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FR*ui*TROP

English edition



**Counter-season
avocado
Relative
calm**



**Close-up
Banana**

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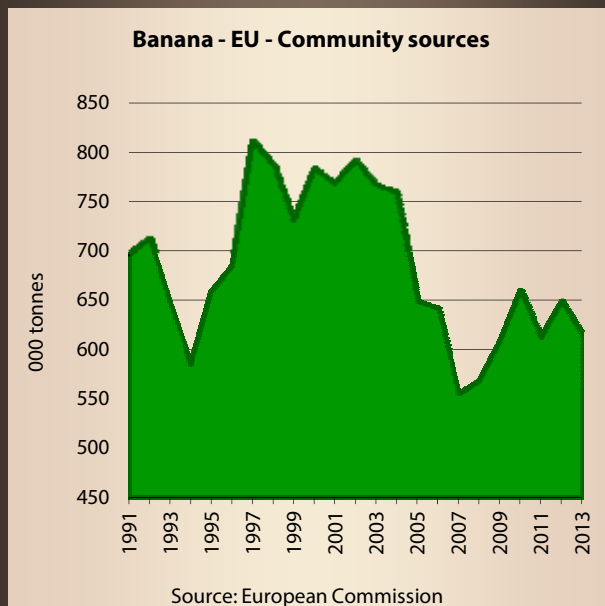


European banana market

Overall supply: dynamic year round



In 2013, the EU banana market amounted to nearly 5 349 000 tonnes, just below the absolute record from 2008, when it consumed 5 445 000 tonnes. This is excellent news for the European market, which against all expectation is exhibiting some degree of vitality. Those of a less optimistic disposition, such as yours truly, will point out that the good market performance can be explained by factors completely foreign to the sector. In our January 2014 edition, we highlighted the positive context for the fruit, which can be summarised, perhaps unfairly, as: fall in competition from other fruits (throughout the year) and weather favourable for banana consumption (cold and wet conditions). But let's not get ourselves down. The market grew, and in significant proportions: + 210 000 tonnes, i.e. by the equivalent of the Polish market (2009-2013 average). Now let's take a detailed look at the situation in 2013 for each of the big sources.



Banana — Europe — Import and retail prices				
euro/box	2012	2013	Diff.	Diff. %
United Kingdom (£/box)				
Retail price				
Loose bananas	13.1	13.2	0.18	1%
Retail price				
Prepacked bananas	21.8	21.8	0.00	0%
Import price				
Spain				
Retail price				
Canaries bananas	32.5	36.8	4.35	12%
Retail price				
Other sources	24.3	24.7	0.36	1%
Import price				
Canaries bananas - Super Extra	15.6	17.7	2.10	12%
Germany				
Retail price				
Traditional retail distribution	23.0	23.8	0.73	3%
Retail price				
Discount stores	20.3	21.8	1.45	7%
Import price				
	14.1	13.7	-0.40	-3%
France				
Retail price				
	28.1	28.7	0.54	2%
Retail price				
Special offer	23.9	25.2	1.27	5%
Import price				
	12.9	12.6	-0.31	-2%
Italy				
Retail price				
	33.6	31.9	-1.63	-5%
Import price				
	13.5	12.9	-0.60	-5%
Czech Republic (CZK/box)				
Retail price				
	562.3	576.7	14.33	2%
Reference EU barometer (CIRAD)				
Import price				
	13.7	13.2	-0.56	-4%

Sources: TWMC, RNM, CIRAD

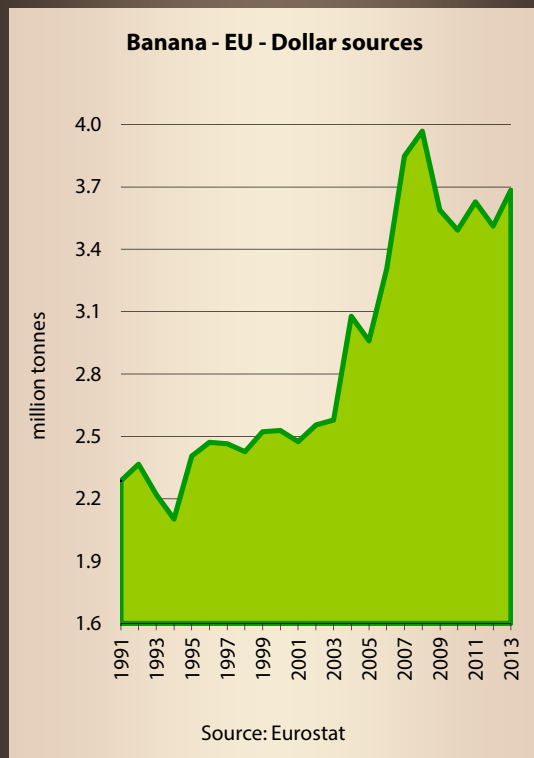
European production: can do better!

This source was the big, and the only, loser in 2013. European production went against the market trend. Cyclone Chantal, which hit Martinique and slashed its export potential (159 015 t, i.e. - 14 %), cannot explain the fall in the "European" source. The Canaries also missed out, with a 3 % fall to 360 981 t, though for the right reasons. Indeed, this measured fall should be compared against 2012, excellent in terms of volume (371 000 t) but awful in terms of value. In 2013, Spanish producers decided to recover their margins through tighter volume management. And they were quite right, since the reference price per box of bananas (Super Extra) went up by more than 12 % between 2012 and 2013, i.e. more than 2 euros. The profitability calculation did not take long to make.

The more modest sources also slipped into the red: Madeira for Portugal with - 11 %, Crete (Greece) with - 12 % and Cyprus with - 5 %. Finally, a special mention goes to Guadeloupe, which was the only European region in the black, with significant growth of 7 %, in excess of 70 000 t (71 511 t), thus marking its best performance for a decade!

Ultimately, European production is losing momentum on an expanding European market. Quite naturally, this is manifested by the fall in its market share from 12.6 % to 11.5 % between 2012 and 2013. We have to go back to 2008 to find as poor a score. After twenty years, i.e. since the dawn of the Single European Market in 1993, the EU now covers barely 12 % of its annual consumption, as opposed to 18 to 20 % previously. Successive enlargements, commercial pressure from the dollar and ACP suppliers, and lack of competitiveness due to the production conditions and adherence to European social standards, have only curbed the EC supply. Fortunately, European solidarity has been brought into play, through the famous POSEI programme, enabling its production sector to partially make up the competitiveness deficit.

More generally speaking, we should remember that banana production in the French West Indies is threatened by the development of black sigatoka disease (BSD) or black cercosporiosis, which was first detected in Martinique in September 2010, and then in Guadeloupe in January 2012. For the moment, the sanitary condition of the banana plantations is still under control, despite permission for aerial spraying being withdrawn and the extremely limited range of treatment products authorised for combating fungus. Alternatives to chemical management are also being implemented, particularly via surgical leaf removal techniques. Finding themselves in the firing line, all producers are hoping for quick access to BSD tolerant or resistant varieties within a reasonable time frame.



