

October 2008 - No. 160

FR*ui*TROP

English version

CLOSE-UP:
SMALL EXOTIC FRUITS

Winter tomatoes:
a minefield!

Mango in Côte d'Ivoire:
2008 season

<http://passionfruit.cirad.fr>



Indicators

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Peach/nectarine	34	34
	Apple	12	11
	Apricot	9	11

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.

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JULY-AUGUST 2008

Peach/ nectarine

The supply deficit was a little less severe than in June but remained very significant, especially in August. In this context, sales were fluid even though the weather conditions were unfavourable for consumption and prices were very high at both production and retail stages.

July-Aug. 08 / July-Aug. 07			
Price	↗	Vol.	↘

Apple

Supply was much smaller than usual. The volumes from the southern hemisphere that supply the market in July continued to be very moderate as a result of a shortfall in bicolour apple production in New Zealand and shipping allocation that did not favour the EU market. So the French season started very well in August on an empty market. Prices held at levels markedly higher than average.

July-Aug. 08 / July-Aug. 07			
Price	↗	Vol.	↘

Apricot

Very limited volumes were available. The production deficit was very marked, especially for the variety 'Bergeron'. The season finished early at the beginning of August. Prices held at a very high level.

July-Aug. 08 / July-Aug. 07			
Price	↗↗	Vol.	↘↘

Sea freight

The hopes, perhaps expectations, which operators harboured at the end of June, that the charter market would remain strong over the summer months were brutally dashed at the start of July with a dramatic downturn in Spot activity. After a steady but diminishing stream of fixtures, a sudden accumulation of vessels at the Canal coincided with a not unexpected loss of interest in chartering from the banana traders.

July-Aug. 08 / July-Aug. 07			
large reefers	↘	small reefers	↘

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.



Avocado

JULY-AUGUST 2008

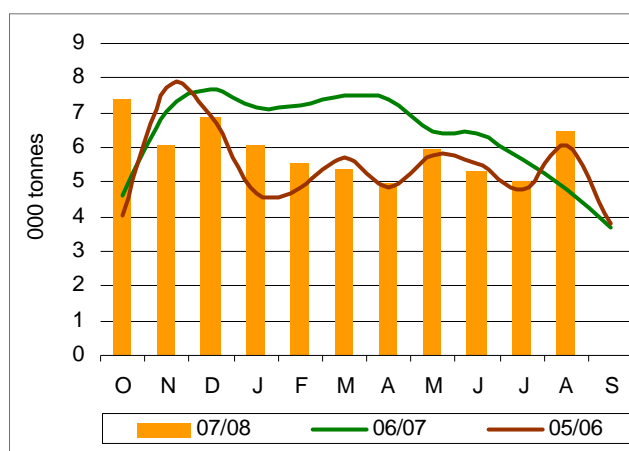
The market behaved in yo-yo fashion during the two summer months. The recovery that started in June was confirmed in July. On the one hand, demand remained at a good level thanks to a fairly large number of promotion operations by supermarket chains. On the other, supply returned to an average level. However, the South African season continued to develop. Arrivals were distinctly larger than average with substantial volumes of 'Hass' making up for the somewhat moderate quantities of green varieties. However, shipments from Peru were down as orders had been reduced during the difficult period in June. The average monthly price was higher than usual. But the market experienced another downswing in August. Demand slowed markedly while overall supply was well above average. Large volumes arrived from South Africa and those from Peru also increased during the last two-thirds of the month. Prices weakened and sank below cost price in the last part of the month. Kenya shipped a moderate complementary quantity throughout the period.

Monthly and annual comparisons

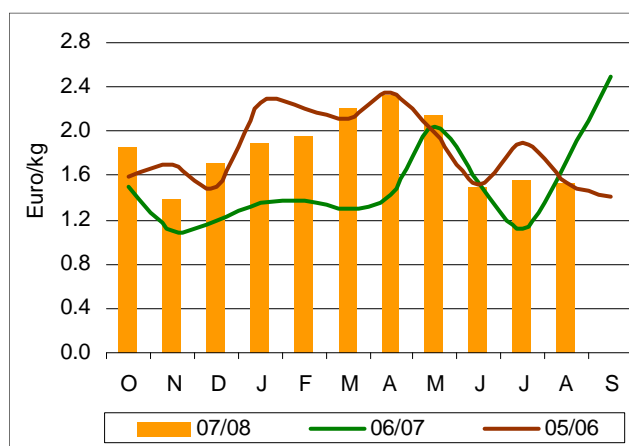
Volumes	Price
August 2008 / July 2008	
↗ + 28%	= ↘ - 1%
July-August 2008 / July-August 2007	
↗ + 10%	↗ + 9%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	July 2008	August 2008	Comparisons (%)				Total season 2007/2008	Season comparisons (%)	
			2008/2007		2008/2006			07-08/06-07	07-08/05-06
			July	August	July	August		July-August	July-August
Peru	2 493	3 370	- 22	+ 64	+ 9	+ 29	11 770	+ 34	+ 27
Kenya	428	797	- 29	+ 29	- 61	- 34	3 549	- 18	- 43
South Afr.	2 101	2 274	+ 13	+ 20	+ 49	+ 34	8 851	+ 26	+ 48
Total	5 022	6 441	- 11	+ 34	+ 5	+ 6	24 170	- 42	- 39



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FRUITIERE

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de bananes



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Banana

JULY-AUGUST 2008

The European market behaved well during the summer period, when there is often a serious crisis. However, supply was fairly substantial in July. The deficit in cumulated shipments from the French West Indies and Africa was still marked. However, arrivals of dollar bananas were very large as the volumes exported to Europe from all the major sources were more substantial than in 2007. Nevertheless, demand was good for the season. On the one hand, the weather was cooler than usual during the first three weeks and, more important, competition from the season's fruits was much more limited than in 2007 as a result of the serious deficit of stone fruits. Prices thus remained higher than normal, especially in France and Italy.

