



# Litchi Letter

2008-2009 Campaign

Week 51 - 15th to 19th December 2008

Sulphured fruits by air	
Week	Week

On stem fruits by air	
Week 50-08	Week 51-08
↓	↗

Madagascar Sea freighted	
Week 50	Sem 51
↓	↓

S. Africa Sea freighted	
Week 49	Week 50

**A**t the beginning of week 51, the « Comoros Stream » second conventional vessel of 2008/2009 litchi campaign finished unloading its cargo at Vlissingen. Starting from Midday the 15th December the first pallets of fruit were loaded on trucks and sent to different European markets. This new delivery of fruits allowed a quick renewal of supplies following that of the previous vessel. The limited quality issues on the first part of the cargo weren't noticed on the remaining cargo allowing better market conditions and better confidence in the fruit.

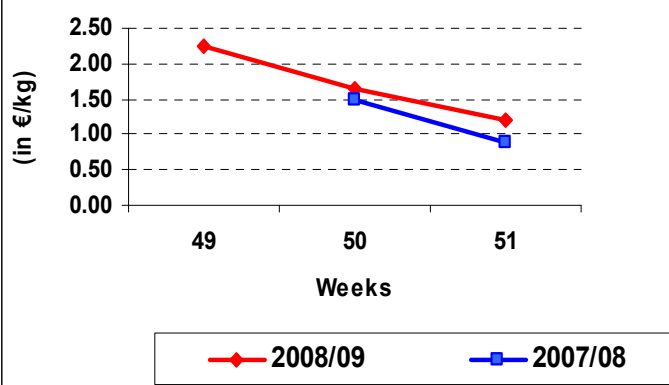
Simultaneously the second container vessel docked with substantial supplies that weighed even more on volumes already available, and although the demand is in progress, it is not adequate in regard volumes put on the market.

Considering the general gloomy atmosphere on the European markets, with consumers that are falling back on traditional commodities more than on exotics, the continuation of the marketing campaign of fruits from Madagascar doesn't seem of to a good start. The demand will certainly drop following the end of the year celebrations while supplies will stay important with 500 to 600 containers that will either already be or soon will be available on the market in the coming weeks. Considering the circumstances, it is difficult to see how the market could get any better. Already on almost all the European market the demand is dropping as we approach the End of the Year, one can wonder what will be the state of the demand after the end of the year celebrations.

The strong competition that started last week has no reason to stop. On the contrary, the volumes of this second part of the sea freighted campaign will be more important than those received so far. They will be marketed in circumstances that should apparently be more difficult.

Export volumes from South Africa are forecasted to be less important due to bad weather conditions in production areas. If this information is to be confirmed, the reduction of South African supplies should at least benefit to improving the demand for fruits from Madagascar.

Average price for sea freighted litchis from Madagascar on the French market.



Litchi - Estimates of incoming volumes by Air - In Tons					
Weeks	47	48	49	50	51
Mauritius	30/40	30	10	5/10	5/8
South Africa	40/50	40/50	20/30		
Madagascar	70/80	30/40	10/20	5/8	5/8
Reunion	20/25	25/30	25/30	25/30	60/70
Total	160/195	125/150	65/90	35/48	70/86

Incoming tonnages Sea freighted							
Incoming tonnages				Forecasted tonnages			
Departure source	Vessels	Dates / Ports	Tonnage	Departure source	Vessels	Dates / Ports	Tonnage
Tamatave 18/11	Hansa Visby	VL 09/12	3 150	Tamatave 23/11	Atlantic Trader	F / Z 22/12	3 850
Tamatave 23/11	Comoros Stream	ST N 12/12	1 400	Tamatave	Saf Marine	F / Z 22/12	1 300
Tamatave 23/11	Comoros Stream	VL 15/12	3 400	Tamatave 03/12	Trave Trader	F / Z 29/12	3 000
Tamatave 19/11	Ocean Trader	Z 15/12	3 700	Tamatave 23/11	Mol	22/12	550 / 600
Tamatave	Ebony	Le H 20/12	2 200	Tamatave 02/12	Mol	27/12	550 / 600

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 KING- DOM	
	50	51	50	51	50	51	50	51	50	51	50	51
<b>Air</b>												
<b>Mauritius (b)</b>							5.00-5.50	5.50-6.50				
<b>Mauritius (s)</b>												
<b>Madagascar (s)</b>												
<b>Madagascar (b)</b>												
<b>Reunion (b)</b>							4.50-6.00	5.00-6.00				
<b>South Africa (s)</b>												
<b>Sea</b>												
<b>Madagascar</b>	1.90-2.00	1.10-1.50	1.60-2.10	1.25-1.75	1.80-2.00	1.50-1.75	1.50-1.80	1.10-1.30	2.00	1.50-1.70		1.10-1.40
<b>South Africa</b>								2.00-3.00				

(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** : The demand is weak this year for litchis from Madagascar compared to previous campaigns. Consumers are more interested in basic products. Thus the consumption of imported commodities (exotics as well as off season fruits) is dropping. The quality issues on some lots of litchis from Madagascar affect prices that are on a down trend. At the beginning of the week prices were still around 1.50€/kg, but they dropped regularly to reach 1.10-1.40€/kg depending on the quality and the type of clients. Stocks of sea freighted litchis are limited and should sell well next week. The first containers are expected for the weekend. The price at retail level is around according 2.00 to 2.90€/kg.

