

Indicators

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Apple	24	20
	Easy peelers	21	22
Orange	13	10	

	Pages
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.	
Banana .....	13
Avocado.....	15
Orange.....	16
Grapefruit.....	17
Easy peelers.....	18
Litchi .....	19
Mango.....	20
Pineapple.....	21
Sea freight .....	22

DECEMBER 2006

**Apple** The market did not escape the usual seasonal dip in business when large retail chains switch to more festive displays. However, sales were relatively satisfactory, especially as the British clientele was still as keen. In addition, beginning of the month stocks were noticeably smaller than in 2005. Prices therefore remained very firm and always distinctly higher than 2005 levels.

Dec. 2006 / Dec. 2005			
Price	↗	Vol.	=

**Easy peelers** The results were extremely negative for Spain. The slump resulting from over-production worsened to unequalled proportions. The situation was catastrophic for clementine. The other origins recorded positive scores in spite of the poor context. Corsican clementine was a quality alternative much sought-after by distributors.

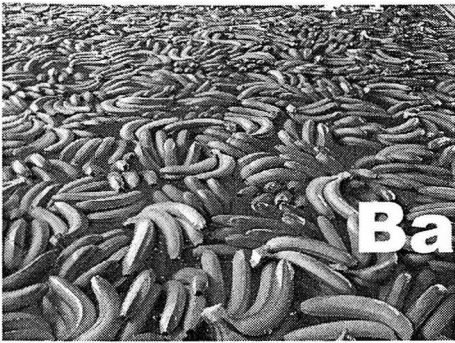
Dec. 2006 / Dec. 2005			
Price	=	Vol.	↘

**Orange** The market context was particularly difficult, especially as a result of the very fierce competition from easy peelers sold at very competitive prices. In addition, the warm weather during the first half of the month had a negative impact on consumption. However, the indicators displayed medium levels of both selling prices and the volumes marketed.

Dec. 2006 / Dec. 2005			
Price	↘	Vol.	=↗

**Sea freight** The December average of 137c/cbft Time Charter Equivalent (TCE) crowned an extraordinary second half of the year for the specialised reefer business: as well as being the month with the highest recorded TCE average for 2006, the December figure lifted the annual TCE average for the larger segment to 66.5 c/cbft, some 4.5 c/cbft above last year's final.

**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 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.



# Banana

## DECEMBER 2006

The year finished with a mixed performance—an accurate reflection of the results of the 2006 season. Quay prices were very stable in France and the northern part of the EU throughout the month, with the level being close to the three-year average.

Nevertheless, the volumes available in France were probably distinctly smaller than average, with cumulated deliveries from Africa and the West Indies down by about 8%. On the one hand, the deficit in shipments from the West Indies remained marked and stable at 18% less than the average. On the other, deliveries from Côte d'Ivoire fell strongly, showing a deficit of about 27% in comparison with the average. The decrease in the volumes shipped by the star suppliers of the French market was only partially counter-balanced by a very marked increase in arrivals from Surinam.

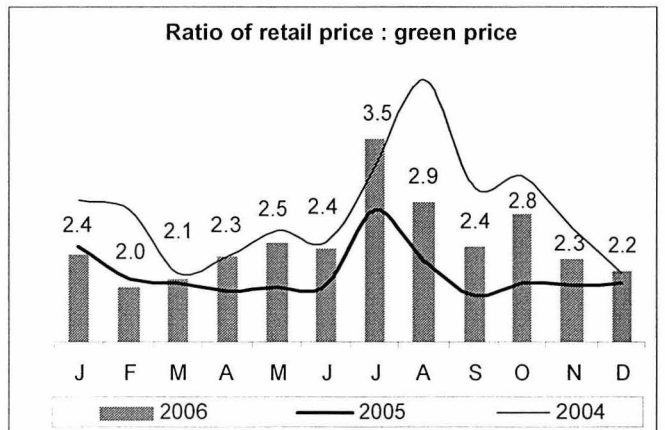
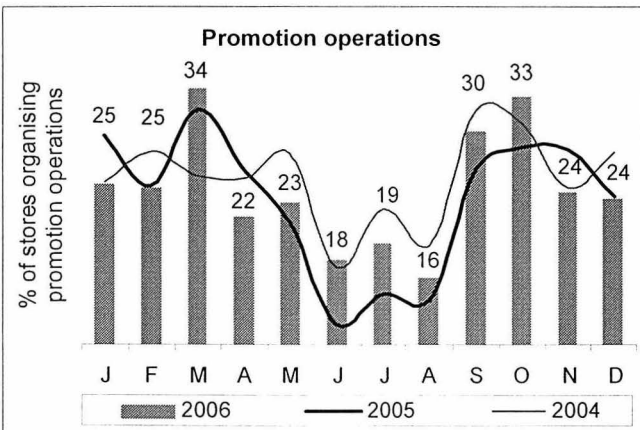
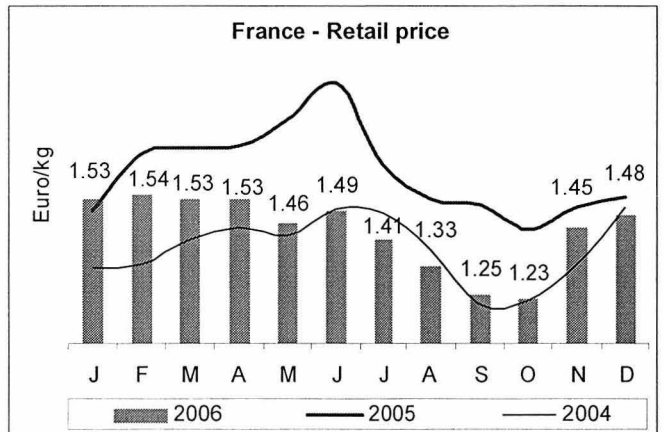
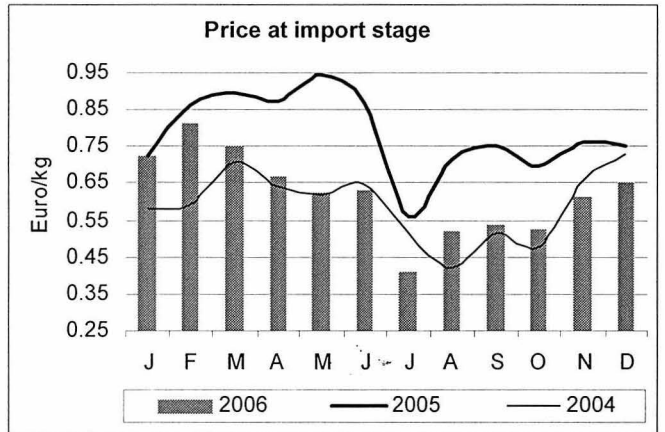
Demand remained at a respectable level until the middle of the month. Promotion operations on the domestic market were down on the average but prices were very attractive (8% lower than average). In addition, warmer weather than usual made it possible to maintain a decent level of consumption. In parallel, exports were dynamic, especially to northern Europe (marked shortfall in Colombian exports), and also to eastern Europe where demand was good, especially in Poland, for Christmas supplies. However, the second half of the month was much more difficult. The sharp decrease in temperature to levels lower than normal aggravated the seasonal decrease in demand on both the domestic and export markets.