Imports: at full throttle

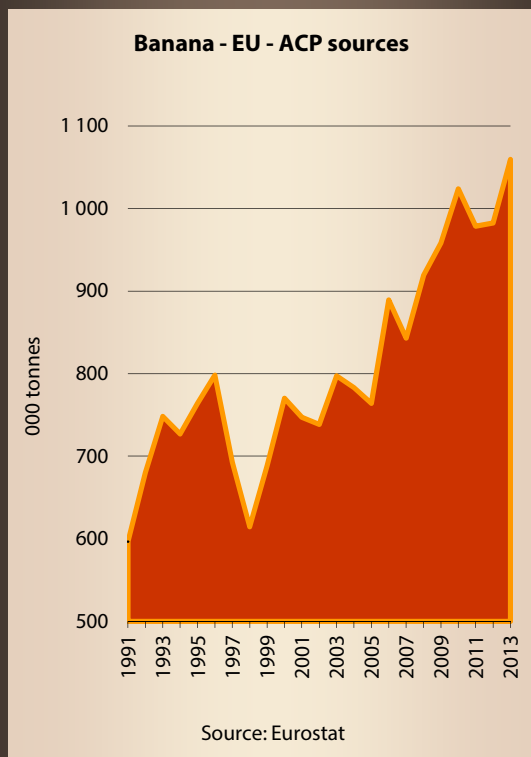
With a market share in excess of 88 %, and even rising by nearly 1 %, extra-Community suppliers to the EU have a stranglehold on the world's biggest dessert banana market. Imports have grown, taking advantage of successive enlargements, strong competitiveness and facilitated market access (elimination of restrictions, implementation of a tariff-only system associated with a scheduled reduction in customs duty, or for the ACPs unlimited market access). In terms of volume, imports in 2013 represented nearly 4.8 million tonnes, just short of the absolute record from 2008 of 4.9 million tonnes.

Dollar sources

Dollar sources, or MFN (as in the WTO term Most Favoured Nation), brought just under 3.7 million tonnes of bananas onto the European market in 2013. This was 300 000 t short of the absolute record from 2008, but nonetheless is a very fine performance compared to 2012. Indeed, the annual growth of 5 % is the strongest for six years.

The situation is mainly very simple for the dollar group. All the big suppliers increased their presence in the EU, except for Ecuador. And yet while the world's leading exporter and leading supplier to the European market eased off, it did so on a very limited scale: - 1 % (- 19 000 t). As we will see in the analysis dedicated to the US market, this fall from Ecuador to Europe was more than compensated for by a steep increase in its shipments to the United States (+ 6 %, i.e. + 43 000 t). The number two and three suppliers, respectively Colombia and Costa Rica, are on the rise. Their performances were nothing exceptional, far from it, but there was indeed growth. Colombia registered slight growth of 2 %, i.e. two to three times less than the market trend, while Costa Rica rose more steeply, with a growth rate of 6 %, i.e. slightly more than the market trend, though to the detriment of its nearest destination, the United States.

Other suppliers, which represent in total just 12 % of the dollar supply, emerged much better. Panama, for example, increased its score by more than one third, to reach 194 000 t. We can also mention Peru, one of the world's two biggest sources of organic and fair trade bananas, which registered 28 % growth from 2012 to reach the 100 000-t mark. This figure is still provisional, since a statistical error passed on by Eurostat put the source as high as 143 000 t. Mexico has also burst onto the scene, going from less than 10 000 t in 2011 to 54 000 t in 2013. True, the source enjoys a zero-duty quota, but it is also a big fruit producing country which is waking up to banana exports to Europe, the United States and also Russia. Finally, among the secondary sources, we can also mention Guatemala, which tripled its shipments to the EU with 12 000 t (+ 171 %), though this is no big deal compared to its performance on the US market: + 10 %, with 1.6 million tonnes.



ACP sources

We might believe that this group of suppliers, enjoying duty-free access to the European market, was the big winner of this 2013 banana year. First of all, it did better than the market trend. Its volumes were up 8 %, exceeding for the second time the million-tonne mark to 1 059 000 t, for an absolute record! The previous record dated from 2010. With a 51 % market share, African suppliers took over from other ACPs from the Caribbean or Latin America. Côte d'Ivoire and Cameroon, the number two and three ACP suppliers, got close to or exceeded their absolute records thanks to growth rates of 12 and 17 % respectively. These producers have a strong dynamic, and even if political threats make long-term analysis difficult, everything is in place for Africa to continue its forward march (see **Fruitrop** no.216, November 2013). The number three African supplier, Ghana, showed signs of weakness in 2013 (- 16 %), tumbling below 50 000 t, largely because of social unrest.

Among non-African ACP suppliers, the situation is more mixed. Indeed only the Dominican Republic was up (+ 5 %), maintaining a level above 300 000 t and retaining its position as the number one ACP source. Exporting nearly three-quarters of its produce as fair trade and/or organic (see **Fruitrop** no. 200, pages 46 to 48), it picked up again in 2013 after a bad patch due to the climate conditions (prolonged drought) and phytosanitary problems. Belize and Surinam, the two other big players in the sector, saw their exports decrease by 3 %. Finally Surinam succeeded in privatising its banana industry, with the operator Univeg, and could go back up the rankings in 2014. The Windward Isles are suffering, despite an attempt to start over, and some good results for Saint Lucia. The presence of black cercosporiosis, the recurrent climate damage and competitiveness handicaps of these islands does not leave much hope for a dazzling resumption of exports. The aid promised by the EU under the BAMs (banana sector accompanying measures), which is currently being paid, could help the process.



