

Indicators

February 2005

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Apple	26	23
	Orange	24	19
Easy peelers	14	74	

The trends for the main produce of the month significantly influence the overall situation of the fruit market. A column entitled 'Indicators' discussing these fruits precedes the pages devoted to a selection of exotic and citrus fruits.

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Feb. 2005 / Feb. 2004			
Price	↓	Vol.	↓

Apple
Business on the domestic market was normal and fairly satisfactory for the season, even though sales did not escape the traditional dip during the half-term holidays in February. Gala and Granny Smith sold fairly smoothly. In contrast, export business was much duller than in previous years because of competition from other origins (Italy in particular). Prices of Golden Delicious and Braeburn dipped in comparison with those of January.

Feb. 2005 / Feb. 2004			
Price	↓	Vol.	= ↓

Orange
The frost at the end of January in the Valencia region of Andalusia did not cause a real change in trend for Spanish goods. Demand was fairly strong but the frequently uneven quality and the large volumes available in spite of the serious production losses did not result in the price recovery expected. In contrast, the situation benefited 'Maltese' oranges from Tunisia and, to a lesser degree, the few batches of Moroccan produce that sold easily.

Feb. 2005 / Feb. 2004			
Price	↓	Vol.	↑

Easy peelers
The market remained extremely difficult in spite of fairly solid demand. Paradoxically, frost accentuated the over-supply of the market with Spanish goods. Prices rose in comparison with those of January but remained well down on preceding years for most of the Spanish varieties. The situation was still critical for 'Minneola', whether from Israel, Turkey or Cyprus. Only 'Nour' and the small quantities of 'Nadorcot' from Morocco sold successfully.

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Sea freight
Those looking for reasons why February TCE earnings were, for the first time ever, lower than January figures are asking the wrong questions: nothing extraordinary happened in February – it was January that was unusual. While the Reefer Trends average TCE return for February days calculates higher than for January, it does not take the idle time of those vessels into account and some of the ships had been lying off Xbal for 3-4 weeks!

Notes concerning market appraisal methodology
The statistics on the following pages are estimates of quantities put on the market in France. They are only calculated for the main supplier countries and are drawn up using information on weekly arrivals or market release statements by representative operators. The past figures are kindly provided from the POMONA data base and processed by CIRAD. The figures in the 'Main fruits' section above are provided by the CTIFL, with SECODIP being the source. The data published in the French market pages is provided solely as a guide and CIRAD accepts no responsibility for their accuracy. The illustrations are reproduced with the kind permission of Fabrice Le Bellec (CIRAD-FLHOR).

Banana

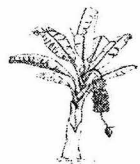
FEBRUARY 2005

Monthly comparison: Feb. 2005 / Jan. 2005

Price	Volumes
↗ + 20%	↗ + 6%

Annual comparison: Feb. 2005 / Feb. 2004

Price	Volumes
↗ + 51%	↘ - 20%



Market performance was excellent for the second month running. However, with the holidays, demand held no pleasant surprises for operators. It was even somewhat slower than preceding years because of biting cold weather and the passing on of high quay prices to the retail stage. The market nonetheless remained stable thanks to a slight shortage of dollar banana supplies and limited quantities of West Indian and African fruits.

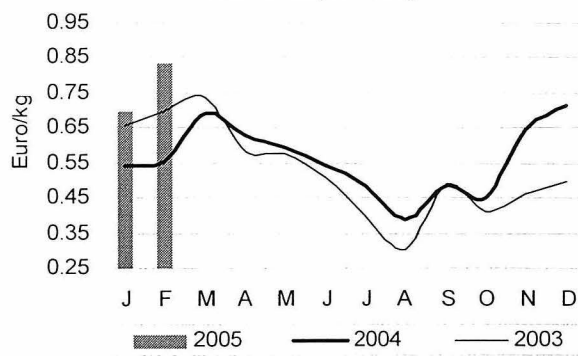
The February half-term holidays weighed on domestic sales, as they do every year. The slowing was even more marked than in past years. The cold weather had a doubly negative effect by slowing consumption and making shoppers cautious because of serious transport difficulties in some areas. Furthermore, high retail prices (special offers at EUR1.55 per kg) also contributed to slowing demand.

