



April 2014 - No. 221

FRUITROP

English edition



**Counter-season
avocado
Relative
calm**



**Close-up
Banana**

www.fruitrop.com

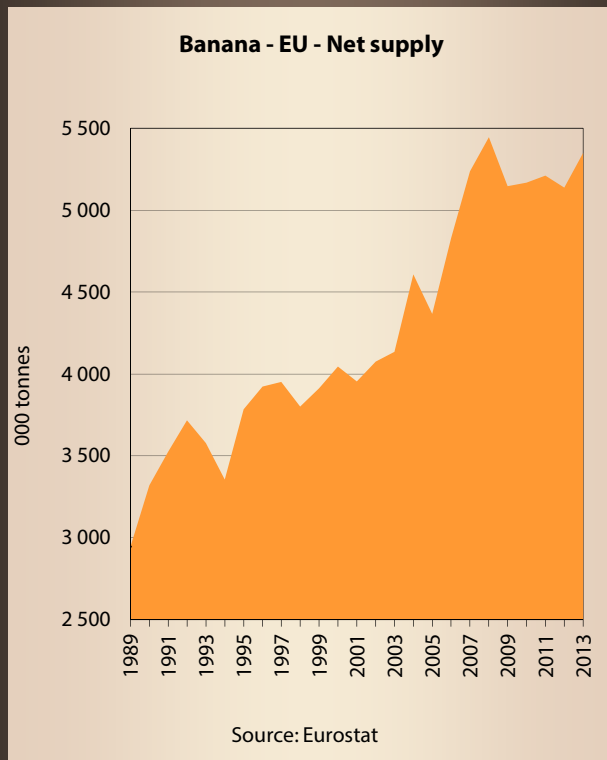


World banana market

Happy!



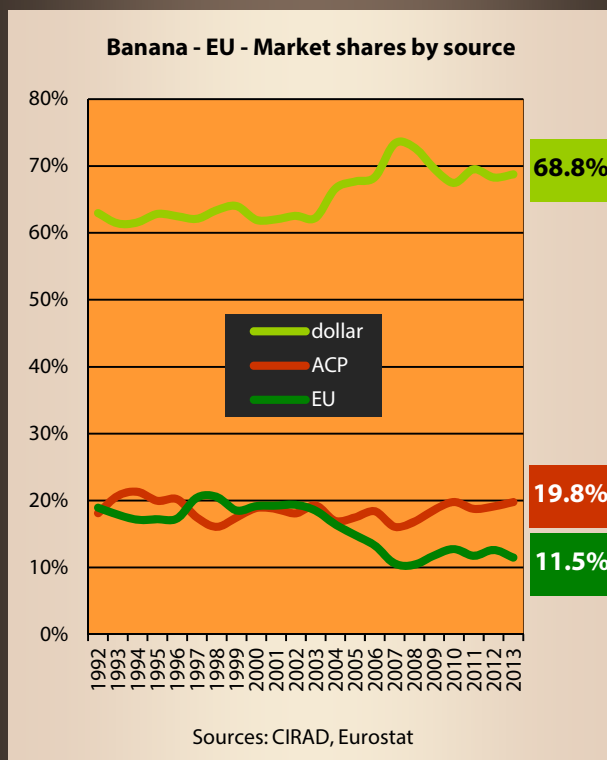
The banana market saw no fundamental changes in 2013, but benefitted from the shortfall in the other fruit sectors, a relatively kind year in terms of climate vagaries at the production stage, and weather in Europe favourable for banana consumption. True, the basics are still in place, without anything spectacular, but we can be pleased about the very steep rise in consumption in Europe, the United States and also Russia.



There can now no longer be any doubt, Pharrell Williams' worldwide hit "Happy" must have been inspired by the highly favourable development of the international banana market. In our January edition, we dedicated a dossier to a 2013 price review (Fruitrop no. 218, January 2014, page 35 et seq.), and observed that, despite the slight fall in the import price in Europe, rates had remained highly satisfactory. Less optimistically, we also emphasised the fact that we were in a banana bubble, and that there was nothing new under the sun. The banana is the absolute mainstay fruit of the fruits and vegetables section, taken hostage by the big supermarkets, which in their eagerness to attract consumers to their shelves are prepared to offer this anti-crisis product cheaper than their competitors, to improve their sales of yogurts, tubes of toothpaste or electronic apparatus. In the actual words of the spokesman for Tesco, the leading British supermarket and the world number three, the in-store price of a banana has nothing to do with the fundamental market economics, or in particular with the price paid to the producer (fortunately for the producer!). It's a loss leader, full stop.

