

May 2012 - No. 200

FR*ui*TROP

English edition



The banana market in France

Target: + 150 000 tonnes!

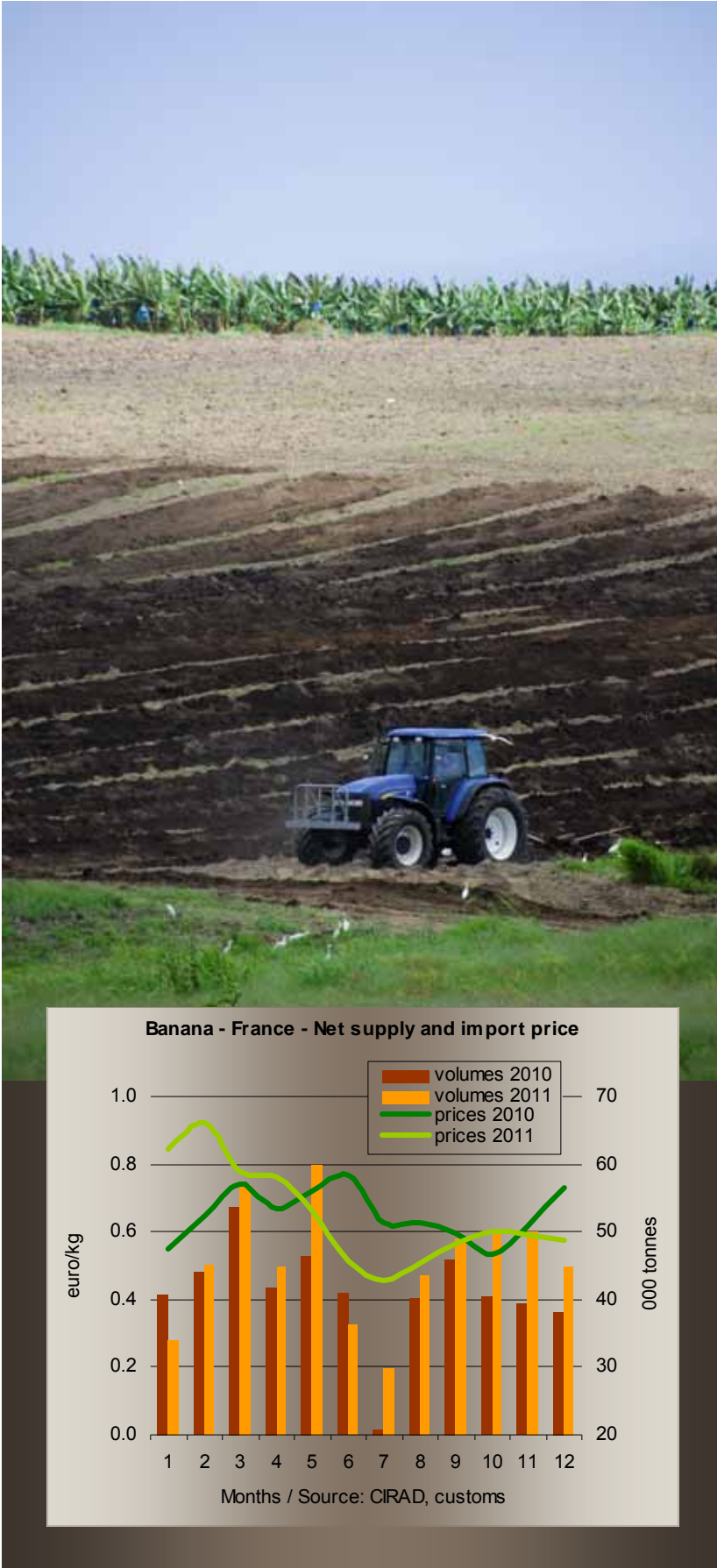


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The 2011 season in France has been examined in detail in **FruiTrop** 196 (January 2012) and then in the first article in this 'Close-up' section. Here we go back to various macroeconomic data such as per capita consumption, sources present on the market, flows, etc..

French market behaviour is best described as a return to the trend. The annual figures show net supply of 544 000 t, nearly 10% up on 2010 and slightly greater (+ 3%) than the average for 2008-09-10. Consumption recovered to 8.6 kg after a slump in 2010 that put an end to the favourable trend observed since 2007. Performance in 2011 confirmed the pitiful return to normal. Pitiful because it confirms once again the gulf between the French market and the other large European markets. Average per capita consumption in France is 1.8 kg less than the European average. In terms of volume, the shortfall exceeds 100 000 t on the French market. The excuse most frequently put forward is the market bottleneck caused by the very varied supply of fruits. But this does not hold up to scrutiny. Let's compare the level in France with that of the other markets in southern Europe where the diet is similar and where the supply of both local and imported fruits is large. Here again, France trails well behind and the figures are even worse. The average of Spain, Italy and Portugal is 2.5 kg greater; this means that France has a growth potential of 150 000 tonnes. With such disparities, the newly created French *Association interprofessionnelle de la banane* (AIB), that assembles all stakeholders in the banana sector from production to retail distribution will soon find objectives.