Distributors conserved large margins in absolute value. The market nevertheless remained stable even if the balance was delicate in the middle of the month. On the one hand, exports to Germany remained dynamic and on the other—more important—overall supplies were distinctly short throughout the entire month (-5% in comparison with the three-year average). Shipments of dollar bananas

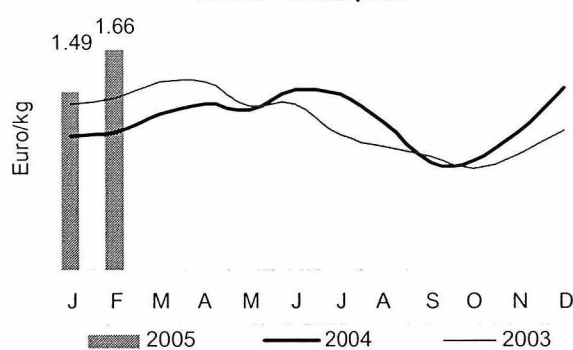
decreased slightly (-3%). The decrease was much more marked for African origins (-16%) as a result of a decrease in production resulting from the Harmattan and a change in transport logistics, and even more so for West Indian bananas with a shortfall approaching 30%. The average monthly price was 24% up on the three-year average.

French banana market — Indicators

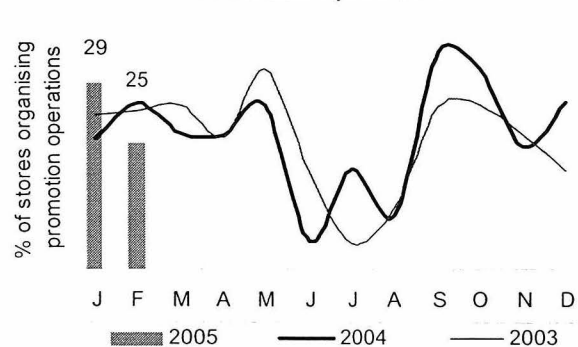
Price at import stage



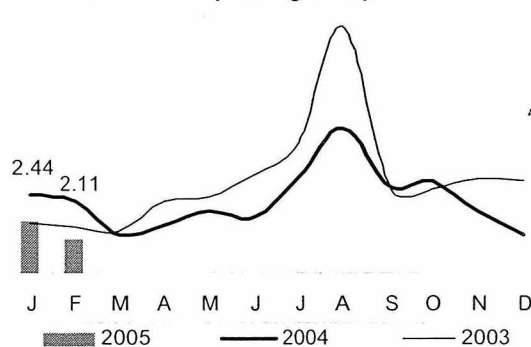
France - Retail price



Promotion operations



Ratio retail price : green price



European banana market — Indicators

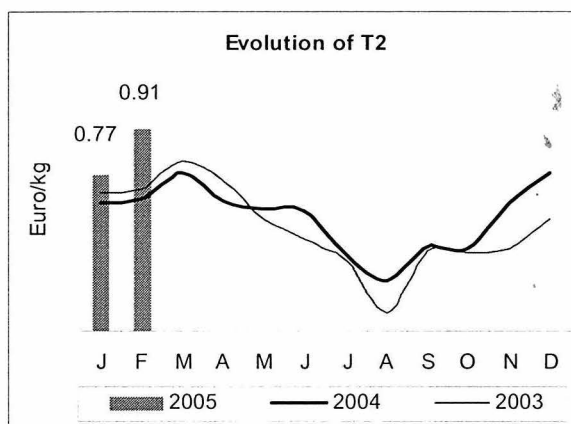
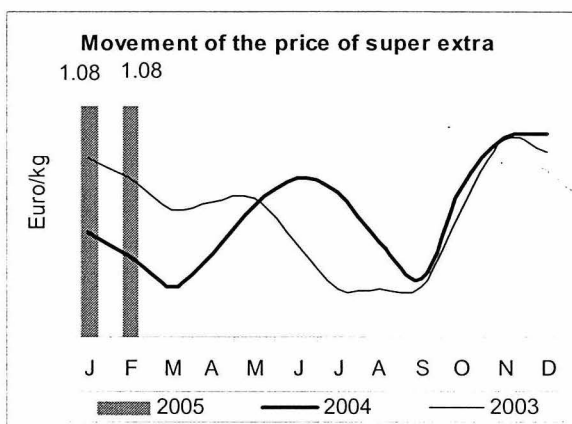
Main origins in Europe

Tonnes	February 2005	Comparisons (%)		Total season 2005	Season comparisons (%)	
		2005/2004	2005/2003		2005/2004	2005/2003
Martinique	14 380	- 29	- 24	28 423	- 29	- 26
Guadeloupe	4 276	- 33	- 39	8 527	- 34	- 40
Canaries	31 146	- 12	- 11	57 140	- 12	- 13
Côte d'Ivoire	15 569	- 12	- 5	31 470	- 9	- 9
Cameroon	15 324	- 28	- 25	31 966	- 29	- 29