Banana — EU-27 imports — 2013

tonnes	AT	BE-LU	BG	CY	CZ	DE	DK	EE	ES	FI	FR	UK	EL	HU	IE	IT	LT	LV	MT	NL	PL	PT	RO	SE	SI	SK	UE-27	
Intra-EU total	118 433	35 704	17 547	2 191	124 137	646 931	74 381	9 999	54 590	65 163	283 474	133 223	5 703	41 565	3 745	89 873	21 312	21 956	2 233	98 586	243 918	69 447	41 098	57 627	5 220	44 983	2 313 038	
of which NIMCs12	2 614	1 853	3 872	0	4 420	1 652	1 444	5 851	0	1 059	0	0	647	5 741	0	7 858	4 292	5 411	1 178	92	12 688	0	13 030	19	180	19 471	92 071	
Belgium	36 509	3 442	97	0	34 193	393 347	1 141	3 409	2 137	191	97 929	9 332	21	9 567	0	30 181	4 408	10 558	38	37 992	75 337	412	1 798	8 568	750	11 515	772 873	
Germany	41 502	5 341	373	0	23 133	64 735	284	41	36 746	8 654	144	338	3 105	32	502	4 817	5 620	0	57 056	122 560	0	2 036	21 720	18	2 566	401 332		
Netherlands	28 002	10 399	603	2	18 221	219 032	5 106	98	248	14 417	21 147	29 477	158	3 223	90	12 494	1 581	346	4	0	20 190	52	1 516	12 785	43	689	399 925	
France	9 583	5 542	0	0	38 554	10 870	2 745	0	50 935	0	8 058	0	8 058	0	7 614	328	35 945	6 169	0	1 111	5 889	3 108	20 967	100	7	5 239	212 764	
Spain	30	0	0	0	356	311	17	0	0	51	41 821	384	0	20	0	2 254	0	0	0	22	98	65 428	0	2 575	0	60	113 426	
United Kingdom	0	9 043	0	0	2 553	3 231	72	0	207	0	79 091	0	0	4 133	3 294	120	6	21	1 494	6 828	42	0	486	0	2 497	113 119		
Ireland	0	0	0	0	0	10 382	1	0	0	0	85 790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	96 172	
Italy	194	0	21	560	2 011	3 970	0	0	276	0	34 515	0	0	1 656	0	0	100	2 355	0	31	11 897	0	2 684	0	180	19 025	40 060	
Czech Rep.	0	1 287	0	0	0	845	0	0	0	0	0	37	0	0	0	0	39	0	0	45	0	0	0	0	0	0	16 166	
Sweden	0	0	0	0	335	2 202	394	168	0	0	12 699	247	0	0	0	0	0	0	0	0	0	0	1 500	0	0	0	15 709	
Greece	0	12 581	1 629	0	0	0	0	0	0	0	0	0	0	7 359	0	519	0	0	0	538	0	0	59	0	2 723	5	12 947	
Austria	0	0	0	0	361	1 382	1	0	0	0	0	0	0	0	0	0	0	0	0	175	0	0	0	0	0	0	12 066	
Denmark	0	0	0	0	0	517	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0	0	0	0	10 039	
Slovakia	273	0	0	0	2 259	0	0	0	0	0	0	0	240	2 215	0	5 042	0	0	0	0	0	0	0	0	0	0	0	9 478
Latvia	0	0	0	0	0	107	1	5 309	0	922	0	0	0	0	0	0	3120	0	0	0	0	0	0	0	0	0	0	4 507
Slovenia	71	0	3 034	0	0	0	0	0	0	0	0	0	0	1 645	0	1 486	0	0	0	1 178	0	0	0	0	0	0	0	1 319
Poland	242	44	552	0	1 631	701	72	0	0	0	0	0	0	225	0	512	1 072	377	0	21	0	0	2 325	0	0	202	8 874	
Hungary	1 990	0	0	0	530	0	69	0	0	0	0	0	0	0	0	818	0	0	0	0	0	0	1 424	0	0	79	4 910	
Bulgary	0	0	0	0	0	0	0	0	0	0	0	0	377	0	0	0	0	0	0	0	0	0	4 198	0	0	0	4 575	
Lithuania	0	522	0	0	0	0	0	2 542	0	21	0	0	0	0	0	0	0	2 679	0	0	743	0	0	0	0	0	0	4 507
Cyprus	0	0	133	0	0	0	0	0	0	0	0	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1 319
Portugal	0	31	0	0	0	0	1	0	746	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	784
Finland	0	0	0	0	0	21	25	189	0	0	0	0	0	0	0	0	0	0	0	60	0	0	0	0	0	0	295	
Romania	39	0	154	0	0	0	0	0	0	0	0	0	22	0	0	0	0	0	0	39	0	0	0	0	0	19	272	
Luxembourg	0	54	0	0	0	14	0	0	0	0	62	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	130	
Estonia	0	0	0	0	0	0	0	0	0	116	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	117	
Malta	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total extra EU	1 140	1 243 385	18 437	1 995	0	680 773	15 204	101	138 815	12 500	328 362	1 006	124	0	64 822	565 086	8 702	0	791	319 834	19 810	66 783	1 144	123	41 192	0	4 783 865	
of which MFN	1 140	1 048 636	18 437	1 995	0	671 269	13 147	101	112 608	12 500	2 916	592 093	124	0	35 987	544 963	8 702	0	791	303 666	19 810	59 167	1 084	109	41 192	0	3 724 404	
Ecuador	41	253 474	16 434	1 995	0	353 039	0	101	9 821	5 923	798	147 619	89 903	0	209	207 350	6 162	0	532	118 590	12 967	7 401	1 084	24 131	31 674	0	1 289 711	
Colombia	1 099	461 378	0	0	0	92 583	9 968	0	43 293	0	236	247 411	942	0	1 382	144 447	1 44	0	115 317	1 956	26 136	0	0	12 112	618	0	1 159 020	
Costa Rica	0	176 738	0	0	0	126 316	1 343	0	39 965	4 085	1 621	157 954	20 404	0	30 723	158 021	1 169	0	83	11 600	4 744	22 939	0	55 900	3 713	0	817 318	
Panama	0	52 049	0	0	0	72 601	0	0	922	0	0	27 484	7 975	0	0	13 310	311	0	0	1 878	144	41	0	17 488	0	0	194 204	
Peru*	0	99 544	0	0	0	19 575	0	0	42	40	0	3 204	0	0	1 126	0	0	0	21 771	0	0	0	0	0	0	0	145 301	
Mexico	0	4 387	0	0	0	761	0	0	9 706	0	83	0	0	0	0	11 557	842	0	176	23 788	0	2 650	0	20	0	0	53 971	
Brazil	0	462	0	0	0	5 461	1 834	0	8 858	2 452	178	8 175	0	0	0	4 495	74	0	10 722	0	0	0	0	0	0	0	42 712	
Guatemala	0	22	0	0	0	902	0	0	0	0	0	0	3 985	0	0	5 745	0	0	0	0	0	0	0	0	1 717	0	12 371	
Honduras	0	102	0	0	0	19	0	0	0	0	0	247	879	0	2 519	0	0	0	0	0	0	0	0	0	972	0	4 738	
Croatia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18	0	0	0	0	0	0	0	0	2 499	0	2 516	
Turkey	0	0	1 592	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1 592	
Philippines	0	480	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	480	
of which ACP	0	194 749	0	0	0	9 504	2 057	0	26 207	0	325 446	414 666	0	0	28 835	20 123	0	0	0	16 169	0	7 616	59	14 031	0	0	1 059 460	
Dom. Rep.	0	46 801	0	0	0	9 425	2 057	0	17 724	0	3 374	201 099	0	0	18	4 779	0	0	0	16 053	0	7 616	59	14 030	0	0	323 034	
Côte d'Ivoire	0	58 793	0	0	0	4	0	0	4 522	0	122 756	65 447	0	0	0	654	0	0	0	0	0	0	0	0	0	0	252 176	
Cameroon	0	73 463	0	0	0	0	0	0	0	0	105 323	59 164	0	0	0	11 173	0	0	0	116	0	0	0	0	0	0	249 239	
Belize	0	117	0	0	0	0	0	0	3 962	0	80 956	0	0	0	28 817	0	0	0	0	0	0	0	0	0	0	0	96 763	
Surinam	0	0	0	0	0	0	0	0	0	0	13 037	10 565	0	0	0	3 476	0	0	0	0	0	0	0	0	0	0	80 956	
Ghana	0	15 533	0	0	0	1	0	0	0	0	0	12 367	0	0	0	0	0	0	0	0	0	0	0	0	0	0	42 612	
St Lucia	0	0	0	0	0	0	0	0	0	0	0	1 442	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12 367	
Dominica	0	0	0	0	0	0	0	0	0	0	0	523	0	0	0	40	0	0	0	0	0	0	0	0	0	0	1 442	
Mozambique	0	0	0	0	0	0	0	0	0	0	0	191	0	0	0	0	0	0	0	0	0	0	0	0	0	0	563	
St Vincent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	191	
Uganda	0	4	0	0	0	74	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	80	
Burundi	0	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37	
Rwanda	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	

* Peru: total currently undergoing correction (estimated at 100 000 t) / Abbreviated country codes as the per official EU standard / Source : Eurostat



Monthly supply tempo: nearly perfect

There was near-perfect growth in fruit brought to market! Looking solely at the import figures, there was a fall only in March, of just 1 % (2013 from 2012). Imports were up for all the other months, and sometimes even in big proportions, such as the last four months, when we saw volumes increase by between 10 and 18 %. The increase was more reasonable in the first part of the year, and stable in the summer months. And no need for jealousy, as both the dollar and ACP supplies increased all year round, both generating end-of-season pressure.

