

Effects of COVID-19 on the supply chain of dried mangoes from Burkina Faso, Mali and Ivory Coast

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The purpose of this study is to explore the impact of the COVID-19 crisis on mango sourcing from Burkina Faso, Mali and Ivory Coast. The aim of the study is to supply the decision-makers in the Centre for the Promotion of Imports from Developing Countries (CBI) with reliable information that can be used for the development of customised export support projects in the selected countries. The main findings of the study show that the COVID-19 crisis has so far failed to have a serious impact on sourcing.

The main effects of the COVID-19 crisis on mango sourcing from focus countries

What are the main effects of the COVID-19 crisis on trade with Europe and the workings of the supply chain of dried mangoes from Burkina Faso, Mali and Ivory Coast?

With respect to exports from Burkina Faso, Mali and Ivory Coast to Europe, it is highly likely that the COVID-19 pandemic has had no influence on the most important sourcing aspects, such as calendar, volume or price. The pandemic has had a slight impact on sourcing from other markets, mainly South Africa. The South African season starts earlier than the season in West Africa and its first deliveries start in March. Although there were some delays due to slower logistics operations, this failed to create any fluctuations on the market. In the end, all of the processed mangoes were successfully shipped to Europe.

In order to better understand the dynamics of the European market related to the sourcing of dried mangoes from Burkina Faso, Mali and Ivory Coast, it is important to understand the harvesting and delivery calendar and the relative importance of the 3 specified countries. Around 90% of natural dried mangoes (mangoes with no added sugar) bound for Europe are sourced from Africa. West African countries account for around 60-65% of the supply to Europe, followed by South Africa (30% share) and the rest of the supplying countries (a mere 10-15%).

Within West Africa, Burkina Faso is the leading supplier, followed by Ghana. However, the other 2 countries that are the focus of this report (Mali and Ivory Coast) only account for up to 150-200 tonnes of the supply (less than a 3% share). It is estimated that the 2 countries have only 5-8 drying facilities at the moment, with a small processing capacity. It is expected that this situation may change soon thanks to the efforts of HPW, which is investing in a large-scale processing unit in the south of Ivory Coast.

Dried mangoes are still considered to be a very trendy product. It is expected that the consumption of dried mangoes will continue to increase in the next 3-5 years. Consumers like the exotic taste of dried mangoes. Dried mangoes have an appealing flavour and a harmonious balance of acids and sugars. Also, there has been an increase in the number of products with dried mangoes as an ingredient.

COVID-19 is not expected to have any serious negative impact on consumption. On the contrary: during the crisis, many European consumers have been stockpiling shelf-stable foods. As dried mangoes are also a shelf-stable food, the COVID-19 crisis actually had a positive influence on consumption. Therefore, it is expected that COVID-19 will not affect consumption. The only factor that may prevent a stronger increase in consumption is the retail price. On average, export, wholesale and retail prices are significantly higher compared to those of

most other dried fruits on offer.

Impact on hygiene and sanitary regulations

Taking into account COVID-19, did European buyers make any changes to hygiene and sanitary regulations linked to the import of dried mangoes?

All the interviewed companies had strict sanitary rules in place related to the safety of workers. While the rules covered both labour and visitor behaviour, there were no specific rules for suppliers of dried mangoes, apart from regular food safety and product quality rules. It should be noted that the coronavirus cannot be transmitted via traded food. One of the participants in the interview wished to illustrate this in a humorous manner by saying the following: “We don’t import people, we import dried mangoes.”

Also, road and rail transport was used to reach African ports. From African ports, the dried mangoes were shipped via sea freight to the main European ports. Transport and freight-forwarding companies had their own sanitary rules in place, which were not connected to any specific buyer requests in Europe. After unloading in Europe, the cargo units (pallets with dried mangoes packed in bulk) were normally transported by rail to the locations of the European buyers.

In many cases, truck drivers were tested by non-contact thermometer devices before entering the facilities of the European traders. During the short period of infection peaks, some European countries established specific rules for truck drivers. For example, after reaching a destination, truck drivers had to self-isolate and report regularly to a primary health care centre before taking on a new shipment. However, all these tests and rules had no direct connection with the West African origins of the dried mangoes.

Impact on initially planned sourcing volumes

Did European buyers import the volumes of dried mangoes they had initially planned?

It seems that sourcing volumes showed no decrease and that the contracted quantities were delivered as planned. It is estimated that volumes of dried mangoes shipped to Europe in 2019 totalled 6,500–7,000 tonnes. It is expected that volumes will increase to up to 7,500 tonnes in 2020. Table 1 shows a rough estimate of the volumes that participants in the interview planned to import.

