

Indicators

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Grapes	19	19
	Apple	16	18
	Peach/nectarine	11	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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SEPTEMBER 2006

Grapes	The situation has remained very difficult. Very large volumes were produced in France. In addition, competition from Italy continued to be particularly fierce, with a very large 'Italia' harvest and sometimes uneven quality. Prices remained extremely low, especially as demand lacked sparkle.	Sept. 06 / Sept. 05			
		Price	↘	Vol.	=↗
Apple	The season got off to a good start. French production was limited as picking had only started in the south-east, the earliest region. Demand has been good on both the domestic and export markets. It has been particularly strong from British customers and northern European markets as supplies from the southern hemisphere have been limited and the harvest had not yet begin in local orchards	Sept. 06 / Sept. 05			
		Price	↗	Vol.	↗
Peach/nect.	The end of the season was comparatively difficult but all the produce available found takers. Demand slowed markedly at the end of August and remained very dull during the first part of September. The lowering of prices in mid-month made sales more fluid and cleared all the produce in stock.	Sept. 06 / Sept. 05			
		Price	=↗	Vol.	=↗
Sea freight	Climatologically September 2006 was the warmest September in Northern Europe since records began; it was also the hottest September reefer charter market on record, with the monthly average above even that of the equivalent month in 2004. If rates in the final quarter of 2006 average at similar levels to those achieved in 2004, the 2006 annual rates average will be superior to that of 2005.				

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

JULY-AUGUST 2006

The average price was distinctly lower than in 2005 but slightly above average. Supply was measured. Arrivals from Africa and the West Indies, losing ground, were respectively 7% and more than 20% below the three-year average. Likewise, exports from Ecuador to all destinations were slightly smaller than those of preceding years (strong increase in FOB price and freight cost) while those from Colombia continued to decrease. Domestic demand was fairly dull as is usual in September but the comparatively attractive retail prices and more numerous promotion operations played a positive role. In contrast, export business was fairly dull.

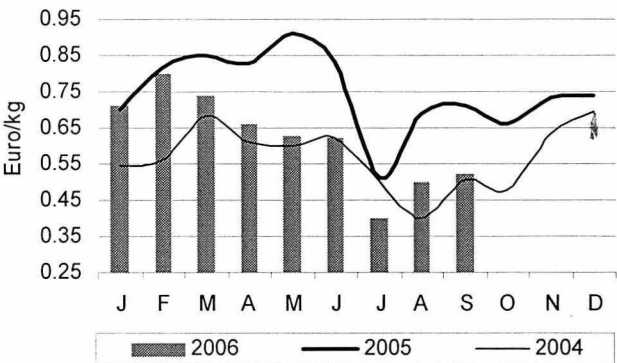
Monthly and annual comparisons

Volumes*	Price
September 2006 / August 2006	
↗ + 5%	↗ + 4%
September 2006 / September 2005	
↘ - 12%	↘ - 27%

