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English version

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CITRUS

Prices of fruit juices
and pulps in Europe

Litchi from Madagascar
A very early season



Indicators

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Grapes	18	19
	Peach/nectarine	16	18
	Apple	20	16

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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SEPTEMBER 2008

Grapes

The market has been fairly satisfactory. White varieties including 'Italia' from Italy gained an increasing share and sold fairly smoothly. Prices were slightly higher than in 2007. The market was more laborious for black varieties whose retail prices were higher. Nevertheless, more limited quantities were available, with 'Muscat' displaying a marked deficit.

Sept. 08 / Sept. 07

Price	=↗	Vol.	=↘
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Peach/nectarine

As every year, the end of the season was laborious. However, in spite of the stronger presence of Spanish produce, the volumes to be marketed were smaller than in 2007 as a result of a French production deficit. Demand was particularly sluggish in spite of all this. Stocks formed—especially of yellow peaches.

Sept. 08 / Sept. 07

Price	=↗	Vol.	↘
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Apple

The market has behaved fairly well. Domestic demand was satisfactory and competition between regions was not as strong as in 2007 (sales of fruits from south-east France started earlier). Meanwhile, exports by sea continued to grow and partially make up for the structural recession in intra-European trade resulting from increased production in the UK, Germany, etc. Prices were markedly lower than in August but still higher than in 2007.

Sept. 08 / Sept. 07

Price	=↗	Vol.	=
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Sea freight

Despite the 30-odd ships that have been demolished since the start of the year there was no demand dividend for charter rates in September. A high exit price in Ecuador coupled with uncertain markets in the Med restricted banana chartering. Heavy and persistent rain in South Africa hindered the citrus harvest in the Western Cape. When enough fruit did become available demand and pricing in EU markets had dipped to the point that the annual race to meet the mid October duty deadline didn't get out of the starter's blocks.

Sept. 08 / Sept. 07

large reefers	↘	small reefers	↘
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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.



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Avec **Kirikou,**
1 surprise

à collectionner
dans votre sachet
de bananes



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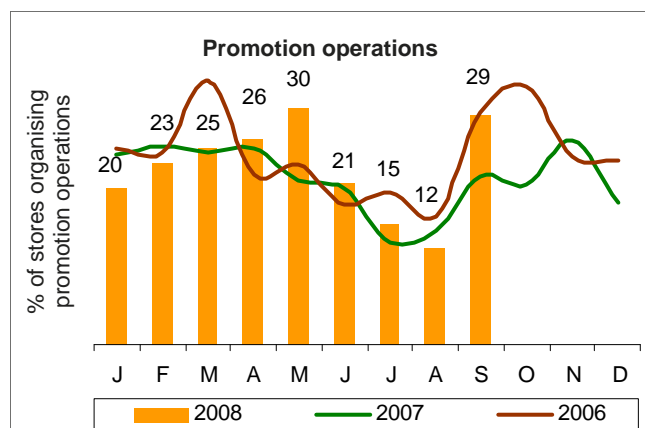
Banana

SEPTEMBER 2008

The market was disappointing even though supply remained moderate. As every year, arrivals increased as the summer shipment schedules came to an end. However, they were similar to those of last year as regards dollar bananas. The marked increase in volumes from Colombia was counter-balanced by just as large a deficit in fruits from Costa Rica. After being strongly present in July and August, Ecuador was more discreet as the volumes available were more limited and massive shipments had left for Russia and above all for the Mediterranean for Ramadan. Deliveries from Africa recovered to a level similar to that of 2007 as the deficit in shipments from Côte d'Ivoire eased and those from Cameroon and Ghana increased. However, they remained markedly smaller than average, as did volumes from the French West Indies.

Demand was abnormally slow for the season both in France and northern Europe. These poor sales seemed to result more from an atmosphere of depression rather than objective factors. Supermarket chains encouraged sales by means of attractive retail prices and numerous promotion operations. In addition, the cooler weather—especially at the end of the month—was favourable for consumption. Finally, although it was more marked than in high summer, competition from the season's fruits remained moderate, with the prices of plums, apples and black grapes remaining high.

Stable to lower in comparison with those of August, quay prices were slightly lower than average in both France and Germany. The situation was also the same in Spain although a new deficit in Canary Island bananas made it possible to increase prices.

