

OVERVIEW GLOBAL PINEAPPLE MARKET

In general prices for pineapples are low at the moment, the heady prices of the last two years are a thing of the past; this due to a big supply. Even the opening of the Chinese market for some South American producers has not yet made an impact on volumes to other markets. New supply countries are emerging and will soon be exporting pineapples. There are also a few new trends in the pineapple game - crownless and organic as well as red pineapples from Brazil seem to be gaining in popularity.

Costa Rica

Costa Rica is one of the main sources for pineapples. As well as conventional pineapples, organic and crownless pineapples are also being looked at for export. It seems that despite the hurricanes and tropical storms which dominated the news a couple of months ago there has been no roll-on effect, such as delays or very low volumes being exported.

One company has an extensive crownless pineapple program for different parts of the world, which is growing in all countries year after year. They see that this increases consumption, they also say that they must work on the development of peeling machines in supermarkets which would also help to increase consumption.

Costa Rican companies have production a technology that allows them to produce efficiently, and achieve a good tonnage per hectare. The ports are also close which make them competitive in the global market. One company is sure that Colombia and Ecuador won't catch up with Costa Rica. The medium-sized companies in this industry have Europe as their main markets. At the same time Russia, Turkey, Romania and other Eastern European countries have increased their purchasing volume."

The new challenge is China; the first direct shipment to Shanghai has already been sent. It will take time to see the results of this new destination, but it is believed that it will be a great success for Costa Rica.

Even though China has a large domestic pineapple production, especially in Southern China, it is an interesting export destination for Costa Rica. The Chinese variety is very different in color and taste compared to the MD2 golden pineapple. Costa Rica has exported pineapples to Asian countries, such as Japan and South Korea for a few years.

Costa Rican pineapples face competition on the Chinese market from the Philippine supply, but according to a trader this is not their main concern. He explains that the challenge is the increase in production, which is necessary to have sufficient supply. At this moment the export is balanced between the United States and Europe. The demand is there and prices are high, so exporters need

their production for the existing markets. If production increases, more volumes will be available for the Asian and Chinese market.

The journey from the Caldera port to Shanghai with a transit time of 25-28 days, results in a relatively short shelf life in the Chinese market.

Dominican Republic

Production in the Dominican Republic is on the up, with one company aiming to double production each year for the foreseeable future. The country also claims to have great growing conditions for pineapples and fewer pests. The Dominican Republic also has 7 international airports with direct routes all over the world, numerous maritime ports throughout the island and competitive labour costs.

One exporter says these pineapples are sweet and have a long shelf life, which makes them good for export. Most producers sell their pineapples to the local markets, but a few are now getting certified for export and looking to new markets.

Red Brazilian pineapples

There is a big demand for red Brazilian pineapple varieties. Importers, wholesalers and retailers from around the world are asking for this pineapple. Producers everywhere in the world are interested in doing trials. A plantation is being developed in Rio de Janeiro state. and there are there are potential options in Costa Rica and Asia to produce this variety.

Argentina

Ecuador is the main pineapple supplier for Argentina. The area planted for pineapple production in Argentina is 317 hectares with a production of about 12,100 tons. The annual consumption is about 23,000 tons, so the remainder amount is imported from Ecuador, Paraguay, Bolivia and Brazil.

Cuba

The rains of Hurricane Irma delayed the planting of pineapple in Ciego de Avila, but work is continuing to expand marketing for export, in order to obtain foreign exchange and strengthen the national economy. Ciego de Avila plans to have two thousand hectares of pineapple crops before the end of 2018. It already has 1,459 hectares planted with MD-2 and Spanish Red varieties. They also plan to increase exports to Europe, due to the high demand from Spain, Italy and France.

Bolivia

Pineapple producers from the municipality of Guarayos plan to produce pineapples all year round. They are working on new varieties. The municipality has invested funds to work on new early maturation pineapple varieties which don't lose any quality and taste.

Europe

Belgium has fairly high prices and sufficient demand. This, according to an importer, is due to a combination of weather conditions and the influence of large companies in maintaining high prices. Approximately half of the pineapples imported by Belgium originate in Costa Rica.

According to an importer, the prices for pineapples are higher in Belgium this week as a ship from Costa Rica was delayed. Since there are fewer pineapples available, the price is between 9 and 10 euros per box. As a result of this, there will be an surplus of pineapples next week, since two ships will arrive simultaneously in Belgium. This will mean a drop in price to between 6 or 7 euros per box. From December, the importer is expecting a problematic period of delays and bad weather for pineapples arriving in Belgium. The term 'Belgian pineapples' should, however, have a notation, because some of the pineapples destined for the Belgian market arrive at Dutch ports. The 6 to 9 sizes are most common in Belgium, although the 7 and 8 sizes are most popular. The size 7 is relatively more expensive than the larger size, since the cutting machines at Belgian retailers are often set to work on size 7's. The price difference between size 7 and 8 is fluctuating between 0,75 euro and 1,25 euro at the moment.

The Netherlands: Any profits made in 2015 and 2016 with pineapples will be lost again in 2017. The prospects for pineapples have been, and will remain, dismal this year. The demand has been very low since April, there are hardly any promotions, and consumption seems to have stopped completely after two good years. Despite the usual boom in August, there were no shortages nor good price increases. The "large" volumes shipped to China in that period, did not help to increase prices in Europe. Prices have stayed well below cost price in the last few months, and will remain so for the rest of the year.

