

OVERVIEW GLOBAL MANGO MARKET

Mangoes remain a popular product. Over the past ten years, the market has grown by 5% annually. Approximately 1.8 million tonnes of mangoes were traded worldwide last year. However, less than 4% of the global production is sold on the international fresh market. The season is currently coming to an end in a number of countries. Growers in both Ecuador and Australia are looking back positively on the season. For its part, Peru is now seeing its volume increase. South Africa has just started the harvest of the Tommy Atkins. There is little export potential for this, but the harvest of other varieties will also start in the coming weeks.

US: Cold pushes down demand for mangoes

The market is currently switching from Ecuadorian to Peruvian suppliers. That usually entails larger sizes and a change in varieties. An importer says that Ecuador mainly supplies the Tommy Atkins, while Peru mainly exports the Kent. He expects fewer small sizes to be available, but the campaign should go well thanks to the good supply of larger calibres. Looking at the figures reported, it seems that Ecuador has managed to ship a larger volume to the US in December 2017 than in December 2016. One of the causes is the slowdown of the Peruvian season due to the cold, says an importer.

The cold that has hit large parts of the US is pushing down the demand for this tropical fruit. "The cold weather in parts of the US will have an impact on the demand," says a trader. In general terms, the mango market is growing steadily and there is increasingly more demand for ready-to-eat and convenience products.

Brazil exporting more mangoes

The international market is good for growers in the regions of São Francisco Valley and the north of Minas Gerais, the most important regions for export. Between January and November 2017, 163,900 tonnes were exported, which is 16% more than in the same period of 2016. The most important export market is Europe, which mainly demands the Palmer, Keitt and Kent. The US is the most important market for the Tommy. Last year, a shipment went to South Korea for the first time.

Ecuador closes good season

The mango season will come to an end mid-way through this month. According to the first figures reported, Ecuadorian exports amount to more than 1 million boxes from a total of more than 11 million boxes. This means that exports are higher than in the previous season. The most challenging period for the growers was that of March to May, when Mexico was also on the market and the volume was dramatically low as a result of the tropical storms of 2016.

Peru wants to increase the yield

Last season, Peru closed with a record export of 7,900 containers. The large majority of the crops are grown in the Piura region, which accounts for 75% of the production. The regions of Lambayeque (15%) and Ancash (10%) are the two other most important growing areas. The sector is not worried about the possibility of market oversupply. The trade association points to increasing the yield as the main challenge for the growers. The goal is to improve the current production figures, which amount to 315,000 tonnes grown on 28,000 hectares. In the field of export, there is also ambition to grow. The Asian market is appealing. Korea, Japan and China are already open to Peruvian mangoes, but the transit time to these markets by ship is too long to be able to export large volumes.

Australia closes season

Australia is closing the season with a good market and large volumes. The campaigns in Western Australia and the Northern Territory are already over, while in Queensland the harvest is still underway. This week, the Bowen and Burdekin regions harvested more than expected. However, the number of growers still harvesting is limited and the volume will soon start to show a downward trend. The Mareeba / Dimbulah regions have also harvested more due to the favourable weather conditions. In the south-east of New South Wales, the season came to a close earlier due to the rain.

The demand is good in the summer months in the southern hemisphere, partly due to marketing and the good export potential. Asia in particular is a demanding market. The Kensington Pride is the most popular variety among growers and consumers.

China: Production grows in Hainan

The season in Hainan, in the south of China, has just started. The harvest kicks off in January and lasts until May. Due to cyclones and tropical storms, production in 2016 was about 10% lower. For the current season, growers are counting on a growth in volume of 15% to 20% due to the favourable weather conditions and a larger acreage. Hainan is the largest mango producing region in China. There is also cultivation in Sichuan, especially in the regions Panzhihua, Guangxi, Guangdong and Yunnan. The domestic volume is supplemented with imports from Peru, Ecuador, Pakistan and Australia.

The Philippines looks back on difficult 2017

Growers have had a difficult year and exporters wonder how they can get a stable supply. In the third quarter of last year, a 5.4% loss in volume was recorded, with 55,540 tonnes, compared to 58,600 tonnes in the same period a year earlier. In the field of exports, there are opportunities for the sector. In recent years, the demand for dried mangoes in China has been growing. That market absorbs about 30,000 tonnes. The Philippine sector is trying to pick up a bit of that market.