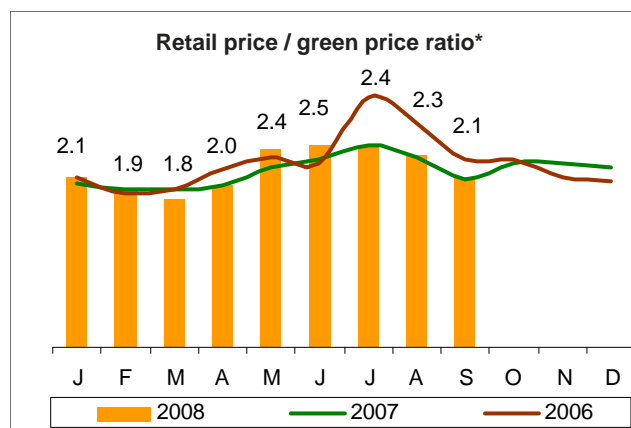
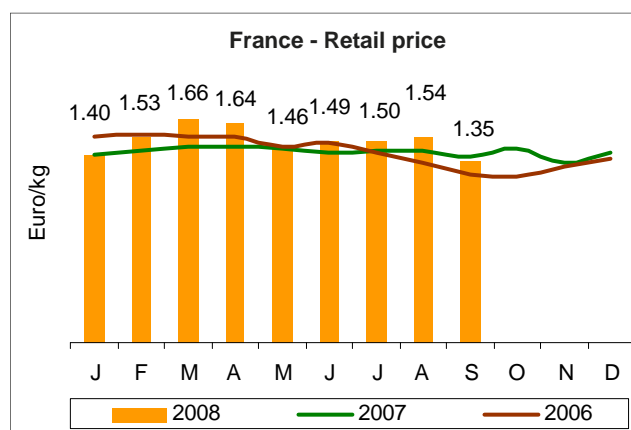
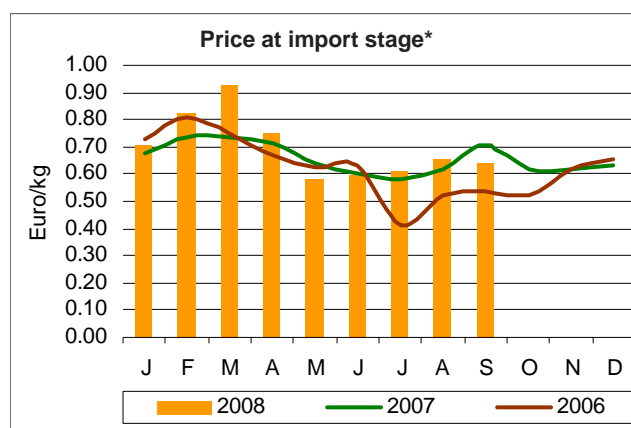


Monthly and annual comparisons	
Volumes*	EU reference price**
September 2008 / August 2008	
↗ + 25%	↘ - 3%
September 2008 / September 2007	
↗ + 48%	↘ - 9%

* Arrivals from Africa/West Indies

** Green price in Germany (GlobalGap)

French banana market — Indicators



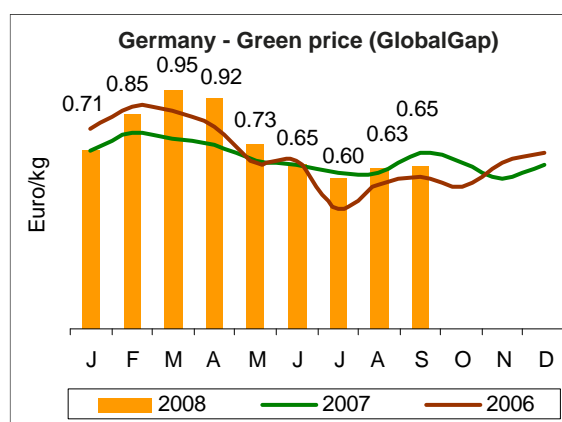
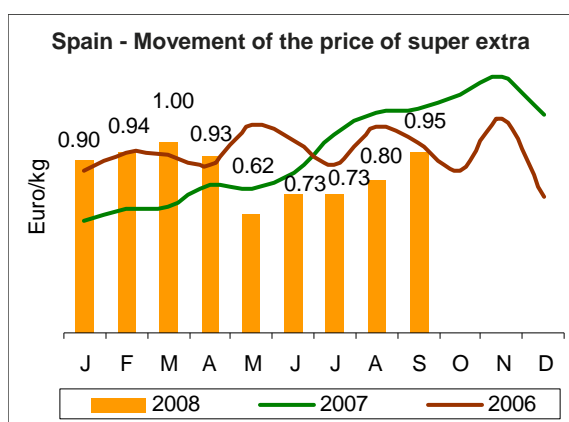
* African origin

