

Indicators

June 2005

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Peach/Nectarine	27	23
	Apple	23	18
Apricot	13	12	

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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June 2005 / June 2004			
Price	↓	Vol.	↓

Peach/Nect.

Mixed performance. Supply was a little short because the fruits ripened late. But demand was comparatively slow. Prices were down in comparison with those of 2004.

June 2005 / June 2004			
Price	↓	Vol.	↑

Apple

The end of the season was as poor as the rest had been. Demand was still slow while stocks were distinctly larger than last year's. Competition from other EU producer countries continued to be lively. Prices fell considerably.

June 2005 / June 2004			
Price	↓	Vol.	↑

Apricot

The season got off to a satisfactory start. The volumes available were distinctly larger than average and demand was brisk thanks to competitive pricing.

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Sea freight

Those in the specialist reefer trade who believed that 2004 heralded a reversal in fortunes for the business after seven lean years admit to being more than puzzled about why the Spot market has seemingly reverted to the off-season rate trends of the late 90s and early 00s.

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

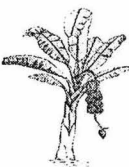
JUNE 2005

Monthly comparison: June 2005 / May 2005

Price	Volumes
↘ - 8%	↘ - 12%

Annual comparison: June 2005 / June 2004

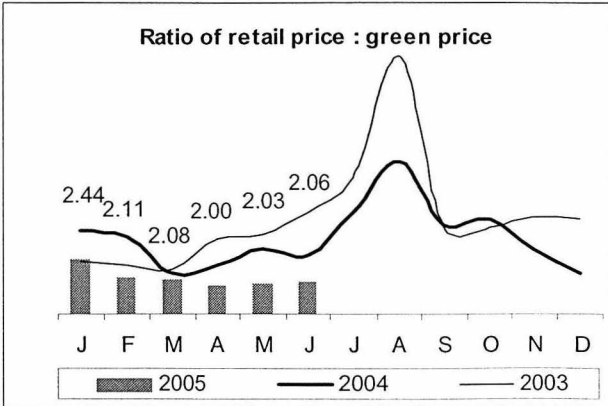
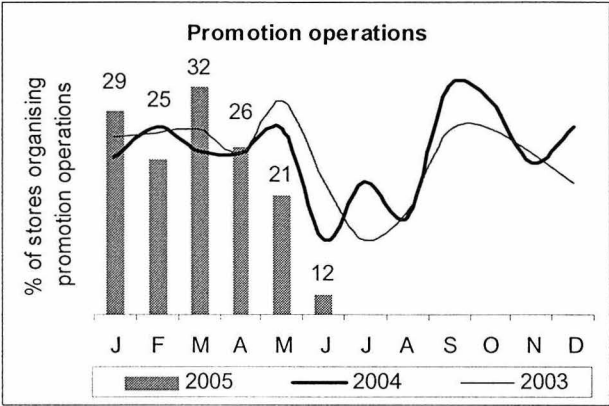
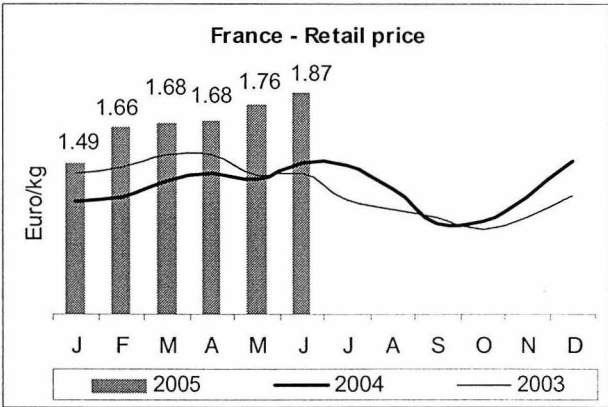
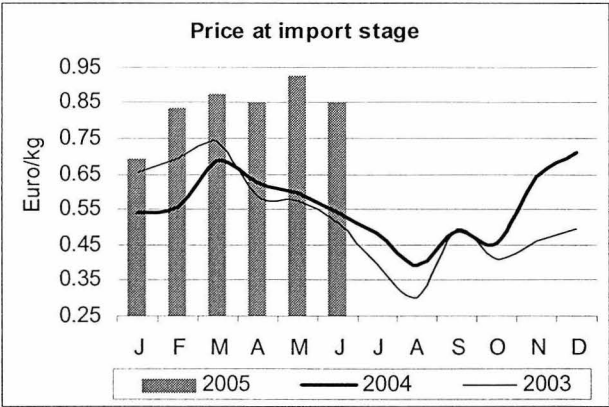
Price	Volumes
↗ + 58%	↘ - 9%