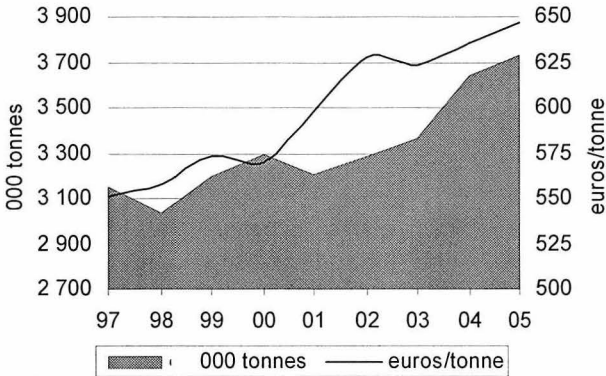
* Arrivals from Africa/West Indies

French banana market — Indicators

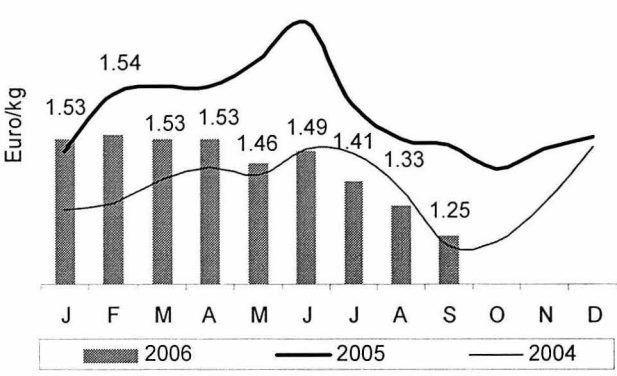
Price at import stage



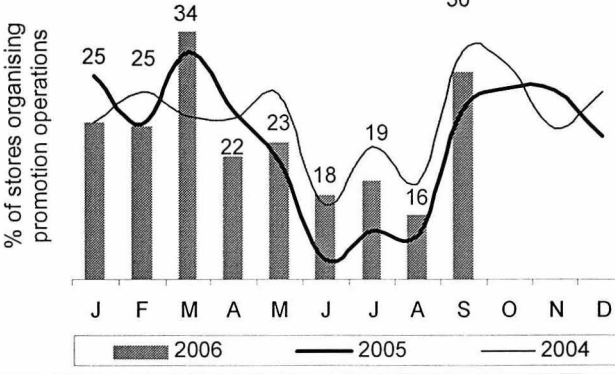
Extra EU imports



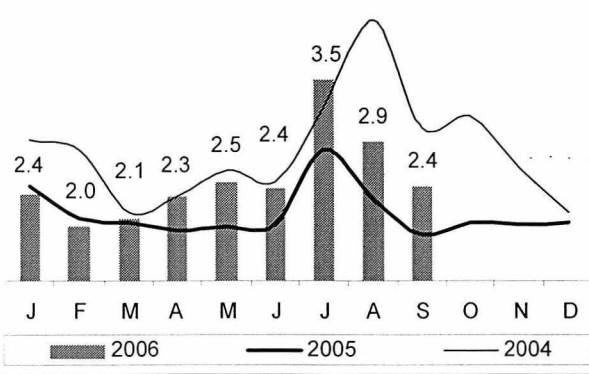
France - Retail price



Promotion operations



Ratio of retail price : green price

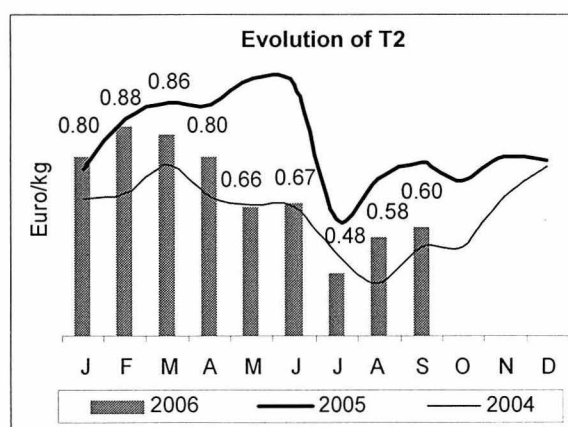
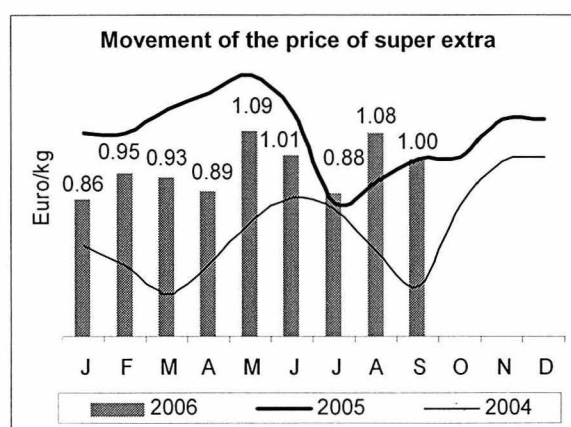


European banana market — Indicators

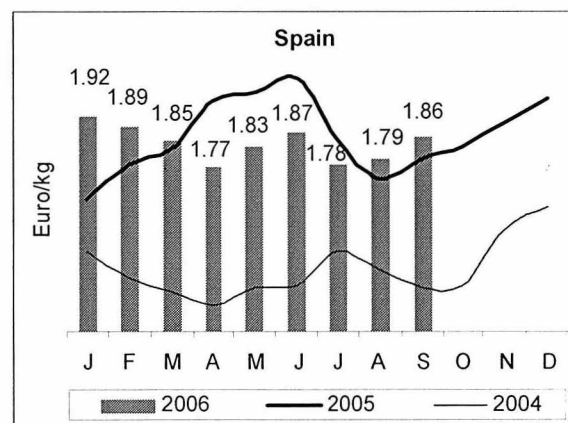
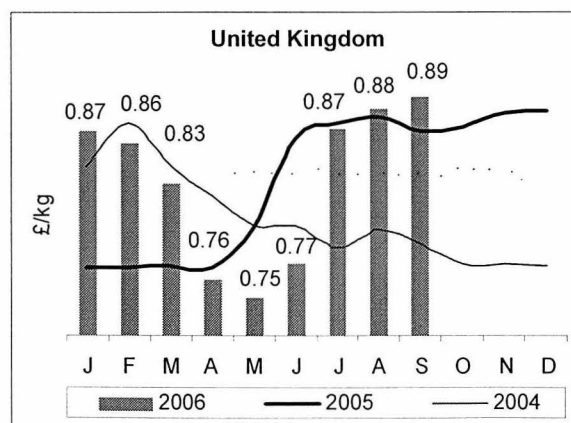
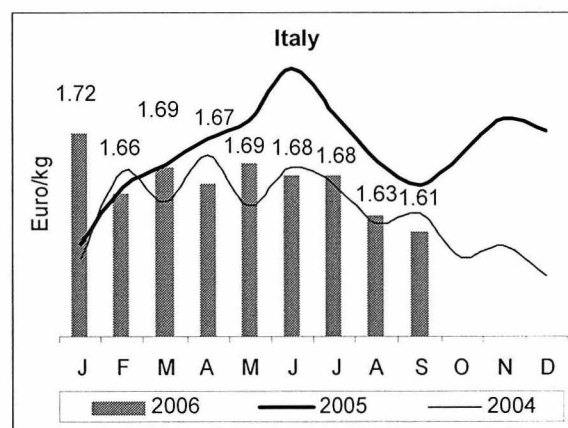
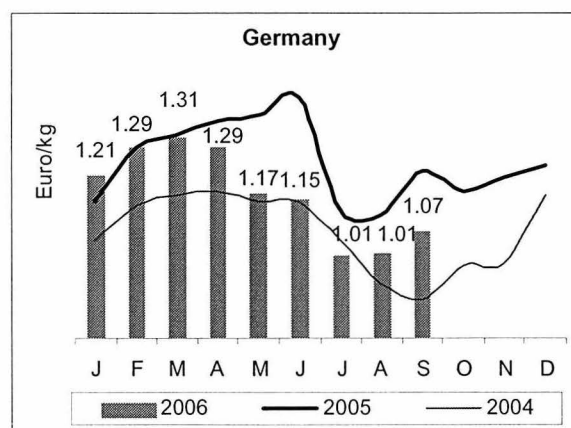
Main origins in Europe