European banana market — Indicators

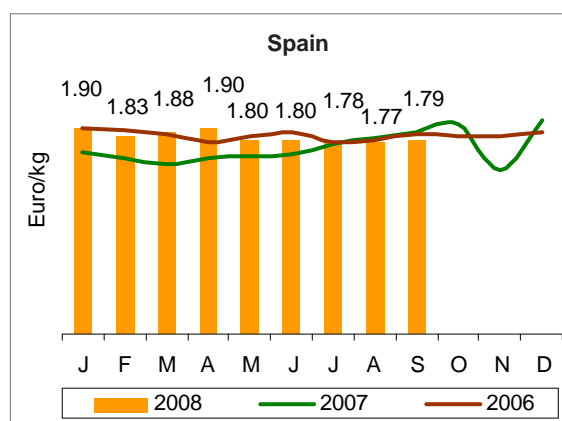
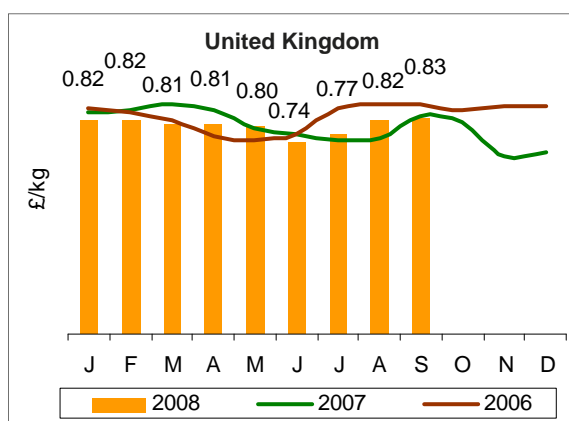
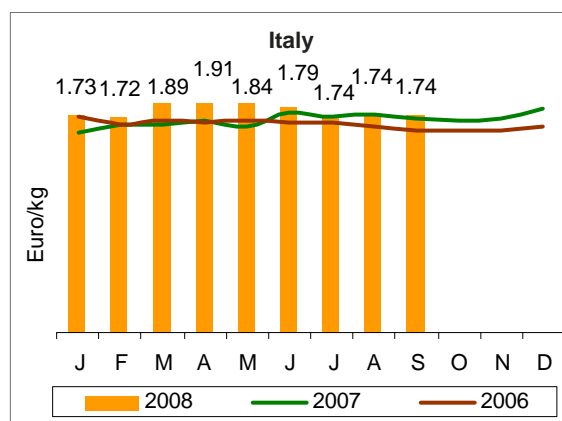
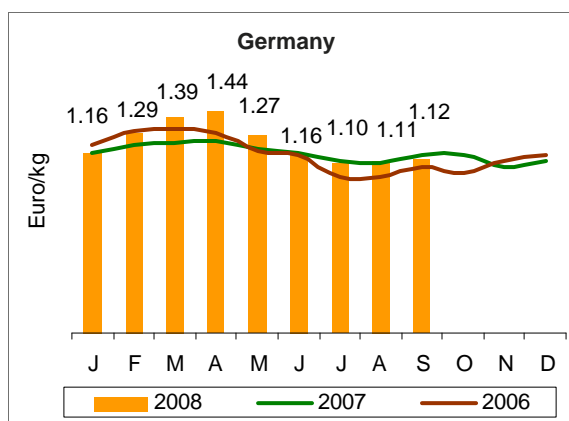
Main origins in Europe

Tonnes	September 2008	Comparisons (%)		Total season 2008	Season comparisons (%)	
		2008/2007	2008/2006		2008/2007	2008/2006
Martinique	7 623	+ 2 843	- 55	106 667	- 22	- 35
Guadeloupe	4 763	+ 166	+ 13	35 936	+ 2	- 6
Canaries	22 947	- 20	- 7	293 426	+ 7	+ 12
Côte d'Ivoire	9 609	- 18	- 40	99 878	- 27	- 42
Cameroon	17 223	+ 19	- 15	207 282	+ 16	0
Ghana	3 147	+ 15	+ 63	36 889	+ 40	+ 181

Green price in Europe



Retail price in Europe



Sources: CIRAD, SNM, TW Marketing Consulting



Avocado

SEPTEMBER 2008

The market was very difficult for most of the month with supplies being particularly substantial. Nevertheless, Chile was practically absent from the market after being strongly present in 2007 and complementary supply from Kenya—consisting mainly of Hass—was small. However, arrivals from South Africa were substantial until the middle of the month. Above all, the Peruvian season was extended, with volumes remaining massive until the beginning of the second half of the month.

