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The banana market in Spain

A little closer to the stars

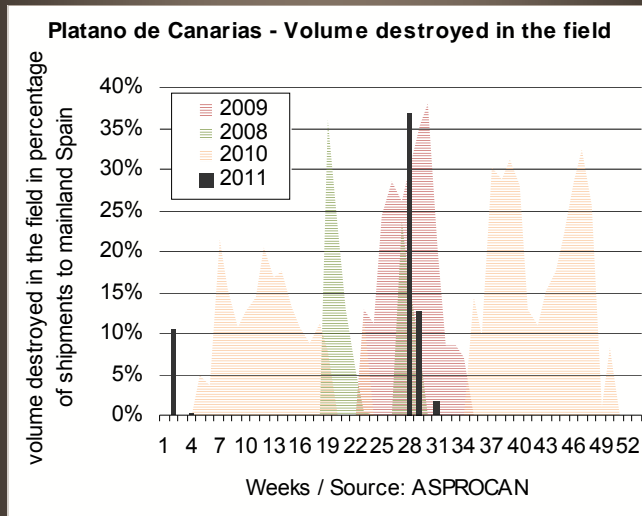


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Everything is going magnificently for Spain, if we keep to the subject of bananas. It was doubtless one of the most successful sectors in the country in 2011. The figures are very clear: the average green price of the reference Super Extra (source: CIRAD) was EUR 1.02 per kg in comparison with EUR 0.72 in 2010 and EUR 0.92 in 2009. The situation was also good as regards volumes. Consumption of some 450 000 t was confirmed in 2011, in line with the results for 2010. And the bonus was that whereas 36 000 t of Canary Island bananas were destroyed in the plantations in 2010, this was applied to only 2 700 t in 2011. The only poor point was the erosion of the market share of Canary bananas on their domestic market. At 68% in mainland Spain, it was within 2% of the low point reached in 2009.

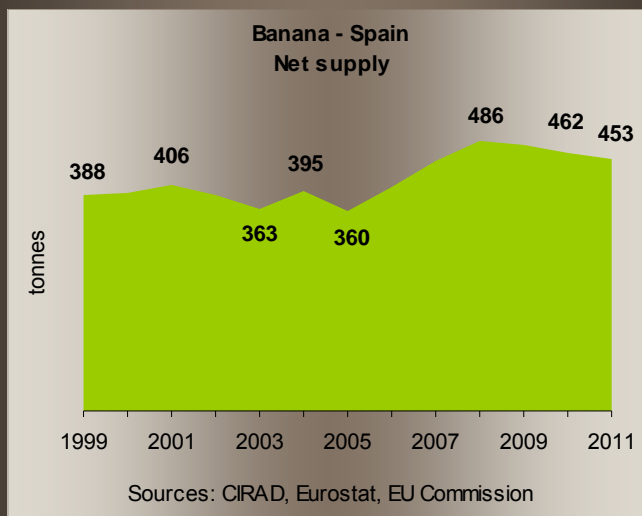
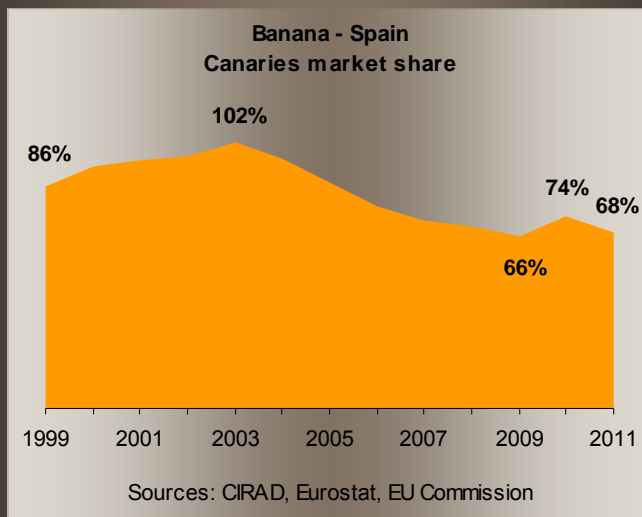
Close management of the quantities produced has enabled the Canary growers to manage their market and hence their selling price but without the preventive destruction of quantities such as in 2010. Finally, negotiating power was clearly in the hands of producers in 2011. The proof is that the Spanish market was totally disconnected from the rest of the European market, moving with a different phase pattern. For example, the green price of Canary Island bananas has rocketed during the last two 2-month periods while apathy was the rule elsewhere in Europe.

Spanish operators thus had a fine season. But the danger for them remains



the greater risk than ever of an increase in the market share of bananas from third countries (ACP or dollar) or France. Here again, pressure was not too strong in terms of supply on export markets. The weather did its job. But in a liberalised market where the Spanish cultural exception 'platano de Canarias' is suffering face to face with imported bananas that are EUR 0.60 cheaper in the shops, marketing barriers are not as effective. However, we can finish on an optimistic note as if a French producer were to see his market increase by 50 000 tonnes in just a few years, cover two-thirds of production and be paid on a scale matching his production costs he would think more in terms of a conjuring trick than an accessible dream ■

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