If we add European produce to the imports, nothing really changes. And if we compare this supply with a 2010-2011-2012 three-year average, we obtain exactly the same annual profile. All of which comes down to saying that there was a clear, massive increase well distributed over the year ■

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Banana entry points and circulation within the EU

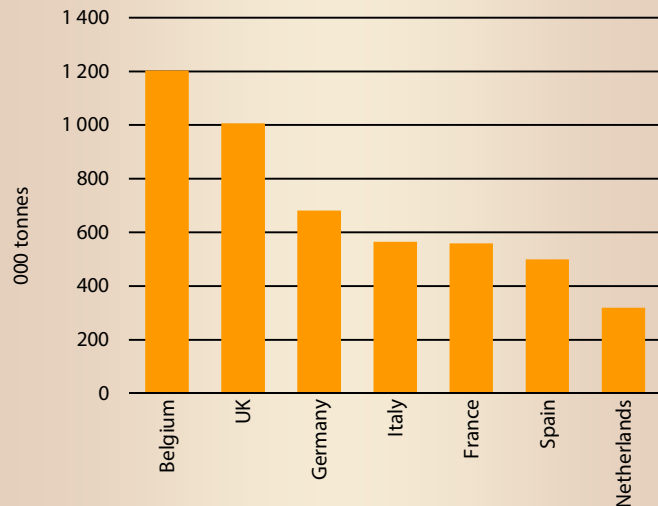
There is nothing new under the sun for Europe. The bananas consumed by the 500 million Europeans are still coming in via the same doors, with Belgium, the United Kingdom, Germany and France controlling three-quarters of the flows.

The banana is also a well-travelled fruit within the EU. If we add to these volumes (third-country imports + European produce) trade between Member States, we get some phenomenal figures. Indeed the banana trade, in the broad sense of the term, involves 7.7 million tonnes! As a reminder, consumption is estimated at just 5.4 million tonnes. Again, Belgium, the United Kingdom, Germany and France are the main hubs of this market.

By way of example, France handles more than 840 000 t of bananas on its territory, whereas its consumption is around 560 000 t. There is an even bigger gap is for Belgium, whose ports attract import flows of 1.2 million tonnes, whereas its consumption does not exceed 50 000 t.

So there is large-scale circulation between Member States, though we do not necessarily know the source of the produce in circulation. Indeed, customs authorities lose the point of departure or, more precisely, no longer systematically specify it once the merchandise is in free circulation in an EU State. That is a shame for analysis of consumption by source, and also because we are utterly incapable of detecting double counts. Nonetheless, analysis is possible in bulk, though often hard to pin down. Here is an example for the twelve New Member States (NMS-12): we calculated their consumption at approximately 570 000 t, for 100 million inhabitants. This supply is clearly from the EU-15, with approximately 579 000 t, to which we need to add 93 000 t, originating directly from third countries. The NMS-12 re-export a very small quantity, of around 1 600 t, outside of the EU, and 104 000 t to the European Union.

Banana - EU-27 - Volumes by major entry points in 2013



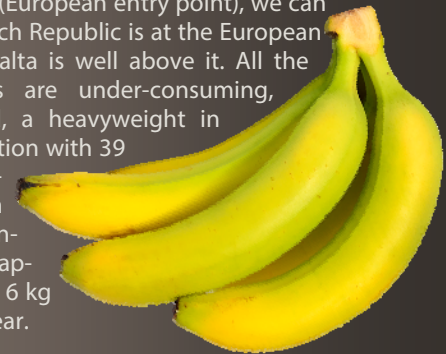
Note: imports and Community production
Source: Eurostat / Processed by CIRAD-FruiTrop



New EU Member States

If we can believe Eurostat, consumption by the twelve New Member States (NMS-12) was up 4 % in 2013 on the 2010-2011-2012 average. It represents a market of 100 million inhabitants, of around 570 000 t. It is relatively complex to evaluate because of the supply originating nearly exclusively from other European Member States. So we will use the average as a basis for checking whether the orders of magnitude are adhered to. The three-year average is actually around 530 000 t. The NMS-12 account for just 2 % of extra-EU imports for the EU-27, but take in a quarter of intra-European trade. This trade is tricky to identify, and double counts are possible. Annual consumption per capita is still below 6 kg, and well below the European average, estimated in 2013 at 10.7 kg.

It is a highly heterogeneous group. If we exclude the actual or "statistical" big consumers, Cyprus and Slovenia respectively (European entry point), we can say that the Czech Republic is at the European average, and Malta is well above it. All the other countries are under-consuming, such as Poland, a heavyweight in terms of population with 39 million inhabitants, yet which registers a consumption of approximately just 6 kg per capita per year.



Banana — European Union — Evaluation of supply — Tonnes

Year	Banana type or source			Sub-total	Exports	Net supply
	Community	ACP	Others (\$)			
1988	719 270	514 061	1 644 100	2 877 431	17 265	2 860 166
1989	698 925	544 441	1 716 175	2 959 541	13 415	2 946 126
1990	710 635	621 875	2 024 248	3 356 758	36 219	3 320 539
1991	695 402	596 416	2 286 019	3 577 837	53 468	3 524 369
1992	711 191	680 191	2 365 883	3 757 265	39 689	3 717 576
1993	646 242	748 120	2 219 721	3 614 083	36 138	3 577 945
1994	584 622	726 927	2 102 303	3 413 852	58 044	3 355 808
1995	658 206	763 886	2 405 180	3 827 272	43 082	3 784 190
1996	684 605	798 109	2 471 263	3 953 977	30 598	3 923 379
1997	810 537	692 731	2 464 412	3 967 680	16 571	3 951 109
1998	786 232	614 459	2 426 419	3 827 110	26 448	3 800 662
1999	729 303	688 170	2 522 455	3 939 928	27 359	3 912 569
2000	782 176	770 095	2 528 170	4 080 441	35 327	4 045 114
2001	767 268	747 131	2 474 665	3 989 064	34 284	3 954 780
2002	790 622	738 439	2 554 508	4 083 569	8 011	4 075 558
2003	765 416	797 269	2 578 827	4 141 512	6 020	4 135 492
2004	758 206	782 979	3 077 361	4 618 546	11 029	4 607 517
2005	648 375	763 974	2 959 463	4 371 812	4 970	4 366 842
2006	641 559	889 176	3 306 538	4 837 273	8 386	4 828 887
2007	554 734	842 959	3 848 266	5 245 959	9 270	5 236 689
2008	567 560	918 923	3 968 269	5 454 752	10 002	5 444 750
2009	608 048	958 326	3 587 737	5 154 111	7 840	5 146 271
2010	659 525	1 023 661	3 492 406	5 175 592	7 437	5 168 155
2011	611 841	978 537	3 628 113	5 218 491	8 169	5 210 322
2012	648 459	982 391	3 511 553	5 142 403	5 349	5 137 054
2013	614 564	1 059 273	3 684 203	5 358 040	9 106	5 348 934

(1) 1988 to 1993 inclusive: Eurostat + European Commission data for Madeira and Greece. From 1994 onwards: supplementary aid data or POSEI.

(2) Eurostat data.

(3) Duty-paid bananas (released for free circulation) in one of the EU-27 member countries and then exported outside EU-27.

General note: before 1994: dessert bananas + plantains / From 1994 onwards: dessert bananas. Before 1995: EU-12 / From 1995 to 2003: EU-15 / From 2004 to 2006: EU-25 / Since 2007: EU-27. The study concerns extra-Community import data for ACP and dollar bananas and re-export. The rules of operation of the Common Market Organisation of Banana (1993 version) have been applied to the data from 1988 onwards in order to give comparable results.

