

Indicators

January 2006

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Easy peelers	22	26
	Apple	22	20
Orange	22	16	

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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Jan. 2006 / Jan. 2005			
Price	↗	Vol.	↗

Easy peelers

As in December, the quantities available were much larger than forecast. Production in Spain was to be limited according to production forecasts but quantities—especially of 'Clemenvilla'—were very plentiful. This situation of ample supplies made it difficult for other origins to gain a position on the market, especially as the only average quality of the fruits available did not stimulate consumers' appetites even though the weather conditions were right. Prices were markedly lower than average.

Jan. 2006 / Jan. 2005			
Price	↘	Vol.	↗

Apple

Although the market is still delicate, it has lightened markedly thanks to massive clearance selling. As the situation in France and more generally in Europe, has been thoroughly catastrophic for several months, operators have released large quantities at cut prices to markets like Russia and Algeria. Thus releases have been 18% up on January 2005 while stocks have been 15% greater.

Jan. 2006 / Jan. 2005			
Price	↗↗	Vol.	↗

Orange

Spanish production performed extremely well once again. The supply shortage increased with the approaching end of a Navel/Naveline season that had displayed a strong deficit and prices remained very strong. Demand was not as strongly focused on easy peelers as last year and this also contributed to the good performance. Performance of 'Maltese' from Tunisia was only average, as was that of the small quantities of 'Navel' and 'Washington' blood oranges from Morocco.

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Sea freight

Although January was not the spectacular start to 2006 some had been expecting after last year, neither was it a disaster. Although average Time Charter Equivalent returns for the vessels that were fixed were admittedly significantly lower than in 2005, it should also be remembered that January last year was the exception rather than the rule. The equivalent Reefer Trends' figures for January 2002, 2003 and 2004 of 37c/cbft, 38c/cbft and 41c/cbft respectively put the January 2006 performance into perspective. It will be the February figures that will give a more accurate indication of market performance as demand for capacity tightens – if there truly is overcapacity it will be the next three months of the peak season when it becomes evident.

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 are 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

JANUARY 2006

Monthly comparison: Jan. 2006 / Dec. 2005			
Price	↓ - 4%	Volumes	↓ - 12%
Annual comparison: Jan. 2006 / Jan. 2005			
Price	↗ + 3%	Volumes	↗ + 10%



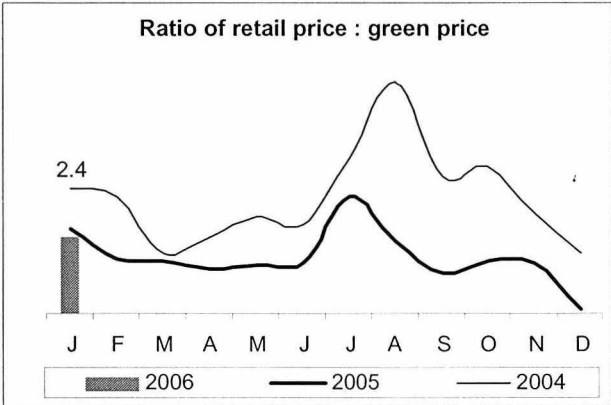
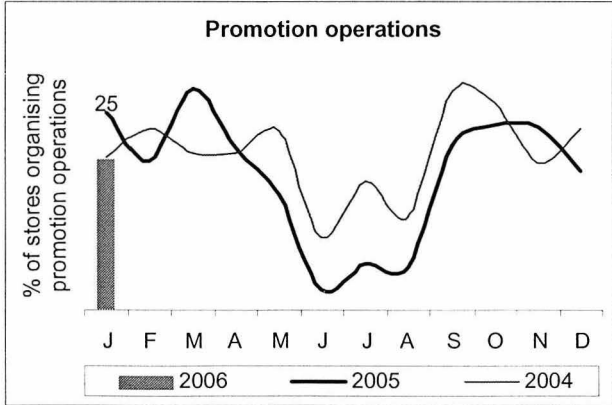
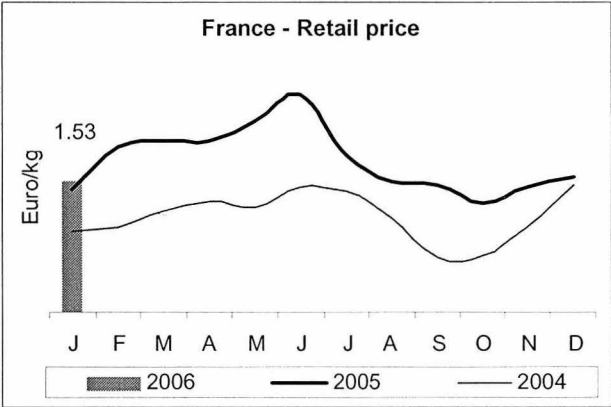
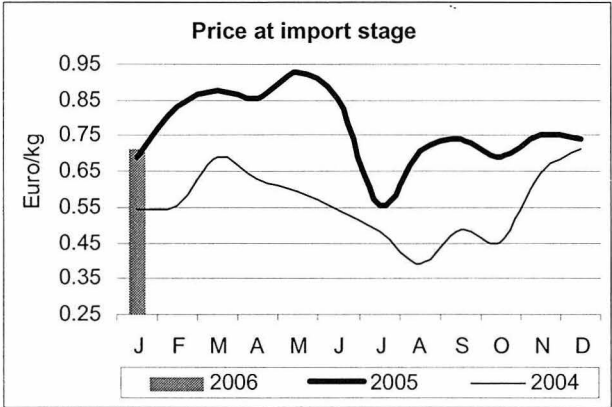
The end of the quota system did not have negative effects in January. Prices remained at a good level at 16% higher than average. However, releases were not very encouraging at the beginning of the period after the Christmas and New Year celebrations and limited, significantly short supply of fruits from all origins was the major factor in the maintaining of these excellent results.

