



Litchi Letter

2008-2009 Campaign
Week 50 - 8th to 12th December 2008

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

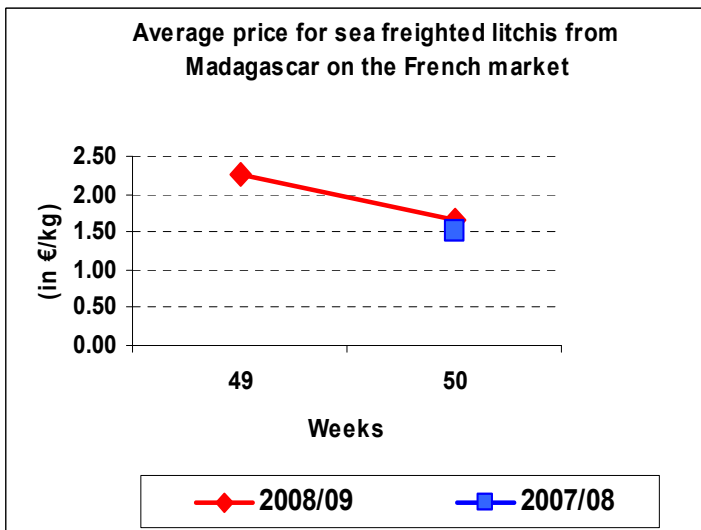
On stem fruits by air	
Sem 49-08	Sem 50-08
→	↓

Madagascar Sea freighted	
Week 49	Week 50
↓	↓

S. Africa Sea freighted	
Week	Week

W eek 50 is marked by the significant increase of supplies of litchis from Madagascar. Indeed on 9th December, the « Hansa Visby » the first conventional vessel of litchis from Madagascar reached the port of Vlissingen-Flushing and finished unloading its cargo. Unloading operations took end on 10th December in the afternoon. These fruits were then dispatch to different European markets thanks to an important fleet of trucks that started loading fruits since midday on the 9th December. The fact that the first fruits unloaded at Vado had been sold rather rapidly pushed operators to quickly replenish their stocks. On 12th December, the second conventional vessel, the « Comoros Stream » made its first stopover in the port of St Nazaire where it unloaded between 1500 and 1600 pallets. The vessel then sailed in the night for the port of Vlissingen-Flushing that it should reach at the beginning of the week and where it will finish unloading its cargo.

With all the volumes available, the marketing of litchis from Madagascar has entered its peak period. This week, prices have more or less dropped for fruits from Madagascar on all the European markets. This decrease in prices comes as a surprise after the way the first fruits sold well even with prices already on a down trend. The strong competition between operators, the rapid increase of supplies and the uneven quality of fruits seem to help bring about this decrease in prices. The arrival of the « Comoros Stream » at St Nazaire then at Vlissingen-Flushing could complicate even more the present situation even if the demand that is rather average is picking up.



Litchi - Estimates of incoming volumes by Air - In Tons					
Weeks	46	47	48	49	50
Mauritius	30/40	30/40	30	10	10
South Africa	10/20	40/50	40/50	20/30	
Madagascar	160/170	70/80	30/40	10/20	2/3
Reunion	8/10	20/25	25/30	25/30	25/30
Total	208/240	160/195	125/150	65/90	27/43

If the incoming supplies of litchis arriving by conventional vessels ending with the unloading of the « Comoros Stream » at the beginning of next week, supplies should however keep on arriving with fruits shipped by containers. The first volumes announced mention 4000 to 5000 tons that should reach European ports after the end of the year celebrations .

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 23/11	Comoros Stream	15/12 VL	3 400
Tamatave 12/11	Porte conteneurs	06-07/12 F 09/12 Z	1 000	Tamatave	Porte conteneur		4 000 / 5 000
Tamatave 18/11	Hansa Visby	VL 09/12	3 150				
Tamatave 23/11	Comoros Stream	ST N	1 400				
The above mentioned indications are subject to confirmation. F: Felixstows, Z: Zeebrugge, StN: St Nazaire, VL: Vlissingen							

