



OVERVIEW GLOBAL PINEAPPLE MARKET

The pineapple market seems to be quiet at the moment. Apart from some reports about delays, nothing out of the ordinary is reported in Europe. The supply is good and prices are stable in many countries. Italy has seen prices drop slightly in recent weeks, especially for the fruit imported by sea freight. The pineapples shipped by air do well in the summer months. French traders are facing rising competition from summer fruits, causing the demand to collapse. In the US, importers complain about the cheap pineapples that are still on the market. The price fell sharply due to bad weather and the impact of a cold front in December. Why the price does not pick up now that the weather is better remains unclear. In the production areas, the mood is generally positive. Costa Rica remains the market leader, but other countries in the region are paving their way to increasing their market share.

In wholesale prices, the global pineapple market grew to \$ 14.9 billion in 2016. This figure includes the turnover of growers and importers and was revealed by a recent survey carried out by Indexbox. In terms of volume, a total of 26.4 million tonnes are marketed. Over the past nine years, the market has grown on average by 3.3% per year.

The consumption of pineapples continues to grow, in part due to the rising income and growing population, but also to marketing campaigns focused on healthy eating. The largest growth market is Asia, especially countries like China, Indonesia, Vietnam and the Philippines. A second growth market is Latin America, especially the Dominican Republic and Costa Rica.

Brazilians are the biggest pineapple consumers worldwide. Around 11% of the worldwide volume is consumed in this South American country. Next in the ranking are the Philippines and Indonesia, which both account for 8% of consumption, followed by India (7%) and China (6%).

On the production side, Costa Rica is undoubtedly number one, with exports totalling 3.2 million tonnes, or 12% of the total volume in 2016. Next in the top 3 are Brazil (10%) and the Philippines (10%). These are followed by Indonesia (8%), India (7%), China (6%), Nigeria (6%), Thailand (5%), Mexico (3%) and Angola (3%). Between 13 and 14% of the total volume, about 3.6 million tonnes in 2016, is traded internationally. Costa Rica was by far the largest exporter, with a market share of 56%, followed by the Philippines (16%). The fourth and fifth largest exporters are re-exporters: the Netherlands (7%) and Belgium (3%).



Central America exported more pineapples in 2017

The region saw the export of pineapples rise by 8% in 2017. As a result, the total value of shipments reached 1 billion dollars. This fits in with the trend of the two previous years, when a 9% growth was recorded. About half of this fruit was intended for the US market. Costa Rica is the largest exporter in the region, accounting for 981 million dollars. The second place is for Honduras, with 30 million dollars, followed by Panama (13 million dollars) and Guatemala (12 million dollars). Nicaragua and El Salvador did not record significant export figures.

About half of the export value was accounted for by the US, followed far behind by the Netherlands (12%). Belgium (7%), Italy (7%) and Spain (6%) are next in the ranking. The share of the British market has decreased in recent years from 10% in 2012 to 6% in 2017.

Costa Rica: Largest pineapple exporter

This year, the branch organization CANAPEP is celebrating its fifteenth anniversary. The organization aims to improve the sector and work in accordance with social and environmental standards, meeting all international requirements. Central American country currently has some 44,500 hectares devoted to the crop, creating thousands of jobs and keeping an export flow worth more than a billion dollars. This corresponds to 2% of the country's GNP. Costa Rica has been a leader in the production and export of pineapples for twenty years. According to reports, there are plans to introduce a bill to levy a tax of 1 dollar on each box of pineapples exported.

Recently, there have been many reports on the internet about an alleged fraud with organic frozen pineapples. A company accused another company of marketing conventional pineapples as organic. The case denounced was reported in 2016, but is still an issue. The competent authorities examined the case and concluded that the fraud could not be proven. The complaining party then went to court and blamed politicians. The Minister of Agriculture said late last month that the correct procedures had been followed, so no political intervention was necessary.

Mexico wants to export more

The North American country is in sixth place in the world ranking of largest exporters. According to estimates, a 62% growth is expected up until 2030, which would allow the country to climb some places in the rankings. By 2030, the main export markets will be the US, Germany, Spain, Japan and Italy.



Although the country produces enough pineapples to meet the domestic demand, imports have increased in recent years, mostly due to the growing market for pineapples worldwide.

