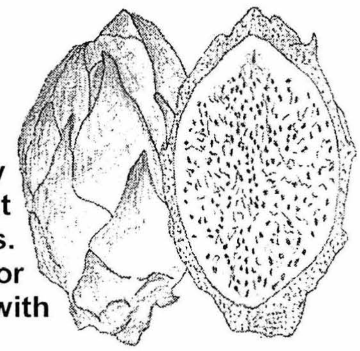
# The European market for red pitahaya

## An evolving niche market



**Widely sold in Asia, red pitahaya was unknown on the community market until the mid-1990s. The fruit is still a niche product but imports have increased strongly, particularly in the last two years. The range of supplier countries is growing rapidly. Israel, with a major cost price advantage thanks to sea transport logistics, competes with Asian origins during part of the second half of the year.**

Commonly sold in Asia, red pitahaya was still practically unknown on the European community market until the mid-1990s. It now has its place on retailers' shelves devoted to rare exotic fruits.

### A fairly ethnic clientele

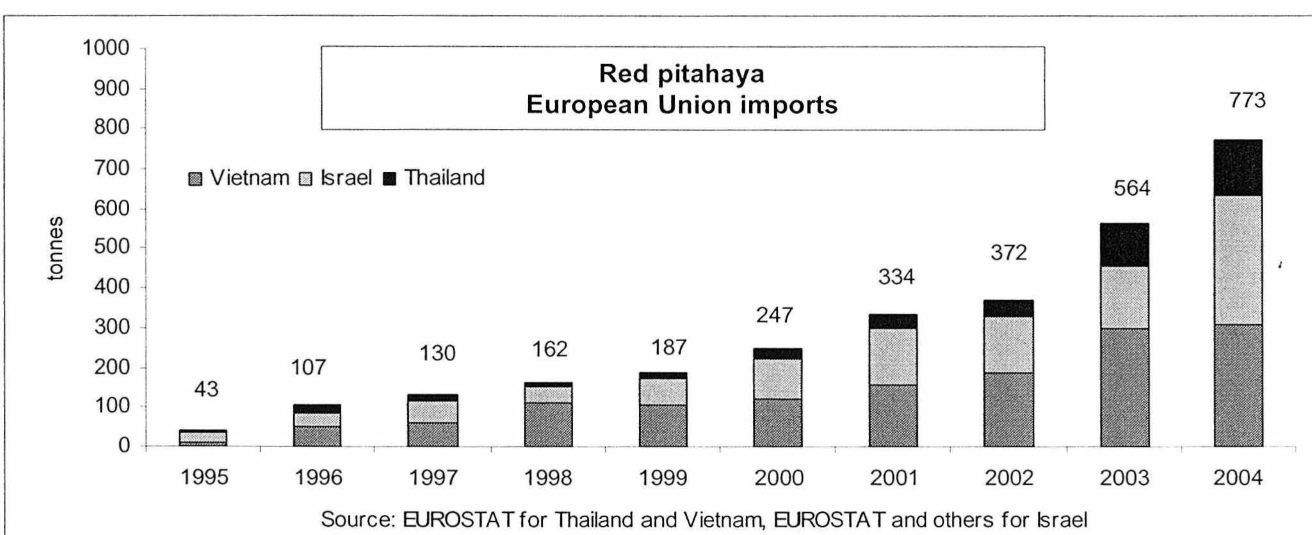
The fruit attracts two different market segments. On the one hand, Asian customers purchase it quite regularly, with a peak at the Chinese New Year. On this occasion it is not usually bought for its taste qualities—that are somewhat ordinary according to the majority of operators—but more for its fine appearance as it is displayed as an offering to ancestors. Most demand is for large fruits. Some importers supply 10-kg boxes for Asian supermarkets in addition to 2 to 4-kg boxes. The second customer category consists of European purchasers—especially supermarkets—whose demand is very irregular with sales peaks mainly when the exotic fruits are highlighted at Christmas. Boxes of 2 to 4 kg and small fruits are the most commonly sold.

There is no specific customs code for the fruit, listed in the 'passion fruit, carambola and pitahaya' group (code 08109040). However, it is possible to estimate imports since the countries operating on the international pitahaya market export little or no carambola or passion fruit. The quantities shipped to the EU in 2004 were marginal at about 800 tonnes. In comparison, papaya imports totalled 34 000 tonnes and those of pineapple were nearly 390 000 tonnes in the same year.

