



Litchi Letter

2008-2009 Campaign

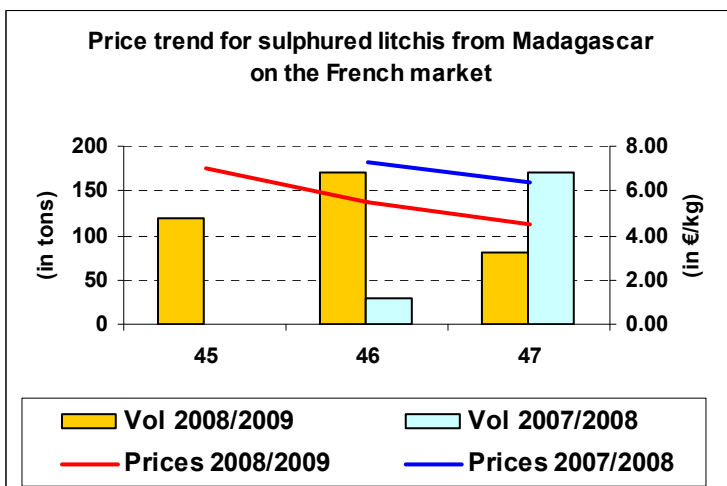
Week 47 - 17th to 21st November 2008

Sulphured fruits by air	
Week 46-08	Week 47-08
↓	↓

On stem fruits by air	
Week 46-08	Week 47-08
↓	↓

Bateau Madagascar	
Week	Week

Bateau Afrique du Sud	
Week	Week



The market conditions are still difficult this week. Stocks are selling very slowly because of the lack of demand. Litchis are not « trendy » and consumers' reaction are mild. Even if prices are on a down trend at wholesale level, they remain high in retail stores. Considering the actual economic conditions, consumers are cutting back on some goods and concentrating only on less expensive commodities. The marketing campaign for air freighted litchis will improve in the coming weeks only if there is less pressure on supplies. If supplies are to be reduced and if the demand is to pick up a bit, sales could very well improve and prices be more stable.

The marketing campaign for sea freighted litchis should begin during week 49 with the arrival of the first conventional vessel. The « Hansa Vilby » started loading as soon as the campaign was officially launched in the Tamatave area on November 14th. Loading operations ended on November 18th and the vessel sailed on that morning with approximately 4850 tons of fruits. This vessel is expected at Vado (Italy) on December 2nd for a partial offloading of its shipment. The vessel should then sail for another European port (in the North). The second vessel « the Comoros Stream » arrived with some delays, it docked at Tamatave on the 18th November. Loading operations began in the night of the 18th to the 19th November. Loading operations for this vessel are taking more time and it is not expected to sail before Sunday November 23rd. It should arrive in Europe around the 15th. Its cargo is estimated to be similar to that of the first vessel that sailed.

The accumulation of volumes expected in Europe before Christmas should be around 11 000 tons against 17 000 tons for the previous campaign. This year, the arrival of ships should spread on two or three weeks considering the early beginning of the campaign. Last year, all the vessels had docked during week 50. The current conditions on the market are not good, however the arrival of sea freighted fruits that are less expensive and widely sold before the end of the year celebrations could help boost consumption of this festive fruit.

Litchi - Estimates of incoming volumes by Air - In Tons					
Weeks	44	45	46	47	48
Mauritius	3/5	30/40	30/40	30/40	
South Africa			10/20	40/50	
Madagascar		110/120	160/170	70/80	
Reunion			8/10	20/25	
Total	3/5	140/160	208/240	160/195	

Litchi - Arrivages par bateau - En tonnes							
Incoming tonnages				Forecasted tonnages			
Departure source	Vessels	Dates / Ports	Tonnage	Departure source	Vessels	Dates / Ports	Tonnage
				Tamatave 12/11	Porte conteneurs	07-08/12	1 000
				Tamatave 18/11	Hansa Vilby	VD 02/12 VL 08/12	4 850
				Tamatave	Comoros Stream	15/12	

The above mentioned indications are subject to confirmation.

