

Close-up

## CITRUS

<http://passionfruit.cirad.fr>

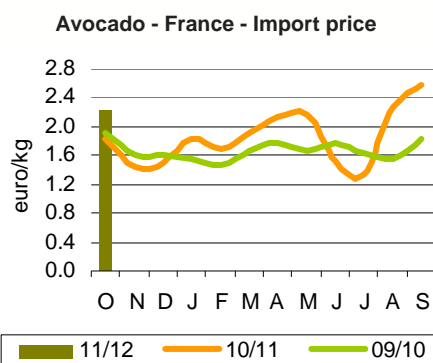
Counter-season grapes:  
prospects are still good

Juice and pulp prices in Europe

## Avocado

October 2011

Although demand was fairly slow, the market remained satisfactory throughout the month as supply was short. Supply of 'Hass' was somewhat larger than average. The seasons in the northern hemisphere sources developed slower than in past seasons and volumes were moderate. However, in spite of the early dwindling of arrivals from South Africa and Kenya, the cumulated volumes from southern hemisphere suppliers were fairly large during the first half of the month because of the shipments from Peru. However the supply of green varieties was limited, especially during the first half of the month. 'Bacon' and the first 'Fuerte' from Spain were very present but arrivals of 'Tig' and 'Ettinger' from Israel got under way late. The prices of both green varieties and 'Hass' remained very high.



PRICE	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Green	7.00-7.20	+ 15%
	Hass	10.00-10.50	+ 25%

VOLUMES	Varieties	Comparison	
		previous month	average for last 2 years
	Green	= ↗	- 25%
	Hass	↘	+ 13%

VOLUMES	Source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Chile	↗	- 5%	Cumulated monthly total slightly smaller than average after the somewhat slow getting under way of arrivals of 'Hass' during the first half of the month.	- 43%
	Mexico	↗	- 33%	Supplies of 'Hass' increasing but still very moderate.	- 38%
	Peru	↘↘	X 13	Supplies of 'Hass' still very large in the first fortnight before stopping suddenly.	+ 31%
	Israel	↗	- 36%	The 'Tig' and 'Ettinger' seasons started very gradually. Moderate volumes.	- 36%
	Spain	↗	+ 53%	Very rapid development of supplies of 'Bacon' and then 'Fuerte'.	+ 52%



■ Strategic alliance between Mission and Cabilfruit. Mission, one of the main players on the avocado market in the United States, has taken a further step in its global sourcing strategy. Already present in Mexico as 'Mission de Mexico', the company has just paid USD 10 million for a 50% holding in Cabilfruit, one of the leading avocado producers and sellers in Chile. The aim is the development of commercial synergy in the USA, Europe and on the South American markets and to increase Cabilfruit's export capacity substantially. In particular, substantial investments will be made in new plantations.

Source: Freshplaza

■ Promotion of avocado in the United States. A study published recently in the International Food and Agribusiness Management Review shows, with statistics, the effectiveness of the promotion system for avocado set up in the United States. The increase in consumption from some 180 000 t in 1996 to 480 000 t in 2008 was accompanied by an increase in value of some 5%, with the average price per lb rising from 94.8 cents to 99.5 cents. An example to be examined by international fruit trade professionals, whatever their sector.

Source: IFAMA

■ Avocado variety of the month: 'Hass'. This variety has replaced 'Fuerte' as the sector standard and is now the most planted avocado in the world. It was bred by Rudolph Hass in California in the early 1920s and registered in 1935. The tree is vigorous and highly productive. Fruit shape is variable in some production regions, ranging from pear-shaped to ovoid. Average size is smallish in regions with hot climates. The fruits are well suited to conservation on the tree. The skin displays the feature of changing from dark green to violet/brown when the fruit is ripe. It is easily detached from the pulp. Organoleptic qualities are excellent: rich flavour (nutty taste), smooth, non-fibrous pulp.

Source: CIRAD



© Eric Imbert

## Pineapple

October 2011

The situation improved on the pineapple market in October. Supply was not very large but the numerous promotion operations set up meant that operators were able to sell the few batches that they held. Sales of 'Sweet' were fluid from the beginning of the month thanks to these sales operations. However, supplies from Latin America were very imbalanced with a large proportion of sizes 5 and 6 for which there is little demand while sizes 7 and 8, often used in promotion operations, were not readily available. The first half of the month was also marked by the presence of stored batches that often hampered sales of freshly arrived fruits. In the second half of the month demand was disturbed by the All Saints' Day school holidays that slowed consumption somewhat. During this period prices remained firm for sizes 7 and 8 thanks to promotion operations while those of the other sizes dipped. However, supplies of 'Sweet' were small in the second half of the month and this prevented a more marked fall in prices. 'Smooth Cayenne' was only available during the first half of the month, still in very small quantities.