Ecuadorian pineapples flown to Spain

In early April, the weather delayed the shipment to Spain of the first MD2 pineapples from Ecuador. Since the air transport market from Costa Rica became saturated, a Spanish importer opted for imports from Ecuador. The importer says that the fruit has a beautiful crown and a golden colour that the Costa Rican pineapples don't have.

South Africa: Quiet season with stable prices

Pineapples are grown year-round in the KwaZulu-Natal and Eastern Cape regions. At the moment, large volumes are available and the price is stable, oscillating between R30 (1.98 Euro) and R50 (3.30 Euro) per 8 kilo box. Last week, there was less volume available as a result of a national holiday. In general, there are talks about a small surplus compared to last year, as the pineapple production is growing again after a period of drought in the previous three years. In that period, the prices rose to between R100 (6.60 Euro) and R120 (7.92 Euro) per 8 kilo box.

Consumption declines slightly in the winter months, but remains virtually stable year-round. In recent times, there has been some more pineapple juice production. Also, the fruit is exported by plane in 4 kilo boxes to the UK, Europe and the Middle East.

China: Taiwan Southern's Tainan pineapple shipments to Mainland China blocked

Pineapples are popular on China's fruit markets. China buys pineapples from Taiwan, the Philippines, Costa Rica, Malaysia and Thailand and has domestic production in Hainan in the South of the country.

Taiwan is one of China's largest suppliers. Growers in Taiwan are investing in extra sweet pineapple varieties, including the Golden Diamond pineapple, to meet demand from China. The majority of Taiwan's production is sent to China. Shipments usually start one or two weeks after Chinese New year, when temperatures are rising, and lasts until June.



The start of Taiwan's production season was strong with high and stable prices at 24 to 26 Taiwan dollars a kilogram. However, in recent days, the sales of pineapples from Tainan, in Southern Taiwan, to Mainland China was suddenly blocked. As a result, pineapples are now flooding the local market and prices fell to 13 Taiwan dollar per kilogram, which was a drop of more than half from the highest level. Tainan is one of the main producing areas of pineapple in Taiwan and it is currently entering a season of peak production.

Malaysia has recently launched its first pineapple exports to China. Last month the Chinese government published a list with approved packhouses and registered orchards in Malaysia and overall exports from the country could improve in the coming season.

Australia grows for its own market

Between June 2016 and June 2017, a total of 77.482 tonnes of pineapples were harvested Down Under. Of these, 41% were sold to the processing industry, as revealed by figures from Hort Innovation. The production was worth a total of 54.2 million dollars, while the value on the wholesale markets amounted to 47.7 million dollars. Australia has year-round production, with a peak in the summer months. Nevertheless, no pineapples are exported. The market for processed pineapples is much more important. Last year, for instance, a total of 20,428 tonnes of processed pineapples were imported, while exports stood at just 166 tonnes. Moreover, 1.7 million litres of pineapple juice were exported. Growers hope for a slightly cooler winter, after an oversupply caused by the warm weather last year.

US market is two-faced

Although the supply of pineapples from Costa Rica remains stable, the market is still two-faced. This situation arose earlier this year as a result of the weather conditions around the turn of the year, in combination with the extreme frosts recorded in late December in North America. Currently, pineapples are sold for prices of between 9 and 11 dollars and between 5 and 7 dollars. "I don't know where those pineapples are coming from, but they are keeping the prices low," says a trader. In the same period last year, pineapples cost between 12 and 13 dollars. The consequences are noticeable for the different countries of origin, such as Costa Rica and Mexico. A trader explains that as long as the cheap fruit remains available, the situation will not change.



Quiet market for German traders

Prices are relatively stable in the German market. By week 12, most importers started importing new, fresh products from Costa Rica. The MD2 variety is by far the most traded. In weeks 15 and 16, there was a small peak in the supply and sales. Afterwards, the market stagnated and the supply and the demand remained at an equal level. The same applies to the prices. Although certain calibres are sold for a good price: the Extra Sweet (calibre 6) has been sold for between 9 and 13 Euro on various wholesale markets last week.