Market performance was excellent once again in June, the end of a no less exceptional six-month period (prices rose by 35% in comparison with the three-year average). Firstly, the supply of African and West Indian bananas was markedly short. Secondly, demand remained at a good level as the weather was cooler than average and competing stone fruits were late this year.

The deficit in the volumes arriving in France was similar to that of May (about 10% down on the three-year average). Deliveries from Cameroon and Martinique were close to their normal levels for the season. In contrast, the quantities arriving from Côte d'Ivoire and Guadeloupe were down by 17 and 45% respectively. In parallel, the seasonal decrease in demand occurred very late—in the last third of the month. Cooler than average weather stimulated consumption. It also delayed the start of the season for competing stone fruits, where quantities of early fruits were already short because of frost at the beginning of March. Sales thus remained at a good level on the domestic market for most of the month in spite of the exceptionally high retail prices (unlike their German counterparts, French distributors did not reduce their margins). The flow to export markets also remained satisfactory.

French banana market — Indicators



European banana market — Indicators

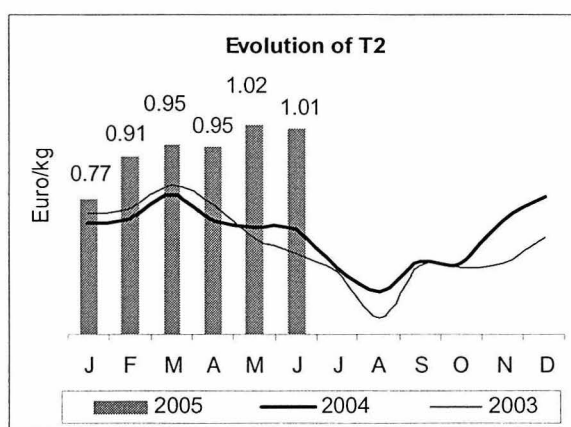
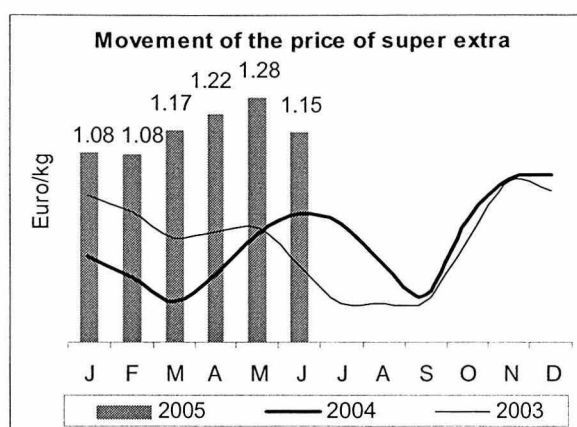
Main origins in Europe

Tonnes	June 2005	Comparisons (%)		Total season 2005	Season comparisons (%)	
		2005/2004	2005/2003		2005/2004	2005/2003
Martinique	19 662	- 8	- 1	107 225	- 12	- 10
Guadeloupe	3 955	- 37	- 45	24 816	- 35	- 44
Canaries	25 122	- 24	- 26	172 871	- 19	- 17
Côte d'Ivoire	14 647	- 13	- 19	101 191	- 9	- 8
Cameroon	19 807	- 4	+ 3	120 092	- 14	- 13