## Monthly and annual comparisons

Volumes*	Price
December 2006 / November 2006	
↘ - 14%	↗ + 5%
December 2006 / December 2005	
= - 1%	↘ - 11%

\* Arrivals from Africa/West Indies

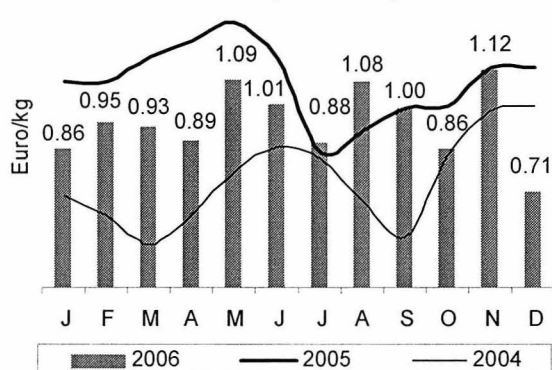
## French banana market — Indicators



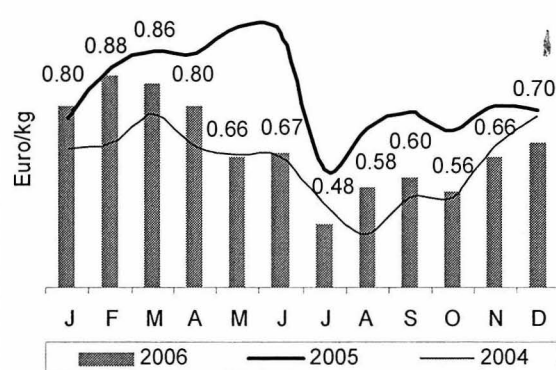
## European banana market — Indicators

Tonnes	December 2006	Comparisons (%)		Total season 2006	Season comparisons (%)	
		2006/2005	2006/2004		2006/2005	2006/2004
Martinique	17 815	- 6	0	201 760	- 10	- 20
Guadeloupe	3 878	- 19	- 25	46 369	- 90	- 34
Canaries	28 802	+ 8	+ 1	312 387	0	- 18
Côte d'Ivoire	14 619	- 20	- 30	204 238	- 2	- 5
Cameroon	23 009	+ 6	- 7	255 144	0	- 8
Ghana	3 615	-	-	20 073	-	-