Tonnes	September 2006	Comparisons (%)		Total season 2006	Season comparisons (%)	
		2006/2005	2006/2004		2006/2005	2006/2004
Martinique	15 516	- 11	- 34	152 864	- 13	- 28
Guadeloupe	3 838	- 7	- 26	35 189	- 14	- 43
Canaries	24 607	- 9	- 18	261 195	+ 1	- 19
Côte d'Ivoire	15 964	- 17	- 9	170 967	+ 1	- 3
Cameroon	20 320	- 18	- 11	206 296	- 2	- 9
Ghana	1 934	-	-	13 133	-	-

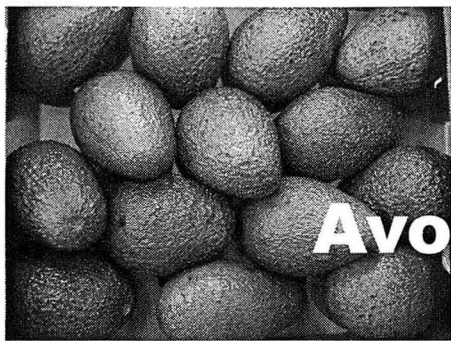
Green price in Europe



Retail price in Europe



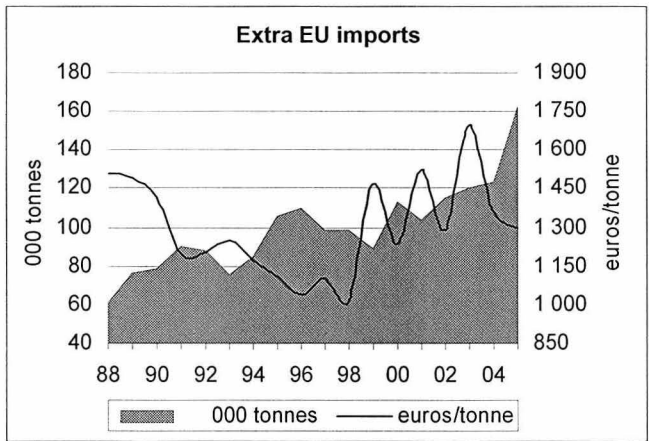
Sources: CIRAD, SNM, TW Marketing Consulting



Avocado

SEPTEMBER 2006

The 'Hass' market was very difficult during the first two-thirds of the month. Although arrivals were very limited, the range was particularly wide and quality often uneven because of the very large quantities of unsold Peruvian, South African and Chilean fruits carried over from August. Prices remained at rock bottom levels—below cost price—until the very end of the month. In this context, exports of green varieties went mainly to the markets in northern Europe.

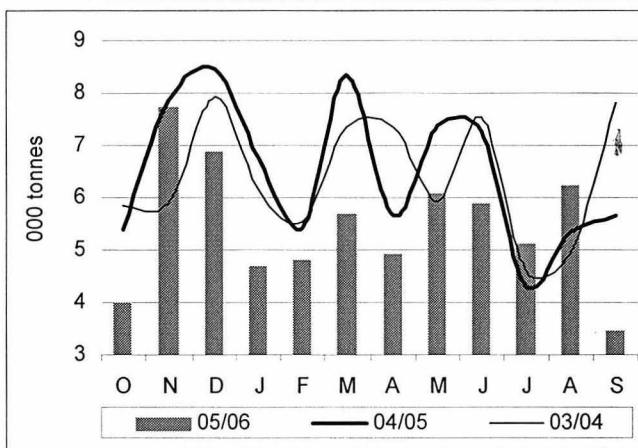


Monthly and annual comparisons

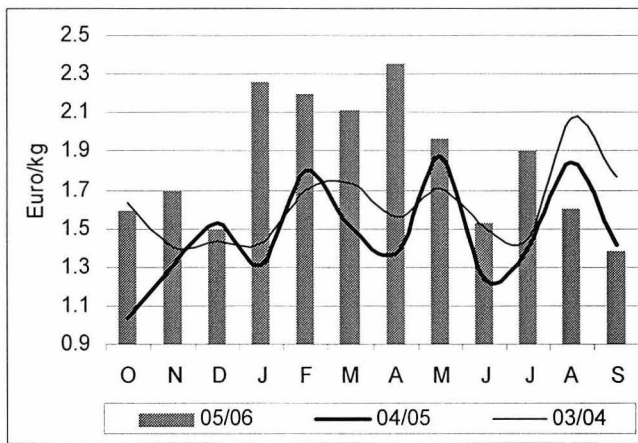
Volumes	Price
September 2006 / August 2006	
↘ - 43%	↘ - 13%
September 2006 / September 2005	
↘ - 37%	↘ - 2%

