



Litchi Letter

2008-2009 Campaign

Week 01-29th December 2008 to 2nd January 2009

Sulphured fruits by air	
Week	Week

On stem fruits by air	
Week 52-08	Week 01-09
↗	➔

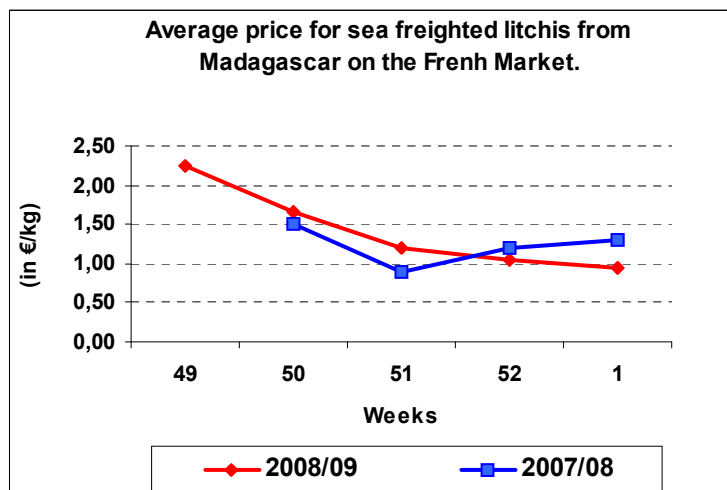
Sea freight Madagascar	
Week 52	Week 01
⬇	⬇

Sea freight South Africa	
Week 52	Week 01
⬇	⬇

The demand for litchis has dropped between Christmas and the New Year. Sales however remain important in terms of volumes but already on some European markets, there is practically no demand for the fruit. On the whole, prices stay stable for fruits of satisfactory quality. On the other hand, the number of litchis from Madagascar presenting quality defects seem to have considerably increased this week. These fruits mainly come from long storage or from containers that arrived at critical point, they are weighing on transactions and by the same way on the results of sales.

The volumes still available to which one must also add the supplies from containers are still very important while the demand is declining (as always at this period of the year). The important supplies from South Africa also contribute to complicating sales even if these latter fruits are not destined to the same customers.

The perspective of the Chinese New Year at the end of January is one of the last opportunities to promote litchis from Madagascar and increase sales. This event will certainly benefit to increasing sales punctually on some European markets. It will also help in improving sales for South African fruits.



Estimates of litchi sea freighted supplies from South Africa in Europe:

15th December: 120 tons
 22nd December: 180 tons
 29th December : 140 tons

Litchi - Estimates of incoming volumes by Air - In Tons					
Weeks	49	50	51	52	01
Mauritius	10	5/10	5/8	5/8	
South Africa	20/30				
Madagascar	10/20	5/8	5/8	2/3	2/4
Reunion	25/30	25/30	60/70	60/70	5/10
Total	65/90	35/48	70/86	65/78	7/14

Incoming tonnages Sea freighted							
Incoming tonnages				Forecasted tonnages			
Departure source	Vessels	Dates / Ports	Tonnage	Departure source	Vessels	Dates / Ports	Tonnage
Tamatave 23/11	Atlantic Trader	F / Z 22/12	3 850	Tamatave	?		600
Tamatave	Saf Marine	F / Z 22/12	1 300				
Tamatave 02/12	Mol Achievment	Rot 27/12	600				
Tamatave 03/12	Trave Trader	F / Z 29/12	3 000				

The above mentioned indications are subject to confirmation. . F: Felixstows, Z: Zeebrugge, StN: St Nazaire, VL: Vlissingen, Rot: Rotterdam

Litchi - Import Price - In euros / kg

Weeks	GERMANY		BELGIUM		SPAIN		FRANCE		HOLLAND		UNITED KING- DOM	
	52	01	52	01	52	03	52	01	52	01	52	01
Air												
Mauritius (b)							6.00-6.50	-				
Mauritius (s)												
Madagascar (s)												
Madagascar (b)												
Reunion (b)							6.50	5.00-7.00				
South Africa (s)												
Sea												
Madagascar	1.00-1.30	1.00-1.20	1.00-1.60	1.00-1.50	1.50-2.00	1.40-2.00	0.90-1.20	0.90-1.00	1.10-1.50	1.10-1.50	1.10-1.30	1.10-1.30
South Africa			2.25-3.00				1.50-2.00	1.50-1.90		1.50-2.00		

(b) : On stem /fresh ; (s) : sulphured / note :Indicative and average price given by operators most representative of the industry for fruits of satisfactory quality)

Litchi - Trends on different markets

Germany : Litchi sales dropped between Christmas and the New Year, but sales remained steady considering the reduction of working days. If prices stay stable, there nevertheless are some sales done at prices lower than those indicated above in discount stores with prices starting around 0.99€/kg.

Belgium : Difficult situation on the market resulting in slow sales. The importance of volumes available is weighing on sales and leading to a down trend in prices for good quality fruits.

Spain : Volumes sold are dropping due to a weak demand. However prices stay relatively stable for fruits of satisfactory quality. On the other hand, the market is crowded with fruits of bad quality that are sold at much cheaper prices.

France : Litchi sales were steady between Christmas and the New Year. Things however became more complicated because of the great quality difference of fruits sold. If the quality of fruits from Madagascar remains on the whole rather satisfactory there are more and more lots of fruits that are less attractive in terms of quality. Fruits are ageing with shell indurations and oxidation that are more and more frequent. Some lots presenting some mould stains have to be set aside. These lots come from fruits that have been stocked for some time, or from containers that already presented problems on arrival. This difference in quality is leading to a drop in prices. Prices however remain more steady for export sales than for those done on the local market with sometimes a difference in price that can range between 0.10€ and 0.20€/kg. The average selling price being between 0.90€ and 1.00€ per kilo for good quality fruits. This average price of course is lower if you consider prices done for fruits of poor quality.

Significant supplies from South Africa with better sales on the wholesale market where these fruits are well appreciated. The fact that these fruits are better sized gives them a considerable advantage in traditional retail stores.

The drop in price is also felt at retail level where litchis from Madagascar are often sold starting from 1.49€ or even less depending on stores.

Italy: The market is more calm after Christmas. Prices hold between 1.20€-1.30€ for fruits of good quality. The pres-

ence of lots of lesser quality complicate sales and impact on prices.

Netherlands : Steady prices for fruits of satisfactory quality. Some sales are done at lower prices starting from 1.00€/kg for ageing fruits or those presenting some quality defects. Small sales for South African fruits with higher prices especially for size XXL fruits.

United Kingdom : Slow sales on the litchi market this week. The demand seems to have shifted to more traditional commodities than exotics. On the wholesale market, supplies were mainly from Madagascar. At the end of the week, most of the fruits available had all been sold. Selling price on the wholesale market remain steady between 1.80€ and 2.00€/kg.

In supermarkets, festive sales concerned mostly traditional fruits and less litchis. Multiples are still buying litchis from Madagascar between 1.60€ and 1.70€/kg.

change rates - January 09

1 euro =

United Kingdom

0.9742 GBP

Madagascar

2 429.72 MGA (Ariary)

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Ageing litchis from Madagascar dull in aspect.



Litchis from Madagascar. Small sized fruits.



Litchis from Madagascar of standard quality. Fruits becoming dull.



Litchis from Madagascar mixed in size and colour.



Litchis from Madagascar unfit for consumption.



Litchis from South Africa of rather good quality (average size and colour).



Mixed quality litchis from South Africa . Unattractive colour.



On stem litchis from Reunion presented in bunches.



Litchis from South Africa presenting attacks of mould.