The air pineapple market was under-supplied overall throughout the month. There seem to have been several reasons for this: strikes, short supply, etc. However, the market did not show any signs of a lack—quite the opposite. Pineapples from all sources displayed fairly uneven quality but it seems that this was less the case for fruits from Benin. The price range remained stable overall, with differences generally varying from one brand to another or from one arrival to another. Sales were no more than satisfactory for several batches of 'Sugarloaf' fruits from Benin, with the price range remaining very broad at between EUR 1.80 and 2.00 per kg throughout the month.

Sales of 'Victoria' were slower and more difficult than expected. Supply increased in the second half of the month—especially from Réunion—while demand was very slow because of the school holidays.

### PINEAPPLE — IMPORT PRICE

EUROPE

Weeks 40 to 43	Min	Max
By air (euro/kg)		
Smooth Cayenne	1.80	1.90
Victoria	2.80	3.60
By sea (euro/box)		
Smooth Cayenne	6.00	7.00
Sweet	6.00	8.50

### ■ Pineapple: juice prices in Europe in September 2011.

Type of juice	Price (USD/t)	Origin	Observations
Frozen concentrate, 60°Brix, variety: 'Smooth Cayenne'	1 975 fca Netherlands	Thailand	Asian results reported to have suffered heavy rainfall. Demand is still large for canned pineapple and prices are firm. The MRL for nitrates in juices has been lowered from 25 to 15 ppm; this has an impact on pineapple juice.
Aseptic concentrate, 60°Brix, variety: 'Smooth Cayenne'	1 925-1 950 fca Netherlands		
Aseptic single juice NFC, 12°Brix, bulk, variety: MD-2	800-825 fca Netherlands	Costa Rica	
Frozen concentrate, 60°Brix, variety: 'White Perola'	1 850-1 875 cfr Rotterdam	Brazil	

Note: fca: free carrier / cfr: cost and freight / Source: MNS-ITC Geneva

### ■ Fruits: Prices of juice and pulp in Europe in September 2011.

Type of juice		Price (USD/t)	Origin	Observations
Acerola	Frozen single juice, 6-8° Brix	1 450-1 500 fob Santos	Brazil	The Brazilian harvest should be smaller than the previous one. Prices should therefore increase by about 30% in comparison with those noted here (previous harvest).
	Frozen concentrate, 65° Brix, clear	14 300 fob Santos		
Passion fruit	Frozen concentrate, 50°Brix	3 900-4 300 fot Rotterdam	Ecuador	Stocks adequate. Buyers of concentrate have covered their requirements until the end of the year. NFC sales firm at comparatively stable prices. After two years of good harvests, Ecuadorean growers must decide whether or not to replant, knowing that costs have increased. Maize and soya appear to be interesting alternatives.
	NFC, 11°Brix	1 650-1 750 cfr Rotterdam		
	Frozen concentrate, 50°Brix	4 100 fca Netherlands df	Peru	
Guava	Aseptic single pulp, 9°Brix, pink	760-795 fca Netherlands in transit	South Africa	Market stable and prices unchanged.
	Aseptic single pulp, 8-9°Brix, pink	650-750 fob Paranagua	Brazil	
	Aseptic concentrated pulp, 14-16°Brix, pink	950 fob Brazil		
	Aseptic concentrated pulp, 18-20° Brix, pink	1 000-1 160 fob Brazil		
Pomegranate	Clarified aseptic concentrated juice, 66° Brix	4 250-4 650 euros/t fca Rotterdam	Turkey	Stocks are very limited. The new harvest started in October.
Papaya	Aseptic triple concentrate, 25° Brix, red	1 140-1 150 fca Netherlands	India	Market normal.
	Aseptic single juice, 8° Brix, yellow	780 fca Netherlands		

Note: fob: fob on board / cfr: cost and freight / fca: free carrier / df: duty free / dp: duty paid  
Source: MNS-ITC Geneva

### PINEAPPLE — IMPORT PRICE IN FRANCE — MAIN ORIGINS

Weeks 2011		40	41	42	43
By air (euro/kg)					
Smooth Cayenne	Benin	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90
	Cameroon	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90
	Ghana	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90
Victoria	Réunion	3.30-3.60	3.30-3.50	3.30-3.50	3.00-3.30
	Mauritius	3.00-3.50	3.00-3.30	3.00-3.30	2.80-3.00
By sea (euro/box)					
Smooth Cayenne	Côte d'Ivoire	6.00-7.00	6.00-7.00	-	-
Sweet	Côte d'Ivoire	6.00-8.50	6.00-8.50	6.50-8.50	6.50-8.50
	Cameroon	6.00-8.50	6.00-8.50	6.50-8.50	6.50-8.50
	Ghana	6.00-8.50	6.00-8.50	6.50-8.50	6.50-8.50
	Costa Rica	6.00-7.00	6.00-7.50	6.50-8.00	6.50-7.50