Vietnam gains access to the US

The US market opened the borders for Vietnamese mangoes just before the end of 2017, with the necessary conditions being conveyed to the traders. This means that the American market is open to six Vietnamese products. The main mango variety is the Hoa Loc.

South Africa starts season with the Tommy Atkins

The season started in November, but sales are currently mainly focused on the local market, as the Tommy Atkins is now in season and this variety is less popular for export. Large volumes hit the market, which put the prices under pressure. The market is slow because many people are still on holiday. If the Tommy Atkins volume falls in the coming weeks, the market will stabilise. Then varieties like the Shelly, Kent and Keitt will arrive to the market. Currently, there are exports going to the Middle East and Russia. Prices in dollars are comparable to those recorded last year, but with a stronger local currency, the price for the growers is still average.

Last year, the country achieved a record production totalling between 80,000 and 90,000 tonnes (if the informal sector is also taken into account). This year is an "off year" and a decrease of 30% to 40% in the volume is expected.

Sudan is committed to growth

According to reports, mango cultivation in Sudan will be greater this year. Exports will also increase, according to the Sudan Center for Horticultural Exports. The mangoes go to destinations like Jordan and Qatar, among others.

German prices fluctuate strongly

The German market is currently dominated by Kent mangoes from Peru and Brazil. In some places, there is also some fruit from Ecuador. According to the traders, prices are recording very sharp fluctuations. At the moment, the Christmas prices still apply, with the Peruvian goods in the higher segment, with prices ranging between 31 and 38 Euro per 6 Kg. The price of Brazilian mangoes fluctuates between 27 and 30 Euro, depending on the brand and quality. The prices will probably drop slightly again in week 2 and 3, because the supply will increase again.

The quality of the mangoes is very variable. Peruvian mangoes are "more attractive in terms of colour and also tastier" than the other products. Also, there are still some brands that try to stand out by means of the packaging and can therefore be sold for a higher price. For example, the Passion brand has a completely black packaging. White and yellow-coloured nets are also becoming increasingly common.

Netherlands: Mango market hits bump, but long-term outlook positive

The mango market has currently hit a bump. According to Dutch importers, the mango supply is temporarily greater, as people are cleaning up the last stocks from Brazil, but there is light at the end of the tunnel. Although the Peruvian season has already started, the United States has not made a move yet, particularly because the sugar content has not yet been at the desired level. As a result, people have been buying more in Ecuador, but the US market is now also starting to buy more Peruvian mangoes. Traders therefore expect the market to stabilise in a week or two. The prices for small sizes currently stand at around 3 Euro and are under pressure. The larger sizes are in a better situation, with prices ranging between 4 and 5 Euro.

The currently smaller market is not a cause for concern, according to the importer. "Overall, it has been a strong mango season for the traders, and the consumption of mangoes is still on the rise, so there is no reason to assume that the market is not recovering." The periods with extreme surpluses and low prices that we sometimes saw a few years ago are really a thing of the past. The trader confirms that in Peru, where the Kent mangoes still account for 99% of the volume, there is an on-going professionalization process on the part of the serious, certified players. Moreover, the programs with German supermarkets are still the backbone of the business for the Dutch importers, and Scandinavia is always interested in the small sizes. Also, France and some Southern European countries appear to be increasingly in control of their imports.

Lithuania: Kakis are the biggest competitor for mangoes

The best conditions in the mango market are recorded in the winter months, reports a trader. In the summer months there is too much competition with the local summer fruit and consumers prefer the local fruit. The demand for mangoes continues to rise, but the market is not very big yet. "I think this also has to do with the fact that the fruit is more expensive," says a trader. He points out that kakis are the biggest competitor for the mangoes. According to him, that fruit is more popular because it is cheaper.

The Tommy Atkins, size 7-9, is the most common mango in the Lithuanian market. Consumers still show little interest in the ready-to-eat mangoes, but the demand for that product is on the rise in the foodservice sector.

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