Table 1: Estimate of sourcing volumes planned by the interviewed companies

Company number (not related to Table 2 in order to keep companies anonymous)	Estimate of planned sourcing volumes for 2020 (in tonnes)
1	100
2	100
3	1,200
4	1,000
5	200
6	100

7	300
8	200
9	20
10	150
11	100
TOTAL SIZE OF THE SAMPLE	3,470
Share of the sample in the total import	50%

Of the 11 interviewed companies, only a single one reported a decrease in volume. This company's representative explained that this was related exclusively to their own company and that industry sources reported that volumes would remain constant. In this particular case, the interviewee explained that his company had had to source less due to high competition. Until 1 or 2 years ago, only a few companies were importing dried mangoes. Now many new traders have started to import dried mangoes, which has led to more fragmentation on the market. This is also an indication of high demand.

Impact on the sourcing calendar

Did European buyers modify their sourcing calendar for mangoes?

The harvesting season in Burkina Faso has just finished and the first shipments started in June. Therefore, exports from Burkina Faso actually started a considerable time after the peak of the COVID-19 crisis, which occurred during March and April 2020. In June, all business activities in the main importing countries and companies had already more or less normalized, similar to the period before the coronavirus outbreak. There was a similar harvest season in Mali (March-June, with 'Amélie' as the main variety) and in Ivory Coast (May-June, with 'Kent' as the main variety).

Another aspect that is important to understand is the difference between the sourcing and sales calendars. Normally, most of the dried mango volumes from Africa are contracted during the summer months (between March and June) and shipments follow the harvesting period closely. Most European companies import most of the volumes immediately after the harvest and store dried mangoes in their own warehouses during the year. Some companies conclude contracts earlier and start with smaller but more regular shipments in this longer period. Still, most shipments are delivered to Europe by July or August at the latest.

The sales calendar is different. Consumption of dried fruit in Europe is much lower during the summer months, when consumers prefer fresh produce. Although the sourcing of dried mangoes happens during the summer months, intra-European sales operations are slow during this period. Intra-European operations include bulk wholesales, packing operations and retail sales. The high wholesale season of dried mangoes in the main importing countries normally starts in August and lasts until January. Retail sales are normally highest between September and March.

It is important to elaborate on sourcing and sales dynamics in order to have a better understanding of the COVID-19 impact. Although sourcing has not been influenced by the COVID-19 crisis, it is difficult to forecast what will happen during the sales season between August 2020 and April 2021. Most traders reported a high and increasing demand. Traders used the term "bumper year" to describe 2020, meaning that there is an increasing demand and they believe that sales will go well.

Dried mangoes are still a very trendy product. Even in the face of a potential new COVID-19 wave of infections, traders, processors and packers believe that retail sales will continue to grow. Most retailers have dramatically improved their logistics capacities and the efficiency of their online sales. In the United Kingdom, the largest consumer market for dried mangoes, all mainstream retailers have improved their online deliveries. For example, the specialised online retailer Ocado has increased its sales by 40% compared to the pre-COVID-19 period.

Therefore, the main issue related to potential new infections is unrelated to dried mango sourcing, as sourcing has not been impacted. The main concerns for the snack/retail segment are related to the human and logistics capacities of retailers. There have already been some protests of retail grocery workers in Europe. Supermarket workers have been on the frontline of the coronavirus battle and at the beginning of the pandemic lacked the necessary sanitary protections. Most of them also worked overtime. However, it is not expected that the same problems will happen again, even in the worst-case scenario of a repeated wave of infections.

Tip:

Read more on the impact of COVID-19 in the new CBI study: [How to respond to COVID-19 in the Processed Fruit, Vegetables and Edible Nuts sector](#)

Impact on prices

Are European buyers ready to revise prices? And if so, in what sense?

There has been no impact on prices. Prices, like volumes, were reported as good. For example, the average FOB (Free on Board) price from Burkina Faso is currently (June 2020) around €7.5/kg. After importing, bulk wholesalers re-sell the same product, without any changes, for €8.50, resulting in a margin of €1.

At the beginning of the season in Ghana, there was a slight scarcity of 20 FT containers. Some smaller volumes were shipped by air freight, which affected the price due to the high transport costs. However, most of the volumes were exported by usual sea container transport and average prices remained stable.

Other findings

- Burkina Faso can expect tougher competition in the near future. Several African countries, such as Kenya, Malawi and Senegal, have reportedly bought dryers and started production. Dried mango production is spreading to East Africa, with Kenya as the emerging supplier.
- Future demand is not easy to forecast. In the current situation, demand is still high. It seems that in the snack segment, retail sales could go down due to the rising popularity of nuts. On the other hand, the use of dried mangoes as an ingredient is expected to increase (for example, for the production of fruit bars, snack mixes or mueslis). This remains guesswork, however, as companies had different opinions on the forecasted market developments.
- Some companies used the increasing popularity of dried mangoes to pre-contract many shipments. However, not all of the suppliers could keep their promises and the companies had to source some dried mangoes from other producers. Please note that this is not common behaviour, but related only to a few companies. The consequence of this behaviour was that a large part of the Ghana crop was contracted/sold in advance.
- One of the participants reported difficulties and lower volumes from Mexico. However, imported volumes from Mexico to Europe were insignificant. The largest importer of Mexican dried mangoes is the United States of America. Official statistics showed no changes during the coronavirus peak in Europe. On the

contrary, volumes in March and April were higher compared to the previous year. Also, Mexican shipments are at its highest in July and August, meaning that the high season has still not started.

