

# MARKET INTELLIGENCE UPDATES

## MAY 2020

### BASMATI RICE

#### Covid-19 spread in key basmati rice export destinations will impact the industry

The recent outbreak of the Covid-19 virus, with Iran being severely affected, has added to the already existing woes of Indian basmati rice industry. Basmati rice imports by Iran, the largest importer (33% of total exports) fell significantly in 9MFY2020 (13% lower in volumes, 11% lower in value terms than the corresponding previous year). Saudi Arabia, the second largest importer (20% of exports) also imported Basmati rice to the tune of Rs 4,246 crores (12% higher) in 9M FY2020, prior to revised import rules by the Saudi Food and Drug Authority (SFDA). The higher buying can be attributed to pre-emptive action before the change rules came into effect from January 2020. Subsequently, the new norms are likely to slow down imports in the near term as it would take time for the industry to develop adequate sources of compliant paddy. As for exports to the EU, the same dropped sharply by 32% in FY2019 to Rs. 1,590 crores, post implementation of new regulations pertaining to chemical residues in Basmati rice. Despite pandemic challenges in the short-term, the outlook for the Indian Basmati rice industry remains Stable. In the medium term, demand prospects from key destinations such as Iran and Saudi Arabia will play a significant role and determine trade prospects. Availability of a secure payment mechanism for exports to Iran, easing/ removal of sanctions by the US and response to pandemic in the destination country would be the factors underscoring the Basmati rice trade.

#### Rice exporters in India seek European pesticides norms

Basmati rice exports to the EU have shrunk to a third in the past four years as new MRLs have been introduced that have tilted the market toward competitors, including Pakistan. The issue of residue norms has also cropped up in traditional markets such as Saudi Arabia in the past two years. Therefore, Rice exporters in India have sought a ban on pesticides that are not registered in foreign markets, a bid to shore up exports to Europe and the United States. Exporters have sought a ban on pesticides used in paddy cultivation that fail to conform to the latest maximum residue levels (MRL) norms in the key export markets. The Centre is set to amend the Insecticide Act, 1968 with the Pesticide Management Bill, 2020 to help the industry step up to new global challenges. The Pesticide Management Bill, 2020 will exhort pesticide manufacturers to register their products in foreign markets such as the US and European Union and help boost shipments from India, the largest producer of premium rice. The aim is to curtail usage of red triangle pesticides or high toxicity in paddy and other crops.

## Cambodia to lift ban on fish, white rice, paddy rice exports

Cambodia will lift a ban on the exports of fish, white rice and paddy rice that had been put in place to ensure local food security during the COVID-19 pandemic. The Royal Government has decided to allow the exports of paddy rice, white rice and fish starting from May 20, 2020 onward. The lifting of the ban, which has been imposed since April 5, came after the Southeast Asian country had detected no new COVID-19 cases for more than a month, and all of the 122 COVID-19 positive patients in the kingdom had been cured.

## Philippines to import 300,000 tonnes of rice

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The Philippines is seeking delivery of the additional 300,000 tonnes of rice before the third quarter, when domestic harvesting is usually low. The Philippines became the world's biggest rice importer in 2019 with purchases estimated at a record 2.9 million tonnes. It usually buys from Vietnam, but also imports rice from Thailand. The government has already sent inquiries to Asia's biggest producers in Myanmar, Vietnam, Thailand, India and Cambodia. Fresh demand from the Philippines, the world's top rice buyer, could boost export prices in Asia that are already at their highest in as much as two years. Last week, rice export prices from India held near a nine-month high on strong demand from buyers in both Asia and Africa. Prices in Vietnam for its 5% broken rice variety hit a two-year peak due to lower domestic supplies.

### Vietnam has resumed rice exports after a brief halt in recent weeks while assessing its own supply situation

## Bangladesh rice exports stop; Gulf nations' demand up

Bangladesh imports basmati rice from Punjab and Haryana, and GI-tagged aromatic Gobindobhog rice from Bengal. Exporters have received new orders from the Gulf and the EU in the last one week. "Demand has gone up in GCC countries, particularly in Saudi Arabia. Cambodia, too, is showing good demand.