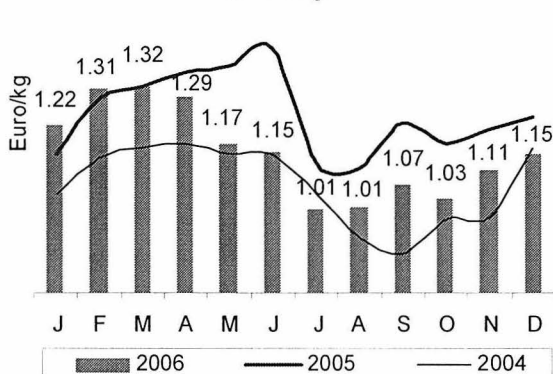
Movement of the price of super extra



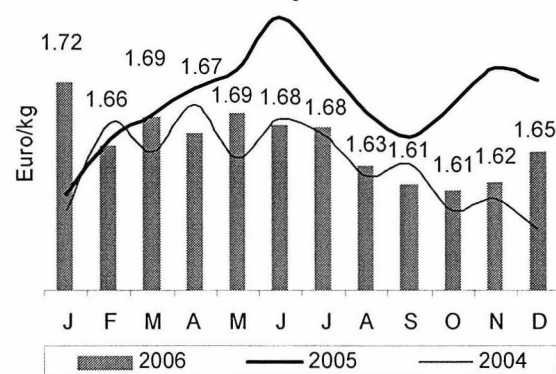
Evolution of T2



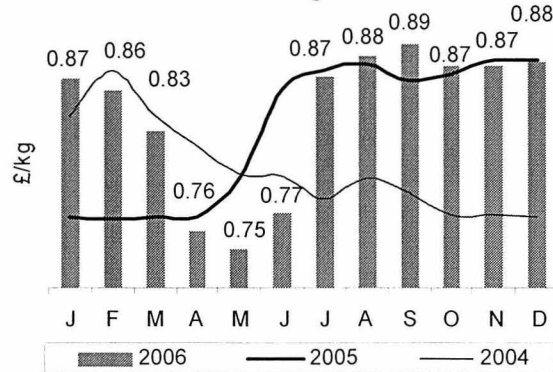
Germany



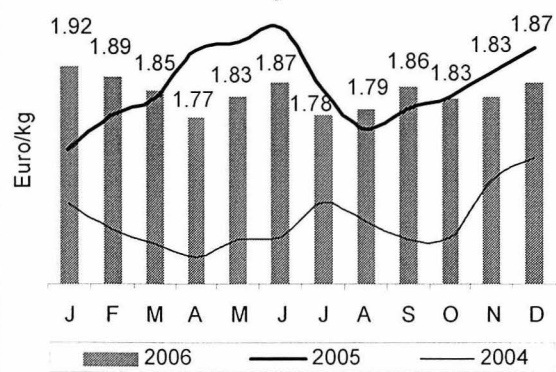
Italy



United Kingdom

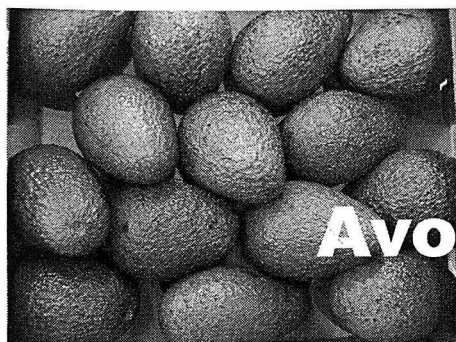


Spain



Sources: Cirad, SNM, TW Marketing Consulting





# Avocado

## DECEMBER 2006

As is often the case, the market did not improve in December. Demand became much brisker thanks to pre-Christmas promotion operations but supplies remained too large.

Nevertheless, supplies of Mexican and Spanish 'Hass' continued to display a marked deficit. In contrast, arrivals of Chilean fruits were particularly ample in the EU, in particular as the US market was very difficult, with an average wholesale price of about USD 16 per box of some 11 kg in comparison with USD 20 in the two preceding years. In this context, prices could not rise from the very disappointing November levels and often did not cover costs.

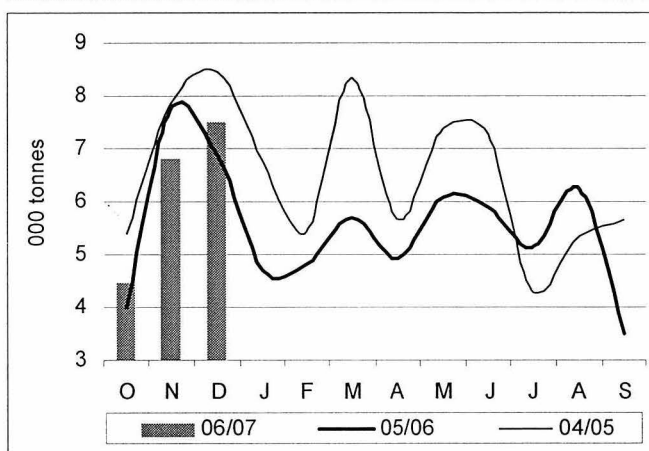
The French market was just as difficult for green varieties. Arrivals of 'Ettinger' and then 'Pinkerton' and 'Fuerte' from Israel continued to be substantial. The market regained a certain balance for sizes 14 and 16, thanks in particular to fairly good demand in northern European countries. However, it continued to be very difficult for the large volumes of sizes 18 and 20 available.

## Monthly and annual comparisons

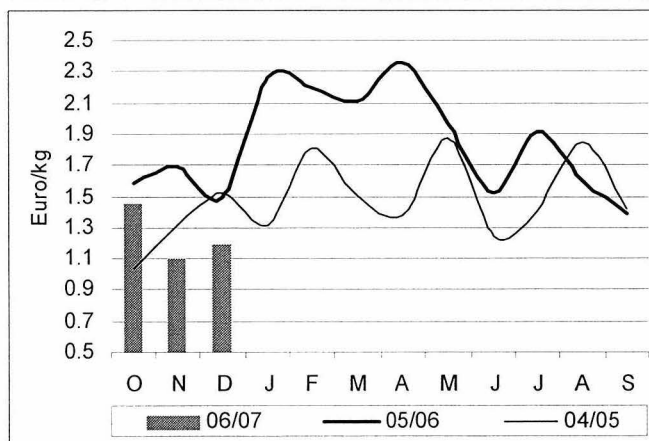
Volumes	Price
December 2006 / November 2006	
↗ + 10%	↗ + 7%
December 2006 / December 2005	
↗ + 9%	↘ - 21%

## Estimated market releases in France

### Volumes



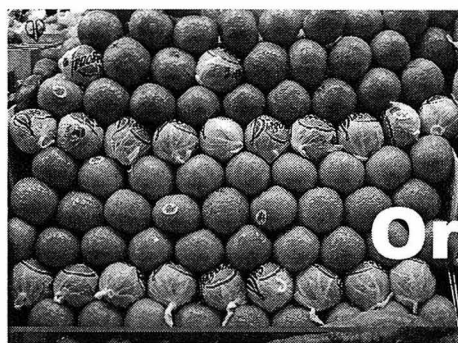
### Price at import stage



## Estimated market releases in France by origin

Tonnes	December 2006	Comparisons (%)		Total season 2006/2007	Season comparisons (%)	
		2006/2005	2006/2004		06-07/05-06	06-07/04-05
Chile	936	+ 55	+ 271	4 940	+ 86	+ 32
Mexico	1 345	- 45	- 35	4 032	- 46	- 52
Israel	3 894	+ 71	+ 12	7 692	+ 39	- 5
Spain	1 317	- 16	- 51	3 318	- 27	- 42
<b>Total</b>	<b>7 492</b>	<b>+ 9</b>	<b>- 12</b>	<b>19 982</b>	<b>- 1</b>	<b>- 23</b>





# Orange

## DECEMBER 2006

The market context was particularly difficult, especially because of the very strong competition from easy peelers selling at very competitive prices. In addition, the warm weather during the first half of the month had a negative effect on consumption. However, the indicators display medium levels of both selling price and quantities marketed.

