



Banana consumption slipped back slightly in 2016

Despite some fluctuations in certain years, there was an overall stable trend pattern of banana consumption from 2010 to 2016. Previously, consumption increased with a double-digit growth rate. In wholesale prices, the market contracted to \$6.0B in 2016, demonstrating a downward trend from 2010 (IndexBox estimates). This figure reflects total revenue of producers and importers (excluding logistics costs, retail marketing costs, and retailers' margins, which will be included in the final consumer price). According to the report "South America: Bananas - Market Report. Analysis And Forecast To 2025", recently published by IndexBox, the banana market of Central and South America stood at 14.1M tonnes in 2016.

Banana consumption is expected to reach 14.7M tonnes by 2025

In the medium term, banana markets in Central and Latin America countries are set to continue moderate growth. Bananas are one of the staple foods in Central and Latin America, which, depending on the banana variety, are used not only as a dessert but also as a basic food; therefore, the steady demand for bananas will continue in the countries of the region.

In the medium term, Central and Latin American market is set to continue a moderate growth. The expected population growth will drive the consumption of bananas in these countries. In the medium term, the increase in banana consumption is projected to average +0.5% annually from 2016 to 2025. By 2025, the market volume is expected to reach 14.7M tonnes.

Brazil alone consumed almost half of bananas produced in Central and South America

The countries with the highest consumption were Brazil (48% of total consumption), Mexico (14%), Guatemala (9%), Dominican Republic (5%), Argentina (4%), Venezuela (3%), Ecuador (3%), Cuba (2%) and Haiti (2%). The remaining countries together comprised near 10% of the total banana consumption in Central and South America.

The highest annual growth rates of banana consumption from 2007 to 2016 were recorded in Dominican Republic, with +9.4% per year, Guatemala, with +6.1% per year. Consequently, Guatemala (+3 percentage points) and Dominican Republic (+4 percentage points) strengthened their shares in



terms of the regional consumption from 2007 to 2016. By contrast, the shares of Brazil and Ecuador declined by -3 percentage points, each, over the period under review.

Amongst the leading consuming countries, high levels of per capita consumption were recorded in Guatemala (80 kg/year) and Dominican Republic (64 kg/year), which was significantly higher than the regional average of 2 kg/year. In these countries per capita consumption grew notably in 2007-2016. The countries with a lowest level of per capita consumption at 15 kg per year, Mexico (-1.3%) and Venezuela (-2.0%), experienced a negative trend of per capita consumption. In Argentina, where it was at 14 kg per year, only a moderate pace of growth was recorded.

Banana Production in Central and South America Contracted Slightly

Production of bananas grew from 25.7M tonnes in 2007 to 28.7M tonnes in 2016 by +1.3% per year, over the last nine years. There was an overall upward trend with only mild fluctuations from 2007-2016. In value terms, it accounted for \$12.4B in 2016, contracting slightly after eight years of consistent growth.

Brazil and Ecuador were the major banana producers in Central and South America

In 2016, Brazil (24%) and Ecuador (23%) were the key banana producing countries in Central and South America. The other major producers were Guatemala (13%), Costa Rica (8%), Mexico (8%), Colombia (7%) and the Dominican Republic (4%). In the Dominican Republic and Guatemala, production levels increased by +8.5% and +5.7%, annually from 2007 to 2016, largely attributed to a pronounced growth in harvested areas and yield improvement.

Approx. 5% of total consumption of bananas in Central and South America was imported

In Central and South America most countries were independent of imports. A high proportion of imports in consumption was recorded in Argentina, which was buying bananas in Ecuador and Bolivia. The total volume of imports in the region was only 5% of the volume of consumption. The region exports bananas to a greater extent, about 54% of the total production. Since 2010, this share has slightly increased by 10 percentage points.



Ecuador, Guatemala, Costa Rica and Colombia remain major banana exporters

In 2016, the volume of total banana exports from the countries of Central and South America totalled 15,409K tonnes in 2016, increasing steadily over the last three years; previously, a relatively flat trend pattern was recorded from 2007 up to 2014, when the current upward trend began. In value terms, it amounted to \$6,633M in 2016, expanding robustly at an average annual rate of +7.5% from 2007-2016. It was driven by a strong demand for bananas worldwide and increasing export prices for bananas.

Ecuador (6,176K tonnes), Guatemala (2,478K tonnes), Costa Rica (2,370K tonnes), Colombia (1,961K tonnes), Honduras (660K tonnes), Mexico (462K tonnes) and the Dominican Republic (402K tonnes) were the main suppliers of bananas with a combined share of 94% of total exports. These countries constitute major suppliers of banana not only in Central and South America, but worldwide as well. From 2007 to 2016, Mexico (+30.7% per year) and Guatemala (+5.5% per year) were the fastest growing suppliers among the major exporters; therefore, Mexico, which previously exported negligible amounts of bananas, emerged as a major banana supplier.

Argentina and El Salvador remain major banana importers

The volume of total imports in South and Central America amounted to 751K tonnes, which equated \$252M in 2016. The volume of imports have been increasing steadily over the last three years, driven by increasing shipments to Argentina, El Salvador and Honduras. In value terms, however, it flattened from 2013-2016, affected by declining import prices. These figures, however, were insignificant in terms of the total market scale: many countries in South and Central America not only produce large amounts of bananas, but also constitute major Central and South America's exporters.

In 2016, Argentina (435K tonnes), El Salvador (150K tonnes), Honduras (86K tonnes) and Colombia (36K tonnes) constituted the leading destinations of bananas imports, together comprising 94% of total imports. Amongst the major importing countries Honduras (+20.5% per year), Argentina (+3.5% per year) and El Salvador (+2.2% per year) gained the highest annual growth rates from 2007 to 2016. While the shares of Argentina (+6 percentage points to 58%) and Honduras (+8 percentage points to 11%) in terms of total imports increased significantly from 2007-2016, the share of Colombia demonstrated a sharp contraction (-10 percentage points to 5%). The shares of the other countries remained relatively stable throughout the analysed period.

Lien article : <http://www.freshplaza.com/article/198092/Banana-consumption-slipped-back-slightly-in-2016>