



# Litchi Letter

2009-2010 Campaign

Week 50- 07th to 11th December 2009

Sulphured fruits by air	
week 49-09	week 50-09
↓	↗

On stem fruits by air	
week 49-09	week 50-09
↓	↓

Sea freight Madagascar	
week	week

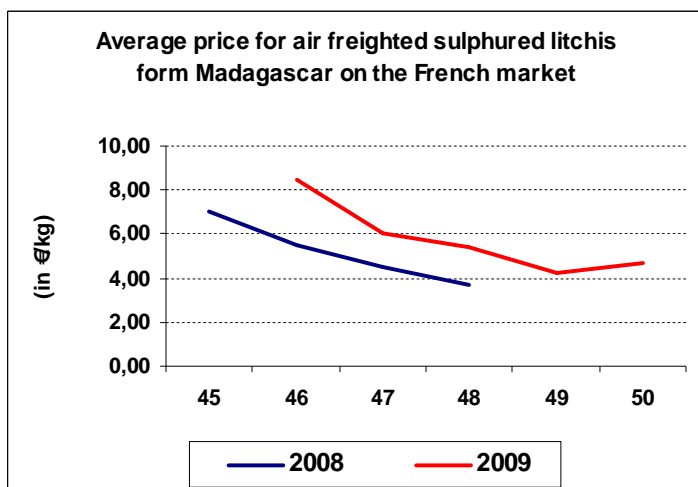
Sea freight South Africa	
week	week

The marketing campaign of air freighted litchis is coming to its end with the arrival of the first sea freighted fruits from Madagascar expected around Monday 14th. The fruits aboard this vessel should be available on the markets starting from Wednesday 16th or Tuesday 15th to the earliest. Consequently week 50 and the beginning of week 51 are considered as bridge periods, always delicate to handle, by operators. Operators must adapt to the best their last supplies of « air freighted » fruits before shifting to the marketing of sea freighted fruits. Sales this week were fluid for sulphured litchis with a demand that was increasing while supplies remained rather steady allowing prices to be more firm especially at the end of the week.

Supplies aboard the first ship have almost all been sold considering the promotion operations on litchis, set up in supermarkets the weekend preceding Christmas. The second ship forecasted at the end of next week in Italy should cover the needs of supermarkets starting from 21st December to the end of the year.

Operators are confident about the marketing of the fruits on the first vessel that are expected rather eagerly. Risks concerning possible strikes of truck drivers in France seem to have been avoided following long negotiations.

There is also information going round about the arrival of the first container litchis from South Africa.



Litchi - Estimates of incoming volumes by Air - In Tons					
Weeks	46	47	48	49	50
Mauritius	1	15/20	20/30	15/20	15/20
South Africa		5/10	70/90	80/100	90/120
Madagascar	2	100	100/120	50/60	80/100
Reunion		1	1	30/40	30/50
Total	3	120/130	191/241	175/220	215/290

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. Rot: Rotterdam, Z: Zeebrugge, \* Container ships

## 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
<b>Air</b>												
<b>Mauritius (b)</b>							5.00-7.00	5.00-6.50				
<b>Mauritius (s)</b>							4.30-4.50	4.30-5.00		4.00-4.75		
<b>Madagascar (s)</b>			4.50-4.75	4.50-4.75	4.00-4.50	5.00-6.00	4.00-4.50	4.30-5.00	4.50-4.75	4.00-4.75		
<b>Madagascar (b)</b>							6.00	5.00-6.00				
<b>Reunion (b)</b>							7.00-8.00	7.00-7.50				
<b>South Africa (s)</b>		4.00	4.50-4.75	4.50-4.75			4.00-4.50	4.20-5.00	4.50-4.75	4.00-4.75	4.25-4.50	4.00-4.75
<b>Sea</b>												
<b>Madagascar</b>												
<b>South Africa</b>												

(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** : Marginal supplies from South Africa on the German market. "Air freighted" fruits are sold in specialised retail stores. Operators are waiting for next week to begin the marketing of "sea freighted" litchis, more fit to interest supermarkets.

**Belgium** : Stable market for the fruits from Madagascar and South Africa. The rather limited supplies help in maintaining a good level or price.

**Spain** : The demand has slightly increased. Limited supplies on the market have contributed to strengthening prices. However, the market for "air freighted" litchis does not exceed specialised retail stores. A larger scale distribution is expected next week with the arrival of the first ship from Madagascar.

**France** : At the beginning of the week sales were slow but they quickly picked up at the end of the week with prices that were more firm. Some operators had reduced their supplies considering the weak sales of the previous weeks. Among them several changed their minds and completed their supplies for the end of the week feeling that sales would be more active. These adjustments were done as things came depending on freight rates done from Madagascar and South Africa, main supplying origins. Litchis from South Africa were mainly available on wholesale markets while those from Madagascar were sold through supermarkets. On the whole fruit quality was deemed satisfactory with fruits of better size than those sold the weeks before. Sometimes, small lots from South Africa or Madagascar presented some quality defects (development of mould stains). The number of lots affected by this type of defects was marginal compared to the volumes of incoming supplies.

Sales were more difficult this week for (fresh) on stem fruits with prices that were again on a down trend. The predominance of sulphured fruits over all the rest, sold at cheaper prices apparently draw most consumers. Furthermore the rapid oxidation of the shells of fresh fruits contributed to increasing the drop in

prices.

The marketing of the first « sea freighted » fruits should then occur in good conditions. These fruits should be available in supermarkets at the end of week 51, which is the most important weekend for the marketing period of litchis from Madagascar. The first "sea freighted" litchis should be sold around 2.30€/kg FOT. This price trend seems regular and firm for the first operators selling the fruit.

**Italy** : Supplies are still very limited on the Italian market this week. "air freighted" fruits from South Africa and Madagascar are sold between 5.00 and 6.00€/kg. The economic crisis context is impacting on sales and operators are counting on sea freighted supplies to boost sales.

**Netherlands** : The demand is strong at the end of the week for "air freighted" litchis from all the origins available on the market. Price trends are large depending on the size and most of all on the colour of fruits available.

**United Kingdom** : Very weak supplies from South Africa due to mainly to problems related to freight capacities. The marketing of litchis hasn't really begun on the British market. Like on the other European markets, the arrival of the first ship from Madagascar should help change the attitude of British consumers towards the fruit.

## change rates - December 09

1 euro =

United Kingdom

0.9091GBP

Madagascar

2 907.57 MGA (Ariary)

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**Litchis from Madagascar of standard quality. Fruits limited in size and of mixed colour**



**Litchis from Madagascar presenting some mould stains. Marginal signs observed on the end of some lots.**



**On stem litchis from Madagascar. Plastic packaging not very adapted.**



**On stem litchis from Madagascar. Good colour and taste but with rapid signs of oxidation on the shell of fruits.**



**On stem litchis from Mauritius of good quality but mixed in colour.**



**Litchis from the Reunion presented in bunch or in punnets. Satisfactory quality.**



**Litchis from South Africa, mixed in colour and sometimes not very attractive. Some mould stains observed on some lots seen on the market.**