## Banana

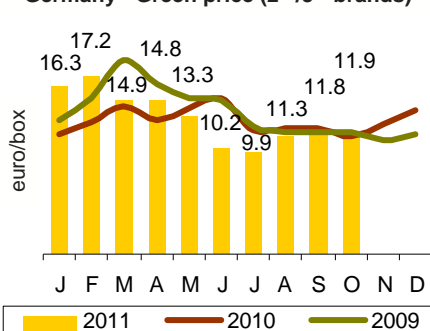
October 2011

The market improved distinctly during the first half of the month and then became quite sluggish at the end. Supply was slightly larger than average as the quantities of dollar bananas were fairly large. Deliveries from Ecuador were large in both the EU and Russia and more than compensated the shortfall from all the other sources. As regards the rest of the dollar zone, arrivals from Colombia were somewhat smaller than average (end of the peak in production), as were those from Costa Rica (as allocation of fruits favoured the USA). Fruits from Africa were also less present, with the shortfall from Côte d'Ivoire being more marked than for Cameroon and Ghana. The French West Indies did not make up for the shortage as deliveries were smaller than in previous seasons. Demand was also disappointing. The improvement felt on most markets at the beginning of the month was a flash in the pan as sales became markedly slow at the end of the month. School holidays, bank holidays and a decrease in the number of promotion operations seem to have had a negative effect on sales in Western Europe, while the increase in retail prices—partly linked to the rise in the value of the dollar—weighed on releases in Eastern Europe. The slight price increase felt in the first half of the month gave way to erosion at the end of the month. However the average price for the month was slightly above average.

### NORTHERN EUROPE — IMPORT PRICE

October 2011 euro/box	Comparison	
	previous month	average for last 2 years
11.90	0%	+ 3%

### Germany - Green price (2<sup>nd</sup>/3<sup>rd</sup> brands)



### Banana: Prices of purée in Europe in September 2011.

Type of juice	Price (USD/t)	Origin	Observations
Aseptic SS, 22° Brix	680-700 fca Netherlands df	Ecuador	Supply remains limited because of increasing demand and strong demand for fresh produce. Prices of organic juice should increase because of strong demand for fresh produce. Demand for organic smoothies increasing while the market for organic baby foods is stable.
Organic aseptic SS, 22° Brix	1 280 euros/t fca Netherlands df		

Note: fca: free carrier / df: duty free / Source: MNS-ITC Geneva

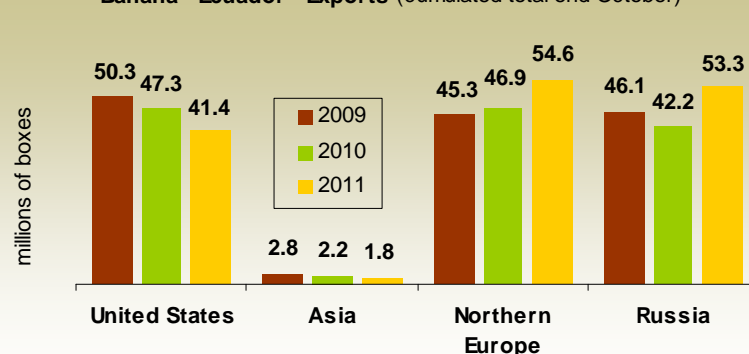
■ Tsar dust... The Russian market is still breaking catastrophic records. The price per box of green bananas held at between USD 6.5 et 8.5 USD for ten weeks in the summer but fetched hardly more than USD6 at the end of November. This series of poor performances reveals the crisis currently experienced by the banana sector in Ecuador, which is practically the sole supplier of the Russian market. Overproduction, which led the government to take emergency measures during the summer, is accompanied by a loss of market

share at certain key destinations. This is the case in particular for the United States to which shipments have decreased by about 15% in comparison with the last two years. This situation has pushed exporters to ship to markets other than Russia, sometimes to an unreasonable extent.



Source: CIRAD

### Banana - Ecuador - Exports (cumulated total end October)



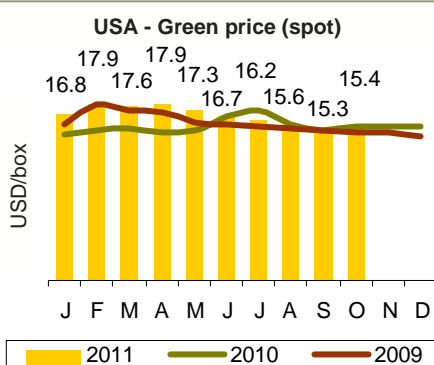
Source: AEBE

### EUROPE — RETAIL PRICE

Country	October 2011		Comparison	
	type	euro/kg	September 2011	average for last 3 years
France	normal	1.32	- 1%	0%
	special offer	1.08	- 4%	- 6%
Germany	normal	1.12	0%	+ 2%
	discount	0.96	- 1%	+ 8%
UK (£/kg)	packed	1.22	0%	+ 5%
	loose	0.70	- 12%	- 10%
Spain	plátano	1.83	+ 2%	- 1%
	banano	1.29	0%	- 10%