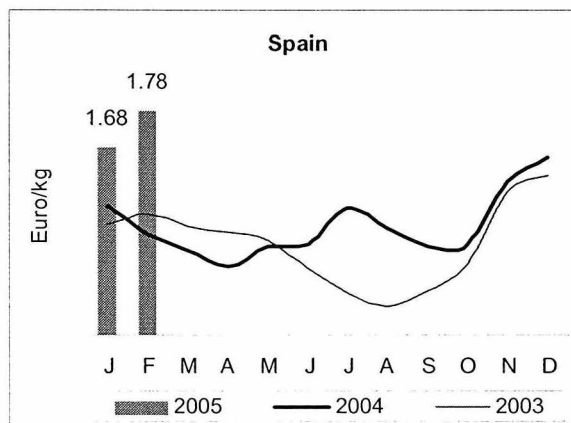
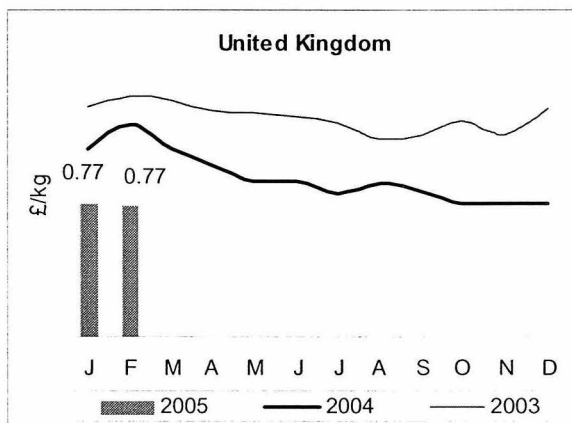
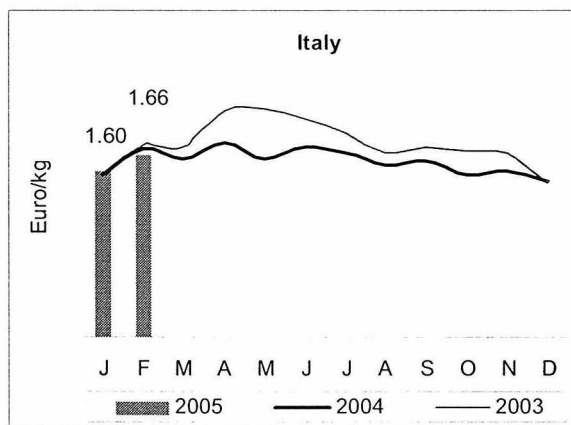
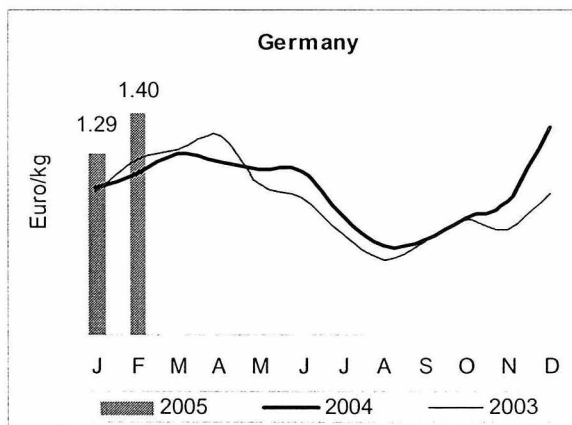
Index (base 100 in February 2004)

Dollar	122	+ 21	+ 20	ND	+ 20	+ 14
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Green price in Europe



Retail price in Europe



Sources: CIRAD, SNM, TW Marketing Consulting

Avocado

FEBRUARY 2005

Monthly comparison: Feb. 2005 / Jan. 2005

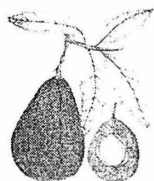
Price
 ↗ + 43%

Volumes
 ↘ - 19%

Annual comparison: Feb. 2005 / Feb. 2004

Price
 ↗ + 6%

Volumes
 =↘ - 2%



Market performance was honourable. For the first time in the season, overall supplies were markedly short, especially for 'Hass'. Supplies from Spain were light because of serious production losses. Furthermore, arrivals from Israel were strong at the European level but only average in France. Prices were noticeably higher than average.