The switch to the much-feared tariff-only system went smoothly. The situation remained most satisfactory, following on from 2005, as supplies from the major origins supplying the EU were particularly limited. On the one hand, cumulated arrivals from Africa and the West Indies were about 20% down on the three-year average because of difficult weather conditions.

On the other, supplies of dollar bananas were limited in spite of the ending of the quota system because of temporarily small production in Central and Latin America. Domestic market releases tended to be slow right at the beginning of the period and then increased rapidly. Few promotion operations were observed but retail prices were not unduly high, seen at

about 8% higher than the three-year average in spite of a 16% rise in quay prices. Export sales were at a good level, in particular for destinations in northern Europe. Nevertheless, sales to Spain and Italy, the only EU countries in which non-traditional operators are established, weakened markedly.

French banana market — Indicators



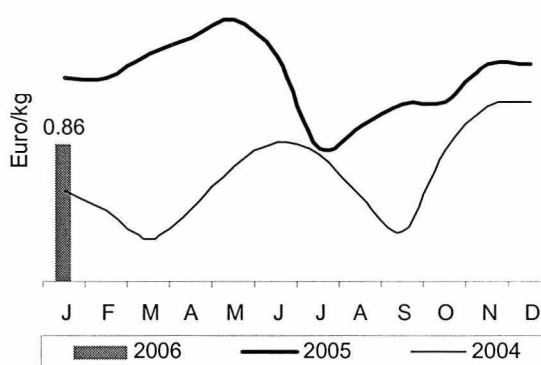
European banana market — Indicators

Tonnes	January 2006	Comparisons (%)		Total season 2006	Season comparisons (%)	
		2006/2005	2006/2004		2006/2005	2006/2004
Martinique	14 043	- 29	- 22	14 043	- 29	- 30
Guadeloupe	4 251	- 35	- 19	4 251	- 35	- 42
Canaries	25 994	+ 2	- 5	25 994	+ 2	- 10
Côte d'Ivoire	15 901	- 6	+ 9	15 901	- 6	- 16
Cameroon	16 642	- 30	- 13	16 642	- 30	- 34

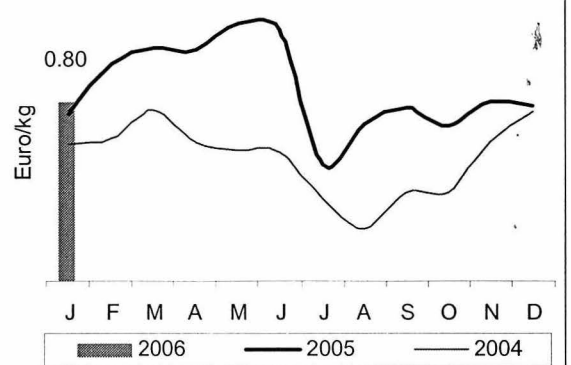
Index (base 100 in January 2005)

Dollar	NA	NA	NA	NA	NA	NA
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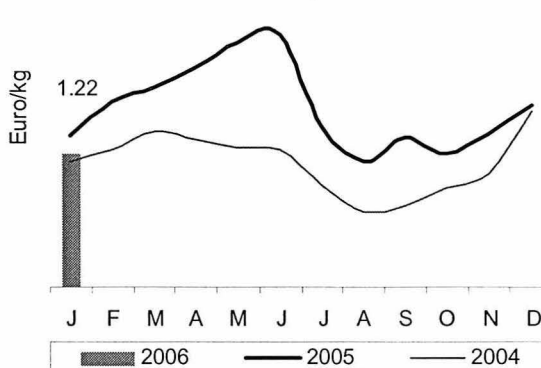
Movement of the price of super extra



