



Litchi Letter

2009-2010 Campaign

Week 49-30th November to 04th December 2009

Sulphured fruits by air	
week 48-09	week 49-09
↓	↓

On stem fruits by air	
week 48-09	week 49-09
↓	↓

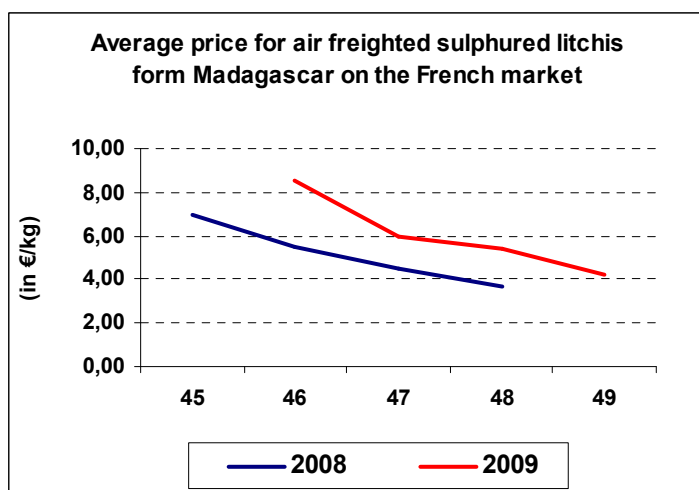
Sea freight Madagascar	
week	week

Sea freight South Africa	
week	week

The marketing of « air freighted » litchis continues with supplies that are now more stable. The demand is a little more active although mixed depending on the countries. The economic crisis has impacted on the market in a sense that consumers are more careful when it comes to spending. They prefer to wait for better opportunities (sea freighted litchis) before buying the fruit. This year, it appears that the demand might be more concentrated around the end of the year celebrations.

Approximately 12 000 tons of « sea freighted » litchis will be available on the market at the end of the year, compared to previous campaigns, these figures have declined. The late start of the campaign, as well as logistic issues resulting from this late start and the fact that operators all keep in mind the present economic context, contribute to explaining the drop in exports.

Considering these elements, the marketing campaign should be rather satisfactory. However, the announcement of strikes organised by French truck drivers during the end of the year celebrations, could well disrupt the distribution of sea freighted litchis, calling into question the marketing of fruits from Madagascar, that was up to now rather under control.



Litchi - Estimates of incoming volumes by Air - In Tons					
Weeks	45	46	47	48	49
Mauritius		1	15/20	20/30	15/20
South Africa			5/10	70/90	80/100
Madagascar	1	2	100	100/120	50/60
Reunion			1	1	30/40
Total	1	3	120/130	191/241	175/220

Incoming Volumes in Tons							
Incoming tonnages				Forecasted tonnages			
Departure source	Vessels	Dates / Ports	Tonnage	Departure source	Vessels	Dates / Ports	Tonnage
				Tamatave 19/11	Seal Rickmers*	14-15/12 Zee	140
				Tamatave 26/11	Ludwig Schulte*	22/12 Zee	1 200
				Tamatave 30/11	Ipanema*	Fos 14/12	4 300
				Tamatave 2/12	Hansa Bremen	Vado 18/12	6 500
				Tamatave	Varso*	Zee 28-29/12	

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)							6.50-8.50	5.00-7.00				
Mauritius (s)							5.50-7.00	4.30-4.50				
Madagascar (s)			5.00-6.00	4.50-4.75	5.00-6.00	4.00-4.50	4.80-6.00	4.00-4.50	5.50-6.00	4.50-4.75		
Madagascar (b)								6.00				
Reunion (b)							8.00-10	7.00-8.00				
South Africa (s)			5.00-6.00	4.50-4.75			5.00-6.00	4.00-4.50	5.50-6.00	4.50-4.75	6.00-6.30	4.25-4.50
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 on this market this week.

Belgium : Prices are dropping like on the other European markets. Alignment of prices for litchis from Madagascar and South Africa. Sales seem to be more active this week. On the whole the quality of fruits available is deemed satisfactory by operators.

Spain : Slow sales for litchis from Madagascar, prices at retail level remaining high and thus less attractive in the present economic crisis context . Supermarkets are not very involved in the marketing of the fruit, and litchis are mostly available in specialised retail stores.

France : Volumes of “air freighted” litchis remained important from all supplying origins this week. There was a slight drop in supplies from Madagascar that could be due to the shipping of sea freighted fruits that mobilised half of the country’s exporters. The drop in prices that followed the increase of supplies since two weeks seems to also be boosting sales. A certain number of retailers seem to be more interested in “air freighted” fruits, because it’s a good opportunity for them to prepare their customers to the arrival of sea freighted fruits. At the beginning of the week, prices dropped, but at the end of the week they stabilised and were some times even more firm because of the low availability of fruits and the fact the small volumes available were sold rather quickly. Although they are small in size, litchis from Madagascar are of rather satisfactory quality. Competition is high from litchis from South Africa that have aligned their prices to those from Madagascar. Fruits from this origin benefitting from cheaper air freight rates than those from Madagascar, despite the fact that airlines companies serving Madagascar have made efforts in terms of rates. Next week will be a transition period between the « air freighted » and the « sea freighted » campaign. And like previous campaigns, operators are rather careful in managing their supplies to avoid a depreciation of the last lots of « air freighted » litchis. Limited supplies from Mauritius, with a predominance of on

stem fruits over stripped of the branch ones, to avoid a direct confrontation with litchis from Madagascar. Nevertheless, fruits from this origin also suffer from the presence of other competing origins and their prices are also on a down trend. Strong increase of supplies from the reunion, with prices that are also on a down trend. It would seem that the production from Reunion is less important this year and that local consumption is rather good.

Italy : Vey limited sales on the Italian market, considering the high level of prices at retail level. Litchis from Madagascar are sold on the basis of 5.00-6.00€/kg. Some small lots of South African fruits are also available sold 1€/kg cheaper.

Netherlands : Drop in prices for litchis from Madagascar following the increase of supplies and the limited demand for the fruit. Prices are similar to those done for litchis from South Africa.

United Kingdom : Litchis supplies are still very limited on the British market with fruits from South Africa being the ones most available on the market. Prices are on a down trend. Sales remain slow and difficult. Some lots are sold on the wholesale markets at cheaper prices (3.30€ to 4.90€/kg) depending on the size and the quality of fruits.

change rates - December 09

1 euro =

United Kingdom

0.9091GBP

Madagascar

2 907.57 MGA (Ariary)

Contact :

CTHT – BP 11 Tamatave – Madagascar

email: ctht@moov.mg

Tél: (261) 20 53 331 37 – Fax: (261) 20 53 322 04

Site Web: www.ctht.org



Litchis from Madagascar. Fruits of sizes 27/31mm. Good colour.



Litchis from Madagascar mixed in colour.



Litchis from Mauritius mixed in colour and in size.



On stem litchis from Mauritius, Colour of fruits differs according to lots.



On stem litchis from Mauritius presented in bunch.



On stem litchis from the Reunion.



Litchis from the Reunion presented in bunch.



Litchis from South Africa mixed in colour but of good eating quality.



Litchis from South Africa mixed in size.



Litchis from South Africa big in size (XXL) but not attractive in terms of colour.