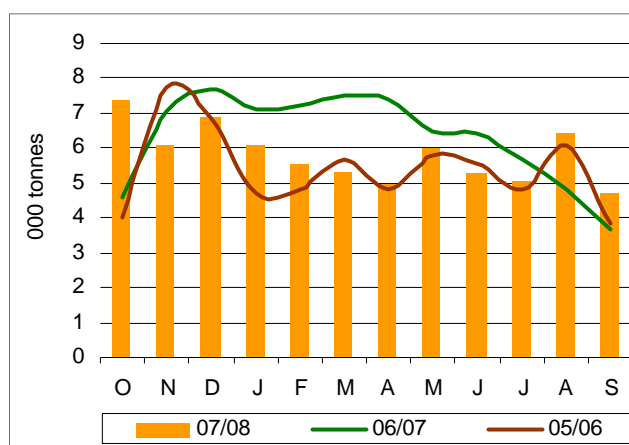
Demand was fairly disappointing. The promotion operations set up with retail chains did not shift as much produce as expected. As a result, large carried-over stocks were available until the end of the month, when the market began to clear. Prices fell for the first two-thirds of the month for both 'Hass' and the few batches of green varieties available (late varieties from South Africa and Peru) and only started to recover right at the end of the month. The monthly price was distinctly below the average.

Monthly and annual comparisons

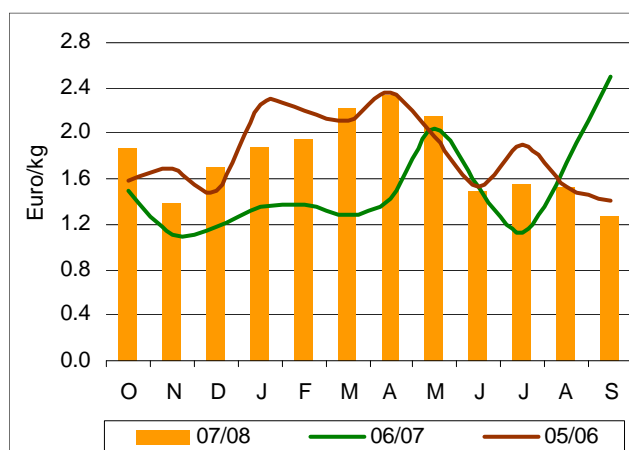
Volumes	Price
September 2008 / August 2008	
⬇️ - 27%	⬇️ - 17%
September 2008 / September 2007	
⬆️ + 27%	⬇️ - 49%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	September 2008	Comparisons (%)		Total season 2007/2008	Season comparisons (%)	
		2008/2007	2008/2006		07-08/06-07	07-08/05-06
Peru	2 526	+ 413	+ 391	14 296	+ 54	+ 46
Mexico	63	- 91	- 91	63	- 92	- 93
Spain	141	- 42	- 100	141	- 42	- 93
Kenya	334	- 45	- 51	3 883	- 22	- 44
South Africa	1 765	+ 35	+ 81	10 710	+ 214	+ 153
Total	4 829	+ 31	+ 26	29 093	+ 20	+ 13



Orange

SEPTEMBER 2008

The market has been difficult in August and remained under pressure. Supply was fairly substantial. Deliveries from Argentina were about 25% smaller than average. Nevertheless, shipments from South Africa were still fairly substantial even if they displayed a deficit in comparison with those of 2007. Finally, the significant stocks of fruits from all sources at the beginning of the month added to the weight on the market.

In parallel, demand remained slower than in past seasons in France and also in the rest of the EU (especially in Northern Europe). The traditional back-to-school promotion operations in which large volumes are shifted did not come up to expectations.

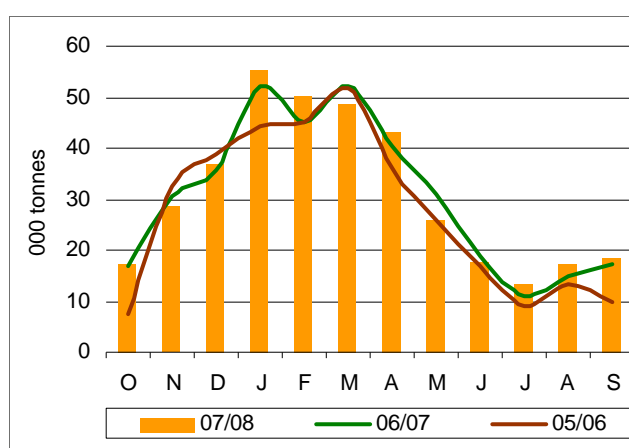
In this context, already low prices lost even more ground at the end of the month. The average monthly price was the poorest since 2002, running at 14% below the three-year average.