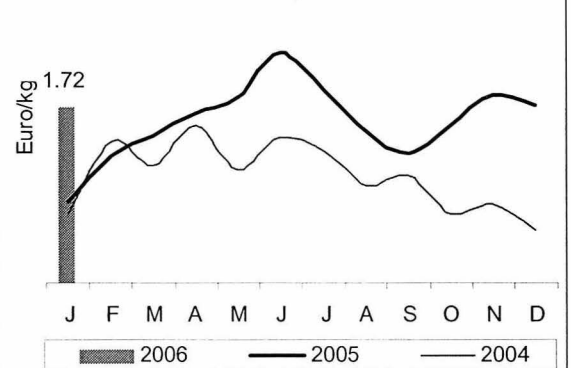
Evolution of T2



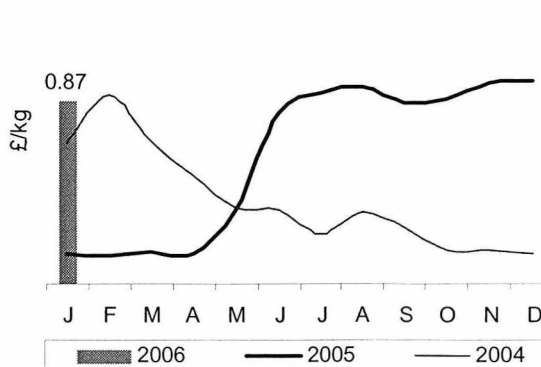
Germany



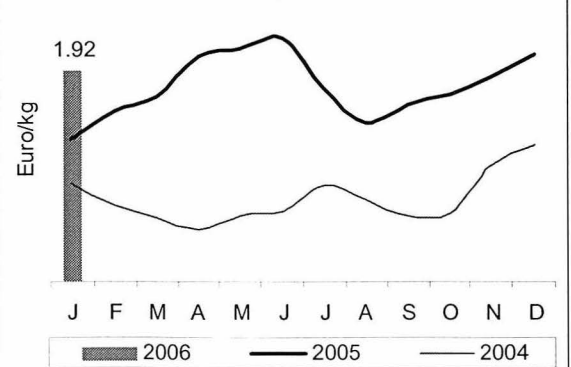
Italy



United Kingdom



Spain



Sources: CIRAD, SNM, TW Marketing Consulting

Avocado

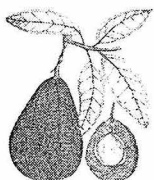
JANUARY 2006

Monthly comparison: Jan. 2006 / Dec. 2005

Price	Volumes
↗ + 44%	↘ - 42%

Annual comparison: Jan. 2006 / Jan. 2005

Price	Volumes
↗ + 66%	↘ - 25%



The avocado market progressed well, returning to a satisfactory level after touching bottom at the end of the year. Although shipments from Mexico continued at a brisk rate, supplies were about 15% down as a result of the end of the Chilean season and a continued shortage of volumes from Israel and Spain. In this context, the 'Hass' market and that of green avocado supplied by Israel achieved fine scores. Prices increased to 35% above average.

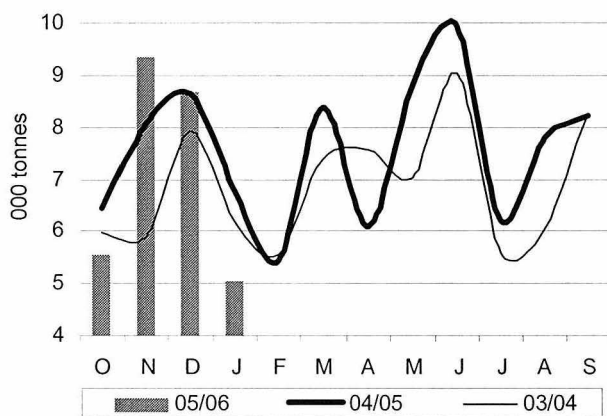
'Sunshine follows the rain'. The avocado market continued to display its annoying cyclical pattern, with catastrophic periods at the end of the year making way for a long-awaited improvement. Although arrivals from Mexico continued to be strong (with volumes 20% above average), total supplies were about 15% smaller than the three-year average. On the one hand, the quantities shipped from

Spain and Israel continued to be about 30% short of the average level. On the other, Chile, a major player in December, finished its season and offered very limited volumes, focused on the British market. Chile exported about 4.5 million boxes of avocado this season, that is to say twice as much as during the previous season. The shortage of large fruits (sizes 12, 14 and 16) was more marked than that of

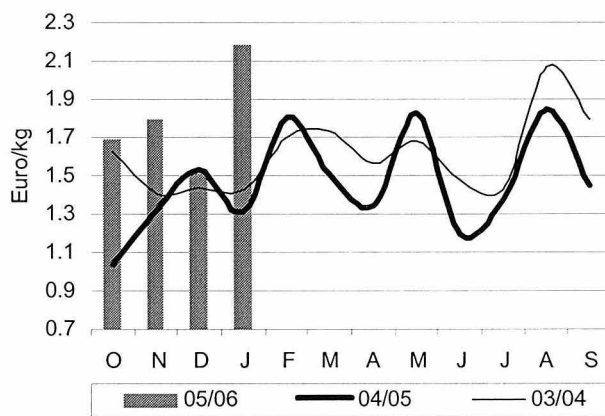
small ones (Spanish supplies of 20, 22, 24, 26 were plentiful). The price of 'Hass' rose in an exceptional manner from the critical threshold of EUR 5 per box at the beginning of the month to nearly EUR 10 at the end. The green avocado market supplied almost only by Israel benefited from this under-supply and excellent prices were achieved. Prices were particularly firm, especially for large fruits in Germany.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	January 2006	Comparisons (%)		Total season	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Spain	1 570	- 29	- 38	6 107	- 28	- 32
Mexico	1 347	+ 30	+ 13	8 765	- 7	- 15
Israel	1 712	- 51	- 30	7 245	- 38	- 7
Chile	412	-	-	8 896	+ 86	+ 538
Total	5 041	- 25	- 18	31 013	- 10	+ 8

Orange

JANUARY 2006

Monthly comparison: Jan. 2006 / Dec. 2005

Price	Volumes
↘ - 4%	↗ + 16%

Annual comparison: Jan. 2006 / Jan. 2005

Price	Volumes
↗ + 33%	↗ + 20%



Spanish production performed extremely well once again. The supply shortage increased with the approaching end of a Navel/Naveline season that had displayed a strong deficit and prices remained very strong. Demand was not as strongly focused on easy peelers as last year and this also contributed to the good performance. Performance of 'Maltese' from Tunisia was only average, as was that of the small quantities of 'Navel' and 'Washington' blood oranges from Morocco.

