

OVERVIEW GLOBAL MARKET LIMES

Various reports on the lime market in Mexico and Brazil reveal different perspectives. The Latin American countries say they have harvested less and also shipped less to Europe, while a trader in the Netherlands says the opposite, that a bigger volume has been shipped. Within Europe, Italy is a difficult market for this citrus fruit, with lime still considered a niche product. In the US, significantly unstable prices have been reported, resulting in an erratic market.

Mexico expects smaller production

The most important market for Persian limes is the US. According to official statistics, the east of the country accounts for nearly 10% of the lime production. Given the growing production, there has also been an increase in the number of trucks on the roads. In 2015, a total of 493 trucks with limes crossed the border with the US every week. In 2010, this figure stood at 386. Each of the coastal areas of Mexico has its own share of the US market. The market is divided roughly from north to south into two parts. Eastern Mexico supplies the eastern US.

Between 2010 and 2015, the lime production grew by 37%. Meanwhile, exports rose by 46%, and in financial terms, the value increased by 61%. If prices rise, there is a risk of exporters shipping substantially more limes across the border and saturating the market, thus potentially putting prices under pressure.

This year's production is expected to be lower. Storms and rainfall have caused a reduction in the total volume and calibres are also smaller. According to an exporter, the demand from the US has increased the most, while that from Europe seems to be on a decline. One trader estimated the decline in demand from Europe at 10 to 20%.

Drought reduced harvest in Brazil

The season came to a close in October. This year was marked by problems caused by the weather conditions, with the drought playing tricks on the growers. As a result of this, there

was certainly a smaller supply at the beginning of the season (August/September). In total, exports were slightly lower than in other years.

Unpredictable prices in the US

One trader described the current prices as "unpredictable." The prices vary greatly, more than usual. An overview of the prices:

- 110 count: \$ 10 - \$ 16
- 150 count: \$ 12 - \$ 18
- 175 count: \$ 14 - \$ 20
- 200 & 230 count: \$ 16 - \$ 22
- 250 count: \$ 12- \$ 18

Such diverse prices result in a capricious market. Also, the supply has fallen this week and is smaller than expected. There are no prospects for any shortage, but with the traditional rising demand around the holidays, the market conditions should be good.

It is mainly the Hispanic population that consumes the limes. To illustrate this, it is worth noting that the average consumption among the Mexican population stands at 14 kilos per year, while the global average amounts to just 2 kilos.

Belgium records slight price increases

Lime prices were not very high last week. There was a small surplus due to some cooler days, which reduced the demand and gave a boost to the supply.

During the holidays, the demand is higher, partly because the limes are used in cocktails and appetisers.

The price has now increased from around 4 Euro to 7 Euro, which is a similar level to that recorded last year. A trader states that "I expect no real peak and I think this price will remain stable for a few weeks; then the price will probably go up, because then the supply will fall." Moreover, he remarks that unexpected events, like a natural disaster, have the potential to seriously disrupt the market. The picture he paints is that of a normal season.

Rebounding lime market in the Netherlands thanks to Christmas and New Year Sales

Looking back, 2016 has been a reasonable year for the limes. A trader says that while there have been spikes in the prices, "these have certainly stayed for far too long at lower levels in recent months." Overall, the quality was just fine up to late October, but then the quality from Mexico and Brazil was no longer as good. Europe has certainly received more imports than in previous years; the export figures up to week 49 showed an overall increase of nearly 6%. "In recent weeks, the market has again rebounded, but mainly due to the Christmas and New Year sales," affirms an importer.

Italy no major market

Although still considered a niche product, lime sales are on the rise in Italy. The fruit is available year-round, but the campaign peaks in the summer months. It is mainly young people who buy this citrus.

Brazil and Mexico have the largest market shares; nevertheless, there has traditionally been a gap in the market when the season peaks. That peak falls precisely in the period when Brazil is finishing and Mexico has yet to begin.

In December, the demand for limes is not higher than in other months. At this time, the supply comes mainly from Mexico. A trader says that the limes from Colombia and Brazil, which are available in smaller volumes, have a worse appearance. The price currently stands at 8 Euro for a box of four kilos. The retail price amounts to between 9 and 10 Euro.

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