Source: Eurostat, European Commission / Processing: CIRAD Market News Service

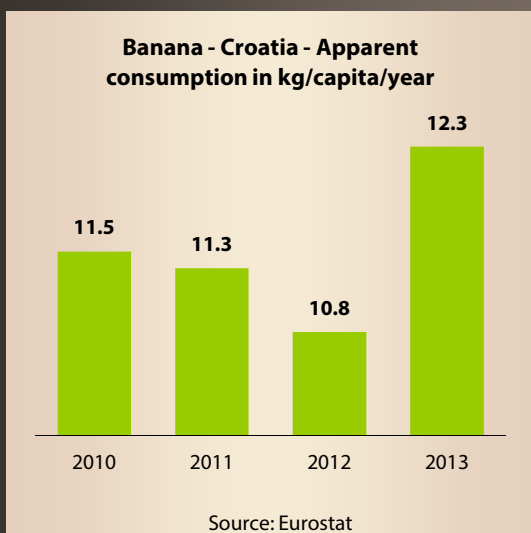
The banana in Croatia

Croatia became the EU's 28th Member State, as of 1 July 2013. To facilitate the calculations, the results set out in this dossier exclude this country's trade; its figures will be incorporated from 2014. The Croatian banana market amounts to around 50 000 t. It is a dollar banana market, more particularly Ecuadorian bananas (75 % market share in 2012), with Costa Rica, Panama and Colombia rounding off its supply. Since enlargement, a small proportion of the supply has switched to intra-European traffic, mainly from Belgium and Slovenia (port of Koper). Even since enlargement, there have been no re-exports from Croatia to other EU States, except in July 2013 with just over 1 200 t to Slovenia.

The annual consumption per capita was around 11 kg, but in 2013 it climbed to 12.3 kg, putting Croatia in the leading group of European consumers.

Banana - Croatia - Imports				
Tonnes	2010	2011	2012	2013
Total, incl.	49 355	48 531	46 161	49 249
Intra-EU	19	117	138	4 454
Belgium	0	0	0	3596
Slovenia	0	0	0	688
Italy	0.1	1.8	138	97
Extra-EU	49 355	48 531	46 161	49 249
Ecuador	39 804	36 217	34 684	32 152
Costa Rica	3 499	4 286	3 600	10 307
Panama	311	1 380	5 242	3 333

* intra and extra EU-28 from July 2013 / Source: Eurostat

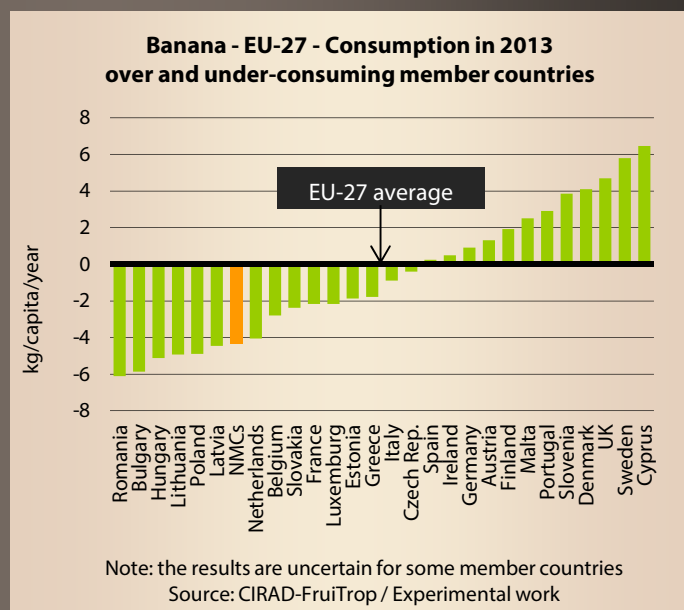
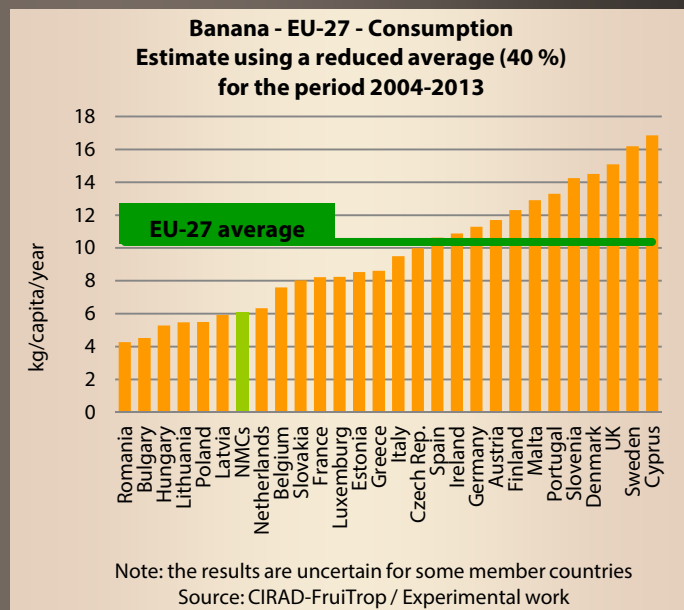


Consumption in the EU

European banana consumption rose steeply in 2013. It gained 400 grams per inhabitant, reaching 10.7 kg, but is still a long way off the record from 2008, when the 11-kg mark was reached. The average since 2007 (last expansion) is 10.5 kg. It is very tricky to try to calculate consumptions per capita in a European Union where flows between States are not 100 % reliable, where the presence of entry points sometimes distorts the statistics (e.g. Koper in Slovenia) and finally where the customs services do not always have the same degree of efficiency. Nonetheless, over the long term, and being very cautious in the assumptions adopted in the statistical calculations, we can draw up a map of banana consumption in the EU.

Looking at the result, there are some unavoidable conclusions. First of all, being a producer does not mean that you consume more bananas. Indeed, it is almost the reverse which applies. France and Greece are two very good examples in this respect, consuming practically 2 kg less than the European average. However, Spain is in line with this average. Portugal and Cyprus do much better than the average, with respectively 13.3 and 16.9 kg per capita per year.

The other lesson relates to the extreme variability of the results. Various parameters come into the reckoning in terms of understanding the consumption levels in each country: size of fruit range available, attractiveness of retail price, consumption promotions, eating habits, etc. Hence the NMS-12 consume well below the European average, whereas Sweden and the United Kingdom are very big banana consumers. The gap is enormous. For the United Kingdom alone, the consumption is 4 to 5 kg more per capita per year. As a reminder, each additional kilogram per European equates to additional banana demand of 500 000 tonnes. Therein lies the solution for maintaining the world banana balances over time. And since a dream is half the reality, it is now up to the industry players to fulfil their half of the bargain.



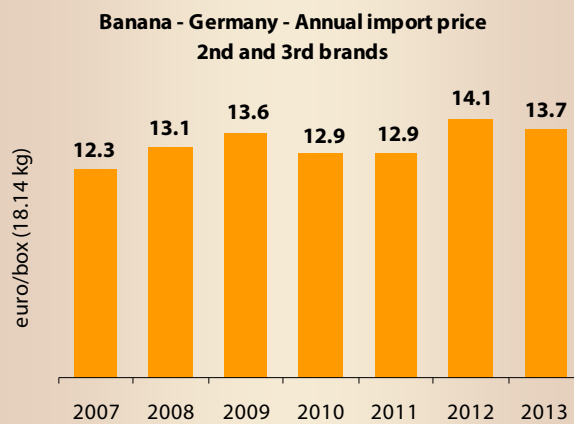
The banana in Germany

Banana consumption in Germany is approx. 20% higher than in France, if we take the household panels of the two countries as a basis. The last ten years were however not a very successful period for bananas on the German market. Quantities bought by German households decreased 2.7 % per annum, which is slightly more than the decline of fresh fruit in general (- 2.0 % p.a.). Foreign trade statistics depict a slightly friendlier picture, but the general trend of available quantities remains negative. However 2013 saw a slight recovery of household consumption (+ 2.9 %). Bananas benefited from the high prices for all other fresh fruits. While average consumer prices for bananas increased by 3.0 % in 2013, the average price for all other fruits without bananas increased by 8.7 %.