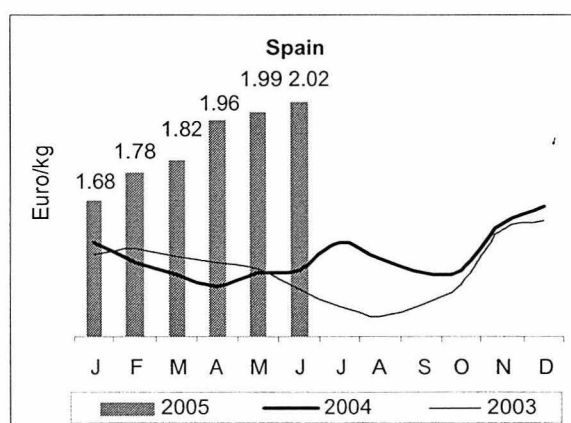
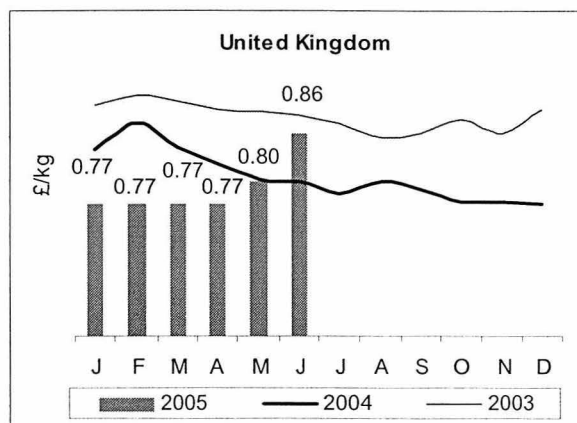
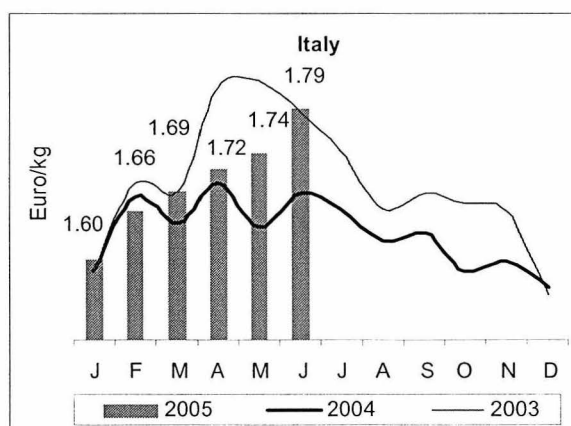
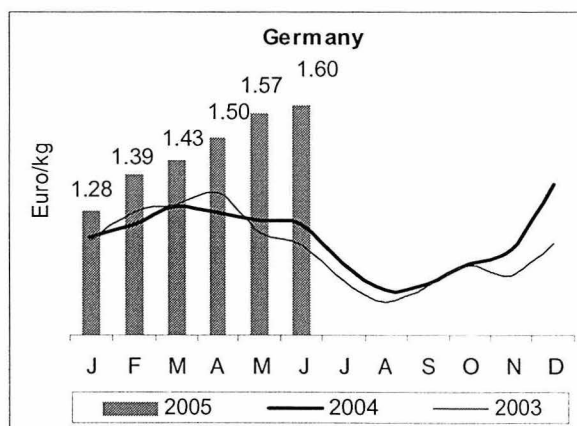
Index (base 100 in June 2004)

Dollar	NA	NA	NA	NA	NA	NA
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Green price in Europe



Retail price in Europe



Sources: CIRAD, SNM, TW Marketing Consulting

Avocado

JUNE 2005

Monthly comparison: June 2005 / May 2005

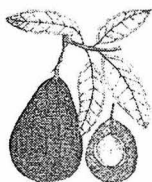
Price
 ▼ - 34%

Volumes
 ▲ + 12%

Annual comparison: June 2005 / June 2004

Price
 ▼ - 19%

Volumes
 ▲ + 9%



The improvement seen in May turned out to be a flash in the pan. The market dived again in June and prices reached a historically low level (with 'Hass' at less than EUR 4 per box). Supplies of 'Hass' were too large as a result of the explosion of arrivals from Peru and an increase in those from South Africa. Very well supplied with 'Fuerte' from Kenya and South Africa, the market for green varieties was also extremely difficult.