Prices held at a good level in August. The weather continued to be favourable for banana consumption, especially in mid-month, while competition from the season's fruits remained very moderate. The apricot season finished in the first week of the month and supplies of peach and nectarine dwindled earlier than usual. Furthermore, the volumes available decreased distinctly. Arrivals of dollar bananas returned to a level close to normal while the deficit in fruits from FWI + Africa became more marked.

Monthly and annual comparisons

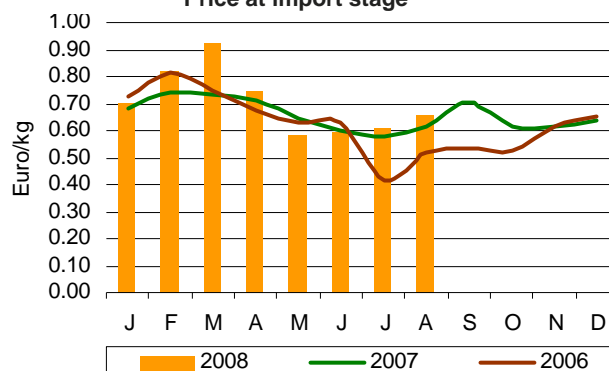
Volumes*	EU reference price**
August 2008 / July 2008	
↘ - 18%	↗ + 8%
July-August 2008 / July-August 2007	
↘ - 15%	↗ + 6%

* Arrivals from Africa/West Indies

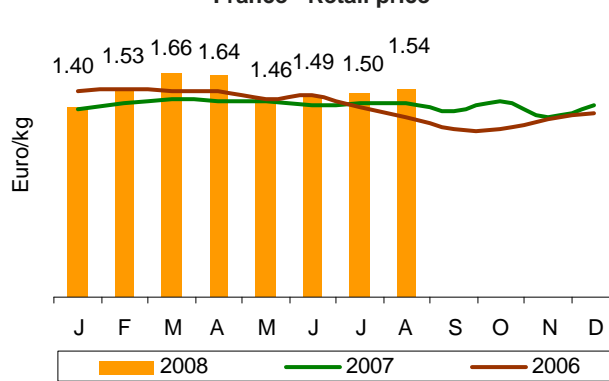
** Green price in Germany (GlobalGap)

French banana market — Indicators

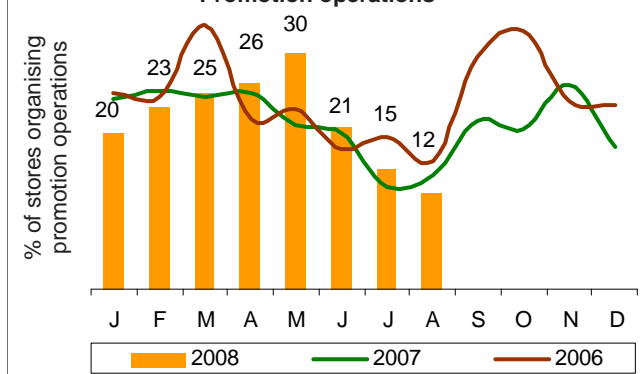
Price at import stage*



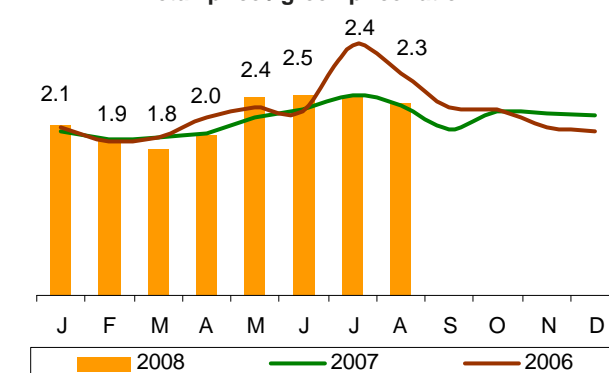
France - Retail price



Promotion operations



Retail price / green price ratio*



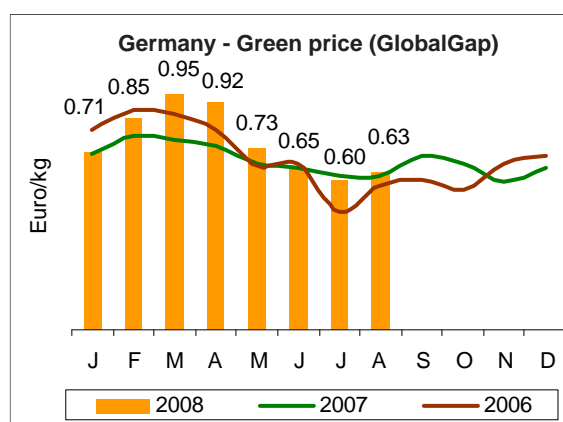
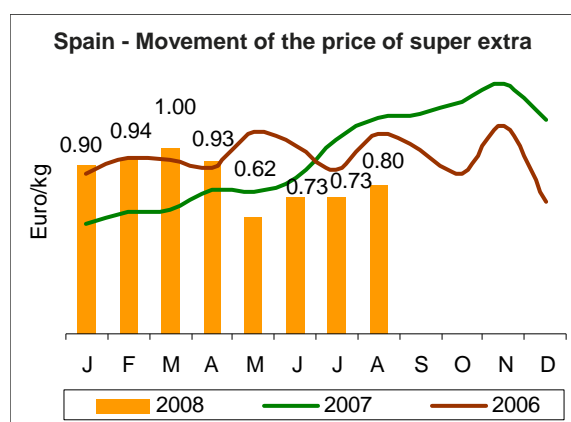
* African origin