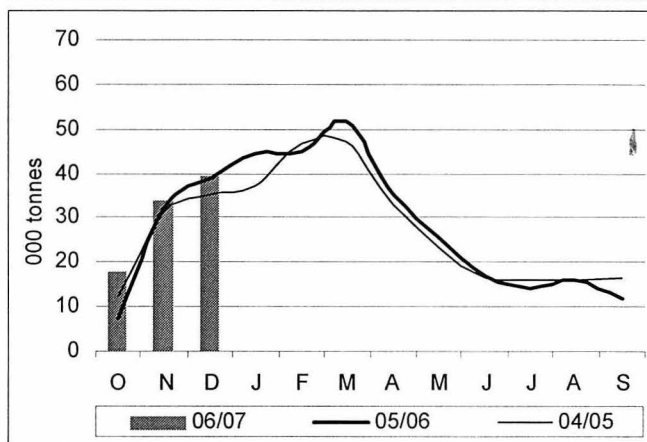
Import prices of Spanish 'Naveline' remained stable throughout the month. However, the range broadened at production stage as a result of the uneven quality of certain produce (overripeness). 'Naveline' still formed most of the volumes available. Supplies were completed by a few batches of 'Salustiana' from Spain.

## Monthly and annual comparisons

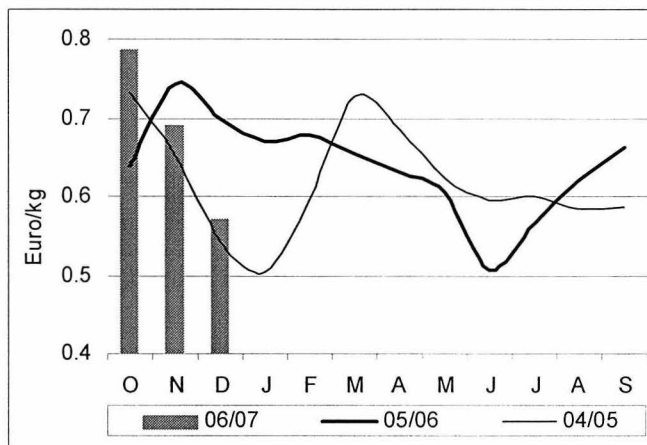
Volumes	Price
December 2006 / November 2006	
↗ + 17%	↘ - 17%
December 2006 / December 2005	
↗ + 2%	↘ - 18%

## Estimated market releases in France

### Volumes

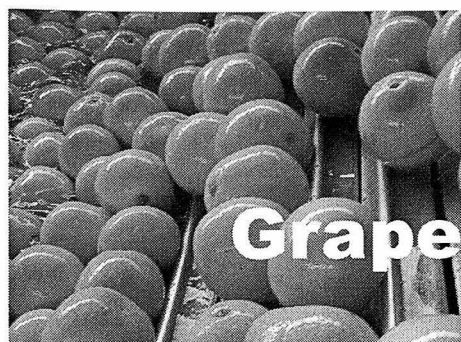


### Price at import stage



## Estimated market releases in France by origin

Tonnes	December 2006	Comparisons (%)		Total season 2006/2007	Season comparisons (%)	
		2006/2005	2006/2004		06-07/05-06	06-07/04-05
Spain	39 426	+ 2	+ 12	81 309	+ 11	+ 13
<b>Total</b>	<b>39 426</b>	<b>+ 2</b>	<b>+ 12</b>	<b>81 309</b>	<b>+ 11</b>	<b>+ 13</b>



## Grapefruit

### DECEMBER 2006

As every year, business was very sluggish for grapefruit in December. Florida sales were slow, especially in the standard brand market segment. Stocks formed in spite of arrivals approaching the limited level of the last two seasons. Nevertheless, the prices of the best brands held their ground and only those of the standard brands slipped, with importers anticipating January special offers.

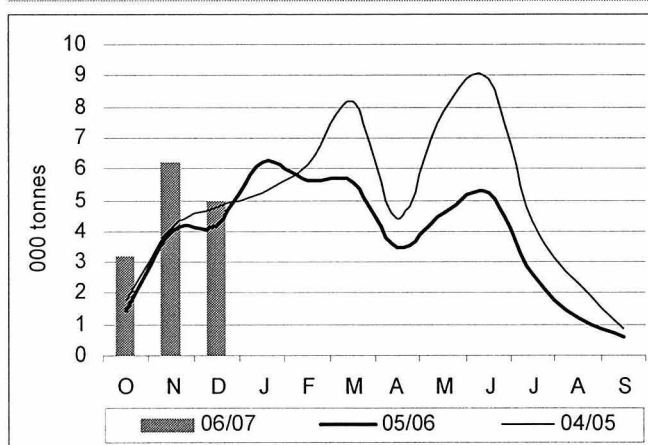
The situation was distinctly more difficult for the other origins as the slowing of demand was even more marked. Large quantities were available as stocks from Central America remained (from Honduras, Mexico and especially Cuba), but were often of mixed quality. The very flexible price of this produce weighed on the prices of fruits from Mediterranean sources. However, the price of Turkish grapefruit recovered a little in mid-month thanks to the very marked decrease in arriving shipments.

### Monthly and annual comparisons

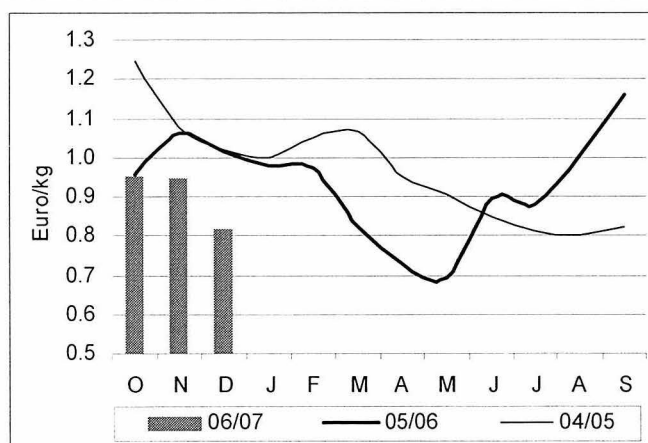
Volumes	Price
December 2006 / November 2006	
↘ - 20%	↘ - 13%
December 2006 / December 2005	
↗ + 19%	↘ - 19%