## Malaysia signs record deal to buy 100,000 tonnes of rice from India

Malaysia has signed a contract to import a record 100,000 tonnes of rice from India. The shipment is expected this month and next. The purchase this year is twice the average annual volume of rice Malaysia has imported from India over the last five years. This comes as countries like Myanmar, Vietnam and Cambodia have placed temporary curbs on their rice exports during the Covid-19 crisis.

## TEA

### Fresh export orders for tea, basmati from Iran, China and Russia

Iran, China and Russia have placed fresh orders for Indian black tea in the midst of the Covid-19 outbreak, a boost for the domestic industry which has incurred losses of about 100 million kg of teas owing to the lockdown. West Asian nations led by Iran have also placed orders for basmati rice.

### There is a possibility of increasing tea exports to China

Tea is an immunity booster and therefore it is likely that consumption of tea will increase. There is a possibility of increasing exports to China. It is time to explore new markets for exporting tea based on health benefits of tea. It is an opportunity for tea producers to sell tea directly through online platforms. about 18% of India's production is exported and rest 82% is consumed domestically. The CIS countries including Russia imports about 50 million kgs of Indian tea followed by Iran about 40 million kgs, China about 12 million kgs, USA about 11 million kgs, UK about 10 million kgs, UAE about 10 million kgs, Germany about 8 million kgs, followed by other countries.

## BANANA

### EU agrees to 2-year extension of Cameroon banana support measures

The European Union recently decided to extend its Banana Accompanying Measures (BAM) programme being implemented in Cameroon over the past 7 years (2013-2020) by two years. The extension of this programme, aimed at boosting the competitiveness of bananas produced in Cameroon. According to the EU, this 2-year extension was decided to support the banana sector weakened by the covid-19 health crisis and the security crisis.

### Wilt, drought and virus slash Philippines banana exports by 40% in 2020

Filipino exporters expect their banana shipments to drop by as much as 40 percent in terms of volume this year as output is drastically reduced by Fusarium Wilt and a drought, with the aggravating impact of COVID-19 on trade. 20 percent of the country's area planted to bananas have been damaged by Panama disease. As of March, he said, the disease has already affected about 30,000 hectares to 40,000 hectares of banana plantations in Mindanao.

## Ecuadorian bananas see price hike of 43%, ending up at £0.63 / kg

This series gives the average wholesale prices of bananas by country of origin. The prices are national averages of the most usual prices charged for bananas at wholesale markets in Birmingham and London. This publication is updated weekly.

Commodity (c) Country	Current week price (£)				Previous week average (f)	Weekly change		
	Supply code	Lower most usual	Upper most usual	Range		Average	£	%
		A	B	B - A	C	D	C - D	(C - D)/D
1 Belize						0,99	-	-
2 Cameroon						0,80	-	-
3 Columbia	1	0,88	0,88	0	0,88		-	-
4 Costa Rica	2	0,84	0,99	0,15	0,88	0,89	-0,01	-1%
5 Dominican Republi								
6 Ecuador	2	0,40	0,77	0,37	0,63	0,44	0,19	+43%
7 Ghana								
8 Honduras								
9 Ivory Coast								
10 Jamaica								
11 Martinique								
12 Mexico								
13 Panama	1	0,40	0,55	0,15	0,46		-	-
14 Surinam								
15 Windward Isles	2	0,66	0,77	0,11	0,72	0,75	-0,03	-4%
16 Guatemala	2	0,73	0,73	0	0,73	0,66	0,07	+11%
17 Nicaragua						0,53	-	-
18 Malaysia								
19 Guadeloupe								
20 Somalia								
21 Venezuela								

The average price of Colombian bananas is at £0.88, the same as the price for bananas from Costa Rica. Ecuadorian bananas saw a price hike of 43%, ending up at £0.63 / kg.

All prices are in pounds (£) per kg.

## Morocco: Exports of fruits & vegetables cross one-million-ton threshold

Morocco's exports of fruits & vegetables crossed this season the million-ton threshold, increasing by 6%, to 1,077,000 ton. This is despite the current global difficult situation. The export of Moroccan tomatoes went up by 4% to 514,000 tons this farming season. The sales of Moroccan red fruits to overseas market also rose by 25% to 82,500 tons. The same upward trend has been seen in the export of watermelon which soared by 61 pc to 104,400 tons, while that of avocado almost tripled to 32,800 tons. However, exports of citrus fruits fell by 28% due to the drop in production. The exports of processed of Moroccan agricultural products increased by 17% this season reaching 299, 000 tons against 255,800 tons recorded same period last year.