European banana market — Indicators

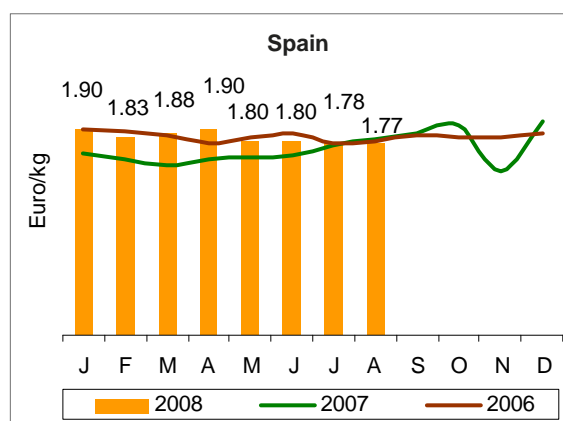
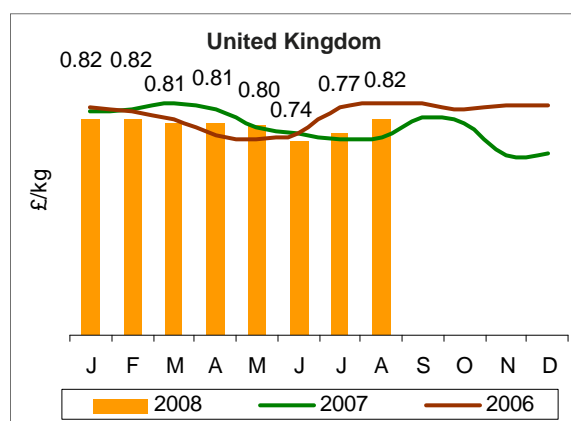
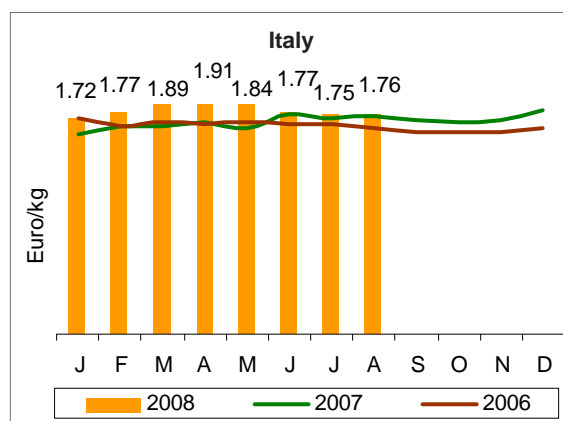
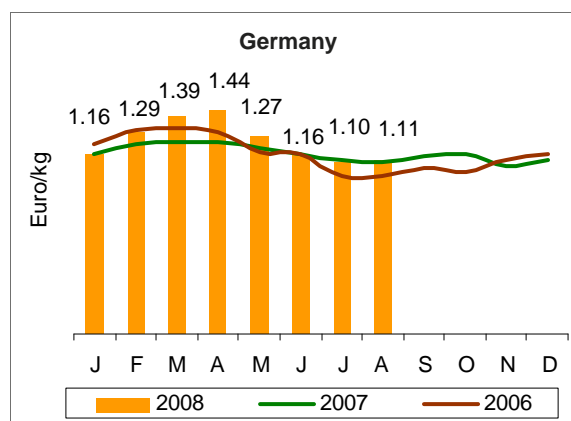
Main origins in Europe

Tonnes	July 2008	August 2008	Comparisons (%)				Total season 2008	Season comparisons (%)	
			2008/2007		2008/2006			2008/2007	2008/2006
			July	August	July	August			
Martinique	11 367	7 644	- 32	- 50	- 27	- 57	87 825	- 36	- 31
Guadeloupe	4 068	4 259	+ 5	+ 9	+ 7	- 10	26 485	- 16	- 10
Canaries	24 681	20 932	+ 18	+ 12	+ 42	+ 14	245 021	+ 10	+ 16
Côte d'Ivoire	8 242	7 782	- 20	- 33	- 33	- 48	77 410	- 28	- 43
Cameroon	16 746	13 718	+ 22	- 14	- 12	- 22	161 086	+ 11	0
Ghana	4 151	3 354	+ 144	+ 20	-	-	30 162	-	-

Green price in Europe



Retail price in Europe



Sources : CIRAD, SNM, TW Marketing Consulting



Orange

JULY-AUGUST 2008

Limited since the beginning of the season, supply from the southern hemisphere increased and was clearly greater than average in both July and August. Arrivals from South Africa increased throughout the period, with the peak of the season for 'Navel' and then for 'Valencia'. Shipments were large, especially in August, thanks to a good 'Navel' harvest and shipping allocation favouring the EU at the expense of Russia and, even more so, the Far East. Volumes of 'Valencia' from Argentina were also large. Production was substantial and exporters also preferred the EU market to Russia. 'Valencia' from Spain and Brazil formed a limited complement.