Estimated market releases in France

Volumes

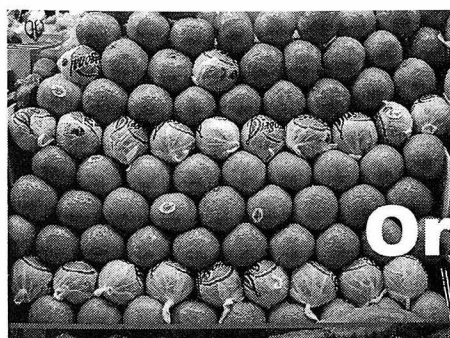


Price at import stage



Estimated market releases in France by origin

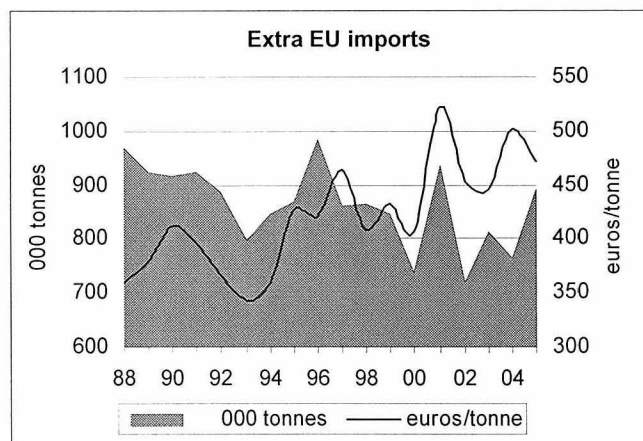
Tonnes	September 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Chile	911	+ 82	- 39	2 389	+ 1	- 16
Mexico	232	- 81	- 91	1 596	- 44	- 68
Kenya	689	- 39	- 18	6 881	- 10	- 9
South Africa	1 097	- 48	- 6	8 090	- 29	- 1
Peru	548	- 17	- 56	10 447	+ 67	+ 79
Total	3 477	- 100	- 100	29 403	- 11	+ 2



Orange

SEPTEMBER 2006

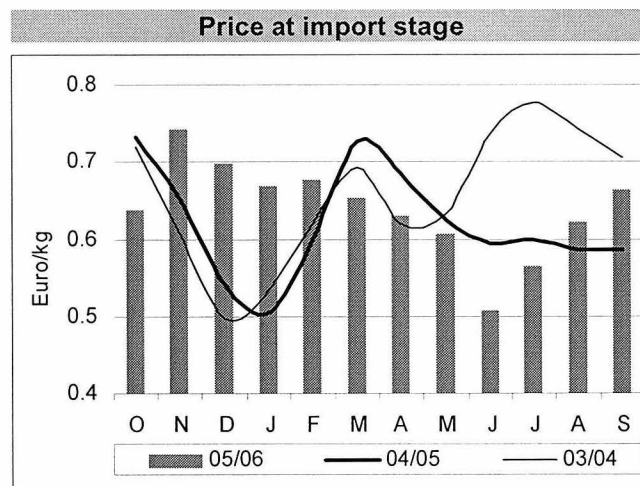
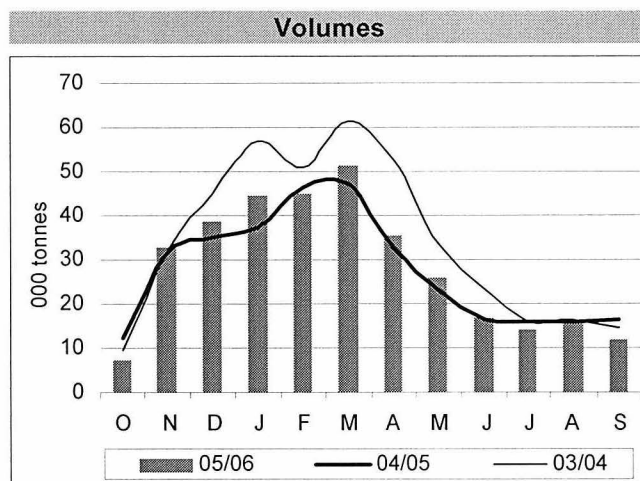
The market remained distinctly under-supplied. Firstly, deliveries from South Africa remained much smaller than normal while only very small stocks were available at the beginning of the month; this was particularly the case for sought-after sizes such as 72/88 (cumulated arrivals at the end of August were some 40% down on the two preceding years). Secondly, Argentinian shipments to the EU were nearly 30% smaller than the three-year average as exporters had favoured the Russian market. Prices climbed and were very firm.