### Estimated market releases in France

#### Volumes

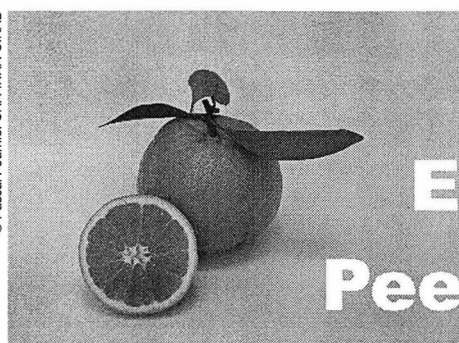


#### Price at import stage



### Estimated market releases in France by origin

Tonnes	December 2006	Comparisons (%)		Total season 2006/2007	Season comparisons (%)	
		2006/2005	2006/2004		06-07/05-06	06-07/04-05
Turkey	723	- 48	+ 5	3 167	- 21	+ 23
Florida	3 643	+ 61	+ 12	8 938	+ 144	+ 60
Israel	600	+ 21	- 29	1 982	+ 3	- 20
<b>Total</b>	<b>4 966</b>	<b>+ 19</b>	<b>+ 4</b>	<b>14 087</b>	<b>+ 46</b>	<b>+ 32</b>



**Easy  
Peelers**

## DECEMBER 2006

The balance for Spain was extremely negative. The slump resulting from over-production became more serious than ever. The situation for clementine was catastrophic. Demand for 'Nules' faded as a result of quality problems affecting an increasing proportion of supplies of standard brands; the cause was rainfall and warm weather in November. The prices of this variety at the import stage lost 20% in comparison with average and held at a historically low level at production.

Part of demand switched to 'Clemenvilla', whose price remained close to the disappointing level seen last year. The other origins displayed positive results in spite of this context. Corsican clementine was a quality alternative favoured by retail chains and the average price reached an acceptable level. Performance was only just satisfactory for Moroccan fruits, with prices slightly up on the three-year average. Limited volumes were available in the EU as exports were focused on Russia, Canada and Scandinavia.

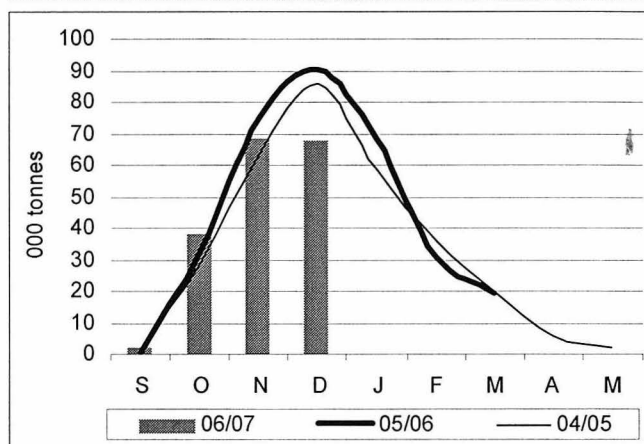
Supplies were completed by a few batches of 'Minneola' from Israel.

## Monthly and annual comparisons

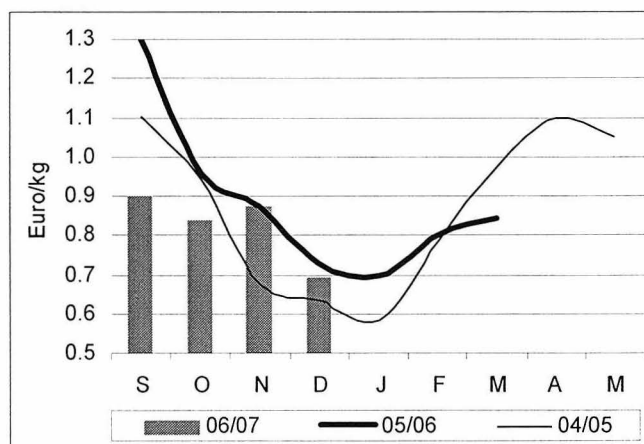
Volumes	Price
<b>December 2006 / November 2006</b>	
⇒ - 1%	⇒ - 21%
<b>December 2006 / December 2005</b>	
⇒ - 25%	⇒ - 5%

## Estimated market releases in France

### Volumes



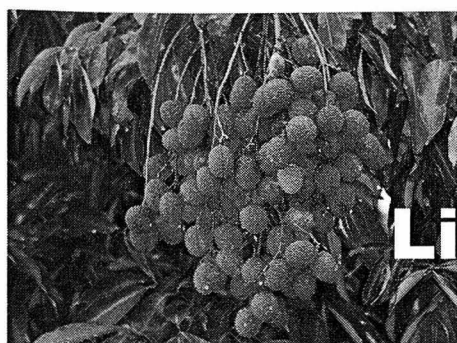
### Price at import stage



## Estimated market releases in France by origin

Tonnes	December 2006	Comparisons (%)		Total season 2006/2007	Season comparisons (%)	
		2006/2005	2006/2004		06-07/05-06	06-07/04-05
Spain	48 316	- 31	- 28	144 150	- 14	- 4
Corsica	13 282	+ 38	+ 23	20 246	+ 39	+ 21
Morocco	5 729	- 49	- 29	10 913	- 36	- 8
Israel	141	+ 148	-	141	+ 148	-
<b>Total</b>	<b>67 468</b>	<b>- 25</b>	<b>- 21</b>	<b>175 450</b>	<b>- 12</b>	<b>+ 1</b>





## Litchi

DECEMBER 2006	Litchi - Arrival estimates - Tonnes				
	weeks 2006	49	50	51	52
	By air				
	Mauritius	50-60	50-60	20	10
	South Africa	150	100	50-100	-
	Madagascar	150	150	30	-
	Réunion	30-40	40-50	50	40
	By sea				
	South Africa	-	40-50	560	400
	Madagascar	-	-	7 350	4 650

The late start to the export season in the Indian Ocean caused serious changes in the traditional profile of the litchi market in December. The arrival of the first ships from Madagascar a few days before Christmas allowed broader distribution of air-freighted litchi during the first fortnight. The first fruits to arrive by sea were sold in an atmosphere of strong pressure as there was very little time to get the produce on the shelves before Christmas. The cargoes of the first two ships sold rapidly at higher prices than in 2005 and then those of the next two ran up against decreased demand between Christmas and the New Year, resulting in a fall in prices. After the poor results in 2005-2006, the auspices seem to be better for the first part of the 2006-2007 season.