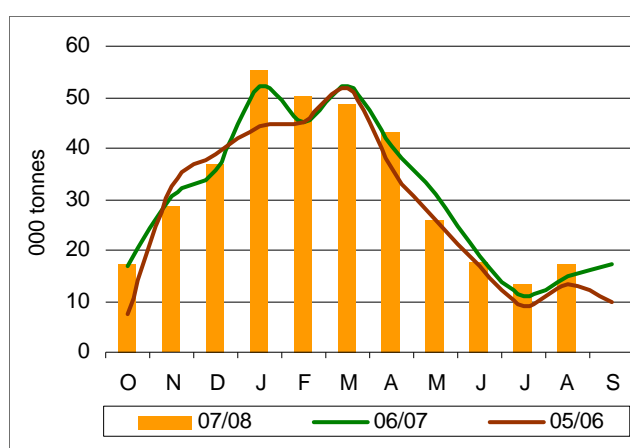
The market became cumbersome but kept its balance in July. Demand was typical of the season and no stocks were available at the beginning of the month. The situation then worsened considerably at the beginning of August. The stocks available and sluggish demand—this did not recover and was much slower than usual in the second half of the month, especially in northern Europe—sent the market into a downward spiral. The average price was fairly high in July and then much lower than the average in August.

Monthly and annual comparisons

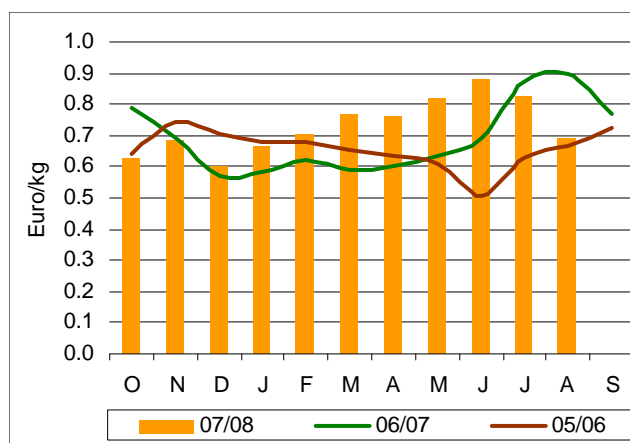
Volumes	Price
August 2008 / July 2008	
↗ + 30%	↘ - 16%
July-August 2008 / July-August 2007	
↗ + 18%	↘ - 16%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	July 2008	August 2008	Comparisons (%)				Total season 2007/2008	Season comparisons (%)	
			2008/2007		2008/2006			07-08/06-07	07-08/05-06
			July	August	July	August		July-August	July-August
Spain	2 782	1 072	- 21	- 19	- 16	- 42	270 544	- 7	+ 2
South Africa	10 343	16 300	+ 40	+ 19	+ 78	+ 42	30 346	+ 31	+ 57
Morocco	253	-	+ 261	-	-	-	14 485	+ 90	+ 24
Total	13 377	17 372	+ 22	+ 16	+ 47	+ 31	315 375	+ 14	+ 15



Grapefruit

© Eric Imbert

JULY-AUGUST 2008

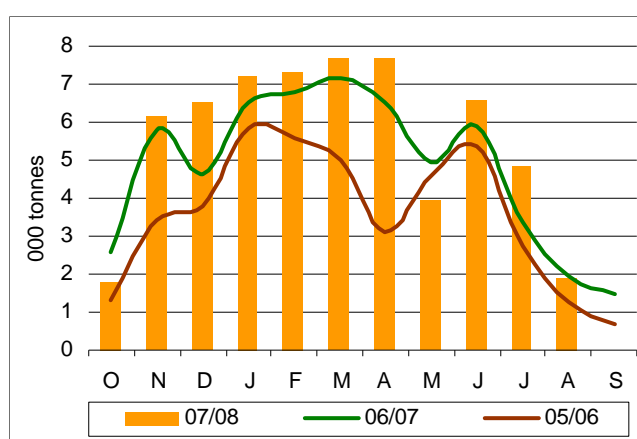
After being average in June, arrivals were much more substantial than in 2006 and 2007, especially in July. As is seen every year, deliveries from South Africa started to decrease at the beginning of July but remained 15 to 20% larger than those of 2007. In addition, shipments from Argentina were also larger to both eastern and western European markets. Mexico (Michoacán) and then Honduras shipped complementary volumes as in 2007—in mid-July and at the beginning of August respectively. Demand was average in France but somewhat slow in northern Europe. It was focused on South African fruits and this kept their prices high. In this context, the situation was more difficult for Argentina, especially as quality problems were observed in certain brands. Likewise, the arrival of Mexican and Honduran fruits on the market was fairly laborious. The average price during the period was higher than in 2007 but this conceals disparities between supply sources.

