



Litchi Letter

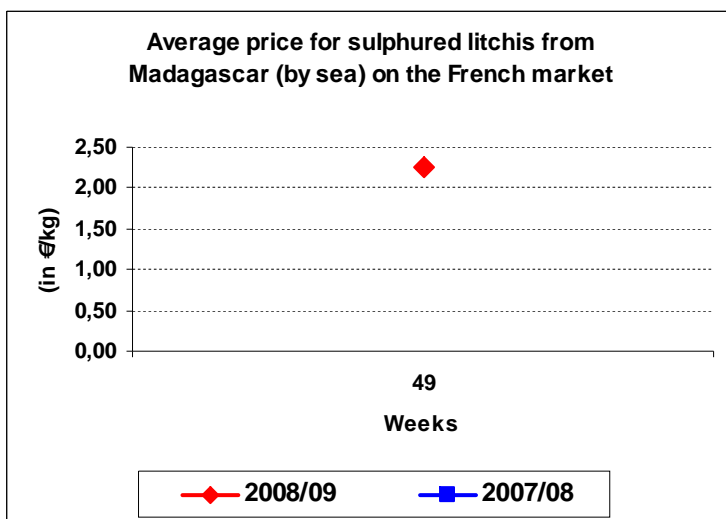
2008-2009 Campaign
Week 49 - 1st to 5th December 2008

Sulphured fruits by air	
Week 48-08	Week 49-08
↓	→

On stem fruits by air	
Week 48-08	Week 49-08
↓	→

Bateau Madagascar	
Week	Week

Bateau Afrique du Sud	
Week	Week



W eek 49 was marked by the arrival of the first conventional vessel of litchis from Madagascar. The « Hansa Visby » docked at Vado (Italy) in the morning of Tuesday 2nd December. Off-loading operations began in the afternoon allowing the first shipments of fruits to be done at the end of the day. Fruits were thus available on several European markets from Wednesday 3rd December. This first stopover concerned only a third of the vessel's cargo, volumes were then quickly shared out according to programs established with retailers. It will only be next week that we will know if the fruit was « well » accepted by consumers. It is indeed according to how fruits will have been sold during the week end that operators will be able to forecast the demand for the following days. Spreading out deliveries is a good way to ensure good market conditions until Christmas. The first vessel will finish unloading its cargo in the Netherlands on December 9th allowing a certain alternation between markets of the South and the North of Europe. Some days later (December 11th), the second vessel will unload part of its cargo at St Nazaire (France) before continuing to the Netherlands where it will finish off-loading its cargo. Importers' worries are now turned towards the different markets' reactions during December. The actual demand for fruits and vegetables is rather weak. Consumers are more concentrating their purchases on basic commodities than on rare fruits. The crisis in consumption on the European markets has considerably affected the demand for imported fruits. Hopes are now that consumers will spend more during the end of the year celebrations. The general gloomy situation might accentuate an evolution that has already been going on for some years now and that is illustrated by the fact that festive purchases are now mostly concentrated during the week before Christmas. Christmas falling this year on a Thursday could also be considered as an advantage, people will use the week end to spend more time with their families.

Litchi - Estimates of incoming volumes by Air - In Tons					
Weeks	45	46	47	48	49
Mauritius	30/40	30/40	30/40	30	10
South Africa		10/20	40/50	40/50	20/30
Madagascar	110/120	160/170	70/80	30/40	10/20
Reunion		8/10	20/25	25/30	25/30
Total	140/160	208/240	160/195	125/150	65/90

Incoming tonnages							
Incoming tonnages				Forecasted tonnages			
Departure source	Vessels	Dates / Ports	Tonnage	Departure source	Vessels	Dates / Ports	Tonnage
Tamatave 18/11	Hansa Visby	Vado 02/12	1 700	Tamatave 12/11	Container vessel	06-07/12 F 09/12 Z	1 000
				Tamatave 18/11	Hansa Visby	VL 09/12	3 150
				Tamatave 23/11	Comoros Stream	15/12 St N 20/12 VL	4 800

The above mentioned indications are subject to confirmation.

