Banana supply ‘tightest for years’

Adverse weather and shipping delays in Central and South America have sent spot market prices through the roof and placed strain on supply, according to importers, causing regular delays to banana shipments.

Volumes from Colombia, another major UK source, have also been short, following a ‘civic strike’ last summer that shut down the port city of Buenaventura for several weeks.

This has also had a knock-on effect on shipments from other South American origins that tranship via the port.

“The situation is quite tight at the moment in terms of fruit availability,” said one major UK banana supplier. “There’s been a lot of bad weather, and there have been supply problems from various sources in Central America, particularly Costa Rica. This, combined with vessel delays, has hit the market hard.”

“The first few weeks of 2018 have been the hardest it’s been for a long time.”

One of the few countries to escape the low temperatures and adverse weather that has affected Central and northern South America has been Ecuador. Consequently, the country is experiencing particularly high demand for bananas, putting strain on supply and pushing up spot market prices.

“Ecuador very important for banana suppliers at the moment, particularly the big multinationals, due to the tight supply in other countries,” said one UK banana supplier.

“Companies are spot buying in Ecuador to make up for shortages in Costa Rica and Colombia. And although this is not uncommon, and prices are always high from February until May, this year supply is particularly limited.”

In Hungary, a country with only the 58th largest GDP in the world, the wholesale price of a box of bananas has reached £22.