



Litchi Letter

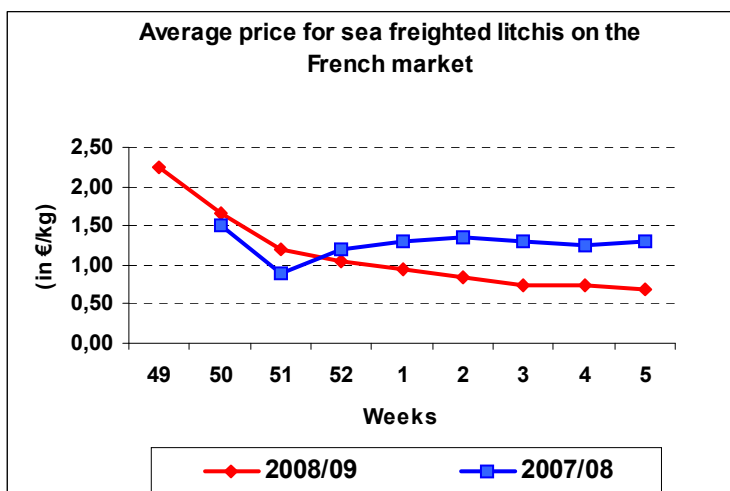
2007-2008 Campaign
Week 05 - 26th to 30th January 2009

Sulphured fruits by air	
Week	Week

On stem fruits by air	
Week	Week

Sea freight Madagascar	
Week 04	Week 05
➔	⬇

Sea freight South Africa	
Week 04	Week 05
↗	⬇



Difficult end of campaign for litchis from Madagascar. The market has entered its final phase. The demand is more and more limited on the different European markets. Following the slight renewed interest for the fruit observed last week during the preparations for the Chinese New year, the demand has dropped again. There is no more demand for litchis. Retailers are losing interest in a fruit that now has very poor shelf life. Very little operators still have some litchis. The uneven quality of the lots available request that fruit be sorted out before being sold. A significant part of the fruits still available have been withdrawn from sales for quality reasons. It is more than likely that the marketing campaign for litchis from Madagascar will end next week with clearance sales of the last lots and the withdrawal of bad quality fruits. The month of January will have been particularly difficult for litchis from Madagascar with supplies that were much more important than was the demand. The effects of the economic crisis are also impacting on the demand with consumers that are more interested in buying traditional commodities.

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 KING- DOM	
	04	05	04	05	04	05	04	05	04	05	04	05
Air												
Mauritius (b)												
Mauritius (s)												
Madagascar (s)												
Madagascar (b)												
Reunion (b)												
South Africa (s)												
Sea												
Madagascar	1.00-1.10	0.80-1.00	1.00-1.10	nc	nc	nc	0.70-0.80	0.60-0.80	1.00-1.25	1.00-1.20	1.60-1.80	
South Africa	2.00		2.50-3.00				2.50-2.80	2.00-2.50	2.50		3.60-3.70	

): 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 now closing itself to litchis from Madagascar. Prices for the fruit strongly depend on the quality of fruits available. Fruits of good quality manage to sell around 0.80€ to 1.00€/kg. Fruits of mixed quality are sold around 0.50€/kg.

Belgium : Progressive end of the campaign for litchis from Madagascar. Prices are open with very weak supplies and uneven quality of fruits available.

Spain : End of the campaign for litchis from Madagascar on the Spanish market. Remaining lots are sold at open prices depending on the quality of fruits still available.

France : The litchi market is entering its final phase after the more dynamic sales done last week for the Chinese New year. The demand is dropping this week. The last part of the campaign promises to be very difficult for litchis from Madagascar because of a reduced demand and a quality of fruits that is steadily dropping. A great number of operators have finished selling litchis from Madagascar. For the few operators that still have some fruits, sales are more and more difficult. The fruits need to be systematically sorted out before being sold. At the same time several fruits are simply set aside because of quality defects. The proportion of sound fruits is reducing while the volume of fruits with defects continues to increase. There is almost no more demand from supermarkets and markets outside of France. If good quality fruits can still be sold around 0.60€ to 0.80€/kg, most of the sales are done at open prices.

Very weak supplies from South Africa. These fruits that were sold at rather good prices last week are now dropping again after the Chinese new Year effect. The quality of fruits is rapidly degrading.

Italy : End of the marketing of litchis from Madagascar with remaining lots sold between 0.80€ and 0.90€/kg for fruits of satisfactory quality. Sales are very difficult considering the lack of demand and the rapid deterioration of the quality of fruits.

Netherlands : Some lots of litchis from Madagascar are still sold after they have been sorted out. Fruits of satisfactory quality are sold at prices mentioned above. Lesser quality fruits are either set aside or sold at open prices.

United Kingdom : The marketing of litchis from Madagascar is progressively coming to an end. On the wholesale markets there are still some fruits from Madagascar sold accordingly to their quality. Fruits of poor quality (old fruits with shell indurations and sometimes mould stains) are sold around 0.85€ to 1.10€/kg. Fruits of satisfactory quality on the other hand are sold at much higher prices (2.25€ to 2.50€/kg). The lack of competition from South African supplies contributes to boosting the prices for these fruits.

In supermarkets, litchis from Madagascar have almost disappeared. Supplies of South African litchis expected this week now seem to have been put back to next week.

change rates - January 09

1 euro =

Royaume Uni

0.9742 GBP

Madagascar

2 429.72 MGA (Ariary)

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Old litchis from Madagascar (shell indurations dull in aspect mixed in colour).



Litchis from Madagascar mixed in quality but of good aspect.



Litchis from Madagascar of mixed aspect.



Poor quality litchis from Madagascar Blown fruits smashed or over mature fruits.



Dried litchis from Madagascar with mould stains.



Litchis from South Africa of mixed colour and ripeness.



Litchis from South Africa mixed in colour. Several sulphur burns.



Standard quality litchis from South Africa (sulphur burns).



Litchis from South Africa with mould stains