Monthly and annual comparisons

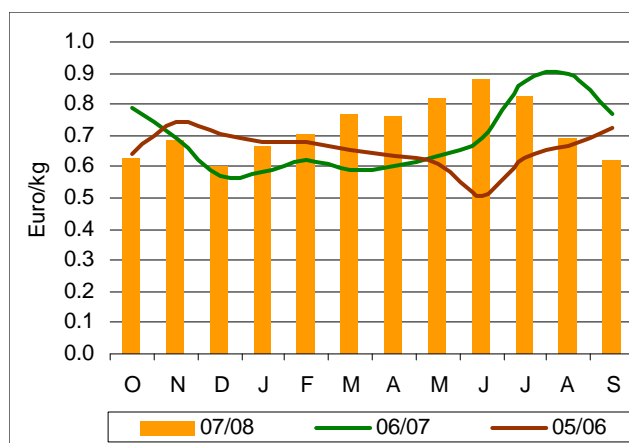
Volumes	Price
September 2008 / August 2008	
↗ + 6%	↘ - 10%
September 2008 / September 2007	
↗ + 8%	↘ - 20%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	September 2008	Comparisons (%)		Total season 2007/2008	Season comparisons (%)	
		2008/2007	2008/2006		07-08/06-07	07-08/05-06
Spain	1 951	+ 63	+ 29	272 495	- 7	+ 2
South Africa	16 513	+ 4	+ 100	46 859	+ 20	+ 70
Total	18 464	+ 8	+ 89	319 354	- 4	+ 8



Grapefruit

SEPTEMBER 2008

The market continued to be fairly disappointing. Arrivals were markedly down on the average. First, shipments from South Africa were limited and nearly half the volume received in 2007 as the harvest was smaller this year, with exports running at some 13 million boxes in comparison with more than 14.5 million. Likewise, deliveries from Central America were somewhat down. Shipments from Honduras and the Michoacán state (Mexico) were similar to those of 2007 and continued to peak. In contrast those from Yucatán (Mexico), whose season started at the beginning of the month, were smaller, with the packing yield limited by small fruit size this season. Deliveries from Argentina were marginal, as they are every year.

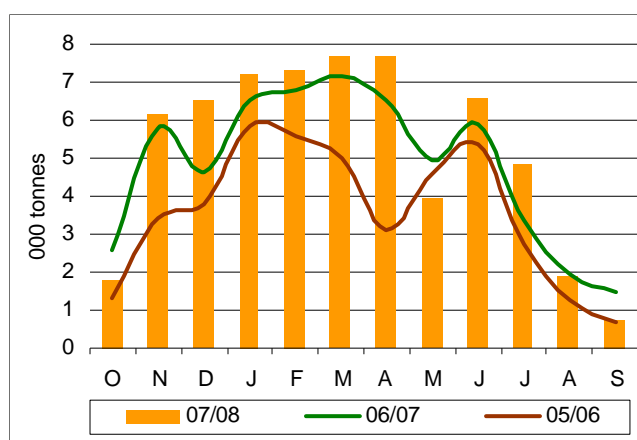
However, demand continued to be slower than in past seasons, especially in Northern Europe. Moreover, significant stocks formed as a result of poor sales in preceding months and weighed on the market. The results varied from one supply source to another in this context. Sales of South African fruits were fairly fluid as the end of the Argentinian season freed supermarket chain lines. However, operators were unable to increase their price levels. The market remained very laborious for Central American sources until mid-month when the decrease in volumes from South Africa made sales more fluid. Prices dipped for all the suppliers in this zone.