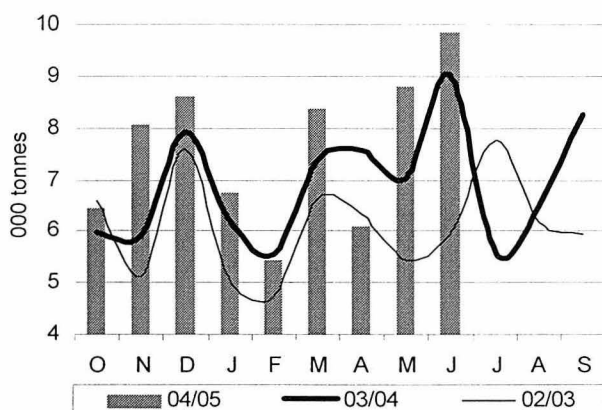
The situation seems to change monthly. The average price fell in June by nearly 30% in comparison with the three-year average after a fine performance in May. The market was over-supplied for most of the month. The volumes of 'Hass' were particularly large. On the one hand, South Africa has had greater potential

this season. On the other, exports from Peru increased dramatically, with shipments concentrated in June. Demand was unable to take such volumes. Prices fell to a historically low level at the end of the month, especially for sizes 12 and 14 that formed a large proportion of the fruits shipped from Peru. In this context, the

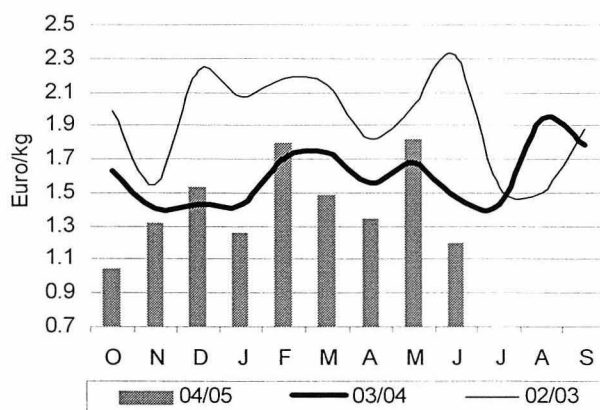
market for green fruits was also very difficult, especially as substantial volumes were also available (with an increase in the arrivals of 'Fuerte' from both Kenya and South Africa) at some EUR 2.00 per box at the end of the month.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	June 2005	Comparisons (%)		Total season	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	973	- 65	+ 66	17 813	- 28	+ 21
Mexico	113	- 64	- 65	13 858	- 4	- 1
Israel	90	-	-	20 776	+ 100	+ 77
Kenya	1 432	+ 136	+ 72	4 652	- 18	- 23
Peru	3 000	+ 76	+ 189	4 075	- 38	- 18
South Africa	4 254	+ 17	+ 35	7 900	+ 32	- 19
Total	9 862	+ 9	+ 66	69 074	+ 8	+ 29

Orange

Monthly comparison: June 2005 / May 2005

Price $\uparrow\uparrow$ + 24% Volumes $\downarrow\downarrow$ - 29%

Annual comparison: June 2005 / June 2004

Price $\downarrow\downarrow$ - 22% Volumes $\downarrow\downarrow$ - 19%



The market continued to be lack-lustre. Demand was extremely slow, whatever the variety or origin. Large stocks of 'Valencia' from Spain remained as a result of poor sales in the preceding months and the variety continued to form a large proportion of the fruits available in supermarkets while 'Navel' oranges from South Africa were early. Monthly prices and volumes sold were well down on the average.

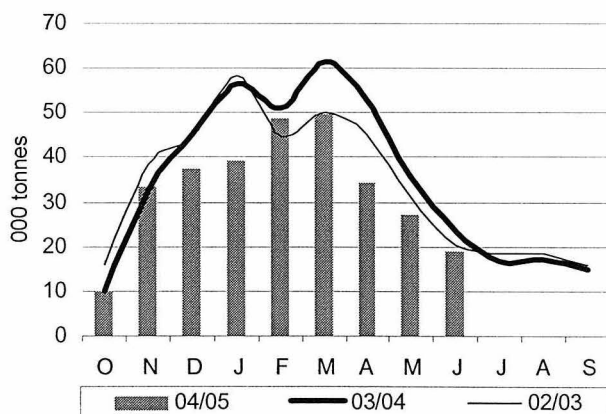
Consumers were still not attracted by oranges (total sales were some 10% down on the three-year average). Demand was focused mainly on 'Valencia' from Spain at attractive

prices and available in large quantities as a result of the poor sales in recent months). In this context, the market for 'Navel' from South Africa was soon under pressure, especially as the