The supply was, until two weeks ago, quite good on the free market. But from this week, it is noticeable that there is almost no availability for even the spot market. Some importers only order the bare minimum for contracts and permanent programmes. Unfortunately, even with too-few pineapples in the free market, the prices have not been high enough to cover costs. Larger size prices are between € 5.00 and € 6.00 at the moment, depending on freshness and brands. The prices for medium and small sizes of 8/9/10 are between € 6.50 and € 7.50, which is also not enough to cover costs. All importers will close this year in the red. This is because the prices reached, besides those for contracts and permanent programmes, often only cover costs. These do not outweigh the losses

suffered because of the surplus sold on the spot market. Perhaps, towards the end of the month or the beginning of December, prices for this stagnant market might move in the direction of €8.50 - €9.50. Prices above the €10 euro level will not be reached this year.

Another development is, according to the trader, that an increase in smaller importers fouls up the market. This is, however, noticeable after every good season or year, for every kind of fruit. Caution and stability are the two keywords recommended in 2018. This is because Costa Rica has planted even more, and it cannot all go to China and the USA. Europe remains the largest distribution market.

Germany

The German market is currently dominated mainly by the MD2 Pineapple (extra sweet) from Costa Rica, supplemented with a small proportion of Victoria pineapples from South Africa. However, the latter must be transported by air freight, which is expected to remain limited. The demand is expected to peak in mid-December.

Prices are currently at 7.50 per box (12 kg) in the spot market. The normal prices are slightly higher, at about 8 euros per box (12 kg). This is slightly lower than in other years. In the organic segment, prices are significantly higher, around 4.40 euros each. The quality is generally satisfactory. The importers expect the volumes to increase even more in view of the upcoming holidays.

China

Pineapples are a hot product on China's import markets. China imports pineapples from Taiwan, the Philippines and Thailand and has domestic production in Hainan in the South of the country. This year Costa Rica and Malaysia have also received market access. Taiwan is one of China's largest pineapple suppliers. This season, because of typhoons last year, yields in Taiwan have been down 10%, especially for top quality pineapples, which has boosted prices.

Costa Rica launched its first pineapple exports to China in early July. At the moment, four companies are registered to export to China. Generally, growers in Costa Rica consider that the opening of the Chinese market for pineapples will not lead to a sharp increase in the Costa Rica's pineapple production area, which stands at nearly 43,000 hectares. However, in season exports reached 30 containers with about 600 tons of pineapples per week. A figure that is kept low because demand was not meeting supply, according to some shippers. China's pineapple import market will be worth about 1 billion dollars in three or four years.

Pineapples from the Philippines are popular on the import market, mainly because of their sweet taste, and relatively short transit time. In October, the market opened for Malaysian pineapples. At the

moment there are three exporters entitled to export to China. According to first estimates, Malaysia is expected to export 12,000 tons of pineapples worth around 9.6 million dollars a year to China. Malaysia's exports of pineapples to China are expected to double to 50 million dollar, annually, by 2020.

US

The supply of imported pineapples is at elevated levels right now, higher than at the same time in previous years.

Costa Rica and Mexico are the main suppliers with some additional volume arriving from Guatemala, Panama, Honduras and some from Colombia. According to one importer, at the moment the volume from Costa Rica is so big that it's stopping the other countries from coming in, because consumers prefer Costa Rican fruit."

Despite a recent tropical storm that hit the country in October, volume remains unaffected. Pineapple production didn't suffer but there were some issues because of the damaged roads. The inland transportation had some problems and delays, but it didn't affect the volume and the normal operations.

While pricing is low for pineapples compared to last year, last year was a very different market for the fruit. It's not possible to compare to make comparisons as last year had a steady market with steady volume coming in and decent pricing. But this year after Hurricane Harvey in Texas, most of the fruit shipped to the Gulf of Mexico area was diverted to the West Coast. So on top of the normal arrivals, the market was flooded with a lot of fruit. Also the fruit had been around for weeks so the quality wasn't the best and the market collapsed and hasn't recovered since

It is not expected that the big volumes will slow down for at least the next three to four weeks.

Australia

The Australian pineapple season's main harvest is through spring and summer, but the industry has just endured a winter of oversupply, where there was double the volume on the market leading to low prices for consumers of around \$2-\$3. That was caused by the hot summer bringing on the fruit earlier. Adding to that, the normal winter crops came online earlier, so farmers were picking fruit instead of doing the winter planting. Demand for the fruit over the winter is typically much lower so there was more urgency to get the product to market, but growers are hoping for a shorter spring crop where they can make a bit more money back. The Australian pineapple industry only supplies domestic markets.

Ghana

Ghana's pineapple trade in the north is experiencing tough times this season. There's a lot of competition in the market – ultimately bringing down the prices of pineapples and making it difficult for producers and traders. There is a lot of competition in the market. The costs of production together with packaging and transport are hitting profits hard and a box of pineapples is selling for approximately 3 – 3.5 euros – whereas the packaging alone costs 1 euro.

Ghana grows pineapples year round and exports to Europe and North Africa. At the moment North Africa has a more stable price. Pineapples are also exported to Switzerland and Morocco. Switzerland acts as a hub for other countries in Europe, while Morocco acts as the North African hub.

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