# Banana

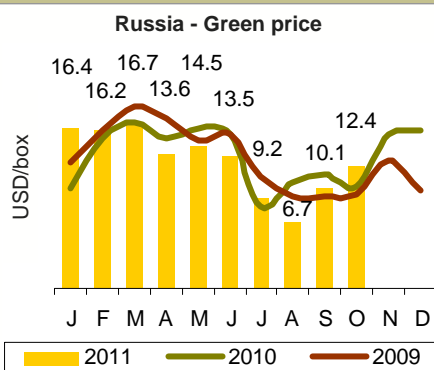
UNITED STATES



## USA — IMPORT PRICE

October 2011 USD/box	Comparison	
	previous month	average for last 2 years
15.40	0%	+ 1%

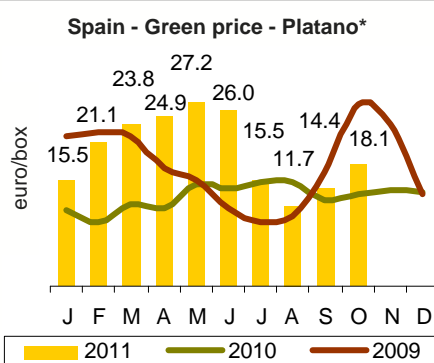
RUSSIA



## RUSSIA — IMPORT PRICE

October 2011 USD/box	Comparison	
	previous month	average for last 2 years
12.40	+ 23%	+ 24%

CANARIES



## CANARIES — IMPORT PRICE\*

October 2011 euro/box	Comparison	
	previous month	average for last 2 years
18.10	+ 25%	- 11%

\* 18.5 kg box equivalent

■ A banana research institute for the Philippines soon? This is the ambition of the Vice President of the Philippines, who wants to support the development of the country's fifth-largest export business. It is also aimed at more effective control of Panama disease (*Fusarium oxysporum* var. *cubense*, tropical race 4) that is spreading rapidly in Southeast Asia and is a serious threat for the world banana industry.

Source: Freshplaza

■ A label for Costa Rican bananas. The geographical indication 'Costa Rican Banana' was registered with the World Intellectual Property Organisation (WIPO) in mid-November. According to Jorge Sauma, Director-General of



CORBANA, this sign of quality will make it possible to differentiate between Costa Rican bananas and their competitors, especially from the social and environmental angles.

Source: CORBANA

■ The Second Conference of the World Banana Forum (Guayaquil, 28 and 29 February 2012): the place to be! Two years after the founding meeting of the World Banana Forum (FAO, Rome, December 2009), stakeholders in the banana sector are to gather in Guayaquil (Ecuador) on 28 and 29 February 2012. It will be the occasion to review the ongoing projects conducted by the three working groups: Sustainable Production Systems and Environmental



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Impact, Distribution of Value, Labour Rights.

Those who are nervous about large-scale United Nations events can be reassured. This event has nothing to do with the intergovernmental meetings that have punctuated the world banana history for decades. An essential feature of the forum is that it assembles banana market stakeholders from production to retail distribution. The number and diversity of the stakeholders present and their determination to push forward reflection on the future of the market guarantee valuable discussions. The three working groups will present their ongoing projects and the first results obtained. The second group, working on the distribution of value, seems to be the most active one. It is currently performing studies in several countries on wages at production, decent wage levels, the distribution of value throughout the chain, on future market orientations, etc. Here, congratulations go to a number of very active groups such as the NGO Banana Link, the British retail distributor Tesco, the transnational corporation Dole and also the FAO. So we hope to see everybody on 28 and 29 February 2012 in Ecuador.



<http://www.fao.org/economic/worldbananaforum/conference/fr/>

Source: CIRAD

## EUROPE — IMPORTED VOLUMES — OCTOBER 2011

Origin	Comparison		
	September 2011	October 2010	cumulated total 2011 compared to 2010
French West Indies	↘	- 23%	0%
Cameroon/Ghana	↗	- 3%	- 15%
Surinam	= ↘	- 6%	+ 13%
Canaries	= ↗	0%	- 11%
Dollar:			
Ecuador	= ↘	+ 7%	+ 17%
Colombia*	= ↘	- 5%	- 4%
Costa Rica	= ↘	na	na

Estimated thanks to professional sources / \* total all destinations

# Mango

October 2011

In the first half of the month, the mango market followed on from the pattern seen at the end of September, with fairly low prices for 'Tommy Atkins' from Brazil, even though these were only available in limited quantities. However, the cumulated arrivals from Brazil, Israel and Puerto Rico exceeded the level of demand. The end of the seasons in Israel and Puerto Rico at the beginning of October reduced supply to Europe. In parallel, large deliveries of 'Osteen' from Spain diverted part of the clientele from the traditional sea mangoes. The Spanish produce occupied the wholesale markets to a considerable degree, blocking this trade niche for fruits from the other sources. In the second half of the month, the situation cleared when Spanish deliveries dwindled, leaving more room for Brazilian fruits. The prices of 'Tommy Atkins' from Brazil recovered distinctly while those of 'Kent' and 'Keitt' from the same source remained steadier as quantities were smaller.