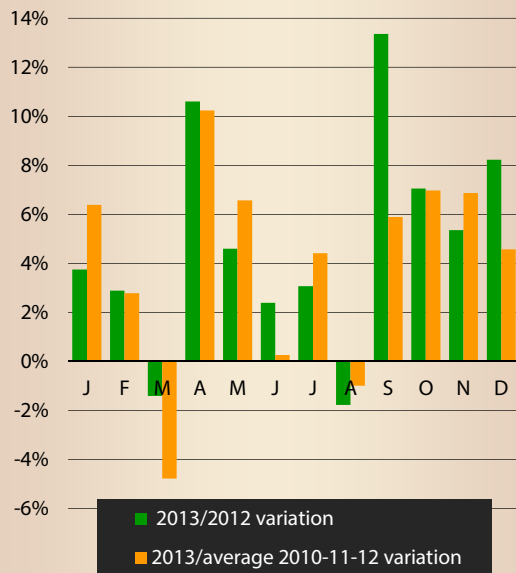
Practically flawless

In short, the banana market in 2013 was the fortunate beneficiary of a combination of exceptional circumstances, which often occurred outside the sector. We have mentioned the calamitous 2012-13 European apple production season, the weather favourable for banana consumption (cold, humidity, etc.), the foul spring





**Banana - EU
Supply variation**



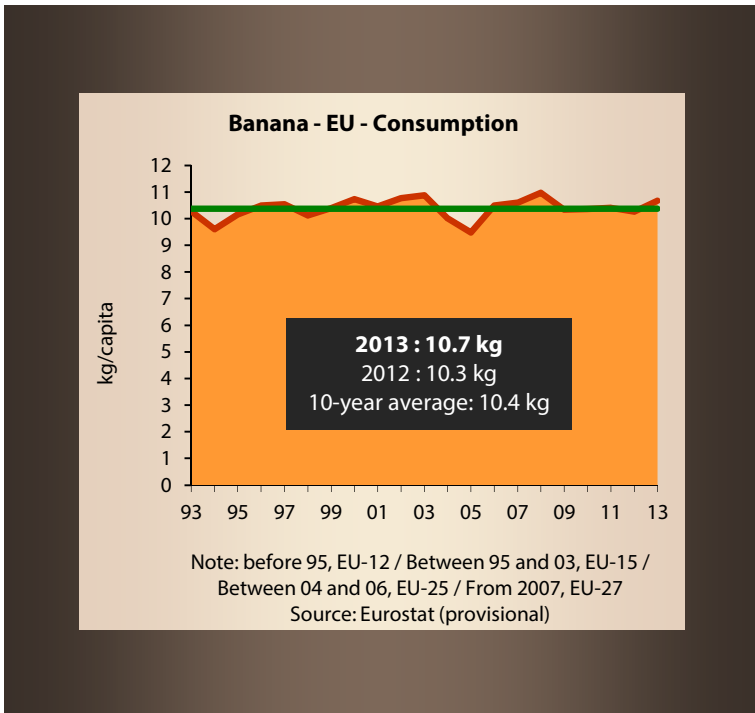
Sources: CIRAD, Eurostat

which restricted the supply of competing fruits (spring and summer fruits), etc. The stars were perfectly aligned in 2013. We can now show that the results were also there in terms of volume. The rise in the supply to the European market set a new record. The growth rate between 2012 and 2013, on a like-for-like basis (EU-27) amounted to 4.1 %! This level was exceeded only in 2007, thanks to the expansion of the EU with two new Member States (Bulgaria and Romania). According to CIRAD's estimates, the EU-27 consumed 5 348 934 tonnes; or slightly more (+ 40 000 tonnes) if we take the Eurostat data for Peru, which incorporated a declaration error by an operator, and the final figures for which should be rectified within a few months.