## Brazil expects a record harvest in 2020

Brazil's agricultural harvest is expected to reach a record volume this year, which could rise to 247 million tons, according to government calculations released on Tuesday. This figure represents a 2.3% or 5.5 million-ton increase in production over the 2019 campaign. The Brazilian countryside will thus avoid the effects of the pandemic and will remain as one of the country's economic engines compared to other productive sectors that are already beginning to feel the serious consequences of COVID-19.

## POTATOES AND ONIONS

### More potential for early potatoes due to increased private consumption

As a staple food with a long shelf life, potatoes are currently among the favourites on consumers' shopping lists. The potato market in Germany and throughout Europe is benefiting from this. On the other hand, sales in the catering trade have slumped sharply due to the closure - especially processed potato products are suffering as a result.

### Azerbaijan exports onions to Arab countries

Azerbaijan is set to export onions to almost 10 countries this year. Azerbaijan exports onions to Ukraine, Russia, Belarus, Turkey, and since this year has begun their export to Poland and the Arab countries.

### Costa Blanca growers surrender in cheap onion war with New Zealand and Peru as Vital Crops Just Rot in the Ground

Onion growers from Spain's Costa Blanca say they have been forced to surrender in a cheap onion price war with New Zealand and Peru. The local growers say their own crops are just not worth picking because of undercutting from overseas markets that are selling to Spanish shops.

[euroweeklynews.com](http://euroweeklynews.com)

### Potatoes from storage becoming cheaper in Russia

Despite the fact that potato stocks at local farms and households are practically depleted, the price of these products on the Russian market has been declining since early May. At the moment, producers are ready to ship potatoes from the 2019 harvest at a price of 10-18 rubles / kg (\$ 0.14-0.25 / kg), which is on average 24% cheaper.

## Rain hurts Tasmanian potato crop

Tasmanian potato growers, who produce the bulk of Australia's French fries, are having a disastrous harvest. Months of wet weather is making it impossible to get onto paddocks in parts of the state. Waterlogged potatoes, destined for French fries, have been left to rot. Those farmers and contractors that are persevering are getting machinery bogged and are running into storage problems.

## Switzerland: record sales of potatoes and lemons

Sales of organic lemons in the Swiss retail trade reached a record level in March. On average, 161 tonnes of organic lemons were sold per week, (47% more than in February and 53% more than in March of the previous year). The proportion of organic lemons remained almost unchanged from the previous month at 42 %.

## Potatoes record peak sales

In March the average weekly sales of organic potatoes in the retail trade were 232 tonnes. This is 32% more than in the same month of the previous year and marks a peak value in the last three years. Conventional potatoes recorded an even stronger increase (+42%), which is why the organic share fell to 9.7%.

## Potato retail demand in Ireland remains buoyant

Potato retail demand in Ireland remains buoyant and the food service sector is now operating at around 20-25% of capacity as more restaurants open on a take-out basis. Greenhouse potatoes started over the last two weeks and roadside sales are expected to begin next week. With current travel restrictions in place it is unknown what projected sales will be. If dry weather and winds conditions persist crops will most likely be delayed, especially along the east coast. First outdoor early crops are expected to be dug for the June bank holiday weekend. The market situation remains largely unchanged in the UK. Conditions are also extremely dry and the rain last week wasn't quite enough to make a difference. Frost concerns remain if cooler nights become present. The European futures market has traded higher for the first time in weeks since the pandemic hit. There are 2 million tonnes of processing potatoes in Northern Europe which will need to be moved for animal feed, starch or ethanol production before the start of next season.