Monthly and annual comparisons

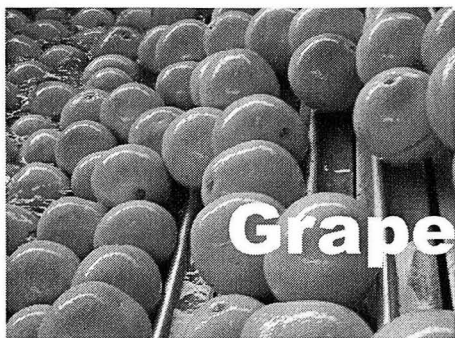
Volumes	Price
September 2006 / August 2006	
↘ - 26%	↗ + 7%
September 2006 / September 2005	
↘ - 28%	↗ + 13%

Estimated market releases in France



Estimated market releases in France by origin

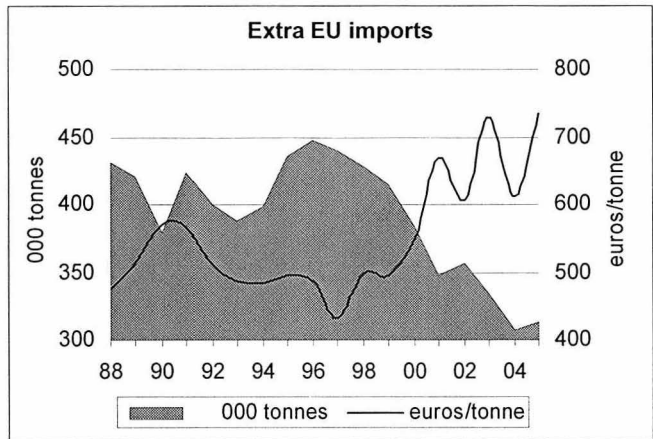
Tonnes	September 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Spain	3 642	+ 23	+ 52	276 157	+ 9	- 17
South Africa	8 269	- 39	+ 8	27 552	- 35	- 29
Total	11 911	- 28	- 18	303 709	+ 6	- 19



Grapefruit

SEPTEMBER 2006

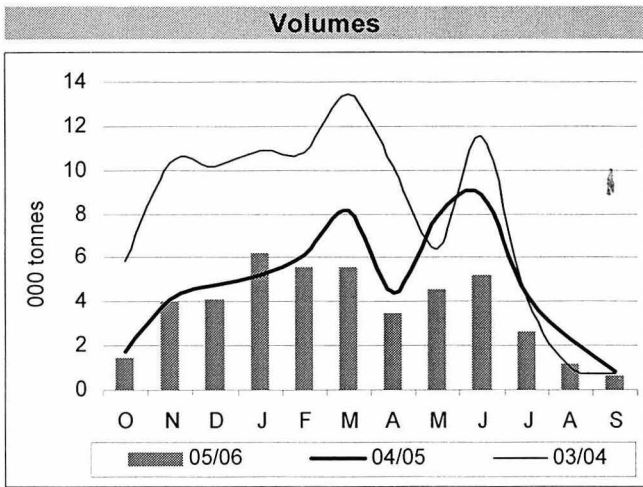
Under-supply was distinctly less marked than in July and August but remained significant. Mexico was strongly present. Deliveries from the Yucatan were well up on those of previous years and were completed by the first exports of fruits from the Michoacán to the EU. South African shipments were also larger than average. However, deliveries from Honduras were probably slightly smaller than average and the Cuba harvest was delayed. In addition, no stocks were available at the beginning of the month and commercial channels were empty. As a result, prices remained stable and well above average throughout the month.



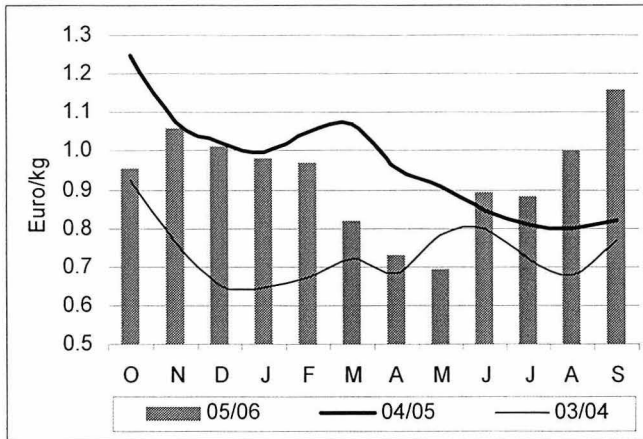
Monthly and annual comparisons

Volumes	Price
September 2006 / August 2006	
↘ - 47%	↗ + 15%
September 2006 / September 2005	
↘ - 24%	↘ - 6%

Estimated market releases in France



Price at import stage



Estimated market releases in France by origin

Tonnes	September 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
South Africa	621	- 26	- 3	7 581	- 48	- 46
Total	621	- 26	- 53	7 581	- 24	- 53



Litchi

SEPTEMBER 2006	Litchi — Import price		
	Euros	Min	Max
	By air (kg)		
	Israel	3.50	4.50
	By sea (kg)		
	Thailand	4.00	4.50
	China	2.75	4.00
	Israel	3.00	4.00
	By road (kg)		
	Spain	5.50	7.50

The Israeli litchi export season came to an end three weeks earlier than in 2005, leaving the European market to benefit from shipments from Spain only. The strong decrease in supplies favoured rare heights in the price of Spanish fruits in the absence of any competition. The shortage of produce became more acute in the second half of the month with the end of the season in Spain. Litchi should remain absent from the European market until the start of the Indian Ocean export season.