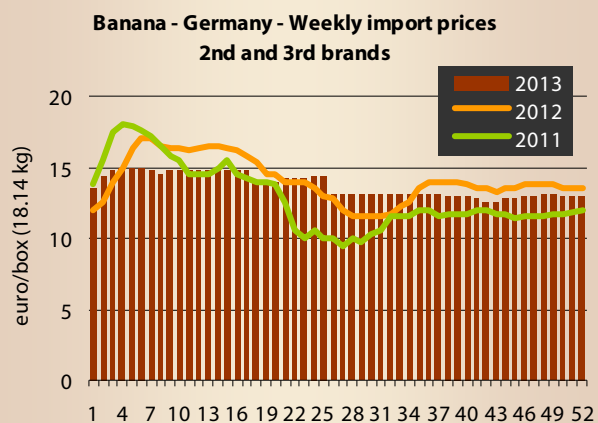
The banana market in Germany is very price driven. Discount stores have a share of 58.6 % of the total quantities sold. But a few years ago this share was even in excess of 60 %. Non-discounting supermarkets made some gains after 2009 ; their share in sold quantities now amounts to 36.8 %. 11.4 % of all bananas sold in Germany were organic bananas in 2013. This market share has increased again slightly, after having stagnated from 2010 to 2012.

Like with all fresh fruit banana purchases increase with increasing age of the households. But compared to fresh fruit in general this dependency on age is less pronounced. Households with small kids buy 30 % more bananas than average households. This may be part of the problem, because Germany has very low birth rates, so there are less "customers" ■

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Source: CIRAD-FruiTrop



Source: CIRAD-FruiTrop



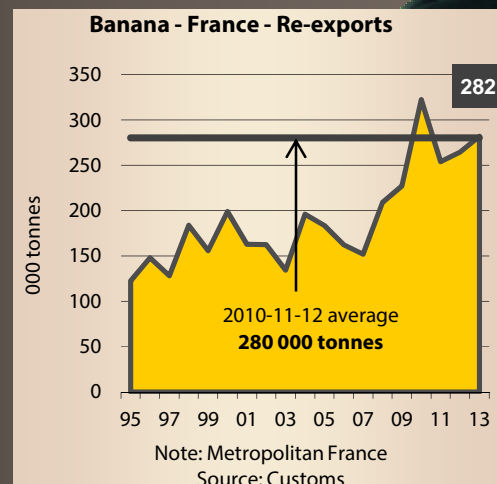
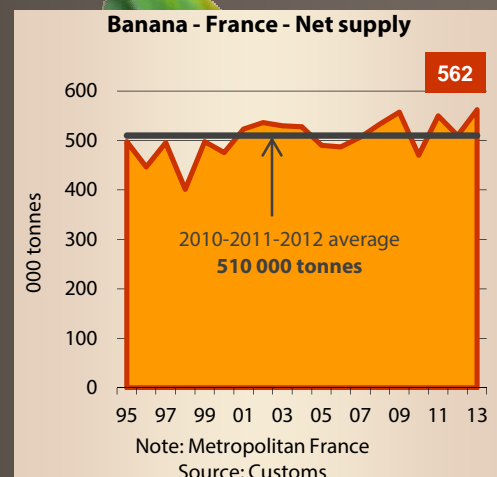
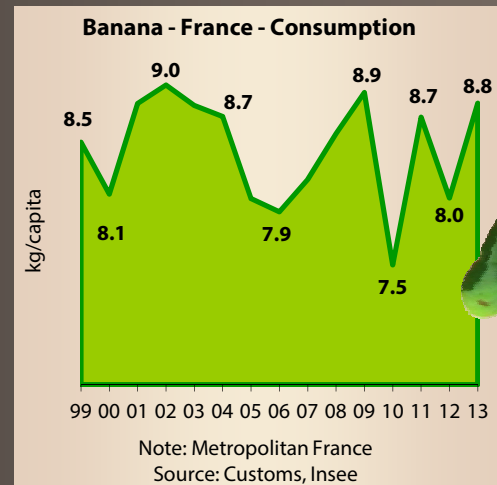
The banana in France

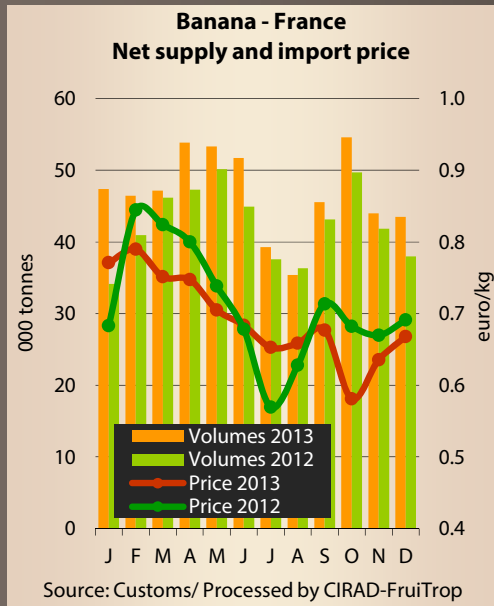
Hip-hip hurray! Banana consumption in France is rising steeply - no French exception in this case. Its trend is following that of the EU, and indeed doing better. Each French consumer scooped 8.8 kg in 2013, i.e. 800 g more than in 2012, and 400 g better than the ten-year average. Yet it was not an absolute record: the 9-kg mark was achieved in 2009.

In terms of absolute value, the French market in 2013 was estimated at 562 000 t, i.e. an increase of more than 52 000 t, and 10 % from 2012. This very steep rise should be put into perspective, with the growth of 5 % observed for the EU-27. All the same, this excellent news for France has not been shared by all the industry players. Some believe that, if there has been a rise, it is less steep than the figures seem to indicate. Others confirm the trend, pointing out that the dollar banana pressure was higher than observers were able to gauge. The results of the Kantar panel also confirmed the very positive market trend. In the fruit world in 2013, the banana, as well as the orange, exotics and avocado, were the only products to emerge with more consumers buying more of them. All the other fruits, due in particular to high prices and lower availability, had fewer consumers, who also bought less. The panel announced a rise in banana purchases of 4 % by volume and 8 % by value. Although there is some discussion about the figures, in every case the dynamic is definitely there, ranging from medium intensity to high-intensity - and that is something to celebrate.