## Netherlands to supply industrial potatoes to Ukraine

The Netherlands has begun supplying potatoes, originally intended for processing, to Ukraine. This is a step in the right direction as, due to the closure of restaurants, cafes and hotels, in the Netherlands and Belgium the production of French fries has stalled. Market participants estimated the remnants of potato, which was intended for processing, at 2 million tons. The Netherlands announced a commitment of € 50 million to support potato producers and processors affected by the situation. However, Dutch potatoes are not wasted - they are already actively supplying them to the Ukrainian market. Despite the fact that these varieties are not intended for fresh consumption, potatoes from the Netherlands sell well, as they have high quality parameters and its

price is comparable to prices for Ukrainian potatoes. This is very beneficial for Dutch suppliers, otherwise the product would have to be disposed of.

On average, Ukrainian wholesalers for potatoes from the Netherlands ask about 30-35 US cents per kg (8-9 UAH / kg) of potatoes for delivery to Kiev. There are also offers on the market for the supply of potatoes from the Netherlands to order. At the same time, prices for potatoes in Ukraine remain stable, and consumer demand begins to switch to early (young) potatoes, which are already entering the market.

Source: [en.potatosystem.ru](http://en.potatosystem.ru)

## Large potato imports by Ukraine, strong Russian exports to neighboring countries

Traders in Ukraine tried to satisfy the market demand through imports from out of country, with Russia and Belarus as the main suppliers. In March-April they were joined by Poland and the Netherlands. Furthermore, due to a crisis in the European HoReCa segment, even Belgium started shipping processing potatoes to the Ukrainian fresh market. Fruit-Inform points out that the Ukrainian market fully depended on imported potatoes the past season, and Ukraine's imports of potatoes reached record high figures in the autumn and spring of 2020. As a result of significant imports, potato prices did not rise during the traditional long term storage period. Prices reached a low of UAH 7/kg (26 US cents) in January-March 2020, and the average price at the end of April stood at UAH 8/kg (30 US cents).

In addition to the Ukraine, Russia actively shipped potatoes to Moldova, Belarus, the Caucasian states and the Central Asian Republic. In fact, Russian potatoes accounted for the largest share of supply of potatoes in the markets of Ukraine, Moldova, and Uzbekistan during the main part of the storage period. As a result, such active exports resulted in a significant price rise during the storage season. In September 2019 average price in Moscow stood at RUB 9-10/kg (12/13 US cents) and by April 2020, it almost doubled to RUB 17-18/kg (24/25 US cents).

Source: [potatonewstoday.com](http://potatonewstoday.com)

# CITRUS FRUITS

## Turkey eases restrictions on lemon exports

In early April, Turkey decided to subject lemon exports to restraints until August 31. Now these restrictions are eased, exporters are allowed to export lemons again. In an announcement yesterday, the Ministry of Agriculture and Forestry allowed exporters to export 10,000 tons of lemons.

Source: [Hurriyet](#)

## Citrus greening threatens Pakistan's citrus production & export

A big share of export quality fruit is rejected annually due to the presence of signs of citrus greening disease on fruit. This means there is a need to control this disease to a reasonable level. There are also many diseases in the citrus crop which badly affect the fruit quality and its aesthetic look which made it unacceptable in the local and international markets. Huanglongbing (HLB) is considered as a bacterial disease assumed to be originate from China in 1890 as "Yellow shoot disease". The disease has symptoms on all over the plants and can be detected from leaves, shoot, chemical properties and fruits. The Asiatic form is prevalent in Pakistan, which is a threat for the citrus industry of Pakistan. At present there are more than 50 countries in Asia, Africa and America affected. The citrus export of Pakistan could be devastatingly affected due to this disease outbreak.

Source: [technologytimes.pk](#)

## South African 2020 export season shows strong increase in global citrus demand

The South African 2020 export season has shown a strong increase in the global demand for citrus. Currently the export volumes of lemons doubled that of 2019. To date the increased global demand of lemons has resulted to 5,1 million 15kg equivalent cartons exported which is more than double the 2,1 million 15kg equivalent cartons exported in 2019. Whereas, the bulk of shipment have been exported to the Middle East (64%). Currently 24 thousand cartons of oranges have been exported, all of them were exported to the Middle East. On the other side, despite the increase in global demand for citrus, there are many factors affecting the 2020 export season in South Africa which becomes costly for many producers. One of them being the disruption caused by the Covid-19 pandemic due to the cost of harvesting, handling and packaging given all the mobility restrictions and hygiene measures implemented to prevent the spread of the disease.