While we can be very content, the level reached in 2013 does not represent an absolute record. In 2008, Europeans scooped 5.444 million tonnes, driven by a colossal dollar supply of nearly 4 million tonnes. Nevertheless, 2013 saw an admirable performance... though not universally. In fact of the three groups of sources supplying the EU, only European production is out of step. Its supply fell by 5 %, while the dollar banana (+ 5 %) and above all the ACP banana (+ 8 %) achieved a dream year. We will come back later in this dossier to the losers and winners of 2013. Ultimately, the market share of the European banana fell to 11.5 %, while the imported banana share rose to 88.5 %; a very sad record in itself for the Community's production sector. The previous one goes back to 2008 (89.6 %), but this was in large part due to Cyclone Dean hitting the FWI banana plantations, thus leaving the field open to the imported banana.



© Régis Domergue



**EU consumption:
+ 400 grams!**

The banana entry points into the European Union are still the same. Belgium, the United Kingdom, Germany, Italy and France accounted for 80 % of imports. If we count European produce, Spain came in just behind France.

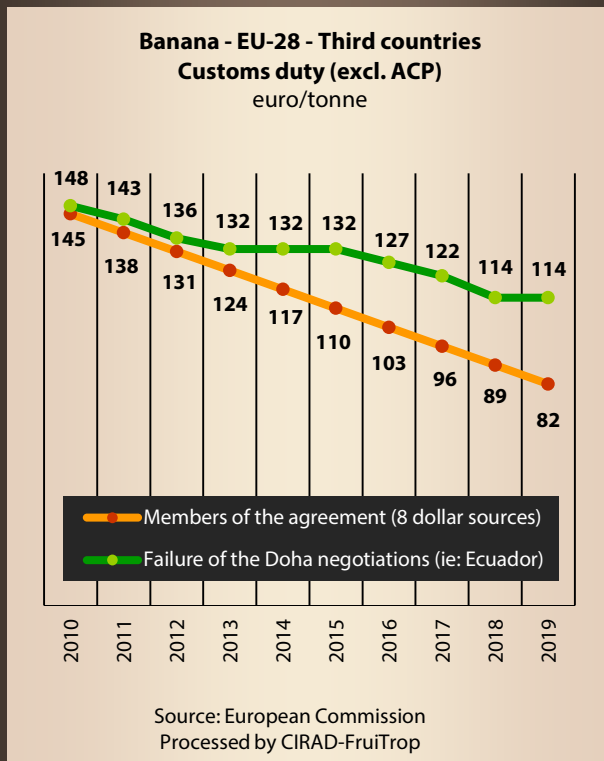
The upward trend in 2013 was not packed into just a few months. There was growth from 2012 month after month, 11 times out of 12. It was just March 2013 that saw a slight fall in imports. If we take European produce into account, the result are not much different. True, August also fell into the red (- 2 % from 2012), but without compromising the positive supply trend observed over the year as a whole.

Driven by this supply surge, in excess of EU population growth, consumption was up 400 g, rising to 10.7 kg/capita/year, i.e. 300 g less than in 2008. This too is excellent news for the sec-

Interko
HEAT EXCHANGERS & RIPENING SOLUTIONS

MAKING YOUR RIPENING PROFITABLE
BY MINIMISING WEIGHT LOSS AND MAXIMISING PRODUCT QUALITY
Discover more www.interko.com

Nijverheidstraat 8 - 2751 GR Moerkapelle - The Netherlands - T + 31 79 593 25 81 - info@interko.com



tor; and there have been no cultural exceptions, with all the Member States joining in with the party. Consumption has leapt forward practically everywhere in Europe.

The European Union is not an isolated case. The US market has also leapt forward, although there is less joy at this good market dynamic, since it is a very common phenomenon, and exclusive for the past three years. The symbolic 4-million tonne mark was beaten in 2013, and consumption per capita, as in the EU, has gained some 400 g to rise to 12.5 kg/capita/year: a figure approaching the absolute record of 12.8 kg/capita reached in 2000 (after rectification of the statistical error in 1999).

So in view of the rather favourable situation in terms of volume, can we contemplate even better days? The initial data for 2014 have confirmed the positive trend, especially in Europe. Over the first two months, imports were up 7 % from 2013, i.e. 58 000 tonnes more! We should beware extrapolating the trends, since as Alphonse Allais reminds us, the dustbins of history are full of them ■

Denis Loeillet, CIRAD
denis.loeillet@cirad.fr



© Régis Domezge