European supplies in the first fortnight of December were based essentially on deliveries of litchi by air. After being fairly sluggish from the beginning of the season onwards, demand suddenly picked up in Week 49, changing the situation completely. The quantities delivered so far were suddenly too small to meet demand. Prices therefore increased rapidly as a result of this near shortage of fruits. Operators then had to be skilful in ordering sufficient litchi to meet demand and thus hold on until the arrival of the first ship, which causes the sudden halt of sales of sulphur-treated fruits shipped by air. Sales continued to be quite brisk at the beginning of Week 51, with the first sea fruits becoming available in midweek. It will be noted that supplies were difficult during this period. Air freight capacity was distinctly insufficient to carry all the festive products proposed (seafood, flowers and other exotic fruits). Sales of litchis on the branch were more difficult overall as a result of the uneven quality of the batches

shipped. Fruit oxidation or spotting soon caused part of the fruits delivered to lose value. The massive shipment of fruits on the branch from Madagascar in Week 49 strongly disturbed sales on wholesale markets as a result of their mediocre quality. A significant proportion of this shipment was sold off cheaply by consignees to prevent such fruits from lastingly affecting all transactions.

The atmosphere was tense when the first two ships docked in Marseilles on 19 December as only three or four few shopping days remained before Christmas. Numerous logistic problems disturbed the unloading of the ships and the deliveries of fruits to retailers. In spite of these difficulties, Madagascan litchis finally became available to shoppers on 20 December. The late arrival of the ships resulted in strong demand in the distribution sector at the European scale and allowed the rapid sale of practically all the 8 700 palettes received. The fruits sold all the more rapidly as quality was good

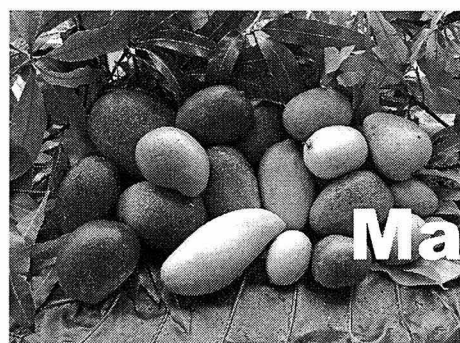
as regards both size and flavour. The speedy selling of the cargoes of the two ships kept prices fairly healthy at the beginning of Week 52, when the next two ships arrived in Marseilles and Vlissingen. The marketing of goods carried by the two conventional ships was more difficult as a result of the partial fading of demand. Prices fell until the end of the year. The fall in the prices of Madagascan litchi was nonetheless contained and the first container ships were late, with arrival forecast for the middle of the first week of January.

The first fruits from South Africa arrived in Week 50, in very small quantities. They sold quickly as the market was temporarily under-supplied at that time. Most of these fruits were sold on markets in northern Europe and especially in the United Kingdom. The quantities subsequently increased, resulting in a fall in prices aggravated by the arrival of fruits from Madagascar in Week 52.

### Litchi — Price on the French market at import stage — Euros/kg

Weeks 2006		49	50	51	52	December 2006 average	December 2005 average
By air							
South Africa	s	4.00-5.50	5.00-6.00	-	-	4.50-5.75	3.75-4.50
Mauritius	s	4.00-5.50	5.00-6.00	-	-	4.50-5.75	4.20-4.50
Mauritius	b	5.50-7.50	6.00-7.00	6.00-8.00	6.00	5.85-7.10	4.60-5.50
Madagascar	s	4.00-5.00	5.00-6.00	-	-	4.50-5.50	4.00-4.50
Madagascar	b	5.00-5.50	4.80-5.00	5.00-5.50	-	4.90-5.30	4.00-5.25
Réunion	b	7.50-10.00	7.50-9.00	9.00-10.00	7.00-9.00	7.75-9.50	5.70-6.90
By sea							
South Africa		-	-	2.00-3.50	1.80-3.00	1.90-3.25	1.80-2.15
Madagascar		-	-	1.80-2.25	1.50-1.70	1.65-1.95	0.95-1.25

s : sulphur treated b : on the branch



# Mango

Mango — Weekly arrivals — Estimates in tonnes				
weeks 2006	49	50	51	52
By air				
Brazil	80-100	50-60	60-80	40-50
Peru	20	25	20-30	50-60
By sea				
Brazil	5 540	3 880	4 700	1 500
Ecuador	200	200	200	200
Peru	1 520	1 600	1 600	2 000

Following the collapse of the European mango market at the end of November, the slump took firm hold in December. The over-large quantities shipped by Brazil together with arrivals from Ecuador and the increase in volumes from Peru resulted in the uninterrupted flooding of the market. Although demand increased, it was not sufficient to handle the quantities released on the market, thus keeping prices at an exceptionally low level. Although the 'Tommy Atkins' fruits forming most of the supplies were hit head-on by this imbalance, 'Kent' did not withstand market pressure for long and prices worsened steadily. The air mango market also suffered considerable variations but nothing like those affecting the sea fruits.

The European market situation of supplies out of proportion with demand in December resulted in a degree of clogging rarely attained at this time of year. A market slump of this scale has not happened for two years. The French market had been comparatively little hit before prices matched those on the other European markets. A further handicap was that small fruits had been dominant but were replaced by large ones while demand changed, with more interest in small fruits, especially for supplying supermarkets with produce for special offers. The scale of shipments from South America led to the accumulation of large stocks. Long fruit storage gradually resulted in loss of quality, resulting in poor sales. 'Tommy Atkins' mango was available throughout the month at from EUR 1.50 per box in destination ports. Only the brands with better preparation were able to negotiate slightly higher prices—in the upper part of the ranges shown below.