The Israeli export season was shorter this year, with less goods shipped. Alternate bearing doubtless had a strong effect on the harvest, and 2006 will go down as a poor year. Export flows were also certainly disturbed by the political events in July. It will be remembered that Israel exported about 1000 tonnes in 2005. The end of the season featured a marked rise in price for the last shipments sold at EUR 4.50 per kg whereas they stabilised at EUR 3.00-3.50 per kg in August. The price increased as a result of a shortage of supplies and also because some retail distributors switched to this origin, given the high prices asked for fruits from Spain. The prices mentioned are for fruits of good quality; some poorer batches were sold at lower prices. An attempt at marketing fruits of the variety 'Floridian' in the second week of September soon petered out because of their mediocre quality and dull flavour. The Spanish

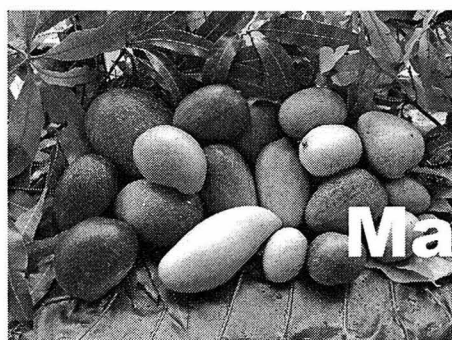
season will have been similar to last year's, starting in mid-August and extending until the end of September. However, only practically symbolic quantities were available in the second half of the month, explaining the very high prices asked by operators. Spanish litchi that was well-coloured but of uneven organoleptic quality trickled on the different European markets at the rate of a few hundred or even a few dozen boxes per week. The rarity of the fruit on the market promoted it to luxury status, sold only by high-class specialised fruiterers.

The Israeli season also stopped at the beginning of the season in the Netherlands. The prices of the last batches of the season fell because of mediocre quality (shell oxidation), selling at lower prices of around EUR 3.20-3.30 per kg after EUR 3.50-4.00 per kg at the end of August.

In Belgium, the last batches from Israel available at the beginning of the month sold at EUR 3.25-3.50 per kg. Occasional batches from Spain completed supplies during the second half of the month at prices similar to those recorded on the French market (EUR 10.00 per kg).

Litchi supplies to the European market should display a gap of at least a month before the first shipments arrive from the Indian Ocean as the harvest will be late in Mauritius, from where shipments generally start in Week 44. A late start to the Madagascan season is also forecast. The reasons seem to be the weather conditions of recent months. The season will not start in Réunion before the second half of November. Only South Africa may enjoy an earlier start to the season but this will only be confirmed in October.

Litchi — Import prices on the French market — Euros/kg						
Weeks 2006	36	37	38	39	September 2006 average	September 2005 average
By air						
Israel	4.50				4.50	3.00-3.30
By road						
Spain	6.00-8.50	9.00-10.50	10.00-10.50	9.50-10.00		6.90-7.40



Mango

SEPTEMBER 2006	Mango — Weekly arrivals — Estimates in tonnes				
	Tonnes	36	37	38	39
	By air				
	Senegal	5	-	-	-
	By sea				
	Brazil	530	700	900	1 350
	Senegal	40	-	-	20
	Israel	250-300	400-500	200-250	200-250

Mango supplies to the European market in September was based on deliveries from Israel and Brazil, with the volumes from the latter increasing steadily and dominating those from Israel. Demand was fairly slow throughout the month and market releases were smaller, resulting in the maintaining of good prices, especially for fruits arriving by sea. Spain started its shipping campaign with produce midway between sea and air quality. The latter origin has undoubtedly profited from the limiting of shipments from Israel to consolidate the commercial niche initiated two years ago. The air mango market was more difficult, especially during the second half of the month.

The month was marked by a deficit in fruits shipped by sea, causing a rise in prices to levels rarely reached. A few occasional peaks at EUR 8.00 per box or more were observed for Israeli produce. The situation can be considered as exceptional and even paradoxical in the light of the poorish quality of the fruits released. 'Kent', the variety forming the greater part of the deliveries from Israel at the beginning of the month, was gradually replaced by the later variety 'Keitt'. These were ripe but strongly lacking in colour and nevertheless sold at fairly high prices, benefiting from a scarcity of supplies accentuated by the end of the season in Senegal at the beginning of the month. However, the predominance of large fruits (size 6) had a negative effect on demand from supermarket chains as sales on a per fruit basis became increasingly difficult because of high purchase prices. The increasing supplies from Brazil did not have an immediate effect on prices given the existing vacuum. Arrivals increased gradually and were

first sold in the northern European countries. Sales of 'Tommy Atkins' from Brazil remained marginal on the French market where this variety is less sought-after.

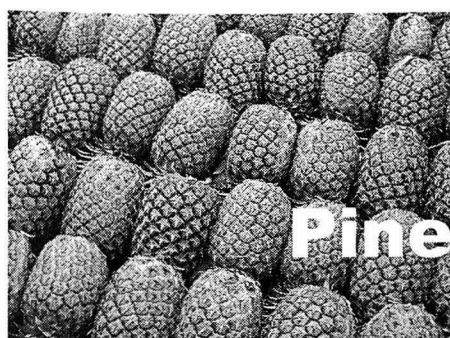
Spain profited from the market demand resulting from the limited availability of fruits from the other origins. With produce midway between sea and air quality, it managed to gain substantial market shares. Spanish fruits were an interesting alternative for many operators. They filled a gap in the market and intensified competition with fruits from Israel and especially those of air quality. The bad side of the high prices observed in September was the decrease on interest from buyers. Orders gradually dwindled, accounting for the decrease in prices at the end of the month. The market trend favouring fruits from Spain also led shippers to step up the rate of picking, causing a perceptible decrease in quality in mid-month (fruits not quite ripe enough). In

addition to the 'Osteen' variety forming most of Spanish shipments, Spain also shipped very small quantities of 'Kent' and 'Irwin' that sold at EUR 3.00-3.50 and EUR 3.50-4.00 per kg respectively.

