

A SHORT UPDATE ON THE GLOBAL MANGO MARKET

South American Mango

The main summer crop in Colombia started in the first part of April and will run until the end of July. Harvest conditions are stable. The threat of El Niño did not materialise in the end. Local processors say the fruit quality is normal and that brix levels are in line with expectations of 15.5 +/-1. The crop is expected to produce 92,000-100,000 MT single strength equivalent (SSE). Raw material pricing is slightly up on last season but offers for concentrate remain on par with the past few months at USD1150/MT 28 brix FCA Europe. Demand for Colombian supplies has reportedly been increasing as buyers weigh up production in other regions such as India. Processors in Colombia say they have already allocated more than 50% of the potential output from the current campaign, but that they will keep some free stocks available for buyers following the crop.

Outlook

Traders in Europe say that mango juice prices on the global market are under pressure due to an oversupply. Nevertheless, processors say that while there are still plenty of mango stocks on the global market, these stocks have a finite shelf-life. Once these older stocks have been drained there are expectations that the market will be back in balance due to the lower supply in some of the key growing regions. Peru's mango crop was down around 60-70% this year and Brazilian crop was significantly lower as well.



THE RISING **PINEAPPLE** MARKET

I Overview:

The 2019 main summer crop in Thailand is already drawing to a close. Production has been significantly below expectations and raw material prices continue to climb as a result. One of the large processors in Thailand said they were receiving just 200 tonnes per day, when they would usually be running 1200 tonnes at this time. They added that it will soon get to the point when it is 'not worth switching the light on' in the factory. Most plants will close on 10 June anyway, which industry sources point out is a fairly normal date for the summer campaign to finish. Once the large packers close, they will not reopen until supplies from the winter crop come on stream in September.

The smaller packers will continue to run fruit during this period. For the moment, most of the key Thai packers have ceased taking new orders and are instead making sure they have enough supplies to honor the contracts that have already been fixed.

The Thaifex food and beverage trade show has just wound up and it is likely that both buyers and sellers are digesting the information gathered there.

I Pricing:

Fruit in Thailand is reportedly now changing hands for THB7.00-8.00/kg, compared with THB6.50-7.00/kg last month.

As mentioned, current offers are far and few between at the moment and there is a fairly wide disparity between high and low offers.

Demand from Europe is reportedly lacklustre and is unlikely to pick up in the near term. Most of the juice for the European summer has already been purchased and the slow uptake has meant that contracts are lasting longer than anticipated. Traders in Europe say it will be very difficult to convince buyers to accept the higher offers once they come back on to the market. There are now fears that fruit pricing could reach THB10.00/kg this year, which would likely lead to juice concentrate pricing above USD2000/ tonne. This would have a major impact on the Thai industry, which is still delivering on contracts fixed at USD1000/tonne. If juice prices climb above USD2000/tonne, then end-users will once again begin to eliminate, or at least, reduce pineapple from their portfolio leading to yet another market collapse. This three year boom-then-bust production cycle has been common to the pineapple juice market for more than 20 years. For the moment, processors are reluctant to fix any further large, longterm contracts until August, when there will be a clearer picture on the winter crop.

I Climate:

Growing conditions have been very hot and dry over the past two months. While there has been rainfall over the past two weeks, it is probably too late to bring any benefit to the summer crop supplies, say industry sources. It is too early for any accurate forecast on the winter crop, but analysts suggest that 1.4 million tonnes of production will be the absolute maximum for 2019 from both the summer and winter crops. In a good year, Thailand could produce 2.0-2.2 million tonnes.

I Other regions:

There is reportedly lower pricing from producers in Indonesia – all of which are looking to wrestle market share away from Thailand, say analysts, who add that the Thai industry is unlikely to have so much influence on global pricing for pineapple concentrate in the future.