Litchi - Import Price - In euros / kg

Weeks	GERMANY		BELGIUM		SPAIN		FRANCE		HOLLAND		UNITED KING- DOM	
	46	47	46	47	46	47	46	47	46	47	46	47
Air												
Mauritius (b)							8.00-8.50	4.00-8.00				
Mauritius (s)	7.00-7.50	nc	5.50-6.00	5.00		5.50-6.00	5.00-6.00	3.00-5.00	5.50-6.00	4.00		
Madagascar (s)			5.50-6.00	5.00			5.00-6.00	4.00-5.00	5.50-6.00	4.00-5.00	8.00-8.15	5.35
Madagascar (b)								6.00-6.50				
Reunion (b)							9.00-10	7.00-9.00				
South Africa (s)	6.50-7.00	nc		5.00			5.00-6.50	5.00-5.50	5.50-6.00	4.75-5.00	11.50	11.50
Sea												
Madagascar												
South Africa												

(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 : No information this week.

Belgium : Prices are dropping again on the Belgian market. Prices are being aligned for all the origins present on the market. Operators consider that the campaign began too early and they are having a hard time motivating retailers considering the actual economic difficulties. The quality of fruits on the market is deemed satisfactory. South African fruits however taste better than those of other origins available. Fruits are also of better size. On the other hand they have a less attractive colour.

Spain : Beginning of the marketing of litchis with mainly fruits from Mauritius. The demand is still very low for the time being. Retailers are waiting for sea freighted fruits to start special offers.

France : Difficult market with almost no demand. Although volumes were reduced in a significant manner this week, supplies are still high. Quality for fruits that are in stocks is rapidly declining forcing operators to make concessions on prices in order to sell as much fruits as possible. Under the pressure from supplies, prices for litchis are dropping day after day. If average sales are done around 4.50€/kg, some other sales are done at much lower prices. It is difficult to maintain such low prices considering the cost involved mainly those related to air freight rates. Considering the current situation, South African fruit sell better because of lower air freight rates. On the whole quality for sulphured fruits is deemed satisfactory. Some lots however seem to present limited mould issues. For fresh on stem or stripped fruits, the drop in prices is highlighted by the fragility of fruits. Thus some fruits from Mauritius and Reunion were sold at clearance prices because of the beginning of oxidation process.

The presence of litchis in supermarkets is very limited, with boxes found here and there. Some retail prices noted were around 7.95€/kg for sulphured fruits from Madagascar, and more than 16.00€/kg for on stem fruits from Mauritius.

Italy : The interest of supermarkets for litchis has slightly increased this week. For all that, sales are still limited. Fruits from Mauritius are sold on the basis of 4.50€ to 4.75€/kg for sulphured fruits.

Netherlands : Stable demand with slow sales. The market is all the more difficult that supplies are heavy and coming from several origins. The good size of South African fruits gives them a certain advantage on the market. The dull situation on the market is reflected by the drop in prices.

United Kingdom : Supplies are still very limited on the market. Prices remain the same for South African fruits sold mainly in supermarkets and retail stores. On the other hand there is a strong drop in prices for Madagascar fruits mainly sold on the wholesale markets.

change rates - November 08

1 euro =

United Kingdom

0.7907GBP

Madagascar

2 332.16 MGA (Ariary)

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On stem litchis from Madagascar. Packaging is un adapted to fruits.



On stem litchis from Madagascar. Good size beginning of oxidation process on shell. Good eating quality



Litchis from Madagascar of homogeneous colour and size.



Litchis from Madagascar affected by mould.



Litchis from Madagascar in tray boxes.



Litchis from Madagascar of satisfactory quality.



Litchis from South Africa homogeneous in colour and size.



Litchis from South Africa of poor colour and dull aspect.



Litchis from Mauritius of homogeneous quality.



Litchis from Mauritius of mixed quality (in size and colour).



Fresh litchis from Reunion packed in 1 kg bags (5 bags per box).



On stem litchis from Reunion. Mixed colour and size. First signs of oxidation on some fruits.