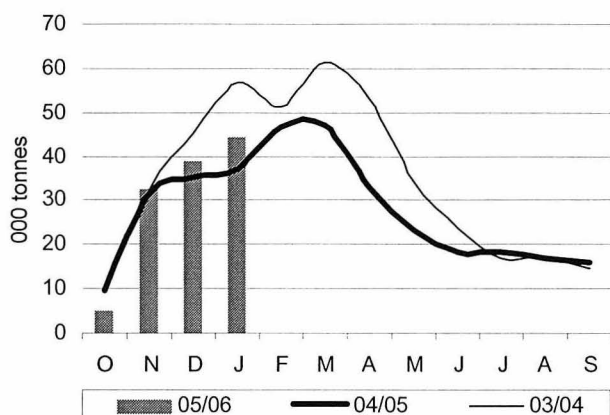
The market was distinctly under-supplied. The shortage of fruits from Spain increased from -4 to -7% in the preceding months to -14% in comparison with the three-year average. Supplies of Navel/Naveline were very light as a result of small production this year and the approaching end of the season. 'Navelate' began to take over at a fairly early date but the volumes only

became truly significant at the end of the month. 'Salustiana' was much more present than in preceding seasons but this variety did not make up for the shortage of Navel/Naveline. Demand remained at a comparatively satisfactory level given the volumes available. Competition from easy peelers was weaker than last year (supplies were still large in January but prices were much firmer). Although

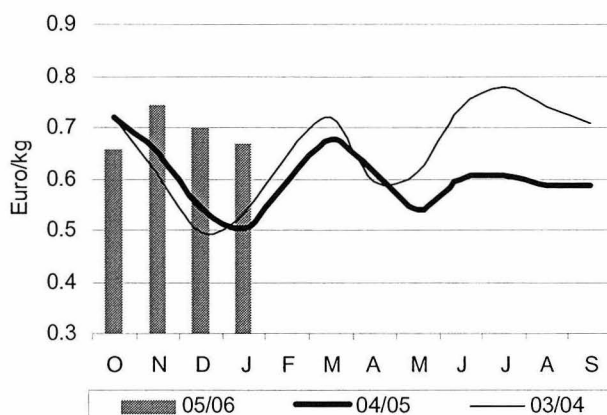
shipments were slightly smaller than usual, the 'Maltese' market followed its usual pattern, gradually clogging up, especially with small fruits. A few batches of 'Navel' and 'Washington' blood orange from Morocco completed the range. The average price was close to that observed in previous years for Moroccan and Tunisian fruits but increased considerably for those from Spain.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	January 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Spain	38 360	+ 14	- 24	111 770	+ 6	- 17
Morocco	740	+ 581	+ 18	740	+ 581	+ 13
Tunisia	5 356	+ 58	- 7	5 356	+ 58	- 3
Total	44 456	+ 20	- 22	117 866	+ 8	- 16

Grapefruit

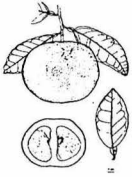
JANUARY 2006

Monthly comparison: Jan. 2006 / Dec. 2005

Price	Volumes
↘ - 4%	↗ + 49%

Annual comparison: Jan. 2006 / Jan. 2005

Price	Volumes
↘ - 2%	↗ + 19%



Although total supplies were still markedly smaller than usual, they were about 20% greater than last year, in particular as the shortage of fruits from Florida was less marked than in the preceding months and large quantities of Turkish stocks were carried over from December. However, the price was similar to that of last year during the same month. Although this performance was fairly satisfactory overall, it conceals a laborious market for all origins and a strong downturn in the price of Turkish produce.

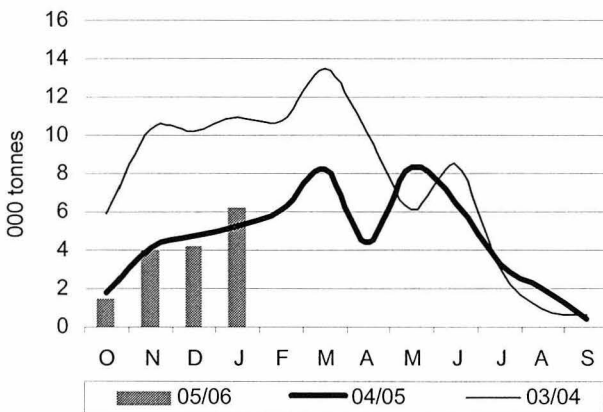
The supply deficit eased. Arrivals from Florida remained markedly smaller than average but increased nonetheless (with the cumulated monthly figure 45% down on the three-year average in comparison with 65% in December and 80% in November). A proportion of the volumes was initially scheduled for the Japanese market but was redirected to the EU because of blemishes. Meanwhile,

although arrivals from Turkey were smaller than in December they remained strong. The increase in shipments from these two origins was tempered only by a slight decrease in deliveries from Israel resulting from a harvest delayed by rain, labour problems and the attraction of the Japanese market. The seasonal wave of promotion operations in January stimulated demand. However, sales