Deliveries of 'Osteen' from Spain continued but in decreasing quantities and with falling prices because of the appearance of problems of fruit quality. 'Kent' mangoes were also shipped from Spain at the beginning of the month at EUR 3.00-3.50 per kg; the price subsequently fell to around EUR 2.00 per kg. This price erosion also resulted from a worsening of the quality of the fruits. Supply from Spain was completed by a few batches of 'Tommy Atkins' and 'Sensation'. The Moroccan season finished at steady prices during the first fortnight of October.

A recovery of the price of 'Kent' shipped from Brazil by air was observed at the beginning of the month; these gained more room for manoeuvre as competition from Spain was weaker. But deliveries increased distinctly in the following weeks, making selling conditions more sluggish. In addition, the unevenness in quality (insufficient colour and irregular ripeness) of the batches released on the market weighed on prices. The small

quantities of 'Haden' from the same source were increasingly difficult to sell in competition with 'Kent' and thus resulted in the halting of shipments. Mangoes from Egypt ('Kent') were available until the third week of October and sold steadily at around EUR 3.80 per kg. A few batches of 'R2E2' from Australia appeared on markets in the north of Europe. Sold at high prices (about EUR 6.50 per kg) these had difficulty finding takers in the face of competition from Brazilian fruits.



© Charlotte Brunet

## ■ Mango: prices of juice and purée in Europe in September.

Type of juice	Price (USD/t)	Origin	Observations
Aseptic concentrate, 28°Brix, variety: 'Totapuri'	1 000-1 150 cfr Rotterdam	India	Large supply of 'Totapuri' with still unsold 2010 stocks reported. This may result partly from an increase in taxes at entry to the EU. The prices asked for 'Alphonso' are still high for superior quality as the harvest of this was small.
Aseptic purée, 14-16° Brix, variety: 'Totapuri'	725-775 cfr Rotterdam		
Aseptic purée, 17° Brix, variety: 'Alphonso'	1 950-2 050 cfr Rotterdam		
Aseptic organic SS, 14°Brix, variety: 'Totapuri'	1 800 euros/t fca Netherlands dp		The 'Magdalena' harvest in Colombia should be similar to the previous one.
Aseptic concentrate, 28°Brix, variety: 'Tommy Atkins'	1 100-1 150 fob Brazil	Brazil	Price of organic 'Palmer' the same as that of conventional juice. This shows the problems experienced by Brazilian suppliers who have to handle a 9% EU entry tax on mango juice and purée.
Aseptic SS, 14-16° Brix, variety: 'Tommy Atkins', 'Palmer'	850 fob Paranagua		
Aseptic organic SS, 14-16° Brix, variety: 'Palmer'	850 fob Paranagua		
Aseptic concentrate, 28° Brix, bulk, variety: 'Tommy Atkins'	1 000-1 200 fca Netherlands	Mexico	
Aseptic concentrate, 28° Brix, variety: 'Magdalena'	1 350 fob	Colombia	

Note: fca: free carrier / cfr: cost and freight / fob: free on board / Source: MNS-ITC Geneva

## MANGO — ARRIVALS (estimates) Tonnes

Weeks 2011	40	41	42	43
By air (kg)				
Israel	10	-	-	-
Brazil	40	50	90	90
By sea				
Brazil	1 980	1 850	2 150	2 350

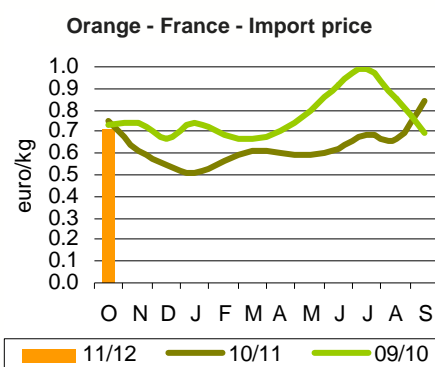
## MANGO — IMPORT PRICE ON THE FRENCH MARKET — Euro