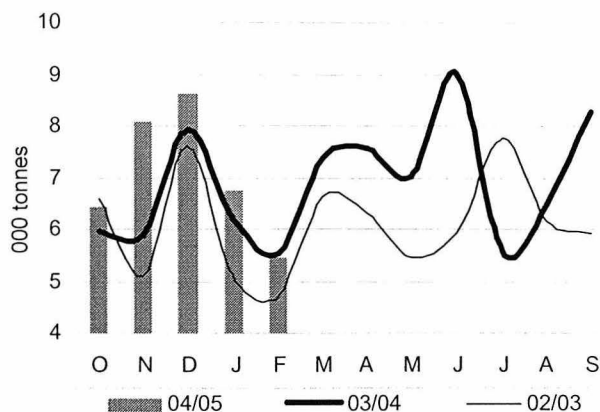
'Hass' supplies were distinctly short. Mexico affirmed its leading position but with measured volumes fairly similar to those of the two preceding years. Israeli operators continued to favour the British market that seems to have been changing in favour of 'Hass' since the beginning of the season. New serious production losses caused by frost (after the damage caused by

gales at the end of 2004) encouraged Spanish operators to continue to limit their shipments. Prices thus remained distinctly higher than average in spite of lack-lustre demand. The supply of green varieties was also smaller than in preceding seasons but the shortage was less marked than for 'Hass'. In spite of large arrivals of Israeli 'Fuerte' and 'Pinkerton' in Europe, the volumes

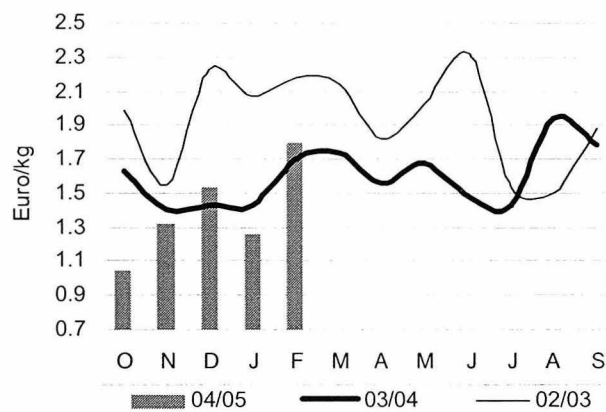
intended for the French market were only average. In addition, the Kenyan season started fairly late and gradually. Finally, the quantities of Spanish avocados were extremely limited for the reasons mentioned above. Prices increased steadily until the very end of the month when the market began to worsen with the increase in shipments from Kenya.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	February 2005	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	2 081	- 20	+ 13	11 213	- 4	+ 22
Mexico	939	+ 14	- 16	10 726	- 4	+ 20
Israel	2 302	+ 46	+ 50	13 904	+ 48	+ 26
Kenya	130	- 75	- 35	130	- 75	- 35
Total	5 452	- 2	+ 15	35 973	+ 10	+ 22

Orange

FEBRUARY 2005

Monthly comparison: Feb. 2005 / Jan. 2005

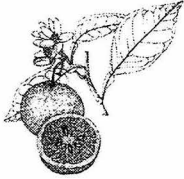
Price
 ↗ + 17%

Volumes
 ↗ + 25%

Annual comparison: Feb. 2005 / Feb. 2004

Price
 ↘ - 12%

Volumes
 ↘ - 4%



The frost at the end of January in the Valencia region of Andalusia did not cause a real change in trend for Spanish goods. Demand was fairly strong but the frequently uneven quality and the large volumes available in spite of the serious production losses did not result in the price recovery expected. In contrast, the situation benefited 'Maltese' oranges from Tunisia and, to a lesser degree, the few batches of Moroccan produce that sold easily.

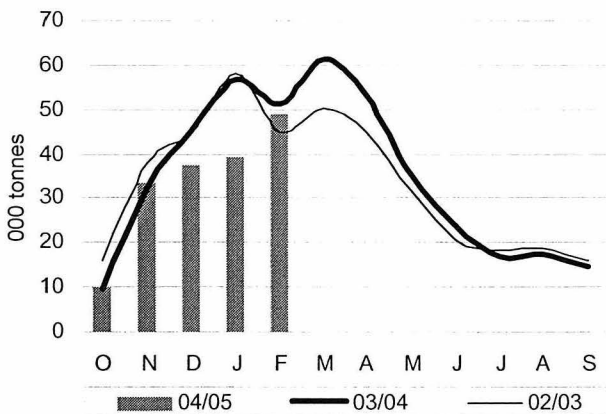
Particularly serious production losses were caused by frost in Spain at the end of January (a preliminary estimate, awaiting confirmation, reports that about 50% of the crop still on the trees was destroyed). However, the volumes available were normal in February. The cold weather that followed the frosty snap enabled Spanish shippers to market part of the least-affected

fruits. The volumes of 'Navel' available, sometimes of uneven quality, were larger than in recent years (a large proportion of the harvest still remained to be sold at the beginning of February because of the serious delays in sales accumulated in the preceding months). They made it possible to make up for the late, very hesitant beginning (as regards volume) of the 'Navelate'