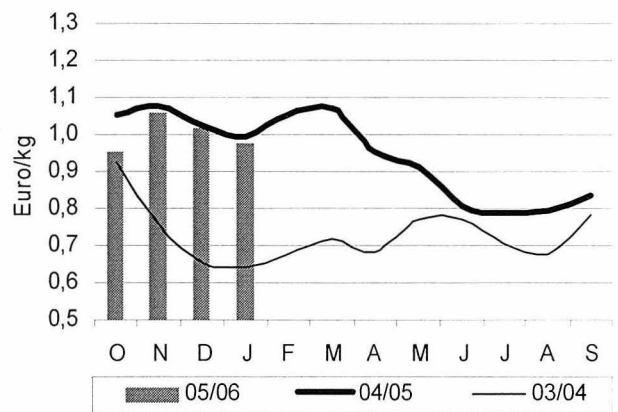
were laborious for all origins. The price of Florida fruits held up but continued to be close to cost price. Turkish operators had to accept a strong decrease—with prices hardly greater than those of 2002/2003—to shift arriving shipments and the large volumes stocked in December. The range was completed by fruits from Spain and Cyprus.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	January 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Israel	735	- 37	+ 7	2 669	- 27	- 19
Florida	4 090	+ 30	- 57	7 758	- 11	- 75
Turkey	1 382	+ 53	+ 105	5 401	+ 55	+ 99
Total	6 207	+ 19	- 43	15 828	0	- 58

Easy peelers

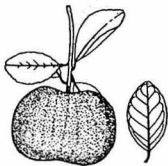
JANUARY 2006

Monthly comparison: Jan. 2006 / Dec. 2005

Price	Volumes
↘ - 5%	↘ - 25%

Annual comparison: Jan. 2006 / Jan. 2005

Price	Volumes
↗ + 20%	↗ + 16%



As in December, the quantities available were much larger than forecast. Production in Spain was to be limited according to production forecasts but quantities—especially of 'Clemenvilla'—were very plentiful. This situation of ample supplies made it difficult for other origins to gain a position on the market, especially as the only average quality of the fruits available did not stimulate consumers' appetites even though the weather conditions were right. Prices were markedly lower than average.

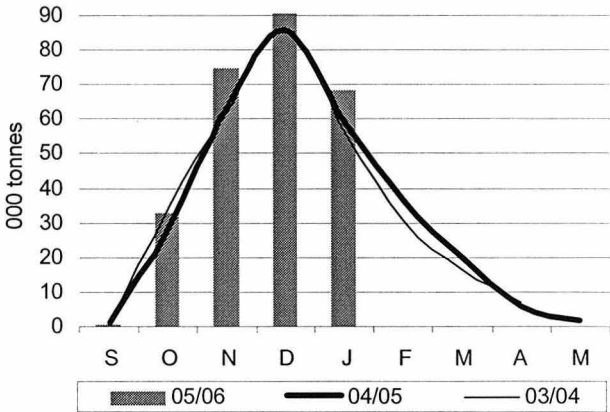
Supplies were distinctly larger than forecast, especially as regards Spanish fruits. 'Fines' and 'Nules' clementines were firmly present during the first two-thirds of the month. But the volumes of 'Clemenvilla' were large above all, in contrast with harvest forecasts. Furthermore, the quality of a significant proportion of the fruits available was disappointing—for

clementine at the beginning of the month and 'Clemenvilla' and the end. In this context, and with demand at an average level in spite of suitable weather conditions, the other origins found it difficult to establish positions. Sales of 'Nour' from Morocco, whose quality was sometimes fragile, were slow in the EU, encouraging exporters to turn towards Russia. Likewise, it

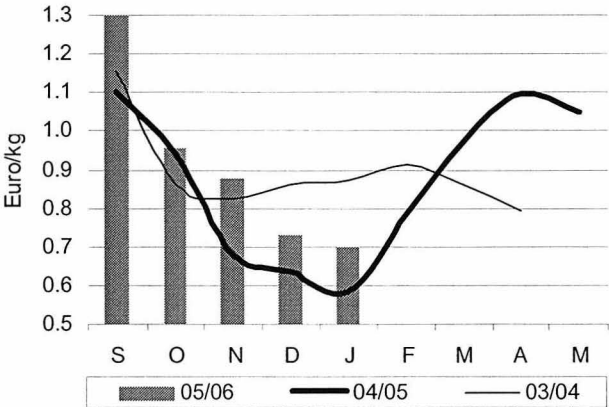
was very difficult for Turkish 'Minneola' to gain a foothold. Sales of the latter variety by Israeli operators were comparatively fluid but quantities were limited (with a large proportion of large fruits, shipped to Russia). The mean monthly price was higher than that of the very poor 2005 but more than 10% lower than the average.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	January 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Spain	58 681	+ 18	+ 22	225 910	+ 13	+ 16
Morocco	6 430	+ 83	- 6	23 499	+ 53	- 12
Corsica	2 465	- 54	+ 249	17 011	- 23	- 3
Israel	611	0	0	668	+ 59	+ 11
Total	68 187	+ 16	+ 21	267 088	+ 12	+ 11