Monthly and annual comparisons

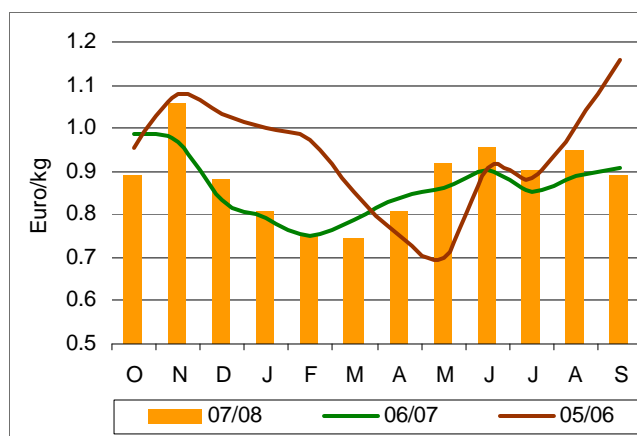
Volumes	Price
September 2008 / August 2008	
↓↓↓ - 62%	↓ - 6%
September 2008 / September 2007	
↓↓ - 50%	↓ - 2%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	September 2008	Comparisons (%)		Total season 2007/2008	Season comparisons (%)	
		2008/2007	2008/2006		07-08/06-07	07-08/05-06
Argentina	40	- 71	-	5 270	+ 11	+ 24
South Africa	685	- 48	+ 1	10 489	- 2	- 36
Total	725	- 50	+ 7	15 759	+ 2	+ 25



Mango

SEPTEMBER 2008

September was a month of shrinking supply, with a decrease in shipments from Israel and Senegal. Brazil gradually moved into first position along mango supplier countries although its shipments were still moderate. The limiting of arrivals was a positive feature on the European market insofar as demand was sluggish throughout the month. This balance between supply and demand favoured continued fairly high prices with a few occasional variations related to fruit quality.

Shipments from Israel decreased gradually throughout the month, resulting in slight market under-supply. The supply movement made it possible to maintain the prices of mangoes shipped by sea in a context of dull demand. In mid-month, the composition of deliveries from Israel changed, with a switch from 'Kent' to 'Keitt'. It seems that the volumes from Israel were smaller than those of the 2007 season. In parallel, shipments from Senegal decreased and became marginal. The unreliable quality of the fruits from the latter source also limited diffusion. The prices mentioned are probably overestimations as they only concern fruits of good quality.

In addition, the supply of Brazilian mangoes increased slowly, consisting essentially of 'Tommy Atkins' intended

mainly for the Northern European markets. Here again, moderate supply and sluggish demand resulted in a balanced market with stable prices. Brazil fruits were sent to two main destinations in September, with larger quantities shipped to the North American market (the United States and Canada). The higher prices obtained there encouraged Brazilian exporters to prefer North America to the less attractive European market that is also more costly as regards shipping.

Supply did not match demand very well, especially on the French market where preference generally goes to the 'Kent' variety. To make up for the shortage of 'Kent', operators fell back on 'Tommy Atkins' for limited quantities. A few deliveries of 'Kent' in mid-month prom-

ised an early start to Brazilian exports of the variety. Finally, only a few containers arrived with no real follow-up in subsequent weeks. These deliveries consisted of fruits lacking in colour and ripeness.

The moderate scale of Brazilian, Israeli and Senegalese shipments resulted in the starting of the Spanish season in a fairly favourable context. The first shipments that arrived at the end of August were fairly small. The volumes increased as the weeks went by but were still contained. The colour and ripeness of these first batches of 'Osteen' mangoes were a bit short. These quality aspects improved rapidly in the following weeks. Arrivals consisted mainly of large fruits. Spanish supplies were an alternative to the greater proportion formed by

'Tommy Atkins' in spite of the high prices asked.

The air mango market remained fairly stable in September. The Israeli and Senegalese export seasons finished simultaneously in the first half of the month, with prices weakening because of uneven fruit quality. The decrease in the volumes released on the market did not affect prices as demand was still weak. In the second half of the month, Brazil took over with shipments of 'Kent' and also of 'Haden' and 'Palmer'. This change in supply affected prices, which rose markedly. A few batches of 'Kent' from Egypt completed supplies. These were sold at EUR3.30-3.50 per kg, falling to EUR3.20-3.30 per kg at the end of the month.

Mango — Weekly arrivals — Estimates in tonnes

weeks 2008	36	37	38	39
By air				
Brazil	-	-	10-20	10-20
Israel	20	20	-	-
Senegal	10	5-10	-	-
By sea				
Brazil	860	1 060	1 100	1 340
Senegal	110	110	70	40