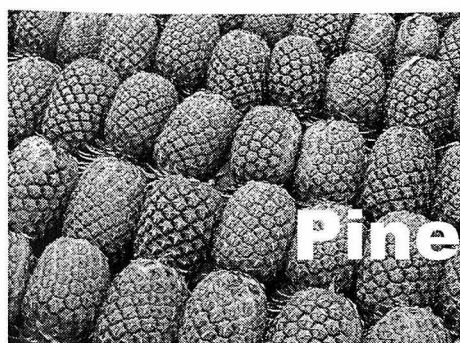
The sluggishness resulting from these large quantities also spread to 'Kent'. A

two-tier market took shape, with low prices for little-coloured average quality fruits and firmer but weakening prices for quality fruits with good colour. Supplies of 'Kent' from Peru sold very unevenly. The reception of entirely green fruits at an unsuitable stage of ripeness had a downward effect on the prices of a proportion of transactions from the beginning of the season, with particularly low levels of EUR 2.50 per box. Better quality goods fetched higher prices but overall volumes were too great and brought prices down. Goods from Ecuador contributed to the worsening of the market by adding to the quantities from other sources. Generally of poorer quality than all the competing fruits, these sold with difficulty and often at lower prices. The run-up to Christmas affected sales, which picked up from Week 50 onwards. However, this increased demand was not enough to clear the stocks available and for prices to perk up. Indeed, arriving goods of satisfactory quality benefited more from this increased demand. In contrast, it passed by the fruits drawn

from stocks or of poorer quality. Clearance sales were conducted to try to cleanse the market and to get it going on a more solid basis but these were partial operations and the continuing accumulation of fruits makes it impossible to be optimistic about the market in January.

The air mango market also experienced price variations and occasional clearance sales were performed at considerably lower prices than those mentioned below. The main cause was the inflow of Brazilian fruits with poor colour and an unsuitable stage of ripeness. The arrival of very ripe fruits weighed heavily on sales, especially as quantities increased just before the Christmas holidays. The small quantities shipped from Peru sold better but a few batches were also sold off cheaply when they did not match market quality requirements. In this difficult context, 'R2E2' mangoes from Australia had a high cost price and did not show much return and so shipments ceased quickly at the beginning of the month.

Mango — Import prices on the French market — Euros							
weeks 2006		49	50	51	52	December 2006 average	December 2005 average
By air (kg)							
Brazil	Haden/Palmer	2.80-3.00	-	-	-	2.80-3.00	nc
Brazil	Kent	3.00-3.50	3.00-4.00	3.50-4.00	3.50-4.20	3.25-3.90	3.95-4.60
Peru	Kent	4.00-4.50	4.00-4.50	4.00	4.00-4.50	4.00-4.35	4.40-4.80
Australia	R2E2	6.00-6.50	-	-	-	6.00-6.50	6.30-6.60
By sea (box)							
Brazil	Tommy Atkins	2.00-3.00	2.00-3.50	2.00-3.50	2.00-3.50	2.00-3.35	3.10-4.20
Brazil	Kent	3.50-6.50	3.50-6.50	3.50-5.50	3.50-5.00	3.50-5.85	5.60-6.60
Ecuador	Tommy Atkins	2.00	-	-	3.00-3.50	2.50-3.50	3.80-4.00
Ecuador	Kent	-	-	2.00-3.00	2.00-3.00	2.00-3.00	nc
Peru	Kent	2.50-4.50	3.50-5.00	4.00-4.50	2.50-4.20	3.10-4.55	nc



# Pineapple

DECEMBER 2006	Pineapple — Import price		
	Euros	Min	Max
	By air (kg)		
	Smooth Cayenne	1.50	1.90
	Victoria	2.80	3.80
	By sea (box)		
	Smooth Cayenne	6.00	9.00
	Sweet	6.00	11.00

**B**usiness is generally brisker and prices more advantageous in December than in all the other months of the year. This year, it was marked more by a decrease in total supplies which sold quite well in spite of a few problems of quality. Supplies on the air-freighted pineapple were also small and of uneven quality. The situation was more profitable for 'Victoria', especially in the last two weeks of the month, but here again the small volumes available did not really allow operators to profit from the good market conditions.

From the first week in December, the rumour that the volumes expected during the month would be smaller began to be confirmed. Pineapple sales followed two distinct movements. The first three weeks of the month were marked by a significant decrease in the quantities shipped from Latin America and a very good market situation with marked under-supply. Operators found themselves with practically no stocks at the end of each week. Demand thus remained at a healthy level, not only making it easier to sell the fruits available but also to send prices upwards. On the 'Sweet' market, very small volumes were expected from Latin America and supplies were very imbalanced, with too high a proportion of small fruits while demand was mainly for large fruits. However, sales were fluid, with prices increasing throughout the first fortnight of the month and then stabilising in the third week. The situation was much the same for 'Smooth Cayenne'. The volumes from Côte d'Ivoire were larger in the first two weeks, with the arrival of two extra ships in Antwerp. Although supplies were temporarily larger this year, they

tend to decrease from one year to the next. The first spot cargo took four days to load because of logistic difficulties, leading to fears of quality problems. This was not the case and this first batch of fruits sold well. In contrast, the cargo of the second spot ship caused more difficulties, as the colour and ripeness of the fruits had frequently gone a little too far. The lack of fruits on the market made it possible to sell them when the quality problems were not too serious. Sales were at a completely different rate in the last week of the month. Operators worked for only three or four days as 25 December was on a Monday and sales to countries like Germany had to be concluded before Friday (as nobody worked on 29 December!). Demand froze and the prices of both 'Sweet' and 'Smooth Cayenne' fell. In most cases, operators tried to avoid having to throw fruits away and, of course, manage their stocks according to the quality of the fruits received. The rumour that the volumes may also be smaller at the beginning of 2007 led to hoping for an improvement of the situation in the coming weeks.

Sales of air pineapple contrasted with those of sea pineapple. Supply decreased in the first week without any resulting strengthening or stabilising of demand. To this were added quality concerns for all fruits except for those from Ghana. The situation improved in the last three weeks of the month with quality improving and stabilising, steady but not excessive demand and prices at a satisfactory level, even if they did not match operators' hopes. It should be noted that 'Perola' sugarloaf pineapples continued to be the subject of enthusiasm at the shipping stage from Benin and their price held at EUR 2.00 to 2.10 per kilo. Much appreciated for their (regular) quality, they are increasingly gaining on 'Sweet Cayenne' exports.

The market for 'Victoria' pineapple was very good throughout the month, especially as demand grew and supplies decreased as Christmas approached. This situation led to rocketing prices in the last week, with strong demand for the small exotics greatly appreciated for their festive appearance.