Weeks 2011		40	41	42	43	Average October 2011	Average October 2010
By air (kg)							
Israel	Other varieties	3.00-3.50	-	-	-	3.00-3.50	-
Brazil	Kent	3.80-4.50	3.50-4.20	3.50-4.20	3.00-4.20	3.45-4.30	3.55-4.40
Brazil	Haden	4.00-4.50	3.80-4.20	3.60-4.00	-	3.80-4.20	3.80-4.10
By sea (box)							
Brazil	T. Atkins	3.00-4.00	3.25-4.00	3.50-4.75	4.00-5.00	3.45-4.45	3.85-5.00
Brazil	Kent	5.00-5.50	4.00-5.00	4.00-5.50	4.50-5.50	4.35-5.35	5.00-6.25
Israel	Kent/Keitt	4.50-5.00	-	-	-	4.50-5.00	-
By road (box)							
Spain	Osteen	6.00-8.00	5.50-8.00	5.50-7.50	6.00-7.00	5.75-7.60	6.75-7.75
Spain	Kent (euro/kg)	3.00-3.30	2.50-3.00	2.00-3.00	2.00-3.00	2.35-3.10	2.50-3.20
Morocco	Osteen	7.00	7.00-7.50			7.00-7.25	-

# Orange

October 2011

The market worsened slightly because of large, late arrivals of 'Valencia' from Argentina and above all from South Africa. Exporters in these two countries focused their shipments on the EU markets that are more profitable than those of Asia and Russia. In addition, demand was only average as the weather was hot for the season. Prices fell as a result of this but remained at an acceptable level. Supply of 'Naveline' from Spain remained limited, with the first changes in referencing in supermarkets not performed until the very end of the month.



PRICE	Type	Average monthly price euro/box 15 kg	Comparison with average for last 2 years
	Dessert oranges	10.00-10.50	- 6%
	Juice oranges	11.00-11.50	- 5%

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Dessert oranges	↗	+ 9%
	Juice oranges	↘	+ 42%

VOLUMES	Varieties by source	Comparison	
		previous month	average for last 2 years
	Valencia from Argentina	↘	+ 33%
	Valencia from S. Africa	↗	+ 44%
	Naveline from Spain	↗↗	+ 9%

■ Citrus: prices of juice in Europe in September 2011.

Type of juice		Price (USD/t)	Origin	Observations
Orange	FCOJ, 66° Brix, bulk	2 600-2 800 fca Netherlands dup	Brazil	In the USA, prices of FCOJ and NFC still falling on a dull market. In Europe, the large retail chains are pushing prices down while demand is decreasing and switching to the cheapest formulations. However, sales of NFC are still stable. Large quantities available in both Brazil and Florida. Organic market and demand stable at these price levels.
	FCOJ, 66° Brix	2 300-2 350 fob Santos		
	NFC	650-750 fob Santos		
	FCOJ organic 66° Brix	4 500 fob Santos	Italy	
	FCOJ, 60° Brix, blood orange	2 850-3 050 euros/t fot Italy		
	Frozen organic NFC, 11° Brix variety: 'Valencia'	1 100 euros/t cip Europe df		
	Frozen organic SS, 11° Brix	1 150 euros/t fca Netherlands df	South Africa	
Grape-fruit	Frozen concentrate, 58° Brix, red	2 400-2 600 cfr Netherlands	Florida	Juice sales still decreasing in the USA. Market calm in Europe. Stocks reported to be large in the USA and prices should not increase in the near future.
	Frozen concentrate, 58° Brix, pink	2 450-2 600 cfr Rotterdam		
	Frozen concentrate, 58° Brix, white	2 400-2 600 cfr Rotterdam		
	Frozen concentrate, 58° Brix, red	2 000-2 100 fob Cuba	Cuba	
	Frozen concentrate, 58° Brix, white	2 050-2 100 fob Cuba		
Lemon	Frozen concentrate, cloudy, 400 gpl	3 300-3 500 cfr main EU ports	Argentina	Damage to the Argentinian harvest reported to have been caused by very cold weather. Prices stable and demand slow.
	Frozen concentrate, cloudy, 500 gpl	4 000-4 259 cfr Rotterdam		
	Frozen concentrate, clear, 500 gpl	5 000-5 200 cfr Rotterdam		
	Frozen concentrate, clear, 400 gpl	3 800-4 250 cfr main EU ports		
	Frozen concentrate, cloudy, 400 gpl	2 350-2 470 euros/t cip Europe	Greece	Prices in Europe have fallen to the point at which supply in Italy is now too expensive for the market. Spain is adjusting prices downwards.
	Frozen concentrate, cloudy, 400 gpl	2 400-2 550 euros/t cip Europe	Spain	
	Frozen concentrate, cloudy, 400 gpl,	4 600 fca Netherlands df	Italy	
	Frozen SS, cloudy	1 150 fca Netherlands dp	South Africa	
Lime	Frozen concentrate, cloudy, 400 gpl, 8% pulp	1 800-2 000 fob Santos	Brazil	The market has firmed again because of a shortage of lemon juice. Market good for Brazilian organic juice in Europe and North America.
	Frozen concentrate, clear, 400 gpl, 8% pulp	3 800 fob Santos		
	Frozen concentrate, cloudy, 400 gpl, 8% pulp	3 700 fob Santos		

