



Litchi Letter

2008-2009 Campaign

Week 48 - 24th to 28th November 2008

Sulphured fruits by air	
Week 47-08	Week 48-08
↓	↓

On stem fruits by air	
Week 47-08	Week 48-08
↓	↓

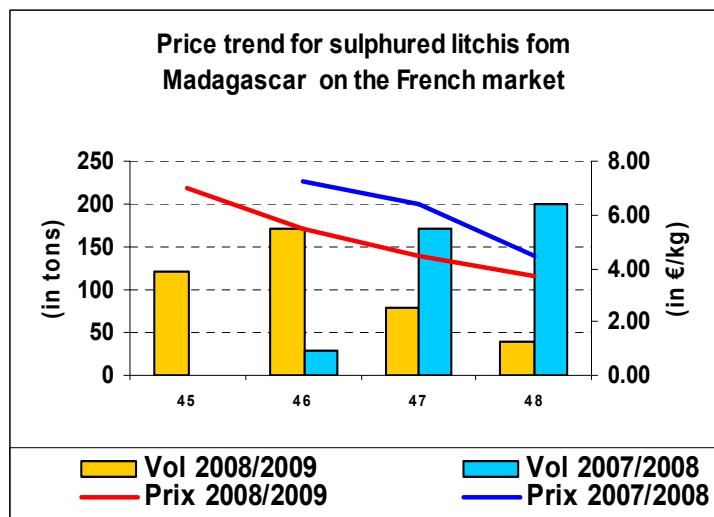
Bateau Madagascar	
Week	Week

Bateau Afrique du Sud	
Week	Week

The marketing of litchis hasn't got any better this week especially considering the weakness of the demand. Supplies received during the previous weeks added to the incoming volumes of this week sold very slowly. The multiplicity of origins available did not help in improving the situation on the market that stayed rather blurred even though volumes received were less important. The marketing channels seem reluctant this year to start early selling of litchis especially for air freighted fruits that are still very expensive at retail level and might drive away customers' demand for the fruit. The present attitude of the different marketing channels can be explained by the fact that they are all waiting for the first sea freighted fruits from Madagascar that should be sold at more attractive prices than those done for air freighted fruits.

This week can be considered as a transition period, always very delicate, between the « air » and « sea » freighted campaign. Operators must adapt their orders for air freighted fruits in order to have just enough fruits to last them till the first sea freighted fruits are available to avoid having to sell the rest of the air freighted at fruits at cheap prices.

The second conventional vessel, the « Comoros Stream » sailed from Tamatave on Sunday 23rd November with a cargo of 4800 tons of litchis. It is expected to arrive in Europe around 15th December.



Litchi - Estimates of incoming volumes by Air - In Tons					
Weeks	44	45	46	47	48
Mauritius	3/5	30/40	30/40	30/40	30
South Africa			10/20	40/50	40/50
Madagascar		110/120	160/170	70/80	30/40
Reunion			8/10	20/25	30/40
Total	3/5	140/160	208/240	160/195	130/160

Next week will be marked by the arrival of the first conventional vessel coming from Madagascar, the « Hansa Vilby ». This vessel should do a fist call at the port of Vado (Italy) to off-load fruits destined for the markets of the South of Europe. It should then sail to dock at Vlissingen-Flushing (Netherlands) to achieve off-loading its cargo and satisfying the demand coming from the North European markets. This way of sharing volumes aims to ensure a better marketing process of the fruits. The fact that vessels took more time to load the vessels should guarantee better quality of fruits operators having had more time to treat and pack fruits.

Incoming Sea freight tonnages in Tons							
Incoming tonnages				Forecasted tonnages			
Departure source	Vessels	Dates / Ports	Tonnage	Departure source	Vessels	Dates / Ports	Tonnage
				Tamatave 12/11	Container vessel	07-08/12	1 000
				Tamatave 18/11	Hansa Vilby	VD 02/12 VL 08/12	4 850
				Tamatave 23/11	Comoros Stream	15/12	4 800

The above mentioned indications are subject to confirmation.