Litchi

JANUARY 2006

Litchi - Arrival estimates

Weeks	01	02	03	04
By air (France) - Tonnes				
Réunion	5	3	2	-
By sea (Europe) - Palettes				
Madagascar	500	200	200	990



The weak presence of South Africa in January gave Madagascan fruits very clear dominance in supplies of litchi on the European markets. It is true that the post-Christmas period is less favourable for this fruit but although demand is smaller it is there and fairly stable. Supplies consisted mainly of Madagascan fruits shipped in sea containers and whose quality was satisfactory overall.

The sales of the litchis carried by the last conventional ships from Madagascar was increasingly difficult because of the poor keeping performance of the fruits. They required systematic sorting that was not always effective. Indeed, sorted batches displayed spots again a few hours later or the next day. Operators therefore hesitated to sell the produce to clients in the provinces or to export clients, fearing frequent return of goods or refusal by the consignees. A large proportion of the sorted fruits was therefore sold on the wholesale market at much lower prices than those mentioned below. This tactic had to be tempered quickly because wholesalers refused to sell these fruits whose quality defects only worsened as time passed. The market cleared from the second week of the month onwards with the release of fruits arriving in sea containers. These fruits

were of satisfactory quality and enabled prices to recover markedly while the last batches of litchis transported in conventional ships were sold off. This cleansing of the market made it possible to resume sales on a healthier basis in spite of a slowing of demand.

The market was stable but not very dynamic during the second half of the month. Demand dwindled steadily but did not disappear. The main outlets remained the export markets on the one hand and supermarkets on the other. The shelf space devoted to litchi by the major supermarket chains decreased gradually but this channel remained one of the main outlets for Madagascan fruits. In contrast, the wholesale market remained very difficult even when fruit quality had improved. The run-up to the Chinese New Year gave a temporary boost to

sales in the second half of the month. It is noted that this event benefited Madagascan fruits more this year because of the earliness of the date; good quality fruits were thus available and the South African fruits generally preferred to those from Madagascar were rare. The price range of Madagascan litchi broadened at the end of the month because of the increasingly uneven quality of the produce, with some batches containing an increasing number of ageing fruits. The market remained stable for South African fruits delivered in small quantities. Some operators even limited their sales to keep a few fruits for the Chinese New Year. The South African season was finally limited this year. The greater freshness of these fruits and small supplies account for the price difference in relation to fruits from Madagascar.

Litchi — Import prices on the French market — Euros/kg

Weeks 2006	01	02	03	04	Average January 2006	Average January 2005
By air						
Réunion on the branch	4.00-5.00	6.00-7.00	6.50-7.00	-	5.50-6.30	7.30-8.00
By sea						
Madagascar	1.20-1.30	1.00-1.30	1.00-1.20	0.90-1.20	1.00-1.25	1.15-1.40
South Africa	1.80-2.75	2.00-2.50	2.00-2.25	2.00-2.25	1.95-2.45	2.25-2.85

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

Mango — Weekly arrivals					
Estimates in tonnes					
		01	02	03	04
By air					
Peru	Kent	40	45	70	55
By sea*					
Brazil	TA/Kent	800-1 000	500-800	400-500	400-500
Peru	Kent	2 000	2 500-3 000	1 800-2 000	1 800

* Arrival estimates for Europe (Northern Europe ports)



The beginning of 2006 is more favourable than the same period last year. The end of the Brazilian season gradually left the market to produce from Peru, whose shipments seem to have been much smaller than announced and than sales in January 2005. Memories of the poor start to the 2005 season probably led Peruvian exporters to be more cautious in terms of the volumes shipped this year.

New Year coincided fairly closely with the change in mango supplies on the European market. Arrivals from Brazil had been dominant and now dwindled gradually while the quantities from Peru increased. The switch from one origin to the other was smooth. Peruvian supplies, consisting only of 'Kent', could only satisfy the French market where this variety is a reference. In contrast, the change in varieties was less welcome on markets like Germany where 'Tommy Atkins' is still the favourite of distributors and consumers as fruit colour is generally stronger. Although the volumes from Peru matched those from Brazil, the more uneven quality of the Peruvian fruits resulted in the setting of a fairly broad price range. The weak colour of some batches doubtless slowed purchases on some European markets, as did the releasing of underripe or overripe batches. The

dominance of small fruits in the first shipments did not help to keep prices up. The market seemed to divide in two very rapidly on the basis of disparities in supply.

In mid-month, the price of large fruits was supported by operators keeping these fruits back to profit from the healthy demand preceding the Chinese New Year. The arrival of several containers of over-mature fruits made it difficult to maintain prices and continued to enhance a broad range of prices. In addition to Peruvian produce that was dominant in overall market supplies, batches were received from Ecuador more or less regularly. These fruits were sold erratically according to the quality of the batches and at lower prices than those of Peruvian fruits. Supplies of Brazilian mangoes dwindled gradually but did not disappear completely.