Litchi - Import Price - In euros / kg

Weeks	GERMANY		BELGIUM		SPAIN		FRANCE		HOLLAND		UNITED KINGDOM	
	49	50	49	50	49	50	49	50	49	50	49	50
Air												
Mauritius (b)							5.00-6.00	5.00-5.50				
Mauritius (s)							4.00-4.50		4.00			
Madagascar (s)											2.90-3.45	
Madagascar (b)							6.00					
Reunion (b)							5.50-6.00	4.50-6.00				
South Africa (s)							3.00-5.00		3.20-3.30		2.90-3.45	
Sea												
Madagascar	2.00	1.90-2.00	2.50-2.75	1.60-2.10	2.25-2.50	1.80-2.00	2.00-2.50	1.50-1.80	2.25-2.50	2.00		
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 : With the increase of supplies, prices are on a downtrend. On the other hand sales are good especially with supermarkets. Fruits packed in 2kg boxes sell better than those packed in 5kg boxes. .

Belgium : The first sea freighted fruits from Madagascar were sold rather easily at good prices. Since the beginning of week 50, prices have been dropping steadily moving from 2.10€/kg to 1.90€/kg and even 1.60€/kg at the end of the week.

Spain : The demand for fruits is a little more dynamic without leading to any frenzy. Prices have seriously declined this week dropping under the 2.00€/kg limit. Litchis in 5kg boxes sell 0.10€ to 0.20€ less than those in 2kg boxes.

France : Progressive drop of prices for litchis all along the week. Still sold around 1.80-1.90€/kg at the beginning of the week prices dropped steadily losing 0.10€ each day. At the end of the week litchis were sold between 1.50-1.60€/kg. Pressure following the arrival of important supplies as well as quality issues on some limited lots finished by affecting prices. The downtrend takes place on a difficult market where retailers are very cautious and awaiting customers' reactions. All these elements tend to explain why special offers are rapidly being set up with interesting retail prices that should help move volumes. This situation is clearly observed in supermarkets of the Paris area. During the first part of the week, prices ranged between 4.00€ to 5.00€/kg. During the second half of the week, there were more and more special offers at prices ranging between 2.50 to 3.00€/kg. The arrival of the second vessel meaning more volumes, will certainly not help in improving prices before Christmas. The down trend might well go on until the first container vessels start arriving.

Word going round is that the first container fruits from South Africa should be available around 20th December. If this were to be true, the additional supplies could well complicate even more market conditions even if these fruits are not sold through the same channels.

The « air freighted » market is getting smaller because of the competition with sea freighted fruits. Only traditional trade continues to supply in fresh on stem fruits. Prices for litchis from Reunion have dropped again this week; last week's sales were rather slow and retailers are reluctant to renewing their stocks. The uneven quality of fruits complicates even more the situation. On the whole, fruits from Mauritius are more homogeneous in terms of

quality than on stem fruits from Reunion.

Italy : The situation for fruits from Madagascar is almost the same as on the French market. Sold around 2.00€/kg at the beginning of the week, prices dropped to 1.60€/kg at the end of the week. Important supplies received this week as well as the uneven quality of fruits are the main reason why prices are on a down trend.

Netherlands : Demand for litchis from Madagascar is rather good considering the general situation on the markets. Even if prices are on a down trend they stay firm compared to the drop observed on the other European market places .

United Kingdom : The major part of sales for litchis from Madagascar was done on the wholesale markets. Sales seem to have been uneven according to operators with a rather large price trend ranging between 1.70€/kg to 2.25€/kg. Multiples mostly received the first sea freighted fruits from Madagascar at the end of the week. Fruits packed in 200g punnets were sold around 2.20€/punnets. Prices in supermarkets should drop significantly next week with the development of special offers. Some small residual lots of air freighted fruits from South Africa, of satisfactory colour were sold with difficulty because of competition from sea freighted fruits from Madagascar.

change rates - December 08

1 euro =

United Kingdom

0.8358 GBP

Madagascar

2 328.35 MGA (Ariary)

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Docking of the « Comoros Stream » at St Nazaire



Litchis from Madagascar on the Rungis Market in the middle of the week. Colour and size are mixed



On stem litchis from Mauritius. Satisfactory quality



On stem litchis from Reunion. Fruits lacking freshness.

Litchis of the “Comoros Stream”



Standard quality litchis. Attractive colour

Litchis pale in colour



Litchis presenting points of mould and rot.



Boxes of litchis strongly affected by mould and rot.