Monthly and annual comparisons

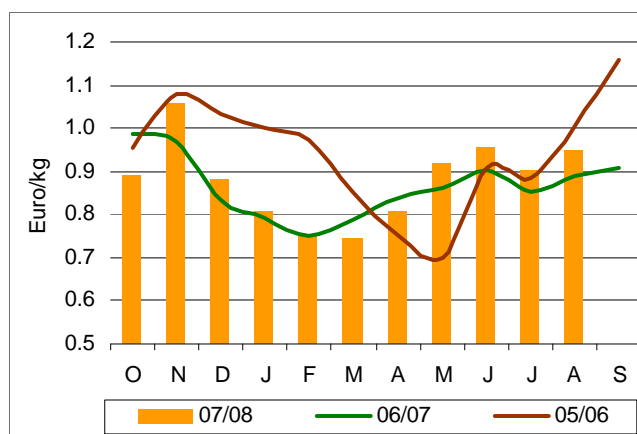
Volumes	Price
August 2008 / July 2008	
⬇️⬇️⬇️ - 61%	⬆️ + 5%
July-August 2008 / July-August 2007	
⬆️⬆️ + 27%	⬆️ + 6%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	July 2008	August 2008	Comparisons (%)				Total season 2007/2008	Season comparisons (%)	
			2008/2007		2008/2006			07-08/06-07	07-08/05-06
			July	August	July	August		July-August	July-August
Argentina	1 894	81	+ 70	- 72	+ 68	- 58	5 230	+ 13	+ 23
South Afr.	2 960	1 814	+ 31	+ 10	+ 82	+ 68	9 805	+ 5	+ 28
Total	4 854	1 895	+ 76	+ 49	+ 12	- 17	15 035	+ 26	- 31



Litchi

Litchi — Import prices on the Dutch market Euro/kg		
July-August	Min	Max
By sea		
Thailand	2.10	2.50
Thailand (large fruit varieties)	2.20	3.00
Israel	3.00	4.00

JULY-AUGUST 2008

The European litchi market was fairly limited in July and August. The Thai export season gradually came to an end, leaving the market open to Israeli produce. Most Thai litchis were marketed in the Netherlands, while Israeli fruits were shipped more widely to the various European markets right from the beginning of the season. The prices for produce from both sources remained fairly stable throughout the summer, with limited demand. The small deliveries matched supply requirements.

The Thai litchi export season started at the end of April and finished at the end of July. Arrivals dwindled markedly in the second half of the month and stored goods were also sold. This resulted in a fall in prices. A worsening of fruit quality was observed from the beginning of July onwards and this affected selling prices, first patchily and then for all goods. Most of the shipments from Thailand arrived in the Netherlands before being forwarded to the various European markets. It would seem that the reluctance to buy litchi in France in the summer was confirmed this year once again, with very small, erratic sales. This season, Thailand seemed to increase shipments of varieties with large fruits ('Chakrapat' and 'Emperor') in addition to its usual range. These fruits started to arrive at the end of June/beginning of July and ceased in the first weeks of August, thus extending the traditional Thai season by a few extra weeks. The first arrivals of these large fruits were well-received and then interest gradually waned and prices fell. A few

batches shipped by air were also sold on the French market at high prices (EUR9.00-10.00 per kg). Marketing stopped for lack of customer interest after the sale of small quantities.

The sale of Thai litchis became more difficult from mid-July onwards because of competition as shipments of Israeli started. After being fairly high in the first three weeks of July, prices of Israeli litchis weakened at the end of the month and stabilised at about EUR3.00-3.50 per kg until the end of August.

Israeli litchis appeared on the French market in mid-July. Prices were steady at some EUR3.00-3.50 per kg until the end of the month in spite of slow demand as sales were limited by the quantities available. Prices weakened to about EUR2.50-3.00 per kg in August and then firmed to EUR3.00-3.50 per kg at the end of the month because of the small quantities available. In parallel, a few batches of 'Nomaïtchi' (a seedless variety) arrived by air and were sold

at EUR6.00 per kg. These fruits were sold through delicatessen type channels.

In Belgium, the sale of Israeli litchis started at the beginning of July at EUR3.50 per kg. As on the other European markets, prices then fell and stabilised at around EUR3.00 per kg. They were still about EUR3.00-3.25 per kg in early August but fell to EUR2.00 per kg in the middle of the month. Lack of demand and more irregular fruit quality accounted for this trend. Prices recovered to EUR3.00-3.10 per kg at the end of the month.

The prices mentioned for sales of Israeli litchis on the various markets are for fruits of satisfactory quality. More marked variations were observed during the two-month period according to the quality of the batches. This year, the fine colour of some batches of Israeli litchis was noted—similar to that of Spanish produce.

Litchi — Import price on the Dutch market — Euros/kg											
Weeks 2008	27	28	29	30	31	32	33	34	35	July-Aug. 2008 average	July-Aug. 2007 average
By sea											
Thailand	2.20-2.50	2.20-2.30	-	2.10-2.20	-	-	-	-	-	2.15-2.30	2.00-2.50
Thailand*	2.80-3.00	2.70-3.00	2.50-2.75	2.50	2.50	2.20-3.00	-	-	-	2.50-3.25	nc
Israel	-	4.00	3.50-4.00	3.50-4.00	3.00-3.75	3.00-3.50	3.50-3.60	3.00-3.50	3.00-3.40	3.30-3.70	2.65-3.05

* large fruit varieties



Mango

Mango — Weekly arrivals — Estimates in tonnes										
weeks 2008	27	28	29	30	31	32	33	34	35	
By air										
Mali	60	40	-	-	-	-	-	-	-	-
Burkina	5	-	-	-	-	-	-	-	-	-
Mexico	-	-	20	40	20	20	15	-	-	-
Senegal	40	50	30	-	-	-	-	-	-	-
Israel	-	-	-	-	-	-	-	40	40	-
By sea										
Brazil	704	440	680	830	1 120	1 100	940	900	940	-
Mali	440	550	330	220	170	-	-	-	-	-
Senegal	550	1200	660	220	440	-	-	-	-	110

JULY-AUGUST 2008

Demand for mango is limited in July and August. The season's fruits and the holidays strongly affected consumption of tropical fruits. The small demand was matched by fairly moderate supplies, helping to keep prices at a medium level. A number of sources that are generally strongly present at this time of year seemed to have reduced their shipments, thus responding to natural market demand without generating any marked over-supply.