More from the ACP and dollar groups

The structural analysis of the supply to the French market reveals some particularly interesting developments. The dollar sources saw a dazzling rise (+ 40 %) in 2013, reaching 78 000 t. True, they are still very much in the minority on a market where African and FWI-produced French bananas have a market share of more than 80 %. However, various operators are seeing this growth in this supply, mainly from Colombia (+ 58 %), Ecuador (+ 40 %) or Costa Rica (+ 5 %). Direct imports from the ACPs went up by 9 % between 2012 and 2013. Côte d'Ivoire literally exploded in 2013, with its deliveries to France climbing 37%. Cameroon followed the same trend, with a 13 % rise, while Surinam (- 5 %) and the Dominican Republic (- 13 %) slipped. French production from Guadeloupe and Martinique was down 8 %, for Martinique under the effect of the consequences of Cyclone Chantal (2013). Yet France was also supplied by the other Member States. This is where we lose the notion of produce source. We know





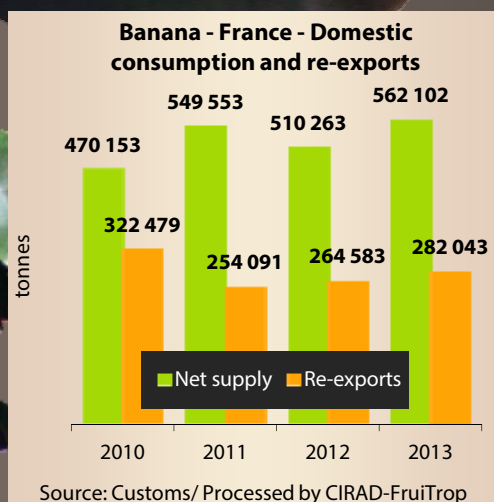
that 18 000 t were brought in via Spain, and we also know from experience that they were not Canaries bananas, which are kept within the Iberian Peninsula. We might believe that they were dollar bananas, but cannot say for certain. Overall, it was the United Kingdom that proved to be the big purveyor of bananas of uncertain provenance. Cross-Channel flows doubled between 2012 and 2013, reaching 55 000 t, and now represent 58 % of the total volume entering France. So a total of 94 000 t was brought into France, i.e. up 50 % from 2012.

Hence the gross supply (imports from third countries + French produce + transfers via Member States) increased by 9 % in 2013, reaching the exceptional figure of 844 000 t. We should recall that net consumption was just 562 000 t. The remainder was obviously re-exported, making France one of the four big European redistribution platforms, after Belgium, the United Kingdom and Germany. So re-exports, always very large since 2008, amounted to 282 000 t, representing a 7 % increase on 2012, but in line with the three-year average.

The supply tempo to the French market in 2013 was comparable to the EU supply tempo. March, August and September brought rather small volumes. All the other months saw big rate rises from 2012, and also from the three-year average. We should note the fever pitch of Cameroonian volumes in October 2013, which disrupted the market for several weeks.

Good trend yet to be confirmed

Because there is always a fly in the ointment... we cannot say, based on just one year's figures, that France's consumption level is now converging toward the European average. Indeed, as we were saying in our January price review (see **FruiTrop** no.218), the basics of the French market have remained unchanged. We should make no mistake. It was the conditions of the sector driving consumers towards the banana, and not a sudden burst of marketing or merchandising efforts, or even smart market management between all the industry players. The main thing in all this is to have shown, unwittingly, that it is possible for French consumption to break through the 550 000 t glass ceiling. The Banana Interprofessional Association (AIB), which brings together all the sector players, has begun its work and should be up to speed by the end of 2014. We wish it every possible success, in getting past the individual interests of each party, to build a better future for the benefit of all. All the best from us for its contributors.



The banana in China

A big producer country (approximately 10 million tonnes), China is still a relatively modest importer in terms of consumption potential, especially in 2013 when import volumes barely exceeded a half-million tonnes. Difficulties with Philippine production doubtless played a role in this under-achievement. On average, China has imported 700 000 t of bananas per year since 2009, when the import market seemed to awake, after a long period stuck below 400 000 t per year.

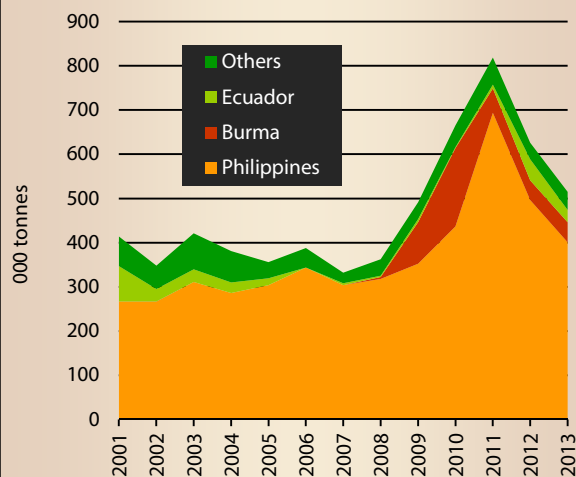
The Philippines has a market share of 78 %, while Burma (Myanmar), Ecuador, Thailand and Vietnam round off the supply. We can observe that the total flow per source is very up and down from year to year. Burma went straight from 177 000 t in 2010 to less than 50 000 t in 2013.

**Banana — China
Producer regions in 2010
(million tonnes)**

Guangdong	2.8
Guangxi	1.9
Hainan	1.5
Yunnan	1.2
Fujian	0.7

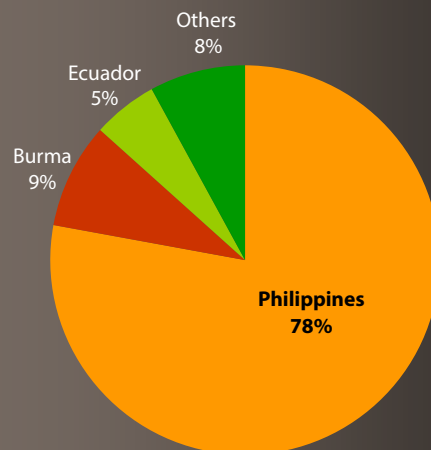
Source: Bananalink, 2012

Banana - China - Imports



Sources: ITC, national Customs

Banana - China - 2013 imports



Sources: ITC, national customs



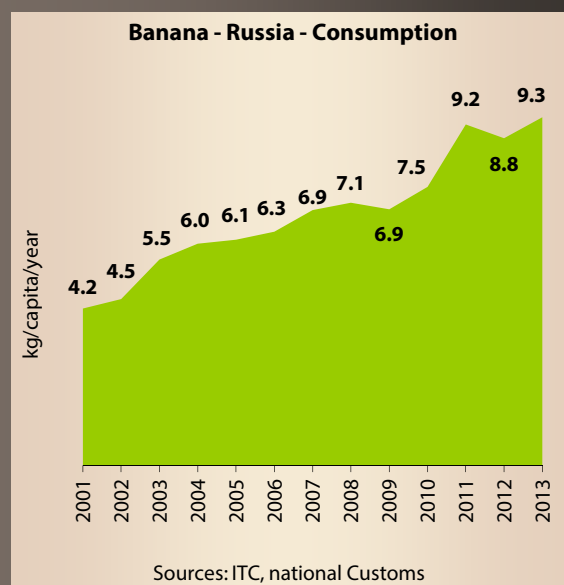
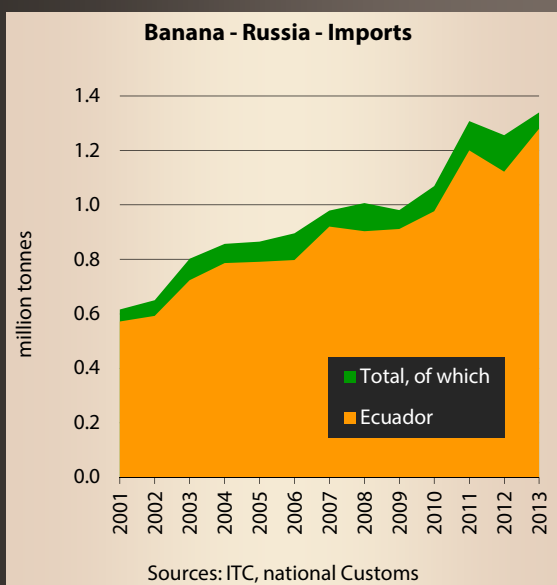
The banana in Russia

