

# Litchi Letter

2009-2010 Campaign

Week 53– 28th December 2009 to 01st January 2010

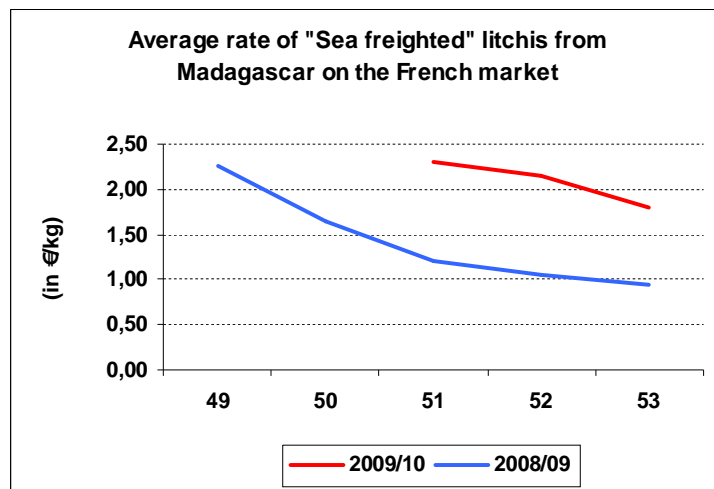


Sulphured fruits by air	
week 51-09	week 52-09
➔	

On stem fruits by air	
week 52-09	week 53-09
↗	↗

Sea freight Madagascar	
week 52-09	week 53-09
↘	↘

Sea freight South Africa	
week 52-09	week
	↘



Litchi - Estimates of incoming volumes by Air - In Tons					
Weeks	49	50	51	52	53
Mauritius	15/20	15/20	10/15	5/10	-
South Africa	80/100	90/120	3/5	-	-
Madagascar	50/60	80/100	3/5	5/6	-
Reunion	30/40	30/50	50/70	40/50	15/20
Total	175/220	215/290	66/95	50/66	15/20

**A**fter Christmas, there was a clear drop in sales of litchis. The demand that was boosted by the Christmas period, is slowly cooling off confirming, the « festive » character of this fruit. The drop in sales is followed this week by a down trend in terms of prices. Even if they are less intense, sales for litchis from Madagascar remain rather fluid. The strikes that occurred in the port of Genoa following the death of a docker contributed to reducing supplies on the market. Logistic issues regarding deliveries then followed, all that leading either to complications in terms of supplies or to certain sales being cancelled.

Faced to a drop of the demand for litchis, operators had to adapt their prices in order to make better sales of the remaining cargo of the « Hansa Bremen ». If the major part of the cargo of this ship has already been sold, there still remains some stocks for the coming weeks. The fruits are still of standard quality with some slight differences depending on the lots available on the market. Some quality issues are signalled but they remain limited and without any rapid developments allowing a certain in terms of marketing of the remaining fruits. If prices are dropping, they nevertheless remain much higher than those done at the same period during the previous campaign considering that volumes at the time were more important that they are now. The limited availability of litchis from Madagascar seems more adapted to the present market conditions.

The third phase of the Madagascar campaign began at the end of 2009 with the progressive supplies of litchis shipped in containers. Approximately 7 000 tons of fruits should be delivered on the European markets from the end of this week to mid January accordingly to the programmes of the container ships listed hereunder. Some supplies from South Africa will complete the offer of litchis on the different European markets. These supplies should be on an up trend in the coming weeks.

Incoming Volumes in Tons							
Incoming tonnages				Forecasted tonnages			
Departure source	Vessels	Dates / Ports	Tonnage	Departure source	Vessels	Dates / Ports	Tonnage
Tamatave 26/11	Ludwig Schulte*	22/12 Zee	1 200	Tamatave	Dal Madagascar	Rot 04/01	
Tamatave 2/12	Hansa Bremen	Gênes 18/12	6 500	Tamatave	Dal Christobal	Rot 11/01	
Afr. du Sud	Mol Cullinan*	Rot 22/12	160				
Afrique du Sud	Dal Kalahari*	Rot sem 53	360				
Tamatave	Varso*	Zee 30/12					

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	
	52	53	52	53	52	53	52	53	52	53	52	53
<b>Air</b>												
<b>Mauritius (b)</b>							7.00-8.00					
<b>Mauritius (s)</b>												
<b>Madagascar (s)</b>												
<b>Madagascar (b)</b>												
<b>Reunion (b)</b>							7.00-8.00	10-12				
<b>South Africa (s)</b>			3.25									
<b>Sea</b>												
<b>Madagascar</b>	2.10-2.40	1.90-2.00	2.20-2.50	2.00-2.10		2.00-2.10	2.00-2.30	1.70-1.90	2.40-2.60	2.40-2.50	2.20-2.40	2.00-2.20
<b>South Africa</b>	2.10-2.50		3.00				2.50-3.50	2.20-2.60				

(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** : Prices for litchis are on a down trend. The drop in prices however contributes to easing sales.

**Belgium** : Drop in prices for litchis from Madagascar following the Christmas celebrations. However, prices remain rather firm despite a drop of the demand. The good quality of the fruit helps a lot in facilitating sales mainly in supermarkets.

**Spain** : Drop in prices compared to last week with a reduction of supplies. The drop in prices helps in maintaining a certain interest in the fruit.

**France** : Drop in the demand for litchis following Christmas celebrations. However sales remain rather fluid. The good quality of the fruits and the limited supplies from Genoa help in regulating the market. The marketing of litchis from Madagascar is however more complicated. Indeed, retailers uncertain of supplies mainly because of short delays between the arrival of ships and the delivery of fruits, did not take the risk of putting litchis in their end of the year fliers. Thus, prices in supermarkets have remained high (between 3.50€ and 3.90€/kg) not helping in easing sales or boosting consumption like during the previous campaigns. The drop in prices observed this week could help in increasing consumption because prices should be lower at retail level. It is highly probable that prices at retail level continue to be on a down trend next week in order to facilitate the marketing of fruits aboard the container ships. Incoming supplies from South Africa are increasing. They are mainly available on the wholesale markets where these fruits achieve much better prices than those done for fruits from Madagascar. Compared to the standard quality of fruits from Madagascar litchis from South Africa rely on their of better size and taste to make the difference.

The market for « air freighted » litchis is very limited. The end of exports from Mauritius gives an opening to

fruits from the Reunion available in weak volumes. The growing shortage of supplies leading to better prices of these fruits.

**Italy** : Strong drop in the demand for litchis following Christmas. Litchis are more and more viewed as festive fruits appreciated during a short period.

**Netherlands** : Regular sales for litchis from Madagascar with stable prices. However, the demand is progressively dropping after Christmas.

**United Kingdom** : The market is still very calm. Clear drop in the demand this week with sales of the remaining fruits that were much slower. Fruits from Madagascar are mainly sold through supermarkets. Some small lots on the wholesale markets are sold around 2.25€ to 2.50€/kg. Here and there some limited quality issues are mentioned for some of these fruits. Supplementary lots from South Africa sold mainly through the wholesale markets are available around 3.10€/kg. The bigger size of the fruits helping in achieving better prices than those done for litchis from Madagascar.

## 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



Litchis from Madagascar of good quality and attractive in colour.



Litchis from Madagascar of standard quality. Mixed in colour and of dull aspect.



## LITCHIS FROM SOUTH AFRICA



Litchis from South Africa, big in size but of mixed colour and aspect.



Litchis from South Africa more attractive in colour.