In July, the market was supplied mainly by Brazil and Senegal. The last batches from Côte d'Ivoire sold with difficulty because of worsening quality. Mali continued its export season with small volumes. Finally, shipments from Mexico began but quantities were small from this source too. Arrivals from many sources that were beginning or ending their seasons, the range of varieties and uneven fruit quality led to a degree of confusion in transactions. As the month went by, a few arrivals were noted from the Dominican Republic and Puerto Rico, consisting mainly of 'Keitt'. These new sources made up for the decreasing volumes of sources whose seasons were ending, such as Côte d'Ivoire, but without causing real over-supply. The Israeli export season started in the second half of the month for fruits shipped by sea, with 'Tommy

Atkins' and then 'Lilly'. Prices remained stable during the period and at a coherent level for all the sources represented. The main reason for this seems to have been the moderate scale of deliveries, maintaining market balance while demand decreased.

The air mango market was also stable in July and arrivals were measured. Fruits from Mali sold at a slightly lower price than those of the fruits available from other sources as they were sometimes very ripe. Produce from Senegal soon ran into sales problems for reasons of erratic quality. The appearance of spreading spots obliged recipients to resort many batches. The irregular keeping quality of mangoes from Mexico made sales more complicated in a difficult market context. The Israeli export season started in mid-month with the varieties 'Maya', 'Aya', 'Shelly' and

'Kasturi'; these rapidly dominated supply at the expense of less abundant 'Kent'.

In August, European supplies still arrived mainly from Brazil, with regular deliveries of 'Tommy Atkins'. Mali soon stopped shipping, being replaced by second flowering fruits from Senegal. Problems of quality continued for the latter origin and buyers were increasingly difficult to find. Logistic concerns also resulted in erratic arrivals—always detrimental for smooth marketing operations. The supply of fruits from Israel increased gradually and diversified during the month with shipments of 'Kent' and also of 'Lilly'. Nevertheless, Israeli mangoes were not as present as in recent years and so prices remained stable throughout the month. Supply was completed by fruits from Puerto Rico and the Dominican Republic.

Supply was fairly limited on the market for mangoes shipped by air and this kept prices stable. Some irregular quality in batches from Israel and Mexico (spotting or over-ripeness) led to occasional broadening of price ranges or clearance sales when quality was substandard. Second-flowering fruits from Senegal had a mixed reception because of considerable unevenness as regards quality and markedly limited keeping qualities. A few batches of 'Kent' and 'Keitt' from the Dominican Republic had difficulty in finding takers in a market with slow demand. In the second half of the month, supply by air was completed by a few batches of 'Kent' from Egypt whose appearance was unattractive but that had good taste qualities.

Mango — Import prices on the French market — Euros												
Weeks 2007		27	28	29	30	31	32	33	34	35	July-Aug. 08 average	July-Aug. 07 average
By air (kg)												
Mexico	Kent	4.00-4.50	4.00-4.50	4.00-4.50	4.00-4.50	4.00-4.50	4.00	4.00-4.50	-	-	4.00-4.40	4.00-4.35
Mali	Kent	2.80-3.50	2.80-3.50	3.00-3.50	-	-	-	-	-	-	2.85-3.50	2.90-3.35
Israel	Maya	-	-	3.50	3.00-3.50	2.80-3.50	3.00	2.40-3.00	2.80-3.00	-	2.90-3.25	3.25-3.75
Israel	Shelly/Kast	-	4.20-4.30	3.80-4.00	3.00-3.50	3.00-3.30	3.00	2.00-3.00	2.00-3.00	3.00-3.50	3.00-3.45	-
Israel	Kent	-	-	-	-	-	-	3.50-4.50	3.50-4.00	3.00-4.00	3.30-4.15	nc
Senegal		3.50-4.00	3.50	3.00-3.50	3.00-3.50	-	-	3.50	3.50-4.00	3.00-3.50	3.30-3.65	3.15-3.90
By sea (box)												
Brazil	Tommy At.	-	-	4.00-4.50	4.00	4.00-4.50	4.00-4.50	4.00-5.00	4.00-4.50	4.50-5.00	4.05-4.60	2.75-4.00
Mali	Kent/Keitt	4.00-4.50	4.00-5.00	4.00-5.00	4.00-4.50	3.00-4.00	4.00-5.00	4.50-5.00	3.50-4.00	-	3.90-4.60	3.75-4.75
Côte d'Iv.	Kent/Keitt	4.00-4.50	3.50-4.00	-	-	-	-	-	-	-	3.75-4.25	nc
Israel	Tommy At.	-	-	-	-	-	4.00	4.00-5.00	4.00-5.00	4.00-5.00	4.00-4.75	3.00-3.80
Israel	Kent	-	-	-	-	-	-	4.50-5.00	4.00-5.00	4.00-5.00	4.25-5.00	3.00-3.65
Senegal	Kent	4.00-5.00	4.00-4.50	4.00-5.00	4.00-4.50	4.00-4.50	4.00	3.50	5.30-5.50	4.50-5.50	4.15-4.65	3.75-4.70
Mexico	Kent	-	5.00-6.00	4.50	4.00-4.50	3.50-4.50	4.00-4.50	4.30-5.00	4.50-5.50	-	4.25-4.90	4.05-5.05
Puerto Rico	Keitt	-	-	-	-	-	3.25-4.50	4.50-5.00	4.75-5.00	4.00-5.00	4.10-4.85	3.35-3.85