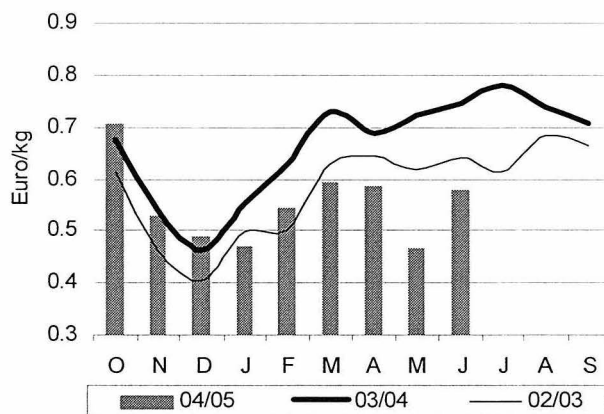
quality of certain batches affected by rain was not perfect and arrivals increased very rapidly. Prices decreased strongly, especially for South African fruits.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	June 2005	Comparisons (%)		Total season	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	11 920	- 30	- 12	256 997	- 20	- 16
South Africa	6 678	+ 80	+ 64	6 678	+ 69	+ 43
Morocco	500	- 83	- 82	11 725	- 48	- 34
Total	19 098	- 24	- 14	275 400	- 21	- 16

Grapefruit

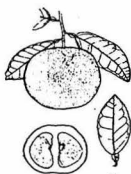
JUNE 2005

Monthly comparison: June 2005 / May 2005

Price	Volumes
↘ - 11%	↘ - 23%

Annual comparison: June 2005 / June 2004

Price	Volumes
↗ + 4%	↘ - 24%



The market was generously supplied with large volumes imported from South Africa and Argentina and stocked in May. Nevertheless, in spite of the summer level of demand, the average price was fairly satisfactory in France thanks to the good performance of the market for size 40.

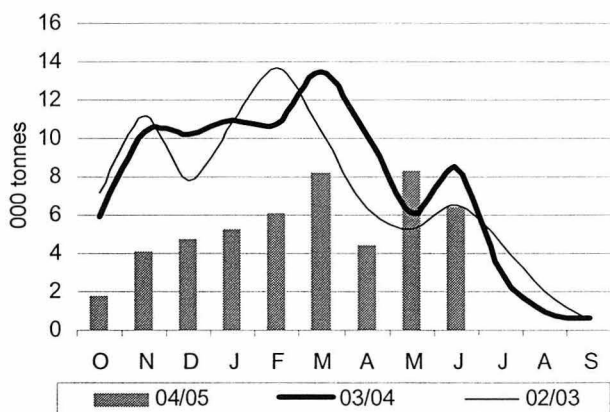
Demand slowed at the beginning of the month and took on its usual summer pace. However, the quantities of southern hemisphere fruits were much larger than average. In spite of the moderate arrivals in June, cumulated arrivals at the end of the month were some 10% greater than

those of 2004 from both Argentina and South Africa because of the large quantities received and stocked in May. The trend differed considerably from one fruit size to another. The abundance of small fruits (50/55) from both Argentina and South Africa rapidly brought the price down to

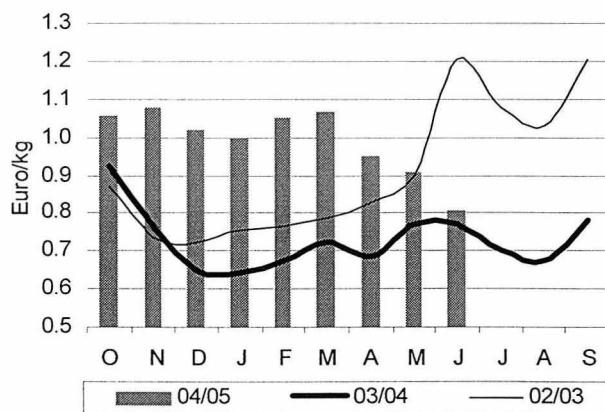
below-average levels. In contrast, the market for size 40 fruits was fairly balanced. The performance was mixed for size 45, with the price holding up better for South African than Argentinian fruits. Supplies were completed by Corsica throughout the month.