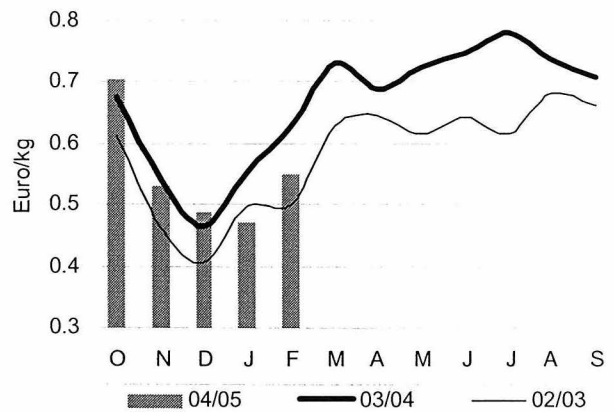
season, as the latter variety had been seriously affected. Prices rose only a little in spite of healthy demand. In contrast, hitherto laborious sales of 'Maltese' from Tunisia became much easier and prices increased throughout the month. The few batches of 'Salustiana' and 'Washington' blood orange from Morocco benefited from a similar improvement in trend.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	February 2005	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	41 470	- 9	+ 4	153 231	- 15	- 17
Tunisia	5 422	+ 24	+ 3	8 801	- 10	- 19
Morocco	1 946	- 15	- 3	2 055	+ 8	- 49
Total	48 838	- 4	+ 9	164 087	- 15	- 17

Grapefruit

FEBRUARY 2005

Monthly comparison: Feb. 2005 / Jan. 2005

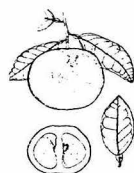
Price
 ↗ + 5%

Volumes
 ↗ + 15%

Annual comparison: Feb. 2005 / Feb. 2004

Price
 ↗ + 55%

Volumes
 ↘ - 44%



Performance was satisfactory overall as the shortage in supply from Florida was still as marked. However, sales varied considerably from one origin to another. Sales of Florida fruits were fluid throughout the month in spite of a rise in prices. Demand was more sluggish for Mediterranean fruits –because of the seasonal decrease in business caused by the February half-term holidays. Sales of Cuban and Mexican fruits were even very laborious, but the average prices of fruits from all origins increased.

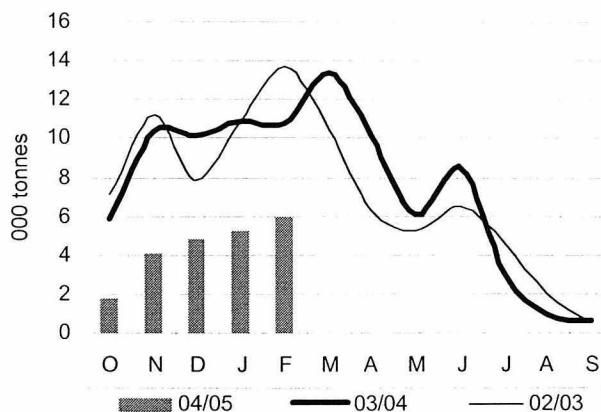
The market remained very well oriented throughout the month for fruits from Florida. The shortage of supplies to the EU continued to be particularly marked (60% down on the three-year average) as exporters had focused shipments on Japan. Sales were fluid in spite of a slight but steady rise in prices. The other origins had to face a different market configuration. In spite

of the shortage of fruits from Florida, demand was very slow, probably as a result of the strong dip in restaurant and catering industry business during the school holidays. The price of Turkish fruits dipped slightly, especially as deliveries were ample in the first part of the month. Israeli operators had received distinctly larger volumes than in past years and also had to face a