Pineapple

© Denis Loelliet

Pineapple — Import price		
Euros	Min	Max
By air (kg)		
Smooth Cayenne	1.55	1.95
Victoria	2.50	3.60
By sea (box)		
Smooth Cayenne	4.00	9.00
Sweet	5.00	12.00

JULY-AUGUST 2008

In July and August, demand was focused—as usual—on the season's fruits that were available at low prices. However, the decrease in volumes of 'Sweet' that began at the end of June continued throughout the summer. Its effects on prices were not felt until the end of July. The situation on the air pineapple market changed little throughout the summer. Supply and demand were very irregular but prices remained fairly stable nonetheless. At the end of August, Cameroon started levying a new airport tax, making the marketing of fruits from this source a little more difficult. It was difficult for sales of Victoria pineapple to pick up again as the season's fruits were available at very low prices.

The first three weeks of July were marked by uncertainty with regard to an expected decrease in the volumes shipped from Costa Rica. It is true that supplies were smaller than expected but demand had also decreased and it was difficult to shift the volumes received. In addition, fruits from Latin America were of very irregular quality, overripe or lacking in colour. Prices remained fairly low during the first two weeks and so stocks were cleared to a certain extent. The decrease in volumes arriving from Costa Rica was more significant and operators were sometimes unable to supply the goods promised. The increase in price that started in the last week in July continued throughout August. However, there was no spectacular increase in prices—which remained no more than high. Sales were fluid as supply was well short of demand. Although the increase in prices at the end of July was almost immediate on all European markets, it took a little time to take shape in France. Indeed, operators were reluctant to swallow a price increase of EUR2 per box in one week. The pattern was much the same on the 'Smooth Cayenne' market. Prices were very low at the end of June and, even though supply dwindled

steadily in July it was difficult to increase prices as there were problems of quality. Logistic problems came over and above this (container ships delayed), which considerably affected supply and the quality of the few fruits that did reach the market. The decrease in supplies of 'Sweet' favoured sales of 'Smooth Cayenne' and these were brisker and more fluid from the end of July onwards. Even if the supply of 'Smooth Cayenne' was very small and quality uneven at the beginning of the summer, some brands succeeded in clearing the famous psychological threshold of EUR10 per box at the beginning of August, thanks to the fine quality of the fruits in question. At the end of August, operators were beginning to anticipate a more tense situation in September for both 'Smooth Cayenne' and 'Sweet' as larger volumes from Latin America had been announced.

The situation for pineapple imported by air was good overall throughout the summer, as supply was very small. In early July, 'Smooth Cayenne' from Benin was fragile as the weather had been very wet, lacked colour and stored badly. Quality increased markedly from mid-month onwards and

held until the end of August. Prices of sugarloaf pineapple from Benin were at a good level, holding at between EUR1.90 and 2.00 per kg, in spite of a slight dip at the end of August (EUR1.90 to 1.95 per kg). Supply from Cameroon, with problems of quality, dwindled as the summer went by. Even though the prices held, it was difficult to return to a good quality level. The application in Cameroon of an airport tax of CFAF 25 per kg leads to fears of decreased competitiveness in comparison with Benin, Côte d'Ivoire and even Ghana.

Although sales of 'Smooth Cayenne' and sugarloaf pineapples were fairly fluid, the situation was much more complex for 'Victoria' pineapple. The availability of the season's fruits at very low prices resulted in serious problems for all the small exotics, which suffered from very poor sales. Although supply was limited in July, it remained diversified, with fruits from several sources. Demand fell sharply in August and operators found it increasingly difficult to sell 'Victoria'. Only fruits from Réunion were still available while demand continued to dwindle.

