The 2001-2002 winter grapefruit season in the EU

No revolution, but confirmations

The 2001-2002 season did not hold any particular surprises. However, it did confirm the European market trends that have been perceptible since mid-1990s and that can now be qualified as structural.

Argentina and southern Africa have taken up positions on the grapefruit market. The balance can now be drawn up for the winter origins (except for Spain).

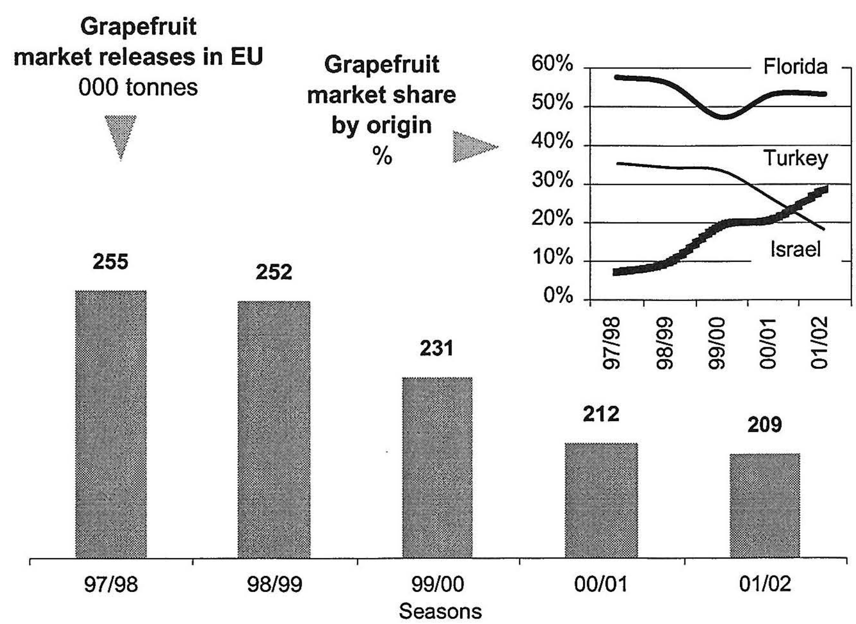
The first observation: the quantities imported continued to fall

Total grapefruit imports from the main origins supplying the winter market (Florida, Turkey, Israel) decreased by 20% between 1997-1998 and 2001-2002, that is to say a fall of 50 000 tonnes in five seasons!

Florida, in spite of its great renown on the European market, is among the origins that lost most ground. A new, lower plateau is observed; imports formerly totalled about 150 000 tonnes per year but amounted to 111 200 tonnes this year.

The first cause is the determination of importers to lighten their schedules after the disastrous 1998-1999 season—a Waterloo for grapefruit! It is true that the downstream part of the chain has gambled heavily on the product in recent years. The euro: dollar exchange rate has been particularly unfavourable whereas the development of Japanese demand for coloured fruits and a profitable juice market have encouraged exporters to practice high prices. As an illustration, economic profitability was only mediocre for the great majority of importers this season in spite of a very firm average price. Finally, the suspension since the 2000-2001 season of the substantial promotion budgets allotted by the Florida Department of Citrus did not encourage most importers to take further risks. The steady but still modest decrease of production as yet plays only a minor role in the fall in the quantities shipped to the EU. In contrast, this factor could have a major effect in the near future because tristeza is making the massive grubbing up of trees necessary.