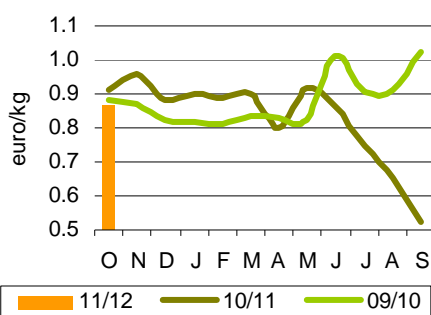
Note: fca: free carrier / dup: duty unpaid / fob: free on board / cfr: cost and freight / dp: duty paid / df: duty free / cip: carriage and insurance paid to / Source: MNS-ITC Geneva

## Grapefruit

October 2011

The market remained difficult but gradually lightened. Promotion operations at very attractive prices at the beginning of the month reduced the very large stocks of South African and above all Mexican fruits. Supplies from northern hemisphere sources were also much more limited than in preceding years. Around the Mediterranean, deliveries from Israel were very modest in spite of the return to normal of export potential and the volumes shipped from Turkey and Spain remained smaller than in previous years in the EU. In addition, arrivals of fruits from Florida were larger than average but remained limited. Although prices of fruits from the southern hemisphere improved they remained low and had a negative effect on the prices of competing sources, especially in the Mediterranean.

Grapefruit - France - Import price



■ Greening, the worst disease of citrus in all ways? A recent study shows that greening has a much faster impact on young groves than forecast. Nearly 8.5% of the three-year-old trees in an experimental plantation in Florida display symptoms of the disease that entered the perimeter just 15 months ago. The economic consequences are disturbing as a citrus grove in Florida starts to be profitable in the 11th year at the earliest. While awaiting the discovery of resistant varieties, it is recommended in the conclusion of the study that plantation density should be increased from the current 400-500 trees per hectare to 750-1 000; this would lead to positive results after eight years. The change requires the use of less vigorous cultivars and fertigation.

Source: The Ledger

■ Ways to get around interactions between grapefruit and certain drugs. Scientists at the University of Florida have perhaps found a way of regilding the image of grapefruit harmed by potential health problems caused by interactions between furanocoumarin, a compound in the fruit, and some drugs, in particular for high blood pressure and high cholesterol. The researchers have bred a line of shaddock x grapefruit hybrids with very low furanocoumarin levels. The breeding work will take time but the resulting new cultivars should remove a serious brake to grapefruit consumption, especially in North America.

Source: Journal of the American Society of Horticulture

■ European funds for developing Egyptian agriculture. The European Neighbourhood and Partnership Instrument (ENPI) is to have a 22 million euro budget to help Egypt to develop employment and improve living standards in rural zones. The funds are to be available in the second half of 2012 and will be allocated to small and medium-sized enterprises for the development of projects in agriculture.

Source: <http://www.enpi-info.eu/>



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PRICE	Type	Average monthly price euro/box 17 kg box eq.	Comparison with average for last 2 years
	Tropical	9.50-10.50	- 28%
	Mediterranean	13.00-13.50	- 7%

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Tropical	↘	na
	Mediterranean	↗	- 65%

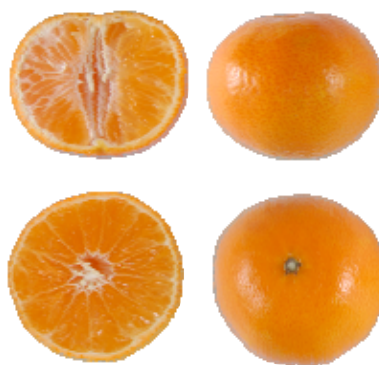
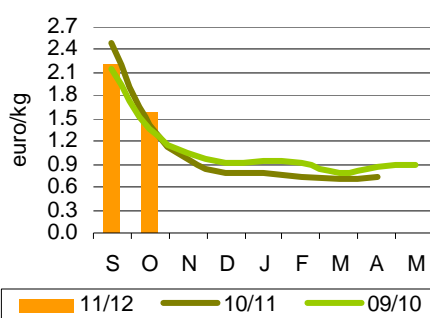
VOLUMES	Source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Florida	↗↗	+ 71%	Supply remained moderate but increased more rapidly than in recent seasons until the end of the month (size distribution more favourable for export).	+ 71%
	Mexico	na	na	Very large quantities available as stocks were very substantial at the beginning of the month.	na
	Israel	↗	- 64%	Very late start to the season and volumes distinctly smaller than in previous years even though production volumes were similar.	- 68%
	Turkey	↗	- 65%	Very late start to the season and volumes distinctly smaller than in preceding years even though the crop was very large.	- 65%