Russia is a one-track market, with its supply based entirely on a single source: Ecuador. Although the Ecuadorian government wants to tame its export sector, there are large areas of loose practices. And the Russian operators, who have purchased vast plantations in-situ, are not bothered about the rules. Ultimately, the Russian market gets 97 % of its supply from Ecuador. This is a huge outlet for the world's leading exporter, which moreover is constantly growing. In 2013, imports reached 1 339 000 t, up 7 % from 2012 and 11 % on the three-year average. The market is seeing very steady growth, more than doubling in size within a dozen years. Following on behind is the Philippines, but with very limited volumes of around 24 000 t. Costa Rica, for a long time the number two supplier, has largely withdrawn from this destination. It actually delivered just 17 000 t in 2013, as opposed to 80 000 t in 2012. Hence Ecuador has strengthened its grip on the Russian market. We should also note in passing the symbolic presence of Mexico, at around 3 000 t, which is definitely firing on all cylinders, with exports rising on all markets: EU, United States and now Russia.

The supply tempo to the Russian market is not very different to the European markets. Nonetheless, we can observe a slightly less marked seasonality, especially over the spring period when large quantities of banana are put on the market. 2013 was a very busy year over the first five months, then June, July and August were well below average, with a recovery from September to November. December was a rather light month. As we mentioned in our January 2014 edition, the massive quantities delivered at certain periods push the market past bursting point. This

was the case for example in September and October 2013, when prices plunged to previously unexplored depths.

The consumption per capita doubled between 2011 and 2013, from 4.2 to 9.3 kg per year. The falling population trend has not yet had enough of an effect on the consumption trend, which remains on a resolutely rising trend. The development of logistical infrastructures and modern distribution centres throughout the country should help prolong this dynamic. Russia's biggest supermarket chain, Magnit group, has also fully understood the benefit of this fruit, relatively easy and inexpensive to handle down the chain. According to our partners from Reefertrends.com, taking advantage of the fall of the JFC empire, the group has gained 20 % of the import market in the space of two years, fully adopting the trend of direct purchasing from the producers in the production zones, in this case in Ecuador. Similarly, it organises the transport by chartering specialised reefers.



The banana in the United States

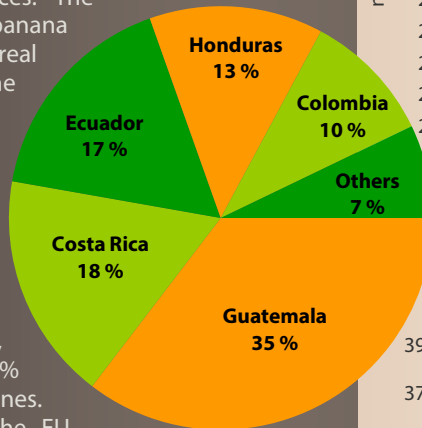
The record for the overall supply to the US market has fallen! The symbolic 4-million tonne mark was finally reached in 2013, with the market increasing by 4 %. This is in line with the increase in the other big import markets, except for Japan. Alongside this, consumption climbed to 12.5 kg per capita per year. This is still 300 g below the previous record from 2000, but let's not spoil the fun. The US market has been rising constantly for years, managing to square the circle: increasing volumes without harming import prices. The peculiar structure of the US banana market is without doubt a real economic anachronism in the land where free enterprise reigns.

Apart from Costa Rica (- 7 % from 2012), which traded off toward the EU, all the big sources were up. Leading the way in first place, Guatemala consolidated its market share, increasing its shipments by 10 % to more than 1.6 million tonnes. Ecuador, in poor shape in the EU, increased by a lively 6 %. With + 3 %, Colombia did not quite match the market trend. Secondary sources such as Honduras and Mexico, definitely the source on the rise, recorded growth rates of + 13 and + 15 % respectively. We should note the strong percentage growth (doubling), though still weak in terms of absolute value (less than 6 000 t), of the Dominican Republic on the organic and fair trade segments, while Peru stood still at 22 000 t, its average over recent years.

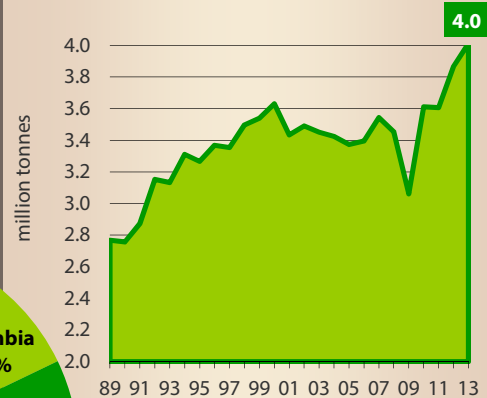
The annual increase in consumption was well distributed over the year. There were two months exempt from the upward trend: August and November.

Finally, US Customs had an innovative 2013, distinguishing between organic and conventional bananas. This came as some surprise, a singular event. According to official data, organic banana imports represent 25 % of the total volumes entering the United States, i.e. 1.8 million tonnes. That is two-and-a-half times the market share of organic fruit and vegetable sales in 2012 (source: Agence Bio). Either the banana is an exceptional case, or the statistics are wrong, or for the United States organic certification does not exclude much, such as phytosanitary products usable in the plantations. The initial data for 2014 indicate that the Customs are in the process of putting things right. For the first two months of the year, the share of organic bananas out of the total US imports came back to more reasonable levels of 12 to 14 %.

Banana - USA Imports in 2013

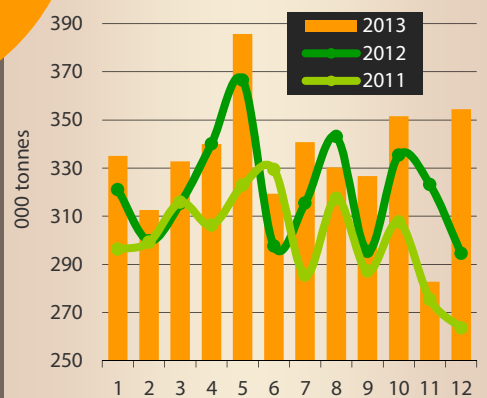


Banana - United States Net Supply



Source: Customs

Banana - United States Monthly supply



Source: national Customs

Banana - United States - Consumption



Source: Customs

The banana in Japan

While the world banana market seems to be on the path of growth, the same does not apply to Japan. The import record from 2009 of 1.25 million tonnes will stand for a long time yet. 2013 was a terrible year, with imports dropping back below the million-tonne mark, with just 975 000 t. In fact it would be an error to analyse the Japanese market without analysing the Philippines supply, which hogs 93 % of Japanese demand. This source, the world number three exporter, is at the mercy of climate vagaries, particularly typhoons. 2013 was particularly difficult for the Philippines from this point of view, which was manifested in the Japanese foreign

trade figures. For lack of supply, the market lost more than 100 000 t. Ecuador is the number two supplier, but far behind with just a 4 % market share. It stagnated at around 40 000 t, a long way off its performances in the early 2000s of 171 000 t! Taiwan and Peru have niche markets of 6 000 to 7 000 t each. Guatemala has also emerged. Practically absent in 2012, this source, which is causing a stir in the United States, brought 4 000 t to the market in 2013.

Consumption per capita is in freefall. In 2013 it was 7.7 kg, as opposed to 9.8 kg in 2009.