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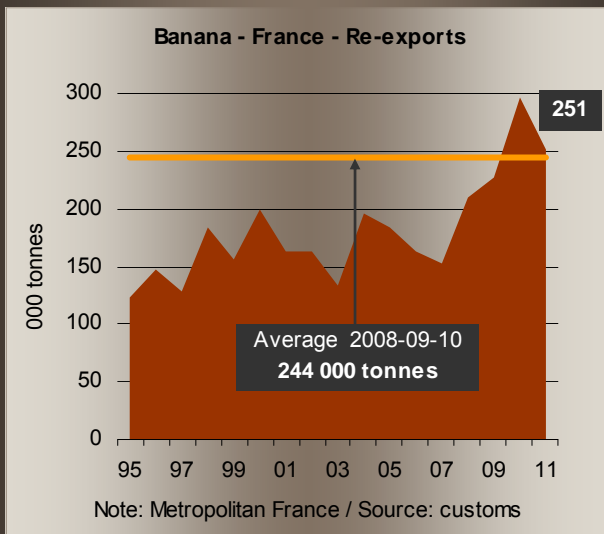
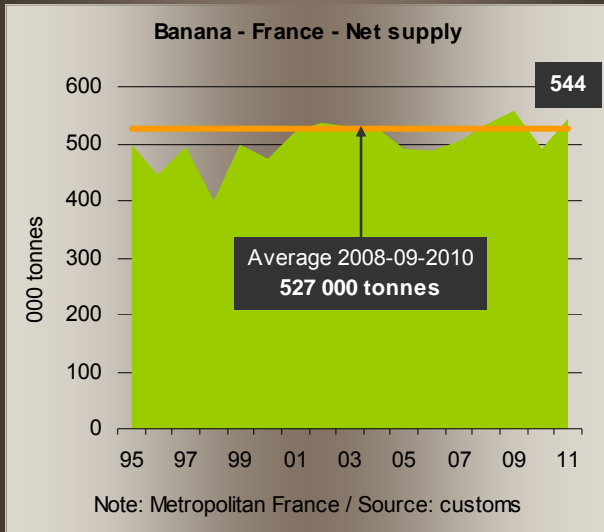
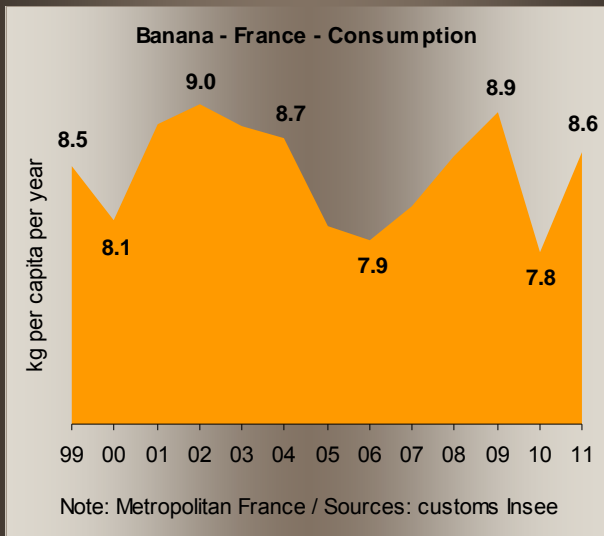
The French platform

Although the beginning of the year was comparatively quiet in terms of the quantities released on the market the second part was very busy. Records were approached or beaten in August, September, October and finally in November when the figure reached 50 000 t for the month. Import turnover (net supply multiplied by the import price in France) also rose by 10% to 356 million euros, which was still far from the excellent performance of 2005 when the total reached 390 million euros.

We know that France is one of the European redistribution platforms. Re-exports totalled 300 000 tonnes in 2010 after three years of steady growth. The increase in the volumes re-shipped to other member states ended in 2011. But the figure was still over 250 000 tonnes, which is nonetheless the equivalent of practically 50% of annual consumption on the French market. The fact that France is a producer country and ships practically all the fruits grown to metropolitan France and also the close links between France and the African source countries, and now Surinam and the Dominican Republic—that also ship their produce to France—account for this large quantity of goods. France acts as a platform for a total of some 800 000 t of bananas, that is to say 146% of domestic consumption.

Beware of dollar bananas

Calculating market shares is a challenge when so much produce is re-exported and when a fair proportion of domestic production is shipped abroad. Indeed, the customs do not specify the origin of fruits re-exported or re-shipped from within the country. It is therefore theoretically impossible to know whether they are from ACP country or the French departments in the Caribbean (Guadeloupe and Martinique). However, some information can be gained from the data. As France is not known as a supplier of dollar bananas (imported directly or via an EU member state), it can be considered that all the produce arriving from dollar production zones is retailed in France. If this hypothesis is true, it makes it possible to estimate the share of dollar bananas on the French market. And the amount will still be under-estimated as the record of the sources of more than 100 000 t arriving via a member state and sold in France is not available. However this may be, 2011 was a good year for dollar suppliers and therefore



a bad one for the traditional suppliers of the French market. The share of dollar produce increased from 10 to 13%, much less than the 25% observed in 2008 and 2009 when production in the French West Indies was gradually recovering from the serious damage caused by hurricane Dean in 2007. The present level of supply—doubtless underestimated—shows that these sources are firmly present, waiting for a supply weakness from a traditional source to increase their market shares.

It can be seen that the situation is delicate for the French market. It must first of all handle lasting under-consumption and weakness. It then has to manage the flow of bananas that are not to be sold in France but destabilise the situation when the other markets are overloaded. Finally, it must manage the dollar banana potential that is always ready to rush into the slightest breach ■

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