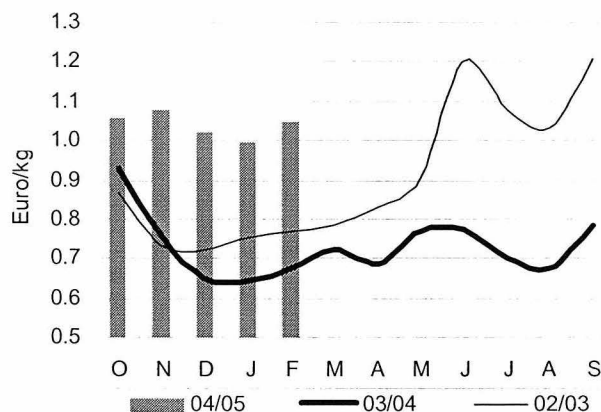
fall in prices. The sale of fruits from complementary origins that are normally absent from the market at this time of year were very laborious (3 ships from Cuba and 2 from Mexico). However, average monthly prices were distinctly higher than in past years for all the origins present.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	February 2005	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Florida	4 414	- 54	- 63	13 143	- 68	- 69
Israel	986	+ 51	+ 23	4 637	+ 18	+ 47
Turkey	720	+ 31	- 14	4 200	+ 29	- 19
Total	6 120	- 43	- 55	21 980	- 54	- 57

Easy peelers

FEBRUARY 2005

Monthly comparison: Feb. 2005 / Jan. 2005

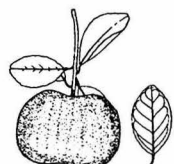
Price
↗ + 35%

Volumes
↘ - 39%

Annual comparison: Feb. 2005 / Feb. 2004

Price
↘ - 14%

Volumes
↗ + 14%



The market remained extremely difficult in spite of fairly solid demand. Paradoxically, frost accentuated the over-supply of the market with Spanish goods. Prices rose in comparison with those of January but remained well down on preceding years for most of the Spanish varieties. The situation was still critical for 'Minneola', whether from Israel, Turkey or Cyprus. Only 'Nour' and the small quantities of 'Nadorcot' from Morocco sold successfully.

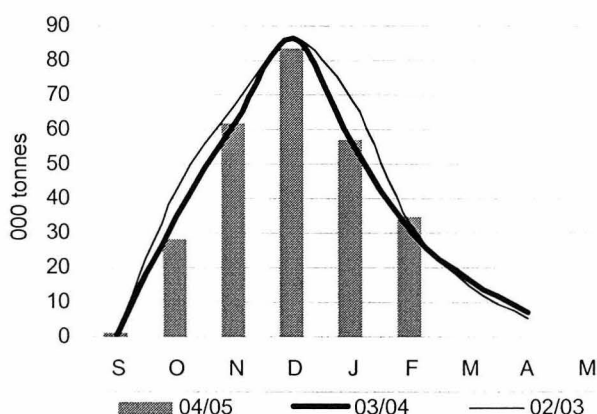
The situation remained critical for a large proportion of the Spanish goods available. Demand was comparatively satisfactory as the supplies of competing produce were fairly limited. However, supplies were distinctly larger than in preceding years. The fragility of much of the fruits affected by frost led operators to increasing the

rate of shipment of the end-of-season varieties ('Clementine' and 'Hernandina') and making an early start to the late cultivar season (especially 'Ortanique'). In this context, the prices of standard produce remained rock-bottom and only 'Ortanique' and the few batches of high-quality 'Fortuna' and 'Nadorcot'

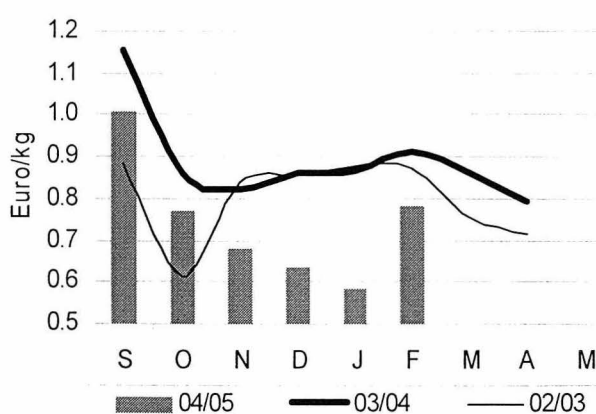
proposed benefited from an increase. The 'Minneola' market remained very difficult for all origins (supplies were larger than in preceding years and quality—especially organoleptic—was often disappointing). Only 'Nour' and 'Nadorcot' from Morocco benefited from an awakening of demand. Prices were raised.