Estimated market releases in France

Volumes



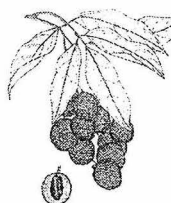
Price at import stage



Estimated market releases in France by origin

Tonnes	June 2005	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Israel	249	-	+ 204	9 777	+ 32	+ 25
South Africa	3 102	- 28	- 13	6 656	+ 12	+ 25
Argentina	3 033	- 26	+ 5	6 351	+ 10	+ 23
Total	6 384	- 24	- 2	22 784	+ 19	+ 25

Litchi



June market supplies consisted mainly of litchi from Thailand, as had been the case in May. However, this did not prevent other origins—China and Mexico in particular—from trying a few shipments, especially to the French market. Litchi seems to find it difficult to gain a position on the European markets at this time of year and the results are not always up to expectations with regard to both the quantities sold and the prices fetched.

Practically all the litchi supplied to European markets was from Thailand. The produce was shipped by sea in containers as the first phase of the season, with air shipments, finished in the first third of May. Deliveries from Thailand seem to have been regular but sometimes smaller than last year's. Shipments were often unloaded in the Netherlands and then distributed to the various European markets.

Thai litchi prices in the **Netherlands** fell steadily throughout the month. Goods changed hands at the beginning of June at EUR 3.25 to 4.00 per kg and stabilised in mid-month at EUR 2.75–3.50 per kg. Prices continued to fall in the second half of the month at EUR 2.50 to 3.25 per kg and finally EUR 2.25 to 2.50 per kg during the last week of the month. The gradual decrease in prices resulted in particular from an increase in the quantities available but was also caused by the uneven quality of the fruits sold. Some well-coloured batches did not have much flavour while customers were more satisfied with the organoleptic quality of some batches of pale fruits. Considerable variations of this kind were seen throughout the month, making it difficult for buyers to choose goods

and sometimes discouraging them. Furthermore, demand for tropical fruits was limited in June as supplies of the season's fruits were large and these are preferred at this time of year.

Prices also sank in **Belgium** as supplies from Thailand increased. Small batches of fruits shipped by air were still being sold at EUR 4.50 to 5.00 per kg at the beginning of the month. The flow soon dried up with the arrival of increasing quantities shipped by sea in containers. The price of 'sea' fruits settled at about EUR 3.00 to 4.50 per kg according to size and colour. The litchi market deteriorated noticeably from mid-June onwards, resulting in a very broad price range. Indeed, prices were from EUR 2.25 to 4.00 per kg from Week 24 onwards. At the end of the month, poor demand and qualitative variation of the fruits destructured the market, leading operators to sell off their stocks in one-off sales.

In **France**, the quantities of litchis sold were smaller than those marketed during the same period last year, mainly because of limited demand. The early June price of Thai litchi shipped by sea differed little from those previously fetched by produce

shipped by air, that is to say EUR 5.00 to 5.50 per kg. Prices fell very quickly to EUR 3.50–5.00 per kg as batches of fruits did not keep well. Prices settled at EUR 4.00 to 4.50 per kg in mid-month and then fell again at the end of the month to EUR 3.50 to 4.00 per kg; this was nonetheless higher than the prices on the other European markets where supplies were more ample. A few batches of litchi shipped by air from Mexico were sold at EUR 6.50 per kg at the beginning of the month. Unfortunately, these fresh, fine-looking fruits with good flavour deteriorated rapidly and operators had to sell them off. Another attempt was made in the second half of the month with lightly sulphur-treated fruits but poor demand and high prices went against sales of the goods and supply was abandoned. During the same period, litchis—large fruits but poorly coloured—from China were also available at similar prices. Some batches consisted of fruits with no stones, improving the ratio of waste to edible fruit. They had a strong aroma but different to that of the litchi generally sold on the French market. Consumers will have to get used to these new flavours before shipments from this origin can develop.