Litchi - Import Price - In euros / kg

Weeks	GERMANY		BELGIUM		SPAIN		FRANCE		HOLLAND		UNITED KINGDOM	
	47	48	47	48	47	48	47	48	47	48	47	48
Air												
Mauritius (b)							4.00-8.00	3.00-3.50				
Mauritius (s)	nc	nc	5.00		5.50-6.00		3.00-5.00	3.00-5.00	4.00	4.00		
Madagascar (s)			5.00			5.00-5.25	4.00-5.00	3.40-4.00	4.00-5.00	4.00	5.35	4.10-5.35
Madagascar (b)							6.00-6.50	6.00				
Reunion (b)							7.00-9.00	5.50-7.00				
South Africa (s)	nc	nc	5.00	4.00			5.00-5.50	3.00-4.50	4.75-5.00	3.20-3.50	11.50	11.50
Sea												
Madagascar												
South Africa												

(b) : branchés/frais ; (s) : soufrés / note : prix indicatifs et moyens pour des fruits de qualité satisfaisante, recueillis auprès des opérateurs représentatifs

Litchi - Trends on different markets

Germany : No specific information this week. Some lots of litchis were sold but volumes are scarce. These fruits are sold through traditional channels. Operators are all waiting for the first sea freighted litchis to « really » start their marketing campaign.

Belgium : The market is more orientated towards South African fruits. The demand is weak for the fruit.

Spain : Slow sales for fruits from Madagascar. The demand for fruits is however progressing slowly. Low prices for sea freighted fruits should boost consumption.

France : Very difficult market considering the volumes available and the weakness of the demand. In addition, the great difference in quality has contributed to widening the price trend with sales at low prices. This down trend is more specific for fresh fruits that have short shelf life. On stem litchis were thus sold around 6.00€/kg at retail level last week end on some markets in Paris. The situation somewhat got better at the end of the week, prices did not improve but sales were more dynamic. A lot of operators put an end to their imports to avoid having stocks of fruits when the first sea freighted fruits would be put on the market. Supplies ran short even if the very weak demand wasn't even met. The few lots eventually available at the beginning of next week should sell rather well if their quality is satisfactory. In supermarkets around Paris litchis from Madagascar were sold this week around 6.90€/kg. Some stores were selling the same fruits around 5.25€/kg on special offers. Sulphured fruits from Mauritius were sold between 5.50€ and 6.00€/kg. Some fruits from South Africa were sold starting from 3.90€/kg up to 8.00€/kg showing the big difference in quality for fruits available.

Italy : No information this week. Operators are waiting for the first vessel from Madagascar. The call to Vado at the beginning of next week should help in improving the demand for the fruit.

Netherlands : The demand is still very limited for the fruit. However sales were better this week in terms of volumes showing a growing interest of retailers for the fruit. On the other hand, there was a drop in prices for South African fruits. Considering the still weak demand some operators are trying to boost sales by acting on prices. Considering the call of the litchi vessel in Italy, some Dutch importers will continue next week with some air freighted fruits in order to make the junction with the first lots of sea freighted fruits. Prices should then remain the same next week.

United kingdom : Reduced supplies this week, operators are waiting for the first sea freighted litchis. On the wholesale market litchis from South Africa and Madagascar are sold between 4.10€/kg and 5.40€/kg. In supermarkets, litchis from South Africa are sold on the basis of 2.32€ for punnets of 200g. .

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. Satisfactory quality.



Litchis from Madagascar of homogeneous quality.



Litchis from Madagascar of satisfactory quality.



Litchis from Madagascar with stains of mould.



On stem litchis from Mauritius with oxidation stains.



Litchis from Mauritius of satisfactory quality.



Fresh litchis from Reunion in 5/6kg boxes.



On stem litchis from Reunion presented in bunch.



Litchis from South Africa of homogeneous quality.



Not so attractive litchis from South Africa mixed in colour.