Mango — Import prices on the French market — Euros

Weeks 2008		36	37	38	39	September 08 average	September 07 average
By air (kg)							
Brazil	Palmer/Haden	-	-	-	3.80-4.20	3.80-4.20	3.30-3.60
	Kent	-	-	4.00-4.50	4.00-4.50	4.00-4.50	4.00-4.50
Israel	Kent	3.00-4.00	3.00-3.80	-	-	3.00-3.90	3.25-3.75
Senegal	Kent	3.00-3.50	2.00-3.00	-	-	2.50-3.25	2.90-3.60
By sea (box)							
Brazil	Tommy Atkins	5.00-5.50	5.00-6.00	6.00	5.00-6.00	5.25-5.85	3.35-4.00
	Kent	-	-	7.00	-	7.00	-
Senegal	Kent	5.00-5.50	5.00-5.50	5.00-5.50	5.00	5.00-5.35	3.30-4.60
Israel	Kent	5.00-6.00	5.50-6.50	-	-	5.25-6.25	4.00-5.00
	Keitt	-	-	4.50-6.50	5.00-6.00	4.75-6.25	4.00-5.00
By truck (box)							
Spain	Osteen	9.00	8.50-9.50	7.50-9.00	7.00-9.00	8.00-9.10	9.00-10.60



Pineapple

Pineapple — Import price		
Euros	Min	Max
By air (kg)		
Smooth Cayenne	1.55	1.95
Victoria	1.50	3.50
By sea (box)		
Smooth Cayenne	6.00	9.00
Sweet	6.00	11.50

SEPTEMBER 2008

The increase in supplies of 'Sweet' in September was not as large as forecast by operators. However, this did not prevent prices from sliding downwards throughout the month. The situation on the air pineapple market was fairly good overall, although fruits moved slower from mid-month onwards. However, fruit quality remained a little uneven and sales were more or less easy depending on the batches released on the market. No real change was observed on the 'Victoria' pineapple market. Supplies were fairly limited overall, with demand taking time to recover.

Tension was felt on the pineapple market from the first week and increased throughout the month. Prices remained high at the end of August and operators perceived the fall in prices in the first week of September as a recovery of balance. This continued for three weeks and only seemed to stabilise at the end of the month. Demand was always smaller than supply and was seemingly the main cause of the decrease. To this was added some concern about the quality of the fruits from Latin America. This was very uneven in arriving fruits, which deteriorated rapidly, shortening the storage period. Demand could not cope with the volumes placed on the market and stocks formed gradually. Operators performed frequent clearance sales (at around EUR5.00 per box) to relieve pressure on the market. Supply of 'Smooth Cayenne' was very

small throughout the month but sales were still difficult in spite of this. The price fell less as it had not increased as much as that of 'Sweet' in August. The operators who had succeeded in setting up promotion operations continued to sell their fruits a little more easily. However, sales of 'Smooth Cayenne' came under pressure in the second week of the month from the availability of cheap batches of 'Sweet', even if the latter were more fragile and less well coloured. The Eastern European markets that were returning to pineapple closed their doors once again, considering that 'Smooth Cayenne' prices were still high.

September was a month for Benin on the air pineapple market. Good overall fruit quality allowed steadier prices. However, the quality of sugarloaf pine-

apple supply was more irregular and volumes were thought to be too large for demand. Prices were at EUR1.90 to 2.00 per kg at the start of the month and stabilised at between EUR1.90 and 1.95. Arrivals from Ghana and Cameroon received rougher treatment by the trade and fruit quality was more uneven. Heavy rainfall in Cameroon affected the appearance of the fruits, which frequently lacked colour.

On the 'Victoria' pineapple market, even if supply increased with larger shipments from Côte d'Ivoire, it has to be admitted that demand for this small exotic has not yet restarted. Some problems of appearance were also reported, with fruits not shiny enough. Operators agree that there is a certain lack of interest in pineapple at the moment.

Pineapple — Import prices on the French market — Main origins — Euros					
Weeks 2008		36	37	38	39
By air (kg)					
Smooth Cayenne	Benin	1.80-1.90	1.80-1.95	1.80-1.90	1.80-1.90
	Cameroon	1.85-1.90	1.85-1.90	1.70-1.90	1.65-1.90
	Ghana	1.55-1.80	1.70-1.80	1.70-1.80	1.70-1.80
	Côte d'Ivoire	1.85-1.90	1.80-1.95	1.80-1.95	1.80-1.95
Victoria	Côte d'Ivoire	2.50	2.50	1.50-2.00	2.00
	Réunion	3.30-3.50	3.30-3.50	3.30-3.50	3.30-3.50
By sea (box)					
Smooth Cayenne	Côte d'Ivoire	7.00-9.00	6.00-9.00	6.00-8.00	6.00-8.00
Sweet	Côte d'Ivoire	9.00-11.50	8.50-10.00	8.00-10.00	7.00-8.50
	Cameroon	9.00-11.50	8.50-10.00	8.00-10.00	7.00-8.50
	Ghana	9.00-11.50	8.50-10.00	8.00-10.00	7.00-8.50
	Costa Rica	9.50-11.50	8.50-10.00	7.00-9.00	6.00-7.00



Sea freight

SEPTEMBER 2008

Despite the 30-odd ships that have been demolished since the start of the year there was no demand dividend for charter rates in September. A high exit price in Ecuador coupled with uncertain markets in the Med restricted banana chartering. Heavy and persistent rain in South Africa hindered the citrus harvest in the Western Cape. When enough fruit did become available demand and pricing in EU markets had dipped to the point that the annual race to meet the mid October duty deadline didn't get out of the starter's blocks.

