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The banana market in Russia

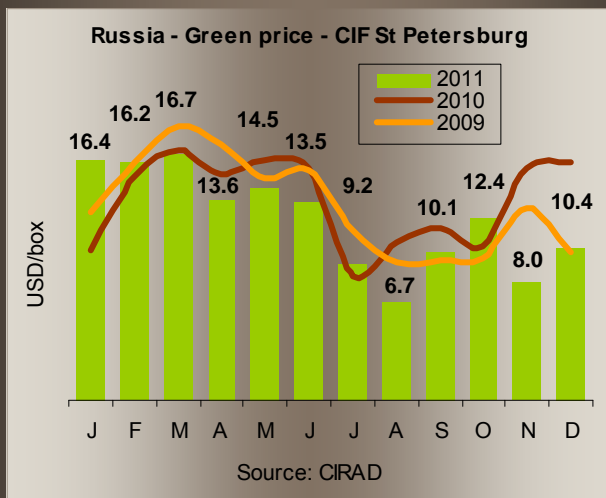
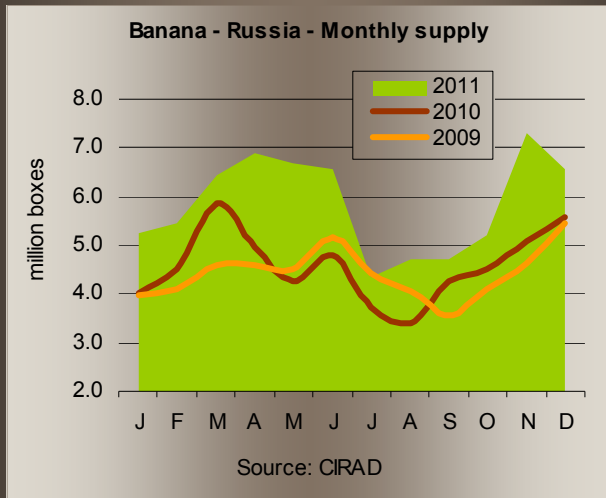
Let's hope that it lasts!



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Were the trend to continue it would make the banana world a more stable place! In 2011, Russia imported 70 million boxes of bananas, slightly less than 1.3 million tonnes. The increase was a staggering 27% in one year. It is all the more curious as after the large increase from 2005 to 2006 (+ 12%), the Russian market took a steady 53 to 55 million boxes each year. The extremely reassuring side of this movement is that it is being confirmed in 2012. It is true that growth is no longer in two figures but confirming the level in the first quarter of 2012 after such a tremendous increase in 2011 is an exploit that many markets would like to bring off. But gushing optimism should be avoided. The situation was favourable as a result of a decrease in Russian and European apple production in late 2010. In addition, trade in bananas has been developed by Russian operators whose scale is modest compared to the large traditional companies. Finally, Russia is now close to Ecuadorean export zones as the strong increase in shipments from the world's leading exporter has fed the trend. Russia is indeed the second-largest export destination for Ecuadorean bananas, taking 64.3 million boxes in 2011 (market share: 23%), an annual increase of 21%!

The other side of the coin is not very pretty. The monthly Russian import price trend is even alarming. In the January



2012 issue of **FruiTrop** (196, page 34), we observed that 'The frontiers of the possible were pushed further back once again...'. The CIF St Petersburg price fell to below USD 10 per box three times in 2011 and a record fall to USD 8 was observed in November. It is true that at the time Russian demand resulted in the doubling of supply volumes in certain weeks, swinging smoothly from 1 to 2 million boxes. The annual average was a detestable USD12.3 per box in 2011, the lowest since 2006.

This is one of the reasons—but doubtless not the only one—for the difficulties encountered by the historic operators who had invested heavily in production in Ecuador and in transport capacity. But the Europeans hope that Russia will hold as it takes more than 1.2 million tonnes of extremely mobile bananas whose only other alternative would be the EU, which is now open to bananas from anywhere. Let's try to avoid clichés, but how would Europe handle a retreat from Moscow ? ■

Denis Loeillet, CIRAD
denis.loeillet@cirad.fr