The second cause is to be found in the producer countries of the eastern Mediterranean. Israel, first saw the white grapefruit market in which it was considerably involved shrink dramatically and has had to face competition from increasing



Grapefruit — Estimated market releases in the EU by origin

		1997/1998	1998/1999	1999/2000	2000/2001	2001/2002
Florida						
	1 000 t	**146.8**	**140.9**	**109.0**	**112.9**	**111.2**
	1 000 000 boxes 17 kg	8.6	8.3	6.4	6.6	6.5
Turkey						
	1 000 t	**18.1**	**24.8**	**44.6**	**44.3**	**60.0**
	1 000 000 boxes 13 kg	1.4	1.9	3.4	3.4	4.6
Israel						
White		28.3	26.1	22.1	11.5	7.4
Coloured		61.9	60.3	55.1	43.6	30.5
	1 000 t	**90.2**	**86.5**	**77.2**	**55.0**	**37.9**
	1 000 000 boxes 16 kg	5.6	5.4	4.8	3.4	2.4
Sweetie		1.9	3.3	2.9	3.4	3.2
	1 000 000 boxes 16 kg	0.1	0.2	0.2	0.2	0.2
Total	1 000 t	**255.1**	**252.1**	**230.8**	**212.3**	**209.2**

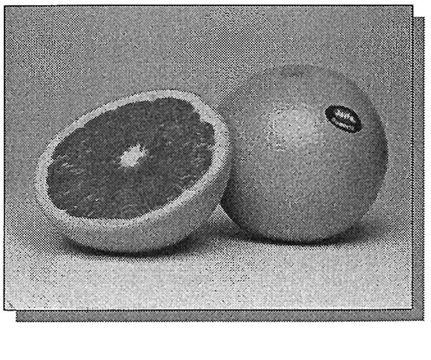
Grapefruit — Average import price in France — Euro/kg (estimates)	Season total 2001-2002	Comparison (%) 2000-2001	1999-2000
Florida	0.80	+ 5	+ 7
Israel	0.66	- 11	- 9
Turkey	0.54	- 14	+ 3
Average	0.75	0	+ 4

Turkish production for the past three years. As a direct result, arrivals in the EU from the ports of Ashdod and Jaffa dropped by 60% over a five-year period. Even the vigorous increase in Turkish shipments does not make up for the decrease.

Inversion of the balance of power between the two main producer countries in the Mediterranean

These changes have obviously resulted in upsets in market shares. The 2001-2002 season is a perfect example of this, with Turkey overtaking the Israeli 'master' for the first time in terms of volumes exported to Europe. But Israeli exporters have not spared their efforts in recent years. Marketing has been active but has not prevented England, the main target market, from succumbing to the charms of Turkish grapefruits. Likewise, the launching of Sweetie in the EU (somewhat forced by unfortunate experiences on the Japanese market) has not yet really functioned properly and the volumes are far from compensating those lost in grapefruit.

It is true that Turkey possesses undeniable comparative advantages, in particular with regard to cost price. It can therefore practice aggressive pricing right from the start of the season, thus capturing a large market share that it then holds on to throughout the winter season. This tactic, that one might think inspired by the German blitzkrieg, worked particularly well this year. For the first time, all the French multiples except one referenced Turkish grapefruit from October onwards.



The only originality: a very special supply pattern

The marked shortage of supplies during the summer season left its mark on a large part of the winter season. It is necessary to look back, especially as there are not many good memories! Indeed, prices reached a historic high point when the first winter fruits arrived in October as the market had no inter-season origins (the potential was small in Honduras and Cuba because of drought).

Shipments thus increased at a spectacular rate! To give just one figure, at the end of October the cumulated arrivals from the winter trio were nearly 70% higher than the average in recent years.

The fits and starts from the first weeks onwards gave this season an irregular pattern. As can be seen in the graph, the market was weighed down by the avalanches of shipments in October, got nowhere in November and then emptied in December. This grand clean-out at the end of the year encouraged importers to step up their orders, generating another wave of shipments—less immense however—in January. Prices moved in the opposite direction of course.

A high average price for the season

The average overall season price was at a good level. Differences between supplier countries emerged nevertheless, with Florida gaining ground in comparison with last year, in contrast with the two other origins, which lost 10 to 15%. This good performance should be seen in relative terms and partly ascribed to the export quota applied to small grades (48 and 56) until the end of February. This should be repeated in 2002-2003 ■

Eric Imbert, Cirad-flhor
eric.imbert@cirad.fr