



Litchi Letter

2008-2009 Campaign
Week 03 - 12th to 16th January 2009

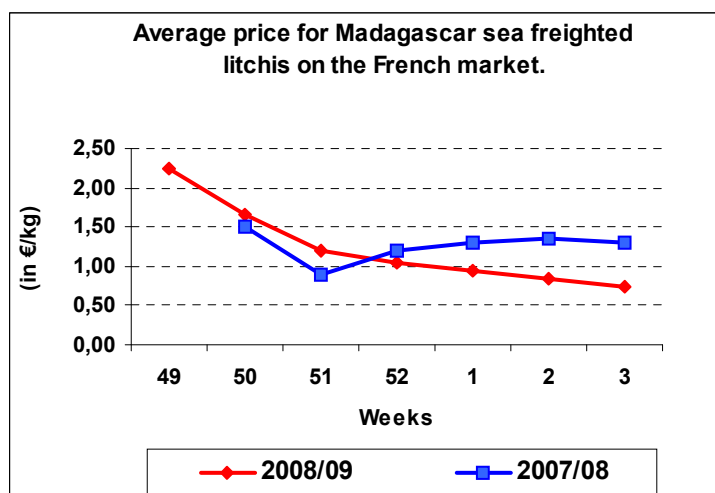
Sulphured fruits by air	
Week	Week

On stem fruits by air	
Week 01-09	Week 02-09
➔	⬇

Sea freight Madagascar	
Week 02	Week 03
⬇	⬇

Sea freight South Africa	
Week 03	Week 03
⬇	↗

Time is playing against litchis from Madagascar. Indeed fruits are fragile and this is leading to more and more quality problems (fruits lacking freshness, mould attacks etc..). The present context with a declining demand is likely to increase the drop in sales. Operators are then obliged to juggle with differences in quality as well as with different marketing channels.



Price trends have then a tendency to widen. If fruit of satisfactory quality are still sold around 0.90€ to 1.00€/kg, fruits of lesser quality are more often sold at « open prices ».

The promotion of the last lots of litchis from Madagascar could, on some European markets, benefit from the Chinese New Year effect if the fruit are of satisfactory quality. This event is important considering the fact we are entering the final phase of the campaign that should come to an end rapidly this year.

Litchi - Estimates of incoming volumes by Air - In Tons					
Weeks	51	52	01	02	03
Mauritius	5/8	5/8			
South Africa					
Madagascar	5/8	2/3	2/4		
Reunion	60/70	60/70	5/10	5/10	
Total	70/86	65/78	7/14	5/10	

Incoming tonnages Sea freighted							
Incoming tonnages				Forecasted tonnages			
Departure source	Vessels	Dates / Ports	Tonnage	Departure source	Vessels	Dates / Ports	Tonnage
Tamatave	Conventional		10 500				
Tamatave	Containers		11000/13000				

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 KINGDOM	
	02	03	02	03	02	03	02	03	02	03	02	03
Air												
Mauritius (b)												
Mauritius (s)												
Madagascar (s)												
Madagascar (b)												
Reunion (b)							6.00-6.50	-				
South Africa (s)												
Sea												
Madagascar	1.00	0.80-1.10	0.90-1.00	0.80-1.00	1.00	nc	0.80-0.90	0.70-0.80	1.00-1.25	0.90-1.25		
South Africa		2.00		2.00			1.50-1.75	1.90-2.00	1.50-2.00	1.75-2.00		

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 - Tendances par marché européen

Germany : Very difficult market for fruits from Madagascar considering the big difference in quality of fruits available. If some sales are done around 1.00€/kg for good quality fruits, an important part of supplies are sold at lower prices. For fruits presenting quality defects sales are done around 0.50€/kg. The demand for the fruit is dropping. But it could well pick up next week. Very little supplies from South Africa that are sold at much higher prices. But volumes sold are almost insignificant.

Belgium : The difference in quality of fruits from Madagascar strongly contributes to widening the price trend for litchis. Prices settle around 0.50€ to 1.00€/kg. Fruits of satisfactory quality are sold on the basis of 0.80€ to 1.00€/kg. Volumes sold continue to drop. Very small lots of fruits from South Africa sold at better prices because of their better quality and size.

Spain : No information this week.

France : Difficult and complex market. Litchis from Madagascar are not really demanded by supermarkets that have already started communicating on other commodities after the end of the end of the year celebrations. The big difference in quality for fruits still available leads to having a great difference in prices. Fruits with quality problems are all the more difficult to sell. For fruits of satisfactory quality, prices are around 0.80€/kg with some sales done at 1.00€/kg mainly towards other European markets. On the wholesale markets, most of the sales concern contentious lots this explains why prices are so low around 0.60 to 0.70€/kg.

Several operators have finished marketing fruits from Madagascar thus giving signs that the campaign is coming to its end. The coming Chinese New Year could boost the demand for fruits that will still be of satisfactory quality at the end of the month. The lack of reliability in terms of quality of fruits from Madagascar is now at hand concerning the volumes that will be available on the market for this event. It would seem that small lots of fruits from South Africa are benefiting more from the preparation of the Chinese New Year. Their better freshness and size are the main reason for this. These fruits are mainly sold in traditional stores via the wholesale markets.

End of the campaign for Reunion with the last lots of fruits received sold last week. The rapid oxidation of fruits and the low shelf life have lead to interrupting supplies. The last lots of fruits from this origin were sold on the basis of 7.00€/kg at wholesale

level for fruits of satisfactory quality.

In supermarkets of the Paris area, litchis from Madagascar were sold this week between 1.50€ and 1.95€/kg for fruits that were subject to special offers. Set aside special offers, prices were around 3.00€/kg.

Italy : Market almost non existent regarding litchi sales. Sales are done on the basis of 1.00€-1.25€/kg for fruits of good quality. Fruits from Madagascar that are of lesser quality are sold at low clearance prices.

Netherlands : As for the other European markets, prices for fruits from Madagascar vary a lot depending on the quality of fruits available. Sound fruits of fresh aspect are sold at prices mentioned above around 0.90€ to 1.00€/kg towards supermarkets and at slightly higher prices for lots sold through traditional stores. On the other hand, lots of lesser quality are sold at open prices. Up trend in prices for South African fruits available in very limited volumes.

United Kingdom : Slight increase of supplies of litchis from Madagascar on the wholesale markets while at the same time there is a drop in prices. Indeed, the increase in volumes takes place at a time when customers are not interested in the fruit and when the quality is declining. Prices for these fruits are between 1.40€ to 1.70€/kg. At multiple level, litchis from Madagascar are bought on the basis of 1.40€/kg. Presence of small lots of fruits from South Africa irregular in terms of quality. The first South African litchis of the Red Mac Lain variety were shipped this week. They should be available on the European markets in two weeks times.

change rates - January 09

1 euro =

United Kingdom

0.9742 GBP

Madagascar

2 429.72 MGA (Ariary)

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Litchis from Madagascar of standard quality.



Old litchis from Madagascar, of dull aspect and brownish colour.



Fresh litchis from Madagascar.



Litchis from Madagascar with mould stains.



On stem litchis from Reunion presenting rapid stains of oxidation on the shell.



Litchis from South Africa of good quality but mixed in colour.



South African litchis of mixed colour



Litchis from South Africa with mould stains.