t in 2018-19), they clashed head-on with European production on the rise. Spain registered another surge, with an export record of 175 000 t according to Proexport, and has a real asset in its seedless varieties, which represent the majority of its volumes. So there is little room for the top-up origins, such as Tunisia or Egypt, whose shipments fell to 500 t apiece, as opposed to 1 500 t in 2017-18. Hence Spanish exporters reckon that the European watermelon market had reached its peak, leaving no real growth margin, not to mention the Brexit effect, with the UK taking in 21 % of Spanish tonnages ■

Cécilia Benoit-Céleyrette, consultant  
c.celeyrette@infofruit.fr



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