JUNE 2005	Litchi by sea from Thailand Price at import stage		
	Euros/kg	Min	Max
	France	3.50	5.50
	Belgium	2.25	4.50
	Netherlands	2.25	4.00

Weekly monitoring of the European mango market is available during the West African season.

Import prices, estimation of releases, trends, etc.



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Mango



The mango market trend changed again in June. Conditions had been difficult in May and then improved in June, finishing with short supplies and a considerable increase in price. The switch point between ends of seasons and the start of shipments from new origins was particularly marked at the end of the period.

The trend observed at the end of May continued for the first half of June. The clearance period lasted a fairly long time—until mid-month—as the market was choked with large quantities of fruits. The decrease in shipments was fairly rapid but market reaction to the change was slow. The stopping of shipments from Brazil and the other Latin American origins was accompanied by a steady but substantial decrease in deliveries from Côte d'Ivoire, affecting the overall supplying of the European market. The trade front that had become established between the countries in northern and southern Europe disappeared little by little, leaving the market distinctly short of goods at the end of the month. However, the strong decrease in the arrival of produce was not the only reason for the change in the market situation. The transfer of consumption to the season's fruits and hence the marked decrease in demand for tropical fruits clearly accentuated the trend. In spite of the decrease in supplies, prices were slow to recover because of the presence of

mediocre fruits that had been stored. The price of 'Kent' shipped by sea from Côte d'Ivoire did not exceed EUR 5.00 per box until the end of the month. Sources of supply became more varied when the quantity available decreased. Côte d'Ivoire remained the main origin for the French market but other more discreet origins emerged (Burkina Faso, Mali and a few one-off batches from Latin American countries). The Senegalese season began in this context of market deficit. This origin naturally took over from Côte d'Ivoire, shipping 'Kent' mangoes. The first batches that arrived by sea at the end of June were a bit short on maturity and lacked colour. These fruits sold at a high price at the start of the season.

The market for 'air' mango was complex throughout the month. At first, the accumulation of produce from the West African origins sent the market off-balance, with supplies distinctly greater than demand—slowed by the season's fruits. The accumulation of fruits soon led to worsening quality,

with the price of good quality produce remaining stable while clearance sales of batches of doubtful quality took place. Storage resulting from poor sales also obliged operators to sort the fruits or make substantial price concessions. The first mangoes from Senegal that arrived at the end of the month took over from produce from Côte d'Ivoire while fruits from Mali and Burkina Faso became scarcer and sold at lower prices. Overripeness and the appearance of spreading dark spots marked the decrease in the quality of West African fruits at the end of the season. Small batches arrived regularly from the Dominican Republic, first 'Haden' (EUR 2.50-3.00 per kg) and then 'Kent' (EUR 3.00-4.00 per kg), in the second half of the month.

The French Plant Protection authorities found fruitfly larvae in several batches from Côte d'Ivoire, Mali and Burkina Faso carried by sea or by air. The fruits were destroyed in conformity with the EU regulations in force, hitting the trading results of the companies concerned.

Mango arrivals — Estimates					
Tonnes					
Weeks	22	23	24	25	26
By air					
Mali	50	40	25	10	6
Burkina Faso	10	10	10	5	5
Senegal	-	-	-	10	80
By sea					
Côte d'Ivoire	1 000	750	550	200	200
Burkina Faso	40	20	20	20	-
Mali	100	60	120	60	40
Senegal	-	-	-	-	100

JUNE 2005

Mango — Price in euros — Import stage						
Weeks 2005		22	23	24	25	26
By air (kg)						
Burkina Faso	Kent	2.00-3.00	2.00-2.50	2.00-3.30	2.00-2.50	2.20-2.60
Mali	Kent	2.00-2.50	2.00-2.50	2.00-2.50	2.00-2.50	2.00-2.60
Côte d'Ivoire	Kent	3.00-4.00	3.00-3.50	3.00-3.50	3.00-4.00	-
Senegal	Kent	-	-	-	-	3.00-4.00
By sea (box)						
Burkina Faso	Kent	4.00-5.00	-	4.00-4.50	4.50	-
Côte d'Ivoire	Kent	4.00-5.00	4.00-5.00	4.00-5.00	4.40-5.00	5.00-5.50
Mali	Kent/Keitt	-	-	-	4.50	5.00
Guinea	Kent/Keitt	-	-	-	4.00-4.50	-
Senegal	Kent	-	-	-	-	6.00-7.00

