



Litchi Letter

2008-2009 Campaign
Week 04 - 19th to 23rd January 2009

Sulphured fruits by air	
Week	Week

On stem fruits by air	
Week	Week

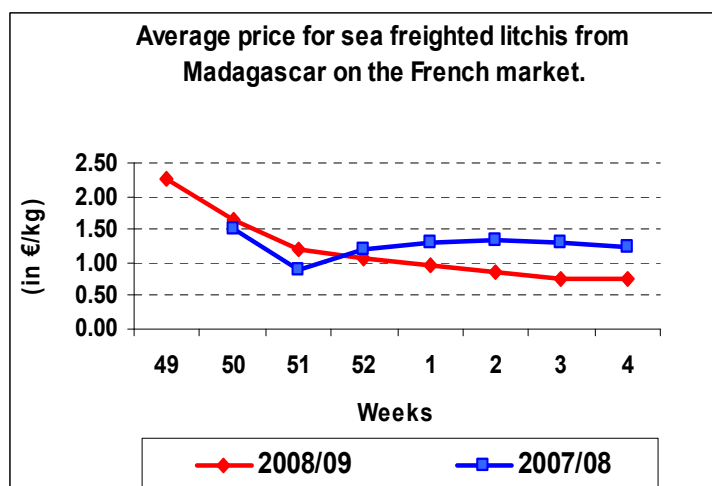
Bateau Madagascar	
Week 03	Week 04
↓	→

Bateau Afrique du Sud	
Sem 03	Sem 04
↗	↗

The marketing of litchis from Madagascar continues with stocks that are still very substantial. The campaign should go on again for another two weeks. Time is playing against fruits from Madagascar with quality that is deteriorating more and more. Sales that are much slower than expected by operators contribute to the decline of the market and an increase of the cycle: drop in sales/ quality decline/ drop in prices. Operators that still have fruits are trying to sell as much as they can on a market that is less and less interested in the fruit. If some sales are done on the basis of prices firmer than those done last week, the volumes of fruit set aside for quality reason are weighing on the average of prices done so far.

Supplies from South Africa are very weak and this allows prices for fruit of this origin to stay rather high. On some markets, the preparations for the Chinese New Year have allowed prices to increase mainly at the end of the week.

This event hasn't really had an effect on fruits from Madagascar in terms of selling prices. On the other hand, volumes sold were more important helping clear out stocks of fruits still available.



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	Container		11000/13000				
South Africa		Du 15/12 au 04/01	500				

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	
	03	04	03	04	03	04	03	04	03	04	02	03
Air												
Mauritius (b)												
Mauritius (s)												
Madagascar (s)												
Madagascar (b)												
Reunion (b)												
South Africa (s)												
Sea												
Madagascar	0.80-1.10	1.00-1.10	0.80-1.00	1.00-1.10	nc	nc	0.70-0.80	0.70-0.80	0.90-1.25	1.00-1.25	nc	1.60-1.80
South Africa	2.00	2.00	2.00	2.50-3.00			1.90-2.00	2.50-2.80	1.75-2.00	2.50	nc	3.60-3.70

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 : The market is falling behind, however attractive prices done for litchis from Madagascar favour good sales. The volumes sold even though they are declining stay substantial. The drop in quality of fruits complicates sales because fruits need to be sorted out before being exported. Very low supplies from South Africa with stable prices.

Belgium : Difficult market mainly because of the uneven quality of fruits available. Lots of satisfactory quality are sold around 1.00€/kg with some high around 1.25€/kg. For lower quality fruits sales are done according to clients and volumes requested at much lower prices.

Spain : No information this week.

France : The situation on the litchi market is difficult and complex. The preparations for the Chinese New Year impact positively on sales with an increase of volumes sold towards supermarkets. If volumes sold this week are increasing sales were nevertheless done on the same price basis as last week. On the other hand, the proportion of fruit that set aside is more and more important as time passes. Consequently this means that the commercial and financial results of the campaign continue to be declining. On the wholesale markets, prices for Madagascar fruits have been more firm this week with sales around 1.00€/kg for fruits of satisfactory quality. For fruits of poor quality, prices were open and generally very low. Clear increase of prices for litchis from South Africa that seem to be benefiting from the « Chinese New Year » effect. These fruits that are better in size and fresher in aspect naturally draw more the clients from traditional stores. The increase of price for litchis from South Africa is all the more important that volumes available are weak.

The number of supermarkets still selling litchis is dropping compared to previous weeks. Prices at retail level continue to drop. If some supermarkets are still selling litchis from Madagascar at more than 2.50€/kg, most of them now display prices more around 0.99€ to 1.80€/kg. These prices are attractive for clients but also confirm the difference of price at sourcing points.

Italy : Lifeless market for litchis from Madagascar. The great difference in quality of fruits available as well as the lack of interest in the fruit are weighing on prices. Prices are holding around 0.80€ to 0.90€/kg for fruits of satisfactory quality.

Netherlands : Progressive end of the marketing of litchis from Madagascar. There was a slight improvement of situation this week regarding volumes sold as well as prices. Some sales were done around 1.25€/kg or even more for fresh lots of good quality. At the same time, clearance sales were done for old fruits with mould stains. Increase of prices for litchis from South Africa available in weak volumes.

United Kingdom : Difficult market. Litchi supplies from Madagascar are still very much present on the wholesale markets. Sales are slow with customers showing very little interest in the fruit. The uneven quality of fruits is also impacting on the demand but most of all the demand has shifted to more traditional commodities. Prices stay stable and sometimes more firm than those done last week: 1.60€-1.85€/kg. Limited volumes of air freighted litchis from South Africa were sold around 2.40€-2.65€/kg. Sales were also slow for these fruits.

In supermarkets, supplies are mainly litchis from Madagascar. Litchis are less and less available in stores. Prices of 1.60€ to 1.80€/kg are often done for fruits of good quality but with limited sales. The first lots of sea freighted litchis of the Red Mac Lean variety are expected next week. Considering the difficult conditions on the market, and also considering the exchange rate for the pound/Euro, some operators prefer to sell fruits from South Africa on the markets of the continent.

change rates - January 09

1 euro =

United Kingdom

0.9742 GBP

Madagascar

2 429.72 MGA (Ariary)

Contact :

CTHT – BP 11 Tamatave – Madagascar

email: ctht@moov.mg

Tél: (261) 20 53 311 37 – Fax: (261) 20 53 322 04

Site Web: www.ctht.org



Litchis from Madagascar of standard quality. Fresh of good colour but mixed in size.



Litchis from Madagascar of dull aspect and lacking freshness.



Old fruits from Madagascar with rather poor colour.



Litchis from Madagascar beginning desiccation.



Litchis from Madagascar. « Blown » fruits.



Old fruits from Madagascar. Progressive indurations of shells.



Litchis from Madagascar. Stains of mould beginning to show.



Litchis from Madagascar. Important stains of mould.



Litchis from South Africa of poor colour.



Litchis from South Africa of satisfactory quality. Mixed colour.