The air mango market also operated under good conditions. The first batches from Peru sold at higher prices than those fetched by Brazilian fruits, in particular because of the novelty effect. Supplies from Peru soon dominated the market, causing prices to dip. The increase in the tonnages received while demand remained stable soon weighed on the market and prices; this was aggravated by the sales of batches of fruits of uneven maturity and sometimes inadequate colour (price from EUR 3.00 per kg). The Australian export season finished at the beginning of the month with the 'R2E2' variety. Very ripe fruits sold at lower prices than those observed in the preceding weeks (EUR 6.00-6.50 per kg).

Mango — Price in euros — Import stage							
Weeks 2006		01	02	03	04	Average January 2006	Average January 2005
By air (kg)							
Brazil	Kent	3.80-4.00	3.50-4.00	-	-	3.65-4.00	3.50-4.00
Peru	Kent	4.00-4.50	4.00-4.80	4.00-4.50	3.50-4.20	3.90-4.50	3.25-4.00
By sea (box)							
Brazil	Tommy Atkins	3.00-4.00	3.00-4.50	4.00	-	3.30-4.15	1.60-2.10
Brazil	Kent	4.00-5.00	-	-	-	4.00-5.00	2.10-3.00
Peru	Kent	4.00-5.00	3.50-5.50	3.50-4.00	4.50-5.00	3.90-4.85	2.25-3.10
Ecuador	Tommy Atkins	4.00-4.50	3.00-4.50	3.50-4.00	4.00-4.50	3.60-4.35	-

Pineapple



In pineapple, the market was lethargic for the whole of January after a fairly active end of 2005, but things were happening in the sector. Supplies from Côte d'Ivoire were strongly disturbed by two weeks of civil disorder and, in addition, a one-day dock strike did not make releases easier in Week 3. Furthermore, although supplies of 'Smooth Cayenne' and 'Victoria' shipped by air were very irregular, the 'Victoria' market was much more active, especially at the end of the month.

The first three weeks of January were fairly difficult as demand had decreased abruptly. Many clients complained that they had bought too many batches before Christmas and sales had not come up to expectations. Supplies of 'Sweet' from Latin America were very small during this period but operators knew that volumes would be larger from Week 5 onwards. The gap would enable them to sell their stocks so that they could take the volumes expected without any stress. Clearance sales were frequent even though price levels were fairly satisfactory and demand small on both the domestic and export markets. The situation was hardly any better for 'Smooth Cayenne'. Demand was slow and the quality of the small volumes available was not perfect. The fruits from Côte d'Ivoire were often too ripe and those from Ghana were short on colour. Promotion operations for 'Smooth Cayenne' were seriously disturbed by the unrest in Côte d'Ivoire and by the dock strike that delayed the release of fruits of this origin. Furthermore, while the market showed

demand for large fruits, the shipments from West Africa and Latin America consisted mainly of small sizes. The market improved in the last week of the month with demand firmer and steadier even though prices weakened a little. This improvement mainly benefited 'Sweet' for which demand was stronger. At the end of the month, the fruits from West Africa were still of irregular quality and demand for 'Smooth Cayenne' very weak. Although sales of 'Sweet' were more stable and fluid, their prices held, as if a plateau had been reached.

The situation for pineapple shipped by air was the opposite. The first week ran at a good pace with sales still driven by the momentum of the Christmas period. The quality of the fruits from Cameroon and Côte d'Ivoire improved whereas there was some concern about pineapple from Benin. The situation then worsened considerably. First, demand fell abruptly and in addition supplies from Côte d'Ivoire were halted completely in Week 3. The importers who had

undertaken to supply pineapple from Côte d'Ivoire fell back on supplies from Cameroon and Ghana, the only origins able to supply the volumes expected. Fruits from Cameroon and Côte d'Ivoire suffered some quality problems at the end of the month.

The market for 'Victoria' was also complicated. Supplies were irregular in the first two weeks and demand just managed to take all the produce available. Sales were even more difficult for produce from Mauritius and South Africa. Réunion dominated the market as usual. The situation changed in the last two weeks of the month with a decrease in supplies from Réunion and an increase in shipments from Mauritius. The market was very dynamic in the last week. 'Victoria' is considered as a festive fruit by Asian consumers and demand was firmer and more regular for the Chinese New Year; large volumes were sold. Réunion was little represented on the market and larger quantities of fruits from Mauritius were to be found.