The gathering global economic recession and the potential impact of the credit crunch on the reefer business continued to dominate discussion. The cocktail of rapidly rising production costs, high (but mercifully not rising) fuel costs and higher transportation costs on the one hand and customers committed to keeping prices low for their beleaguered consumers on the other and you have a potentially toxic mix. Top this with some highly-g geared multi-nationals, failing banks and a chronic shortage of credit and it's a wonder the widespread panic that continues to infect stock markets has not cascaded into the reefer dynamic. And yet in the middle of this maelstrom, the availability of top end specialised reefer tonnage is so tight that operators managed to secure double-digit percentage increases on 12-month TC deals without too much trouble. While charterers grudgingly acknowledge the rationale behind the new status quo, how they assimilate all the increased supply chain costs into an acceptable CIF proposal to their customers remains an issue. If historical precedent is a reliable guide the reefer business should escape the worst of the

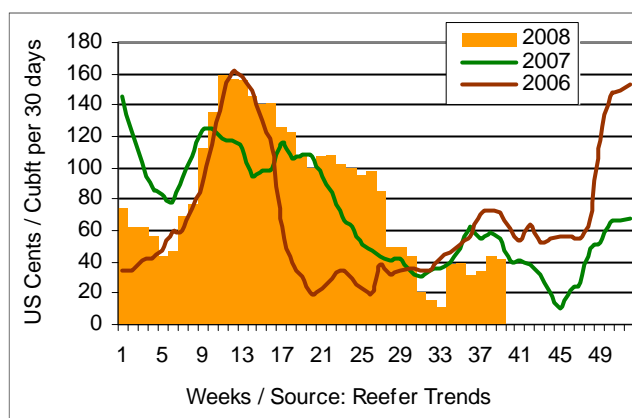
ravages of a global economic downturn. However the general reduction in global trade will surely have an impact on a number of variables that, in turn will influence the specialised reefer charter market in the short and medium term. Firstly, how will the container lines react to diminishing demand and an oversupply of capacity? With such expensive newbuilds now on the water, can they afford to drop slot rates? Will they attack the reefer trade lanes more aggressively? Is there sufficient a) demand, b) infrastructure on the principal reefer routes, or c) sufficient equipment to support and/or justify such an assault? The next 12 months will also be a measure of the resilience of the specialised reefer mode in the face of more fragmented competition from the container lines. At midnight on 17 October the conference system for the container lines was officially abandoned – while this will not stop operators forming shipping consortia the consortia members will not be allowed to consult on capacity issues or pricing, notably surcharges such as terminal handling charges, insurance premiums, BAFs and CAFs. This is likely to lead to a

Monthly spot average

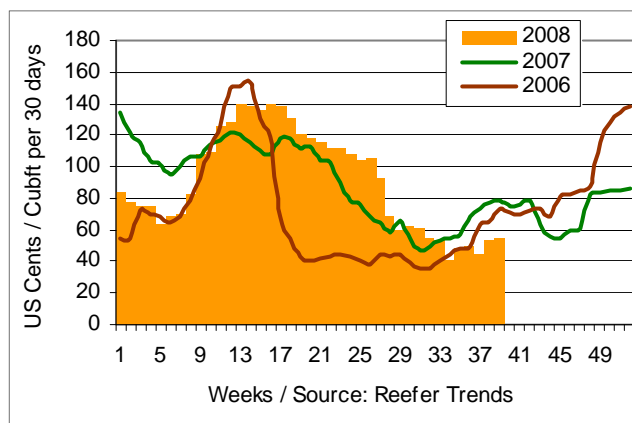
US\$/cents/cubic foot x 30 days	Large reefers	Small reefers
September 2008	33	46
September 2007	53	71
September 2006	64	59

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



period of some uncertainty and pricing instability as shippers exercise their new found freedom. The lines have been able to grab a large slice of market share from the reefers over the past decade. Theoretically there is plenty more for them to take -

realistically however and for a number of widely differing reasons, a large percentage of the remainder of the cake may never containerise. One way or another it promises to be a fascinating next 12 months.

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