IMAGE COURTESY : GOOGLE



TOMATO PASTE – STATISTICS REPORT

U.S. Processed Tomato Stocks-on-Hand Report for **March 1, 2019**

Total inventories of U.S. processed tomato products are approximately 8.2 million tons, stated on a raw product equivalent basis, as of March 1, 2019, according to a report released today by the California League of Food Producers. Inventory is down 6.2% from the prior year level. Apparent disappearance of tomato stocks has increased 5.3%, totaling approximately 10.4 million tons during the nine-month period of June 1, 2018 to March 1, 2019, as compared to the prior reporting period.

Total bulk tomato paste stocks, including inventory held for remanufacture, were estimated to total approximately 6.1 million tons, on a raw product “paid-for tons” equivalent basis, as of March 1, 2019.

The U.S. bulk tomato paste-for-sale inventory on March 1, 2019 was approximately 4.2 million tons, on a raw product “paid-for tons” equivalent basis.

CLFP statistics reports are estimates, assuming 100% reporting, of the total U.S. processed tomato supply based on voluntary reports from processors throughout the United States. Participating processors handle approximately 90.2% of total U.S. tonnage of processing tomatoes, and 96% of total U.S. paste production.



The 2018-2019 U.S. Processed Tomato Supply and Movement reported is based on 90.2% of the industry reporting data. All numbers are rounded to the nearest 1,000 lbs. for the purpose of this report.

March	2017-2018	2018-2019	% + / -	2018-2019
Inventory June 1 of prior reporting year	7,669,000	5,872,000	-23.4%	5,872,000
Pack	11,005,000*	12,785,000**	+16.2%	12,785,000**
Total Supply	18,674,000	18,657,000	-0.1%	18,657,000
Assuming 100 % reporting				(actual – estimated 90.2% of Industry reporting)
March 1 Inventory	8,785,000	8,238,000	-6.2%	7,432,000
9 Month Disappearance	9,889,000	10,419,000	+5.3%	11,225,000
Monthly Disappearance	1,099,000	1,158,000	+5.4%	1,247,000
Total bulk Paste physical Inventory , March 1		Estimated over 85% of industry reporting this data		6,204,000

This report is an estimate of total U.S. supply and demand for processed tomato products. Reports are based on voluntary pack and inventory reports furnished by participating U.S. processors.

All positions are stated on a “raw product tons” equivalent basis.

CLFP “Pack Year” begins June 1 and ends May 31.

2017-2018 pack year statistics based on reports from processors handling 91.8% of U.S. tonnage.

2018-2019 pack year statistics based on reports from processors handling 90.2% of U.S. tonnage.

* 2017-2018 Pack based on PTAB’s final report (10/26/2017) of 10,464,000 for California (rounded to the nearest 1,000lbs. for purposes of this report), plus the reported pack production by the USDA/NASS 2017 Vegetable Summary by other states (541,800) released February 2018.

** 2018-2019 Pack based on PTAB’s final report (10/27/2018) of 12,276,000 for California (rounded to the nearest 1,000lbs. for purposes of this report), plus the reported pack production by the USDA/NASS 2018 Vegetable Summary by other states (508,492) released March 2019.

The latest news on **Tomato Market** from our associate Conesa, Spain



Over 15,000 acres have been affected by hail that hit the south valley in mid-May. The impact varies from light to moderate to heavy. Several plantation fields reported a total crop loss. In some cases, farmers decided to quit farming and claim insurance due to a natural disaster.



The total IPC pack will be reduced.

The weather in the month of May has been very wet with lower temperatures than normal. This is slowing down the maturation process and is also creating an environment for disease and pest infestation, especially on those fields that have been hit with hail.

The wet weather has further delayed Conesa's late plantings.

The northern valley is extraordinarily late due to the adverse climate. Very little will be harvested in July and plantation will continue until June, which means the harvest will extend into the month of October.

All these factors are placing unexpected pressure on the price of tomatoes and most likely the price will be higher than that of the 2018 crop.

Assuming California packs +/- 11.0 tons, the inventory levels will be well below average and potentially the lowest since 2006. We will update the charts in our next newsletter edition.

Please contact us to discuss any of the content or products presented here.

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