- One of the respondents reported an increased interest in sweetened (candied) mango cubes, which are mostly sourced from Thailand. She could find no reasonable explanation for this, but her guess was that muesli became popular during the coronavirus crisis. Some countries had lockdowns and people were snacking more than during normal times. Muesli is still perceived as a relatively healthy food and usage of candied mango cubes improves the taste of breakfast cereals. Another guess was that Thailand had serious issues with the availability of a workforce and European buyers wanted to source sufficient quantities before the peak of the harvest (mango season in Thailand is from April until June) to ensure sales. Her conclusions were based on the fact that some companies that previously had no limits on volumes could now only offer a maximum of 500 kg per shipment.
- The increased interest in candied mangoes has caused adulteration problems. It seems that some suppliers tried to cheat and replace candied mangoes with guavas. This was not reported as a huge problem, however, but only related to individual cases.

APPENDIX 1 - Semi-structured interview script

1. What have been the main effects of the COVID-19 crisis on your company regarding the import of dried mangoes?

2. Taking into account COVID-19, have you made any changes to hygiene and sanitary regulations linked to the import of dried mangoes?

3. Have you imported the volumes of dried mangoes initially planned? Please give an explanation in the case of any changes.

4. Have you modified your dried mango sourcing calendar due to COVID-19? If yes, please give an explanation.

5. Have you revised your prices or you are planning to do so? If so, in what sense?

6. Have you had specific experience during COVID-19 with the import of dried mangoes from Burkina Faso, Mali or Ivory Coast?

7. Would you like to add anything related to the development of the European market for dried mangoes?

APPENDIX 2 - Methodology

Research on the impact of COVID-19 was carried out via 11 phone interviews with European buyers. The interviews were carried out by 2 companies: Autentika Global and Time for Sense. Time for Sense was a partner in the interview process as they were the main organiser of the virtual sourcing mission in Ghana and Ivory Coast. This was an ideal opportunity to have several European buyers in the same ('virtual') place at the same time and to carry out interviews. A semi-structured script given in Appendix 1 of this report was used for the interviews.

As defined in the Terms of Reference, the respondents were people working in dried mango importing companies, as the focus of the study was to explore the impact of COVID-19 on the main dried mango import markets. The interviewed companies were from the United Kingdom (3), Germany (3), the Netherlands (3), Italy

(1) and Switzerland (1). The list of respondents is given in Table 2 below.

Table 2: List of respondents

Company	Country	Interviewee position	Interview date	Company brief
Mango Trading	UK	Managing Director	18 June 2020	Large bulk importer from Africa. Supplier of several different segments.
Afrifruta	Netherlands	Managing Director	17 June 2020	Company with relatively smaller import volumes, focused on sourcing from Mozambique and Ivory Coast.
GreenCell	UK	Sourcing Manager	18 June 2020	Subsidiary of Westfalia, the largest dried mango producer in Africa. GreenCell acts as a trading arm responsible for the EU supply.
Farmer's Snack	Germany	General Manager	22 June 2020	The second largest retail dried fruit brand in Germany.
Heinrich Brüning	Germany	General Manager	20 June 2020	A large German importer of dried fruit for the retail trade.
Berrico	Netherlands	Managing Partner	26 June 2020	Importer specialising in dried berries and dried tropical fruit.
Nutland	Netherlands	Sourcing Manager	24 June 2020	One of the largest Dutch importers and wholesalers of dried fruit and nuts.

Besana	Italy	Import Manager	25 June 2020	The largest Italian importer of dried fruit and nuts, as well as a large importer of dried mangoes.
Derby Ingredients	UK	Senior Foreign Trade Assistant	30 June 2020	Bulk importer and wholesaler of dried fruit. Trades in relatively smaller volumes of dried mangoes.
Richard Janssen	Germany	Executive Manager	24 June 2020	In terms of volume, the largest German traders of dried fruit. Dried mangoes form a smaller but a growing category.
HPW	Switzerland	Sales Director	1 July 2020	Swiss company with dried mango investments in Ghana and Ivory Coast. One of the largest European dried mango wholesalers.

This study was carried out on behalf of CBI by [Autentika Global](#).

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