Pineapple — Import prices on the French market — Main origins — Euros

Weeks 2008	27	28	29	30	31	32	33	34	35
By air (kg)									
Smooth Cayenne Benin	1.80-1.90	1.80-1.90	1.80-1.90	-	1.85-1.90	1.80-1.90	1.85-1.95	1.85-1.95	1.80-1.90
Cameroon	1.55-1.90	1.55-1.90	1.70-1.90	1.65-1.85	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90
Ghana	1.55-1.70	1.65-1.80	1.65-1.75	1.60-1.70	1.70-1.80	1.70-1.80	1.70-1.80	1.70-1.80	1.55-1.80
Côte d'Ivoire	1.70-1.80	1.80-1.90	1.80-1.90	1.80-1.85	1.80-1.90	1.80-1.90	1.85-1.90	1.85-1.90	1.85-1.90
Guinea	1.80-1.90	-	-	-	-	-	-	-	-
Victoria Côte d'Ivoire	2.50	2.50-3.00	-	2.50-2.60	-	-	-	-	2.50
Réunion	3.40-3.60	3.40-3.50	3.00-3.50	3.20-3.50	3.50	3.50	3.50	3.40-3.60	3.30-3.60
Mauritius	-	2.80-3.00	2.80-3.00	2.80-3.00	-	-	-	-	-
South Africa	2.50	2.50	2.50-3.00	2.80-3.00	-	-	-	-	-
By sea (box)									
Smooth Cayenne Côte d'Ivoire	4.00-6.00	4.50-6.00	4.00-7.00	5.00-7.00	4.00-7.50	6.00-9.00	6.00-9.00	6.00-9.00	7.00-8.00
Sweet Côte d'Ivoire	6.00-8.00	6.50-8.00	6.00-8.00	6.00-8.00	7.50-8.50	7.00-9.00	8.00-10.00	8.50-10.50	9.00-11.50
Cameroon	6.00-8.00	6.50-8.00	6.00-8.00	6.00-8.00	7.50-8.50	7.00-9.00	8.00-10.00	8.50-10.50	9.00-11.50
Ghana	6.00-8.00	6.50-8.00	6.00-8.00	6.00-8.00	7.50-8.50	7.00-9.00	8.00-10.00	8.50-10.50	9.00-11.50
Costa Rica	5.00-7.00	5.00-7.00	5.50-7.50	6.00-8.00	7.50-8.50	8.00-9.00	10.00-11.00	11.00-12.00	11.00-12.00



Sea freight

JULY-AUGUST 2008

The hopes, perhaps expectations, which operators harboured at the end of June, that the charter market would remain strong over the summer months were brutally dashed at the start of July with a dramatic downturn in Spot activity. After a steady but diminishing stream of fixtures, a sudden accumulation of vessels at the Canal coincided with a not unexpected loss of interest in chartering from the banana traders.

Although the poultry and fish trades continued to absorb tonnage this did not prevent lay-by for some of the fleet's choice units. It is instructive to note that despite operating the largest fleet, Seatrade had few vessels uncovered over the period, indicative of the structural change in its focus away from the Spot market and towards an 'industrial', liner strategy. Indeed despite a fall in Spot enquiries, all liner operations (specialised reefer and container line) from South Africa, Argentina and Central and South America continued to operate at full capacity. While the Spot market remained in the seasonal doldrums there were significant developments in the Period market, while ever more vessels were fixed into the Indian sub-continent for demolition. While the benchmark market health indicator Canary Island seasonal tomato contract was fixed at only a marginal increase on last season, Russian charterers JFC and Sunway had little choice but to pay top dollar for larger units on

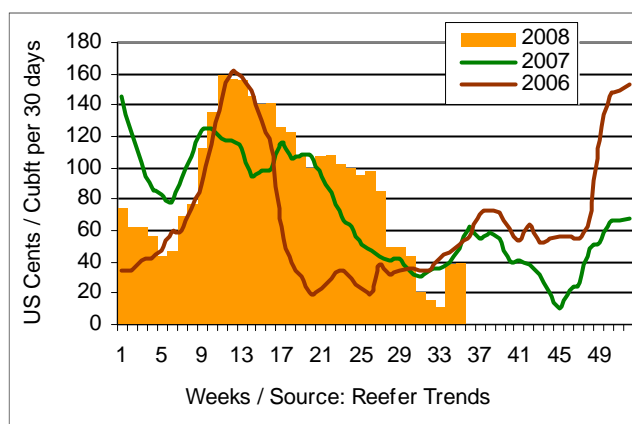
longer deals. With so much more of the Baltic fleet likely to be scrapped this year or next on the one hand and the Russian ports and terminals still unable to handle large numbers of reefer containers on the other it will be fascinating to see how the vertically integrated distributors choose to manage their supply chains once these units are demolished. It may not be long before the knock-on impact of any such move is felt by southern hemisphere fruit exporters, with CSAV in particular left exposed by the change. However with the container charter market continuing to weaken, the Chilean charterer might instead seek solace in the box alternative. The monthly averages were once again complicated by the enormous variance in yields on fixtures of older vessels fixed on bargain box rates into the Med on the one hand and modern units fixed on TC to the majors on the other. As long as the oil price stays high the calculation difficulties will remain.

Monthly spot average US\$cents/cubic foot x 30 days

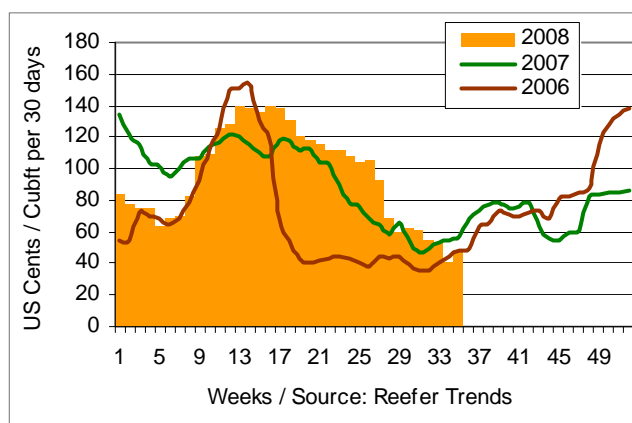
Year	Large reefers		Small reefers	
	July	August	July	August
2008	45	27	68	51
2007	38	39	55	56
2006	35	43	43	42

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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