Calibres 6, 7 and 8 are still the most requested, not only in Germany, but also in other Western European countries. The supply of these calibres from Costa Rica (the main production area) is satisfactory, according to the importers. Costa Rica is expected to dominate until week 21-22. Afterwards, there will be a halt of 8 to 10 weeks, after which the volumes from Panama will likely gain ground. The share of organic pineapples, baby pineapples and premium products flown by air is currently still small in Germany. Importers are also not noticing any significant impact from competition with other summer fruits, although this could change very suddenly due to the increased supply of stone fruit, melons and (South African) citrus.

Netherlands: Fewer small pineapples, stable prices

In the Dutch pineapple market, there is currently nothing out of the ordinary to report, only some delays in the arrivals. A week or two back, there were still many sizes 8, 9 and 10 on the market; now, however, the small sizes are scarcer and there are more arrivals of sizes 5 and 6. The price level stands at around 7.50-8.50 Euro, and with the upcoming natural flowering in Costa Rica, no prices above 10 Euro are expected. True to tradition, summer fruit will make the market more competitive, but there are also enough grapes and mangoes on the market. Pineapples are likely to be perceived as a good alternative for the expensive and scarcely available melons.

France: Difficult market conditions

Conditions in the French pineapple market are currently a bit difficult, according to the spokesperson of a large trading company. "I have the impression that this does not only apply to France. The supply is stable, but the demand is rather weak, despite attempts by supermarkets to promote the fruit."



"Actually, conditions in the pineapple market are usually tougher from May, mainly because of the competition from local summer fruits, such as melons, apricots and cherries. French distributors prefer these products and put them in the spotlight in the summer. Shortages in the melon market may well make the pineapple market more attractive, but as long as sufficient summer fruit is available, distributors tend to ignore pineapples."

Fortunately, there is still a way for pineapple marketers to succeed this summer. "In Costa Rica, the natural flowering period is now coming to a close, which means that large volumes will enter the market in a short period of time. Afterwards, the supply will suddenly become much smaller and the prices may rise sharply around July or August. This happened in 2016, which was a very good year, and last year we were also ready for this scenario, although we were eventually disappointed. The supply was limited, but the prices did not increase. It is difficult to predict what is going to happen this year. I am afraid we are more on the way to the scenario of 2017 than to that of 2016," said the spokesperson.

"Most pineapples are still transported by sea freight in order to keep the price low. Pineapples shipped by air remain a niche product, and some importers have stopped importing them like this because of the environmental footprint. Those willing to offer a premium product that is harvested ripe will choose the plane. We import pineapples both by air and by sea from different origins."

Italy: Pineapples imported by air perceived as summer product

In recent years, June, July and August have been the months with the greatest demand for pineapples imported by air, says a trader. "That is a sign that a product with a high degree of ripeness does not suffer from competition from the summer fruit," he says. The flown pineapple sector is booming, which means that even the big brands in the market are betting on this product. Despite the increasing competition, the supply is still lower than the demand, and the outlook is positive. A trader says that the only threat that has arisen in recent years comes from the marketing of pineapples imported by sea with an attractive colour. "Colour and ripeness must not be confused with one another; they are different parameters."

Pineapple prices on the wholesale market in Turin showed a downward trend in April. The Gold pineapple from Costa Rica (monolayer, 7 pieces, Category I) cost one Euro until mid-April, but then dropped to 0.85 Euro. In early May, the price fell by another 5 cents. Also, the supply flown from the Dominican Republic shows a downward trend, although the prices are at a totally different level, with 3.35 Euro in the first week of April, 3.30 Euro in mid-April and 3.10 Euro in early May. The products



under the Del Monte label are also becoming cheaper. At the end of March, the fruit cost 1.30 Euro; at the beginning of April, the price rose to 1.45 Euro and then went down by 5 cents every week.

In Rome, there was only fruit from Costa Rica available, resulting in a stable market. The Gold pineapple (monolayer, 7 pieces, Category I) reached 1.10 Euro. Del Monte pineapples were sold for 1.30 Euro. In early May, the following prices were recorded:

- 0.90 Euro/kg for Cat. I, 7-8 pieces, sea freight from Costa Rica.
- 1.40 Euro/kg for Cat. EX, 6-7 pieces, sea freight from Costa Rica.
- 2.80 Euro/kg for Cat. I, 6 pieces, air freight from various origins.

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