Litchi - Import Price - In euros / kg

Weeks	GERMANY		BELGIUM		SPAIN		FRANCE		HOLLAND		UNITED KINGDOM	
	48	49	48	49	48	49	48	49	48	49	48	49
Air												
Mauritius (b)							3.00-3.50	5.00-6.00				
Mauritius (s)	nc	nc					3.00-5.00	4.00-4.50	4.00	4.00		
Madagascar (s)							3.40-4.00		4.00		4.10-5.35	2.90-3.45
Madagascar (b)							6.00	6.00				
Reunion (b)							5.50-7.00	5.50-6.00				
South Africa(s)	nc	nc	4.00		4.00		3.00-4.50	3.00-5.00	3.20-3.50	3.20-3.30	11.50	2.90-3.45
Sea												
Madagascar		2.00		2.50-2.75		2.25-2.50		2.00-2.50		2.25-2.50		
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 : Beginning of the marketing of the first fruits from Madagascar during the middle of the week. Retailers interest for the fruit is still mild considering limited volumes available. The market should be more active in the coming weeks with the increase of supplies.

Belgium : Little enthusiasm for litchis with a rather weak demand.

Spain : Arrival of the first litchis from Vado. Despite the drop in price compared to that of air freighted fruits, the demand is still very low for the fruit. The gloomy situation on the market does not help in improving the demand for the fruit at weeks from Christmas.

France : The last lots of sulphured « air freighted » litchis were sold at the beginning of the week just before the arrival of the first conventional vessel from Madagascar. These were mainly fruits from Mauritius and South Africa. The apparent slack period in supplies created by the imminence of the arrival of « sea freighted » fruits allowed a slight increase in prices for remaining air freighted fruits. The large price trend noted for South African litchis can be explained by the different size of fruits proposed. Highest prices being paid for big size fruits (XXL). The reduction of supplies of on stem litchis from Mauritius also allowed prices to be on an uptrend this origin this week. On the other hand this increase in prices did not benefit to supplies from Reunion that were still very substantial and of mixed quality.

Wednesday and Thursday marked the beginning of the marketing of the first sea freighted litchis from Madagascar. The first sales seem to have been rather satisfactory. Indeed limited volumes available were rapidly absorbed by retailers that had been shy in ordering air freighted fruits so far. Wholesale markets also received their first supplies. Prices done were around 2.20€-230.€/kg. Some sales were done at lower prices for large orders destined to supermarkets or for re exports. Price range is wide and depends on where sales are done. Prices taking into account the extra costs linked to reaching the final destination points.

The quality of the fruits of the first vessel was on the whole satisfactory although mixed in terms of colour and size. There are however some quality defects mainly mould. These are limited problems not expected to evolve. These problems could however have an effect on the prices of these lots.

Italy : The first lots of litchis from Madagascar were sold in middle of the week. The limited volumes allow fruits to sell well. The retailers are going through a transition period with the simultaneous availability of air and sea freighted fruits. The first fruits of the « Hansa Visby » were sold on the basis of 2.40€ to 2.50€/kg. Quality of fruits from Madagascar is deemed disappointing for the first fruits received (some fruits showing limited mould stains due to contact).

Netherlands : The first « sea freighted » fruits didn't reach the market until the second half of the week because of delays due to transport from Vado. The delay taken by sea freighted fruits before arriving on the market helped maintain good prices for the remaining air freighted fruits.

United Kingdom : Gloomy market this week and limited activity at retail level. Most operators have considerably reduced their supplies waiting for the first sea freighted fruits from Madagascar. Thus the rare sales done this week are not really representative. On the other hand, on the wholesale markets there are still some fruits from South Africa and Madagascar sold on the basis of 2.90€ to 3.45€/kg. Sale for these fruits are very slow. South African fruits are deemed too green and less attractive. Operators are waiting for the arrival of the first vessel in Vlissingen. They hope that the arrival of the « sea freighted » fruits will give the opportunity to supply less expensive fruits and also boost the demand for litchis. In addition, the container vessel that sailed from Madagascar on 12th November should arrive this week at Felixstowe where it will unload 2/3 of the thousand tons of its cargo. This vessel will then finish off-loading at Zeebrugge.

change rates - December 08

1 euro =

United Kingdom

0.8358 GBP

Madagascar

2 328.35 MGA (Ariary)

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Docking of the Hansa Visby at Vado



Sea freighted litchis from Madagascar mixed in colour and size.



Limited mould stains on sea freighted litchis from Madagascar.



On stem litchis from Mauritius of satisfactory quality.



Bunch litchis from Mauritius. Fruits lacking freshness.



Sulphured air freighted litchis from Mauritius of satisfactory.

Air freighted litchis from South Africa pale in colour. Advanced maturity of some fruits.