Pineapple — Import prices on the French market — Main origins — Euros					
Weeks 2006		49	50	51	52
By air (kg)					
Smooth Cayenne	Benin	1.70-1.80	1.75-1.85	1.80-1.85	1.80-1.85
	Cameroon	1.70-1.80	1.80-1.85	1.80-1.85	1.75-1.85
	Côte d'Ivoire	1.50-1.65	1.50-1.70	1.50-1.70	1.70-1.90
	Ghana	1.60-1.75	1.65-1.75	1.65-1.75	1.60-1.70
Victoria	Côte d'Ivoire	2.80-3.00	3.00-3.20	3.20	3.50
	Ghana	3.00-3.20	3.00	3.30-3.50	3.50
	Réunion	3.40-3.80	3.50-3.60	3.60-3.80	3.80-4.00
	Mauritius	3.00-3.50		3.40	3.50
	South Africa	3.20	3.20	3.20	3.50
By sea (box)					
Smooth Cayenne	Côte d'Ivoire	6.50-8.50	6.50-9.00	6.00-9.00	6.00-8.00
	Ghana	8.00-9.00	8.00-9.00	8.00-9.00	
Sweet	Côte d'Ivoire	9.00-10.00	9.00-11.00	10.00-11.00	6.00-9.00
	Cameroon	9.00-10.00	9.00-11.00	10.00-11.00	6.00-9.00
	Ghana	9.00-10.00	9.00-11.00	10.00-11.00	6.00-9.00
	Costa Rica	9.00-10.00	10.00-11.00	10.00-11.00	7.00-8.00





# Sea freight

## DECEMBER 2006

The December average of 137c/cbft Time Charter Equivalent (TCE) crowned an extraordinary second half of the year for the specialised reefer business: as well as being the month with the highest recorded TCE average for 2006, the December figure lifted the annual TCE average for the larger segment to 66.5 c/cbft, some 4.5 c/cbft above last year's final.

What, if anything, does this prove? Most importantly it would appear to indicate that the rules of engagement have changed suddenly and dramatically in favour of the owners and operators. With the growth in demand for reefer capacity and the shortfall in supply, December 2006 surely proves that no longer will operators need to look at the calendar for a steer on the market. The market performance in December also begs the question of how far the market can be forced upwards when demand for capacity traditionally outstrips supply in March. As ever, much will depend on availability of bananas out of Ecuador: current predictions are for a bumper crop. With availability from competitive sources unaffected as yet by inclement weather, this would indicate a low exit price and a likely surge in speculative demand from exporters – and therefore an increase in chartering activity. Although much can change between early January and mid March, owners appear to be rightly confident that certain TCE thresholds will be achieved and surpassed towards the end of the first quarter of 2007. In late December several key members of the specialised reefer industry joined together to found the 360 Quality Association. The new association is a mix of vessel owners, operators and

charterers with the common aim of improving the service quality of the cold chain. The founder members are Chiquita's Great White Fleet, Green Reefers, NYKLauritzenCool, Seatrade, Star Reefers and Universal (Cape) Reefers. The aim of the Association is the 'implementation and further development of the 360 Quality Code to eradicate handling damages from the entire supply chain of specialised reefer shipping to give the very best service to the customers'. The move by the industry has been made in response to the developing worldwide importance of product traceability and Good Agricultural Practice demanded by retail customers. While distributors and suppliers at either end of the supply chain can expect to be subjected to rigorous audits by their customers, there is currently no universal standard of performance measurement for the sea freight logistics chain itself. Should the 360 Quality concept be supported and promoted to the same extent as other quality certification programmes such as EurepGAP and SA8000 it will be possible to identify, audit and 'sell' whole supply chains for fresh produce for the very first time, theoretically giving the mode a competitive advantage over the container lines and the reefer box.

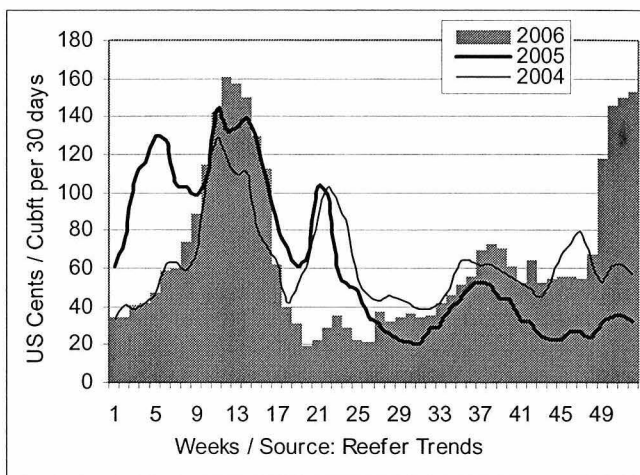
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## Monthly spot averages

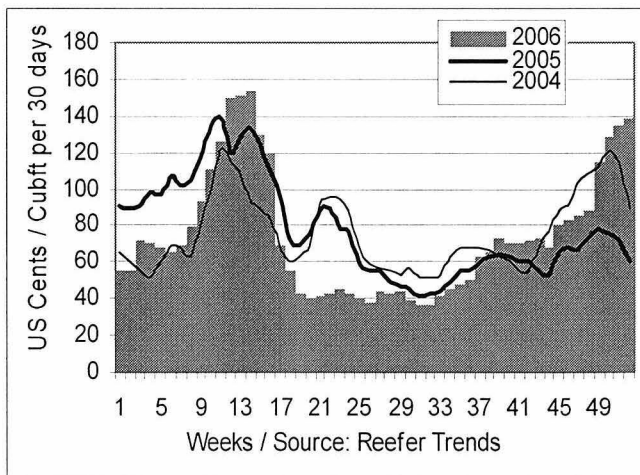
US\$/cents/cubic foot x 30 days	Large reefers	Small reefers
December 2006	137	129
December 2005	28	62
December 2004	58	97

## Weekly market movement

### Large reefers (450 000 cuft)



### Small reefers (330 000 cuft)



# reefer trends

The independent news and information service for the reefer and reefer logistics businesses