## Lockdown led to growth in sales of Israeli grapefruit in Europe and a decrease in Asia

Grapefruit from Israel is distinguished from other grapefruit by its better internal quality, the ratio of sugar to acidity and general appearance compared to other Mediterranean sources. On the production side, little impact from the Corona virus has been witnessed. The warehouses were fully operational and the new regulations were well anticipated. Grapefruit from Israel is exported to almost every country in the world. Due to the lockdown in Asia, a shift in volumes towards other continents was seen. For example, significant growth in sales was seen from the Far East and in the European market, and a significant decline in Asia. The area of grapefruit has grown considerably in recent years and it is expected that it will continue to grow in the years to come.

[www.fruitpro.nl](http://www.fruitpro.nl)

## Brazil: 2020-2021 orange crop projected at -25.6% less volume than previous season

The 2020-2021 orange crop for Brazil oranges is estimated at 287.76 million boxes of 40,8 kg. This number is 25.6% smaller than the previous crop of 386.79 million boxes, and 12.5% below the average crop size for the last 10 years. Approximately 20.56 million boxes are expected to be produced in the Triângulo Mineiro. Expected yield is estimated at 790 boxes per hectare, as compared to the 1,045 boxes per hectare in the previous crop.

## HLB detected in Kenya: South African citrus growers advised to monitor for arrival of disease vector

Huanglongbing (HLB), or Asian greening disease, has been detected in Kenya four years after the disease vector, the Asian citrus psyllid (ACP), was detected in the country. In southern African countries, early warning surveillance has been initiated in eSwatini, Zimbabwe, Namibia, Angola, Zambia, and Mozambique.

[www.citrusres.com](http://www.citrusres.com)

## The expansion of COVID-19 in the US could jeopardize more than 20,000 tons of Mexican rambutan

The spread of the coronavirus in the United States and the possible decrease in the demand for exotic fruits could compromise the export of more than 20,000 tons of rambutan produced in the Mexican state of Chiapas. The forced closure of businesses and the increase in unemployment could cause a 30% contraction in the country's growth in the second quarter and a 5% contraction in 2020.

## Chilean kiwi exports focus on Europe

As of week 17-2020, Chile has exported a little more than 30,700 tons of kiwi, i.e. 20% less than in 2019. To date, Chile has shipped 9,401 tons of kiwis to Europe (30%), 7,387 tons (24%) to the Far East, 6,353 tons (21%) to Latin America, and 4,281 tons (14%) to North America. These destinations are followed by Russia (6%) and the Middle East (5%), with 1,893 and 1,439 tons respectively. 28,555 tons (93%) of the Chilean kiwi exported corresponds to the Hayward variety, 6% to yellow varieties (1,970 tons), and the remaining 1% to other varieties. It's worth noting that, compared to the previous season, there's been a 20% decrease in shipments of the Hayward variety and, within the remaining volume of the other varieties, an increase in participation of yellow pulp fruit, such as Dori, Soreli, and Jintao, which absorb 78% of the offer.

Source: [simfruit.cl](http://simfruit.cl)

## Lychee prices declining in China

In China, lychee cultivation is mainly found in Guangdong, Hainan, Guangxi, Fujian, and Sichuan, with Guangdong and Guangxi being the largest in terms of dedicated acreages. Total production this year is expected to be 10% to 20% higher than last year. The export price of their main product, feizixiao, reached 9 yuan/half a kilo last year. In China, the highest purchase prices given by fruit traders in Beijing and Shanghai were 7.5 - 7.8 yuan/half a kilo; the estimated purchase prices of this variety this year is 5 yuan - 6 yuan/half a kilo.

Most of the lychees recently became available are those of guihuaxiang, feizixiao, and baitangying varieties produced in Hainan Province. The initial market price was high, as lychees from Hainan were the earliest to reach the market, and the supply was not large. With the approaching of May, products from Guangdong and other areas arrived at the market, and the market price has been dropping.