Estimated market releases in France

Volumes



Price at import stage

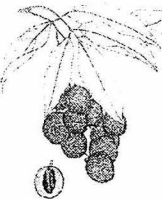


Estimated market releases in France by origin

Tonnes	February 2005	Comparisons (%)		Total season	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	32 178	+ 14	+ 5	226 344	+ 1	- 12
Morocco	2 677	+ 56	+ 123	18 041	- 36	+ 1
Israel	558	+ 37	+ 84	978	- 3	- 26
Total	35 413	+ 16	+ 10	245 363	- 1	- 10

Litchi

FEBRUARY 2005	Litchi — Arrival estimates In tonnes				
	Weeks	5	6	7	8
	By air — Arrivals in France				
	Australia	-	1	2	4
	By sea — Arrivals in Europe				
South Africa	10-20	10-20	10-20	10-20	



After an early start, the Madagascan litchi marketing season finished early and very quickly, leaving the market free for the last shipments from South Africa. The South African season continued into February with small quantities. The market from fruits shipped by air was taken by Australia, an up-and-coming origin.

The Madagascan litchi marketing season stopped suddenly at the end of the first week of February with rising prices as a result of the small quantities (of good quality fruit) available and a temporary increase in demand because of the Chinese New Year. Although this event mainly benefited the best quality South African fruit, the stimulating effect was nevertheless positive for Madagascan fruits.

The South African season continued throughout February but with small quantities of goods. The price of the variety 'Mauritius' was strongly boosted by its almost complete absence from the market in the first week of February. The very last batches of this variety from South Africa sold fast and well. From the second week of February, South Africa

shipped only 'MacLean' litchi, less popular among consumers. Prices remained satisfactory but lower than those of the last sales of 'Mauritius'. Curiously, few South African litchis were found on the wholesale markets in the second and third weeks of February as demand was strong on other markets. The fruit reappeared only at the end of the month, with the wholesale price lower because litchi had 'disconnected' from the market and quality was poorer.

The market for litchi shipped by air was covered by Australia from the second week of February. A large producer country, Australia had not shipped litchis to Europe in previous years. The early end of exports from the Indian Ocean region may have created a small window for access to the European markets. Shipped in 5-

kg boxes containing two bags, these destemmed and apparently non-treated fruits sold on the basis of EUR 8.00 per kg, an upmarket position. 'Kwai Mai Pink' variety (according to the packaging) fruits displayed fine colour and sweet flavour. Spherical, they are more similar to the varieties exported from China than those from the Indian Ocean countries.

In addition to the supply of litchis described above, substitute produce also came on to the market in February, such as longans shipped from Thailand by sea (EUR1.80-2.20 per/kg) and rambutans of the same origin shipped by air (EUR6.00 per kg). Supplies will not be large in March as it is one of the dull periods of the year for litchis. Deliveries should resume in April with litchis from Thailand.

Litchi — Prices in euros/kilo — Import stage in France				
Weeks 2005	5	6	7	8
By air				
Australia	-	8.00-8.50	8.00-8.50	8.00-8.50
By sea				
Madagascar	1.20-1.60	-	-	-
South Africa	2.25-3.50	2.50-3.00	2.50	2.00-2.50

Mango

FEBRUARY 2005

Mango — Arrival estimates In tonnes

Weeks	5	6	7	8
By air				
Peru	40	55	80	75
By sea				
Peru	2 330	1 400	930	nc

Peruvian fruits strongly dominated the European market throughout February. The scale of arrivals and cumulated quantities in a context of dull demand made the market morose. A decrease in deliveries and numerous clearance operations enhanced sales in the second part of the month.



The market was still saturated by 'Kent' mangoes from Peru in February. The accumulated arrivals resulted in storage of fruits because demand was limited. Deliveries did not slow until the second half of the month, making it possible to release arriving fruits and stocks. The stored fruits deteriorated gradually and some operators had to sell borderline batches as quickly as possible at low prices. Other batches had been stored for too long and were simply thrown away. The storage clearance operations and increasing interest from the discount supermarket chains made it possible to clear the market gradually, first in northern European countries and then in France. Prices firmed, first for large fruits, available only in limited quantities from mid-February onwards. This upward movement remained

noticeable because of the still very low prices of poor quality fruits on the market at the same time. The slowing of shipments from Peru should allow a true market recovery in March if the shipments from Brazil are not too large. The European market could be undersupplied once again, especially as regards 'Kent', with the end of the Peruvian export season. The West African season will not be very early and arrivals of 'Kent' by sea should start towards the end of the first week of April according to the information currently available. A few batches of 'Tommy Atkins' from Brazil were also sold in February at lower prices than those of 'Kent' from Peru.

The market for mango shipped by air performed better as a whole. The uneven ripeness of the batches

received made it more difficult to sell 'Kent' from Peru in the first half of the month. Over-ripeness and qualitative differences between commercial brands also resulted in a broadening of price ranges. Deliveries gained momentum in the second half of the month with the shipping of fruits from a different production region in Peru. Prices also became firmer, indicating recovery of demand. These supplies were completed on the French market by a few batches of 'R2E2' from Australia in the first half of the month and then by 'Keitt' at the end. These fruits were sold at EUR5.50 to 6.00 per kg. Supplies from Australia consisted of small quantities aimed at a luxury clientele.