JANUARY 2006	Pineapple — Price at import stage		
	Euros/kg	Min	Max
	By air (kg)		
	Smooth Cayenne	1.50	1.85
	Victoria	2.90	3.80
	By sea (box)		
	Smooth Cayenne	6.00	9.50
	MD-2	7.00	10.50

Pineapple — Price in euros at import stage — Main origins					
Weeks 2006		01	02	03	04
By air (kg)					
Smooth cayenne	Benin	1.60-1.75	1.60-1.70	1.60-1.70	1.70-1.75
	Cameroon	1.75-1.85	1.60-1.80	1.60-2.00	1.60-1.80
	Côte d'Ivoire	1.75-1.85	1.60-1.80		1.60-1.80
	Ghana	1.60-1.80	1.50-1.70	1.60-1.70	1.60-1.70
Victoria	Côte d'Ivoire	3.00	3.00		
	Ghana	3.00	3.00	3.00-3.20	3.00-3.20
	Réunion	3.30-3.50	3.50-3.70	3.50-3.70	3.50-3.80
	Mauritius		3.30-3.50	3.30-3.50	3.40-3.60
	South Africa		2.90-3.00	2.90-3.00	3.00-3.20
By sea (box)					
Smooth cayenne	Côte d'Ivoire	6.00-9.50	6.50-9.00	6.50-9.00	7.00-8.50
	Ghana				8.00-8.50
MD-2	Côte d'Ivoire	9.50-10.50	7.00-10.00	7.00-10.00	7.00-10.00
	Ghana	9.50-10.50	7.00-10.00	7.00-10.00	7.00-10.00
	Ecuador	10.00	8.50-10.00	8.00-10.00	8.00-10.00
	Costa Rica	8.50-10.00	8.00-9.00	7.00-9.00	7.00-9.00

Sea freight



Although January was not the spectacular start to 2006 some had been expecting after last year, neither was it a disaster. Although average Time Charter Equivalent returns for the vessels that were fixed were admittedly significantly lower than in 2005, it should also be remembered that January last year was the exception rather than the rule. The equivalent Reefer Trends' figures for January 2002, 2003 and 2004 of 37c/cbft, 38c/cbft and 41c/cbft respectively put the January 2006 performance into perspective. It will be the February figures that will give a more accurate indication of market performance as demand for capacity tightens – if there truly is overcapacity it will be the next three months of the peak season when it becomes evident.

Given the number of variables that impact on the reefer business, it is also far too early to be drawing too many conclusions about how the market will develop over the rest of the year. If there is a drift away from specialised reefer to reefer box capacity in the seasonal Southern Hemisphere trades, in theory it will be felt directly on the Spot market. However any negative impact caused by a diversion of tonnage may be softened or even nullified by an anticipated increase in demand for banana cargoes. The lack of activity on the Spot market in January was principally attributable to a reduced absolute and relative supply of bananas from Ecuador: absolute because total volumes were down and

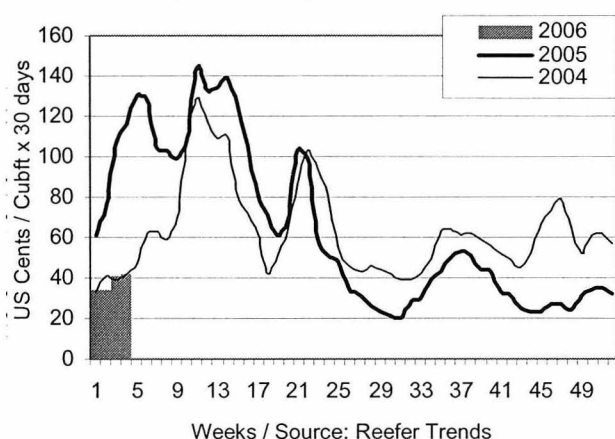
relative because the fruit that was shipped was either contracted or bought in by the majors to supplement a shortage in supply from their storm-damaged plantations in Central America. As a result of this the exit price remained high and the volume of tradeable bananas, key to the performance of the reefer charter market, was limited. Concerns about avian flu restricted the number of poultry charters – the FOB price of the commodity continued to fall throughout the month as charterers searched for customers and markets. The Argentinean deciduous season was delayed by a producer strike while the largest seasonal reefer charterer Chile also reported a late start. The shortage of

South African grape volumes surprised specialised and box operators alike. The smaller segment fared little better with fish cargoes non-existent and Morocco and E Med cargoes few and far between. The Siberian winter felt in the Black Sea delayed vessels and damaged local crops leading to forecasts that more fruit will be imported to satisfy demand later in the year. High bunkers look set to remain with the industry for the medium term: monitoring the Ecuadorian exit price and development of the EU and Med banana markets will be critical for owners of older, less fuel-efficient tonnage as the relationship between the exit price, market price and banana box charter rate will be critical for lay up decisions.

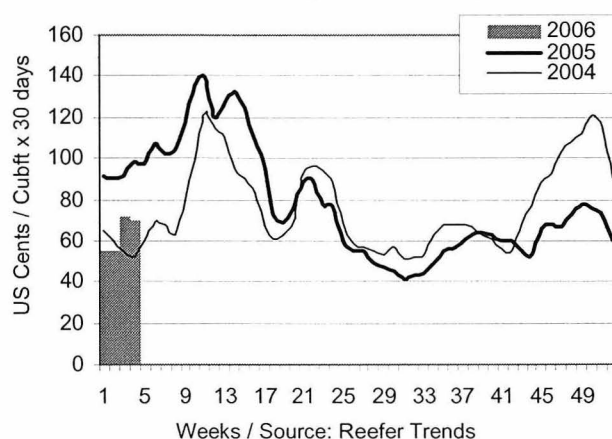
JANUARY 2006	Monthly spot averages		
	US\$cents cubic foot x 30 days	Large reefers	Small reefers
	January 2006	38	59
	January 2005	94	93
	January 2004	41	55

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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