The air mango market was more complex and more difficult. Fruits from Israel met with head-on competition from Spanish mango and their prices dipped gradually. This trend became more marked in the second half of the month because of the worsening of quality (uneven ripeness and lack of colour). Air mango supplies were completed by small quantities of 'Haden' from Brazil that sold at EUR 3.50-4.00 per kg at the beginning of the month and fell to EUR 3.00-3.50 per kg in the second half because of slight problems of ripeness. The volumes decreased from about 20 to some 10 tonnes per week in the second part of the month. More occasionally, batches of 'Kent' from Egypt with good taste qualities but mediocre appearance sold at EUR 3.00-3.50 per kg.

Mango — Import prices on the French market — Euros

Weeks 2006		36	37	38	39	Sept. 2006 average	Sept. 2006 average
By air (kg)							
Senegal	Kent/Keitt	3.00	-	-	-	3.00	nc
Israel	Maya	3.00-3.50	-	-	-	3.25	2.00-2.75
Israel	Shelly/Kast.	3.00-4.00	3.00	2.00-2.50	2.00-2.80	2.50-3.05	2.30-3.00
Israel	Kent	3.50-4.00	3.50-3.80	2.00-2.30	2.00-3.00	2.75-3.30	2.80-3.40
By sea (box)							
Brazil	Tommy Atkins	5.00-6.00	6.00-6.50	nc	5.50-7.00	5.50-6.50	3.10-4.10
Senegal		5.00-6.00	-	-	-	5.00-6.00	3.80-4.65
Israel	Tommy Atkins	4.00-5.00	-	-	-	4.00-5.00	nc
Israel	Kent/Keitt	6.50-7.00	6.50-8.00	6.00-7.50	5.00-7.00	6.00-7.35	4.05-4.70
By road (box)							
Spain	Osteen	8 - 10	8.50-9.50	8 - 10	7.50-10.00	8.00-9.85	7.45-9.20



Pineapple

SEPTEMBER 2006	Pineapple — Import price		
	Euros	Min	Max
	By air (kg)		
	Smooth Cayenne	1.50	1.85
	Victoria	2.00	3.80
	By sea (box)		
	Smooth Cayenne	4.00	6.00
	Sweet	5.00	8.50

September was a fairly difficult month for operators on the pineapple market. Poor demand combined with an increase in volumes resulted in the forming of stocks that weighed strongly on the market and on prices. In general, the marketing of pineapple consisted mainly of the management of large stocks throughout the month. The situation was hardly any better on the air pineapple market as business decreased throughout the month. In contrast, although prices did not increase strongly, the situation of the 'Victoria' market improved considerably in comparison with the two preceding months.

September was difficult for operators for several reasons. While overall demand was very small, if not nonexistent, supplies—especially of 'Sweet' from Latin America—increased fairly steadily. Indeed, supplies of 'Smooth Cayenne' remained comparatively limited. So shipments of 'Sweet' for which there were no buyers increased throughout the month. Operators announced clearance prices from the beginning of the month onwards in order to reduce their stocks and also to avoid having to throw produce away. For the first two weeks, it was very difficult to detect the effect of clearance sales as stocks were very large and demand still very small. Quality problems were also observed in batches of 'Smooth Cayenne' from Côte d'Ivoire and Ghana and even in 'Sweet' from Costa Rica. These fruits did not store well and deteriorated very quickly. The market improved slightly during the second fortnight.

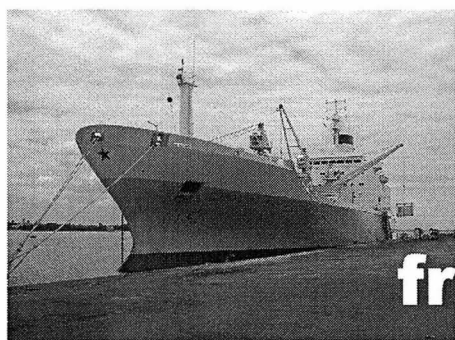
Even though stored fruits hampered the sales of the arriving batches, sales became more fluid in general. Demand was strengthened during this period by several promotion operations for 'Sweet'. The combined effect of these operations and certain clearance sales at low prices reduced stocks and business recovered to a certain extent even though prices did not rise. The market was more dynamic at the end of the month thanks to the numerous special offers for 'Sweet'. The situation was more difficult for 'Smooth Cayenne' as demand was still dull and uneven quality did not favour a recovery.

The air pineapple market was also under pressure throughout the month. Although supply and demand were balanced in the first week, prices remained low. Business was very sluggish during the following three weeks. Even though the volume of supplies was very irregular,

demand continued to weaken. Operators agreed that this was not a question of price as there was no certainty that more pineapples would have sold even if prices had been lower. The situation was further complicated by the arrival of fruits of very uneven quality from Benin, Cameroon and Ghana. Imports from Benin increased at the end of the month and this seems to have caused a considerable fall in the average price of fruits from this origin.