Source: iFresh Asia

## Apples in Poland are 94% more expensive than last year

From March 9 to May 5, the average prices of the 10 most popular fruits in Poland have increased by over 17 percent, comparing to the same period last year. Apple prices have increased the most, by almost 94 percent. Pears have gone up by nearly 31 percent; oranges, by over 28 percent, and lemons and watermelons by over 20 percent. Slight increases have also been recorded by mandarins and grapes. Meanwhile, pineapples have gone up by at least 5%. Only bananas and grapefruit are slightly cheaper, with drops of between 1 and 2%. While the top 10 fruits have gone up by 17.3 percent, vegetable prices have increased by 6.3 percent. The demand for apples in the first weeks of the pandemic almost doubled.

Source: [biznes.wprost.pl](https://biznes.wprost.pl)

## African swine fever spreads in southern Philippines

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Philippines confirmed on Sunday that African swine fever infections had spread in the south of the country, which accounts for nearly a third of the nation's 12.8 million pig herd. The world's 10th-largest pork consumer and seventh-biggest pork importer reported its first-ever African swine fever outbreaks in September 2019 in some backyard farms near the capital Manila.

## 15% drop in Spanish stone fruit production

The peach and nectarine production would only reach about 40 million kilos, compared to 49 million kilos in 2019. 20% reduction is expected in the earliest varieties. For the mid-season ones, the drop won't be as sharp. A reduction of between 15 and 20% is also expected in the northern growing areas, such as Aragon and Catalonia, even though the harvesting hasn't started yet in these regions. The decrease in the stone fruit production has been largely due to a reduction in the acreage, which has stood at around 2,000 hectares in both Catalonia and Extremadura. Despite the fall in production, the demand remains smooth, despite the uncertainty about consumer behavior that has been observed in recent weeks.

## Citrus growers from Veracruz stop harvesting limes due to the coronavirus

Citrus growers in the Mexican municipality of Martínez de la Torre, in the state of Veracruz, have temporarily halted the lime harvest due to the consequences of the spread of COVID-19 both in Mexico and in one of its main importers, the United States. This situation is worrying not only for the citrus sector but for the population in general, as lime is one of the main economic engines of this entire area. Some packers were ceasing to export citrus to their destinations and that the product was being paid poorly, so citrus producers had decided not to cut it. If this situation continues, the citrus sector and the local economy would be in crisis this year.

## Brazil Orange Update-

Orange crushing in the 2019/20 crop slowed down in the first fortnight of March at most of the processors in São Paulo State, due to the low supply in the Brazilian citrus belt. Currently, only one plant (in Araraquara) among the three large-sized processors is crushing oranges, primarily early pera rio and late varieties (natal and folha murcha). Besides the lower orange supply, the quality of the fruits allocated to the industry is below the expected. Although yield is considered satisfactory this season, it has been affected by the frequent rains in the first two months of 2020.

## Global Orange Update

Global orange production for 2019/20 is forecast to fall 5.8 million metric tons (tons) from the previous year to 47.5 million as unfavourable weather leads to smaller crops in Brazil, Egypt, the European Union, and Morocco. Consequently, consumption, fruit for processing, and fresh exports are also forecast lower. Global orange juice production for 2019/20 is forecast 17 percent lower to 1.7 million tons (65 degrees brix) as Brazil's production tumbles. Consumption is projected to be flat and global trade is forecast lower with smaller imports for the United States and a sizable drop in Brazil's exports. Grapefruit. Global production in 2019/20 is forecast up 3 percent to a record 7.0 million tons due to favourable weather and larger crops in China, South Africa, Turkey, and the United States. Consumption and exports are forecast to reach new records with the higher supplies.

## Russia: Price of ginger has gone down again

Prices eventually dropped even further; in some places, ginger is traded for 200-300 rubles per kg or less. In late March, the Russian media reported that ginger supposedly had medicinal properties to fight off viruses, and prices immediately jumped. But the hype was short-lived, the myth of the magical properties of ginger have been debunked. As for other, equally mythical products to combat the Corona-virus: the price of lemons will probably not drop. This product is not produced in Russia in sufficient volumes and the supply of lemons from abroad depends on the ruble/dollar exchange rate. As the ruble will probably continue to devalue, of lemons will get somewhat more expensive.

[ 1 ruble = €0.012 ]

Source: [kxan36news](#)