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Ecuador puts spotlight firmly on quality as volume recovers

MAURA MAXWELL
maura@fruitnet.com

Ecuadorean mango exports are expected to bounce back this season after bad weather and a fall in acreage shrank volume during 2008/09. According to the latest forecasts, the country is on course to ship approximately 9m (4.5kg) cartons of in 2009/10, marking a 30 per cent increase on last season's 7.4m cartons.

Benign climatic conditions at the end of 2009 allowed for a relatively smooth start to the season with harvesting getting underway in week 39 and the first arrivals landing in the US during week 41.

"Western Ecuador is the first production area to come on stream and accounts for 35 per cent of our total output," says Bernardo Malo, president of the Ecuadorean Mango Foundation, a non-profit organization representing 98 per cent of Ecuador's growers, packers and shippers. "Harvesting then moves on to central zones and finally the north. In total there are around 6,000ha dedicated to exports within the country."

North America represents by far Ecuador's biggest market, with the US absorbing some 65 per cent of shipments and Canada taking another 15 per cent. Around 57 per cent of shipments to the US arrive into Los Angeles on the West Coast, while the remainder is shipped directly to New York and Miami.

Once again, the economic situation is set to make for a complicated marketing season. "There is little doubt that the financial crisis has had an impact on consumption since mangos are a non-essential food item," says Mr Malo. "Given the current economic climate we're relying more than ever on importers and distributors to have the right marketing strategies in place to move product smoothly. For our part, we must continue doing everything we can to ensure that quality is maintained at the highest standards. The best way of surviving this crisis is to boost overall consumption."

Fortunately, shippers have faced a relatively uncrowded market in the early stages of the season due to a fall in US-bound shipments from Brazil. According to figures from the US National Mango Board, the Brazilian season began at the end of August 2009 and ran through to the end of October, with volume peaking in mid- to late September.

However, Brazilian sendings are down significantly on 2008 and volume has tailed off sharply since early November, leaving Ecuador to face a relatively uncrowded market compared with the same period last year. Indeed, weekly consignments from Ecuador during the second half of October and early November were 100,000-200,000 cartons above 2008.

The biggest problem Ecuador is likely to face is the recovery in Peruvian production this season. In 2008/09, mango exports from Peru to the US fell by 50 per cent after high temperatures caused by the El Niño weather phenomenon resulted in a major drop in output. This season they are forecast to hit 80,000 tons according to the Peruvian Association of Mango Producers and Exporters (APEM). What's more, multiple blooms in all the major varieties are expected to lead to a longer harvesting period, with the season set to run from the second week in November through to the second week of March. Peru is forecast to ship around 8m cartons to the US, with volume peaking during January.

Arrivals of Tommy Atkins – the main variety grown for export in Ecuador – were averaging US$4.20-US$4.70 per carton for counts 8-9 in Miami in week 45 and US$5.50 per carton in California. According to Mr Malo, prices are unlikely to reach the levels seen in 2008/09 given the rise in output from both Ecuador and Peru this year.

Meanwhile, the Mango Foundation continues to explore new ways of increasing the sector's profitability. At this year's PMA Fresh Summit trade show, the organization was highlighting the quality improvements made within the sector in the past year thanks to a two-year program to promote good agricultural practices amongst its members.

Another avenue that Ecuadorean exporters are keen to explore is the growing fresh-cut market. At the beginning of 2009 the US gave the green light to imports of fresh-cut mangos from Ecuador, but Mr Malo says this opportunity remains largely untapped to date.

A shortfall from Brazil gave Ecuador a clear early season run but a recovering Peru waits in the wings

"Ecuador doesn't really have a fresh-cut industry to speak of as yet," he explains. "There are huge doubts as to whether we could ship product at competitive prices from here and what's more, the new import protocol only allows a maximum permitted size of 1cm slices, which limits the opportunities available. Having said that, a significant share of Ecuador's mango exports are already being used by processors in the US and there is no doubt this is a growing market."