The 'Victoria' market had been fairly quiet but displayed renewed activity, possibly as a result of the perking up of demand for small exotics. However prices did not increase, even with more varied supplies and more fluid sales. Supplies from Côte d'Ivoire fetched the lowest prices (supplies were too large and quality too uncertain) while those from Réunion continued to be the reference in terms of quality.

Pineapple — Import prices on the French market — Main origins — Euros					
Weeks 2006		36	37	38	39
By air (kg)					
Smooth Cayenne	Benin	1.75-1.80	1.70-1.80	1.70-1.75	1.50-1.70
	Cameroon	1.75-1.80	1.75-1.80	1.70-1.75	1.70-1.80
	Côte d'Ivoire	1.80-1.85	1.75-1.80	1.65-1.70	1.60-1.70
	Ghana	1.50-1.75	1.50-1.70	1.50-1.60	1.50-1.70
Victoria	Côte d'Ivoire	2.50	2.00	2.00	2.50-2.80
	Ghana	3.00	2.50	2.80-3.00	2.80-3.00
	Réunion	3.40-3.50	3.30-3.50	3.30-3.80	3.40-3.50
	Mauritius	-	-	-	3.30-3.80
	South Africa	-	2.50-2.80	3.00	2.80-3.00
By sea (box)					
Smooth Cayenne	Côte d'Ivoire	4.00-6.00	4.00-6.00	5.00-6.00	4.00-6.00
	Ghana	-	4.00-6.00	-	5.50-6.50
Sweet	Côte d'Ivoire	5.00-7.00	5.50-7.00	6.00-8.00	7.00-8.50
	Cameroon	5.00-7.00	5.50-7.00	6.00-8.00	7.00-8.50
	Ghana	5.00-7.00	5.50-7.00	6.00-8.00	7.00-8.50
	Costa Rica	6.50-7.50	5.50-7.00	6.00-7.50	7.00-8.00



Sea freight

SEPTEMBER 2006

Climatologically September 2006 was the warmest September in Northern Europe since records began; it was also the hottest September reefer charter market on record, with the monthly average above even that of the equivalent month in 2004. If rates in the final quarter of 2006 average at similar levels to those achieved in 2004, the 2006 annual rates average will be superior to that of 2005.

The principal reason for the market's sustained rise was banana activity led by the multi-nationals, one or two of whom may not be around this time next year to repeat the mistake! Demand for tonnage also came from Argentina and Brazil, as vessels were able to combine citrus and meat cargoes once restrictions on exports had been eased. There was also an increase in poultry activity from the US Gulf to the Baltic and Black Sea. The level of demand combined with a higher than average number of drydockings and the 15-20 vessels in lay-up underpinned a solid market. The TCE return meanwhile was favourably

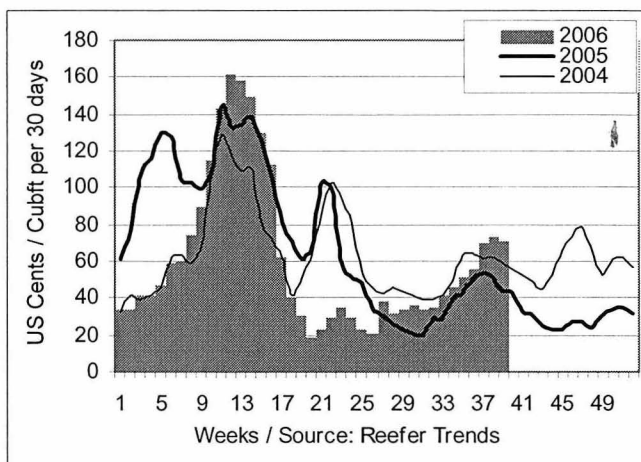
impacted by the fall in bunker costs. Away from the charter market Chiquita grabbed the headlines with its announcement that it was considering the sale of its reefer logistics subsidiary, the Great White Fleet. While a sale-leaseback deal would likely generate upwards of US\$200m in short-term cash, it would not be sufficient to make a significant enough hole in its debt mountain. More importantly, operationally it would also render the company an estimated US\$20-25m per year less competitive on global banana markets, which on current forecasts are likely to be weaker next year.

Monthly spot averages

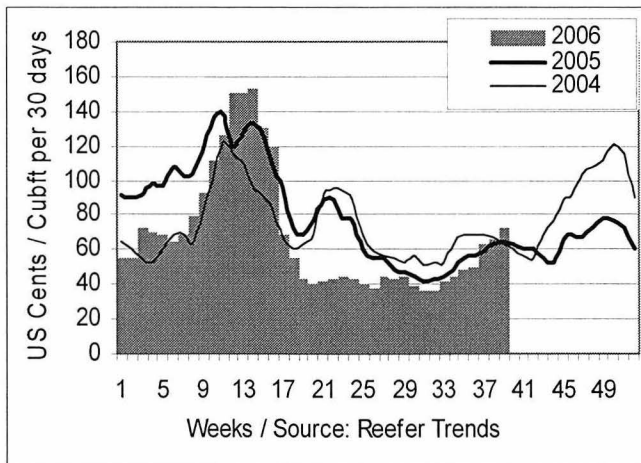
US\$/cents/cubic foot x 30 days	Large reefers	Small reefers
September 2006	64	59
September 2005	47	55
September 2004	58	59

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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