Sea freight



Those in the specialist reefer trade who believed that 2004 heralded a reversal in fortunes for the business after seven lean years admit to being more than puzzled about why the Spot market has seemingly reverted to the off-season rate trends of the late 90s and early 00s.

After a weak May second peak caused by raised expectations following a single fixture, Spot cargoes virtually disappeared and TCE returns for vessels that were fixed began to fall sharply towards the off-season averages of the recent past. Smaller reefer operators were caught with open vessels on the wrong side of the Atlantic while the larger operators remained better protected with own contract business and liner services.

So what caused the collapse from a strong position at the start of the month to rates that on average par with historical June TCE returns? Why was it that the year after the reefer fleet was more or less fully employed for 12 months at rates that generated well above break-even returns, market

levels at the end of June were similar to those of 2003 when there were 15 or so vessels at the Canal and 40 or so vessels in lay-up?

There are a number of explanations: despite higher average freight and bunker rates, the number of boxes of Ecuadorian bananas shipped over the period was only slightly lower than last year, while the number of vessels utilised was actually greater. Given that we also know that more Argentinean fruit, the other Spot market driver in May and June, was shipped than ever before, the answers would seem to lie away from Latin America.

Without a full reefer fleet movement analysis, it's difficult to pinpoint one precise or single cause. However the

fall in the dry bulk market and the subsequent fall in reefer shipments of fishmeal and bagged product, 60% higher bunkers, the drop in number of second-hand cars transported on reefers, the containerisation of the Brazil-Middle Eastern meat trade, the reduction in volumes on the US to St Petersburg poultry trade and the inroads made by box operators on the South African citrus trade all contributed.

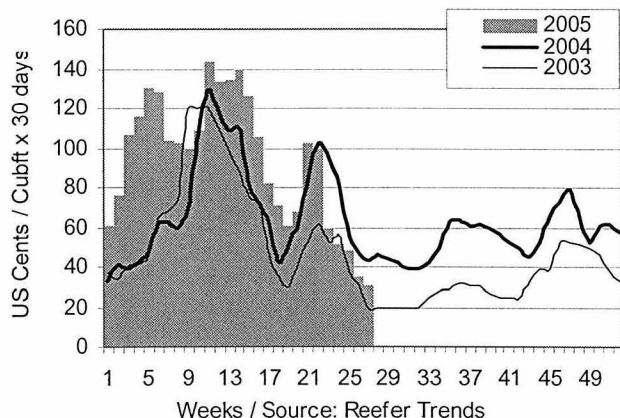
The Reefer Trends H1 Spot TCE average for large reefers is 95c/cbft and for small reefers 97c/cbft: this figure however does not reflect actual earnings given the idle time incurred, particularly towards the end of the period.

Monthly spot averages

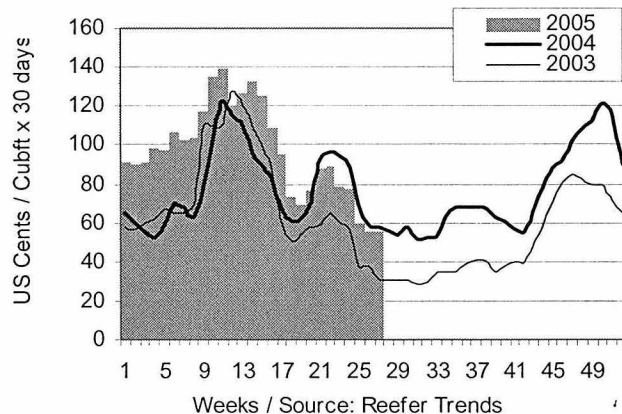
US\$cents/cubic foot x 30 days	Large reefers	Small reefers
June 2005	47	64
June 2004	63	74
June 2003	44	48

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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