**Belgium** : The strong competition between operators selling litchis from Madagascar has led to a strong drop in prices. Prices of 1.5€ to 1.75€/kg done at the beginning of the week dropped to 1.00€/kg.

**Spain** : The gloomy situation of the Spanish market affects sales for litchis from Madagascar that are very weak. Consumers have a large variety of fruits available at prices lower than those done for litchis. Despite the fact that the demand has slightly picked up before Christmas it is still lower than it was last year. Quality issues on some lots complicate even more the situation with supermarkets and contribute to helping the drop of price observed.

**France** : New drop in prices for litchis from Madagascar. Competition between operators is very strong and is leading to economic aberrations, with prices done on the wholesale markets and with importers that are not receiving the fruits directly, that are at the same level as those done by persons importing directly the fruits. The pressure coming from available volumes is weighing on a market that is more dynamic since the beginning of the week but also extremely competitive. Instalment of supplies of litchis from Madagascar shipped by conventional vessels as well as the reduction of supplies compared to the previous campaign were elements that lead to believe that the marketing process would have been easier this year. Indeed, the volumes exported seem to be adequate with programs set up with supermarkets for the period before Christmas. Sales towards supermarkets are picking up this week, on the other hand, export sales are much slower. The incoming volumes of container vessels are now being confused with the remaining fruits of the conventional vessels. The almost simultaneous deliveries do not allow a price distinction between fruits shipped by two different transport modes. Marketing of the first South African fruits. The good size and

quality of these fruits allow them to sell at better prices. Price depending on size of fruits. Bigger sized fruits achieve better prices. However at the end of the week, prices for the fruits were slightly down because of competition from fruits from Madagascar at cheaper price.

Strong increase of supplies from the Reunion for Christmas due to an increase of the demand. These fruits are generally sold in traditional stores. Prices for air freighted fruits from Reunion and Mauritius are much better than they were last week.

Prices at retail level in supermarkets of the Paris area vary a lot and depend on the shops and there location. However, most of the supermarkets are selling litchis from Madagascar between 2.50€ to 3.00€/kg. Some shops are doing special offers at lower prices between 1.70€ and 2.00€/kg loose or in nettings. The maximum price picked up in some rare stores is around 5.00€/kg.

**Italy** : The demand is better but the situation on the market is difficult because of the pressure on prices. Price trends are large and declining ranging between 1.75€ to 1.30€/kg.

**Netherlands** : The good sales as Christmas approaches are followed by a significant drop in prices. At the end of the week, some sales were done around 1.20€/kg.

**United Kingdom** : Good sales on the wholesale market with prices ranging between 1.60€ to 1.85€/kg. Some residual lots of South African fruits are sold on the basis of 2.70€ to 3.20€/kg. Sales for these fruits are slow mainly because of competition from cheaper fruits from Madagascar. In supermarkets, some shops are mainly concentrating on traditional fruits more than on exotics, thus reducing the availability of litchis in their stores. On the other hand some shops are promoting litchis. Selling price from multiples is around 1.70€/kg.

change rates - December 08

1 euro =

Royaume Uni

0.8358 GBP

Madagascar

2 328.35 MGA (Ariary)

Contact :

CTHT – BP 11 Tamatave – Madagascar

email: ctht@moov.mg

Tél: (261) 20 53 311 37 – Fax: (261) 20 53 322 04

Site Web: www.ctht.org



**Unloading of the « Comoros Stream » at Vlissingen  
15th and 16th December.**



**Colour and oxidation more or less stressed for litchis from Madagascar.**



**Difference in colour between boxes at the top of  
pallets and subjacent boxes.**



**Difference in size for litchis from Madagascar**

**Pictures taken on the Rungis market on week 51.**

**Litchis from Madagascar attractive in colour and presentation.**



**Litchis from Madagascar marked by sulphur.**

**Litchis from Madagascar dull in aspect with progressive indurations of the shell. Old fruits.**



**Litchis from Madagascar mixed in colour and freshness.**



**Litchis from Mauritius presented in bunch. Beginning of oxidation of fruits.**



**Litchis from Mauritius of satisfactory quality.**



**Litchis from Reunion presented in bunch of satisfactory quality.**



**Litchis from Reunion on stem of poor quality. Strong oxidation of the shell. Important discount at sales level.**



**Litchis from South Africa (by container) good in size but mixed in colour depending on boxes.**