Mango — Prices in euros — Import stage

Weeks 2005	5	6	7	8
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By air (kg)

Peru	Kent	3.00-3.50	3.00-4.00	3.50-4.00	3.60-4.00
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By sea (box)

Peru	Kent	2.50-3.50	3.00-3.50	3.00-4.00	3.00-4.00
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Sea freight



Those looking for reasons why February TCE earnings were, for the first time ever, lower than January figures are asking the wrong questions: nothing extraordinary happened in February – it was January that was unusual. While the Reefer Trends average TCE return for February days calculates higher than for January, it does not take the idle time of those vessels into account and some of the ships had been lying off Xbal for 3-4 weeks!

It was interesting to observe operator behaviour in a market long on tonnage – had the situation occurred in any month other than the 6-8 week period between early February and Easter, there is no question that owners would have been bid downwards. Even with operational costs in the region of US\$3-4K per day operators were not tempted to take the short-term view and fix lower than previous for individual ships as the potential damage caused to broader industry returns in the medium to long term would have been significantly greater had they done so.

While the market certainly eased throughout the month there were no signs of panic among the operators and charterers were generally unable to secure any bargains. As a result,

average earnings on the Spot market for large reefers in the first 2 months of 2005 were up by as much as 80% on 2004. Had not Ecuadorian tradeable banana supply been reduced because of intervention by the multi-nationals looking to source replacement volumes, had not the South African grape crop finished early and had not the US market been so strong for Chilean grapes, the charter market would undoubtedly have scaled new heights.

The Arctic conditions in the Mediterranean that hit Spanish fruit and vegetable production should on balance have a positive impact on deepsea reefer trade. Spanish and Moroccan citrus and vegetable exports were badly affected: initial estimates of the damage caused in Morocco by the

cold weather suggested a loss of between 25-40K MT; however the latest official reports suggest that it could actually be a lot worse with up to 50% of the later citrus varieties lost. There are reports indicating that the regular liner services to northern Europe are sailing light; there are also reports of Spanish exporters procuring Moroccan fruit in bins in order to re-pack to fulfil their own commitments.

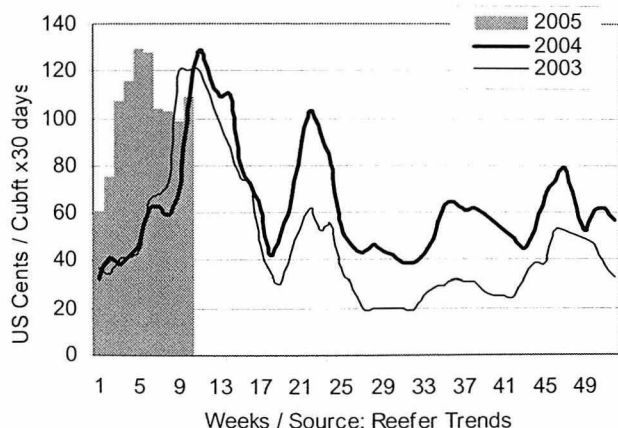
In the short term, Israeli, Egyptian and Cypriot charterers have chartered in tonnage to take advantage of extra demand while in the medium term South Africa and Argentina, which are both anticipating large citrus crops, will no doubt come under pressure to ship earlier particularly as the EU citrus market is likely to remain strong.

Monthly spot averages

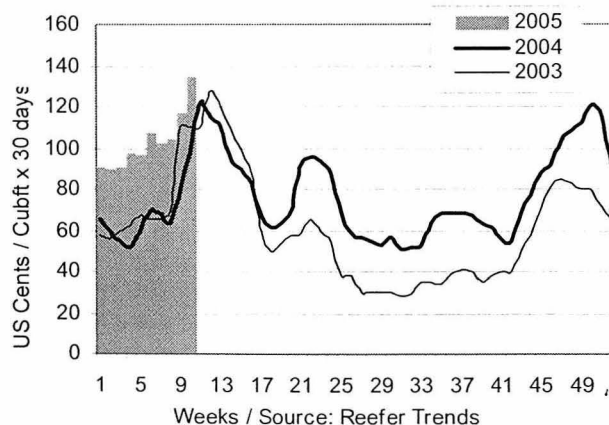
US\$cents/cubic foot x 30 days	Large reefers	Small reefers
February 2005	113	109
February 2004	64	69
February 2003	82	77

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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