Nevertheless, the market is growing strongly. Growth has been particularly rapid in the last two years (quantities doubled between 2002 and 2004). Vietnam, the first

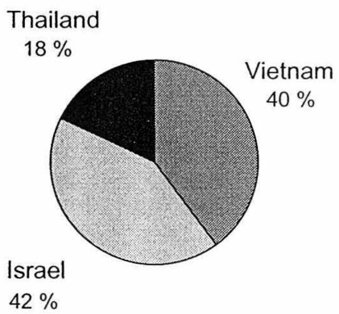
**General**

The origin of the pitahaya is not known with any accuracy. Nevertheless it probably comes from the part of Latin America lying between Mexico and Colombia. Its botanical name, *Hylocereus*, refers to both its habitat (*hulos* means 'forest' in Greek) and the way in which it resists drought (the wax or *cereus* covering the leaves). Indeed, pitahaya can withstand temperatures of 38/40°C but nevertheless requires 600 to 1 300 mm annual rainfall. The plant is a member of the cactus family and consists of creeping stems 6 to 12 metres long. The fruits are oblong and covered with foliaceous scales and contain pulp with a scattering of black seeds.



Source: EUROSTAT for Thailand and Vietnam, EUROSTAT and others for Israel

**Red pitahaya**
**EU — Market shares in 2004**




Source: EUROSTAT, others

country to ship the fruit to the EU, is not solely responsible for the increase and imports from there even stagnated in 2004. Thailand, producing all the year round like Vietnam, has emerged since 2003. Its market share increased from less than 10% in 2001 to 17% in 2004. The origin has an advantage over Vietnam in the cost of air freight, a key factor in competitiveness. Indeed, exporters can benefit from reductions for quantity by grouping pitahaya and the other exotic fruits exported to Europe (rambutan and mangosteen). Furthermore, airlines accept payment in local currency and not dollars, as is the case in Vietnam. Finally, the Thai government subsidises transport, here again in contrast with Vietnam.

## Israel is upsetting the Asian origins

However, in 2004 a Mediterranean origin gained the position of leading supplier of this typically Asian fruit. In spite of a shorter season than its competitors, Israel has succeeded on the market thanks to a major competitive feature, related to logistics once again. Unlike the fruit from Asian origins, most of the goods are shipped by sea. Ashod is not very far from Marseilles and the Israelis have recognised skill in sea transport (new vessels built specifically for carrying fresh produce). Israeli operators can thus sell at more competitive prices than those of the other origins and, for a period of only three and a half months, sell comparatively large volumes that often vary considerably from one week to the next. The average price has fallen strongly since 2003, especially in Germany, the leading EU market. The prices during the period when quantities peak (generally in September/October) fall to levels that do not cover the transport cost of pitahaya from Asia (especially from Vietnam). The market structure changes radically at this time of year, with certain supplier countries elbowed out. The quantities sold on the French market are more limited and it has been less affected by these changes so far.

Importers' opinions differ with regard to the growth potential of the pitahaya market. The cost of air freight weighs on retail prices for most of the year and is a distinct limiting factor. The example of Israel on the German market shows that there is substantial margin for growth. Thanks to more affordable prices for consumers, the origin sells in three and a half months (and without the support of a promotion period) 70% of quantities marketed by the Asian origins in a year. The Israeli sector should continue to develop and extend supplies to the markets in southern Europe. However, the fairly banal taste characteristics of the fruit could slow development in countries that produce large quantities of fruits, where 'taste culture' is different to that of the northern countries. Market development will still be governed by the cost of air freight for the Asian origins, especially during the very competitive period in September and October ■

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### Varieties

Some fifteen varieties of pitahaya exist but only two main types are sold in Europe.

**Pink or red pitahaya**

There are two subtypes:

- a red-fleshed variety (*Hylocereus purpusii*): the fruit has an average diameter of 100 mm and is scattered with darkish wine-red foliaceous scales. The pulp is abundant and sweet and a characteristic wine-red colour;
- a white-fleshed variety (*Hylocereus undatus*): its white pulp contrasts with the preceding variety and the foliaceous scales are pinkish red.

**Yellow pitahaya (*Selenicereus megalanthus*)**

The fruit is distinctly smaller than the red and pink species (average weight 180 to 250 g). It also has spines before maturity. The pulp is white and is scattered with black seeds. It has a sweet, very delicate flavour.

**Red pitahaya — European Union supply calendar by origin**

| | Jan | Fev | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Vietnam | Limited | Limited | Limited | Limited | Peak | Peak | Peak | Peak | Peak | Peak | Limited | Limited |
| Israel | | | | | | | | | Peak | Peak | Peak | |
| Thailand | Limited | Limited | Limited | Limited | Limited | Limited | Limited | Limited | Limited | Limited | Limited | Limited |

Limited arrivals / Peak arrivals