## Easy peelers

October 2010

Volumes were smaller than those of past years at the beginning of the season as the harvest of early varieties was short and ripening was late and because of national holidays in Spain and rain. The small supply delayed the initiating of referencing by supermarket chains. The market gradually became more cumbersome from mid-month onwards. Volumes increased as the shortage ended because of the broadening of the range of varieties and the beginning of deliveries from Morocco. But demand was particularly slow. High temperatures for October and numerous strikes in France disturbed sales for a fortnight, as did the All Saints' Day holiday at the end of the month. In spite of this difficult second fortnight, the average monthly price was satisfactory and higher than in other years.

Easy peelers - France - Import price



erated containers to the station at Silla (about 10 km south of Valencia) where they are loaded on to a train that arrives in London 53 hours later. This is currently a weekly service and is provided by the company Inexphill Logistica. 2 000 lorries of fruit and vegetables leave the production zones of eastern Spain every day for other countries in Europe.

Source: Levante Agrícola

■ Clementine of the month: 'Clemenules'. This Spanish variety from the province of Castellón is the result of a spontaneous mutation of the 'Fine' clementine. The heart of the Spanish clementine season differs to that of other producer countries as it consists today mainly of the variety 'Nules'; 600 000 tonnes of this is harvested, i.e. 56% of total Spanish production of all varieties of clementine. The fruits are of good size although slightly smaller than 'Oroval'. They are attractive as they are seedless and have a good juice content. A long harvest period is another advantage of this mid-season or even late variety available from November onwards. Picking can continue until January, with the fruits conserving their commercial qualities.

Source: CIRAD

■ Champagne... seedless? The Andalusian company Vegasud has just launched an alcoholic drink made from oranges. It is made by double fermentation—in a vat and then in the bottle, in similar way to sparkling wines. Consumers just remain to be persuaded that the organoleptic qualities of the drink are also similar to those of Champagne...

Source: Freshplaza

PRICE	Type	Average monthly price euro/kg	Comparison with average for last 2 years
	Clementine	1.41	+ 9%
	Other easy peelers	-	-

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Clementine	↗↗	+ 12%
	Other easy peelers	-	-

VOLUMES	Source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Clementine from Spain	↗↗	+ 12%	End of the beginning-of-season deficit ('Marisol', 'Clemenruby'). Broadening of the range of varieties ('Clemenpons', 'Oronules') with volumes not as short.	+ 7%
	Clementine from Morocco	↗↗	+ 150%	Early start to the season with volumes distinctly higher than average.	+ 150%
	Clementine from Corsica	↗	- 81%	Late start to the season. Volumes limited and short as the harvest was 30% small than in other years.	- 81%



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## Sea freight

October 2011

The tone of the editorial in recent weeks has been downbeat about the future of the specialised mode. October confirmed what was a successful start to Maersk's Ecumed service: the Ecuador to Black Sea string removes 600K boxes of bananas from weekly Spot charter demand. Equally importantly the month saw a decision by all the integrated banana majors involved in Central and South America to containerise a percentage of their transatlantic volumes.

These majors, who have traditionally held upwards of 70% of the EU banana market, are seeing their business models under threat from retail customers who have been ramping up direct procurement programmes. Instead of an added-value, brand-strong environment the focus on cost facilitated by the availability of cheap containerised solutions has led to a loss of market share for the traditional suppliers. This erosion will continue until the retailers can no longer source from non-affiliated independent banana production.

The cause of the change in fortunes can be linked directly to the abolition of the EU's TRQ for bananas in 2006 and the gradual reduction in the value of the MFN import tariff – both of which, ironically, the majors had demanded. Since then the multi-nationals have watched the destruction of what was once their most valuable market.

Faced with such change the majors have been forced to downsize, restructure and re-align their priorities into cost reduction as opposed to value addition strategies. The quickest and simplest method of implementing such change is to switch a percentage of fruit supply into low-cost container services. But while this may lance one boil, there are other consequences: it leaves the majors vulnerable to a) weaker logistics services, and b) lesser performance on fruit quality. This in turn will only drive

customers further away from the brands in a downwards spiral.

Interestingly there have been beneficial effects for the specialised reefer: Sea-trade for example reported that with container lines unable to offer slots on their transatlantic services to the independent shippers because the same slots have been committed to the majors, more independent fruit is being booked onto its direct liner services – it is this fruit that is being supplied via direct sourcing programmes instead of the brands.

Just as it cannot be denied that the majors are contracting out some 'buffer' capacity to third party container lines, it is also true that there is no sign yet that they intend to do the same for their core banana volumes and services. With the banana business in a period of transition it is perhaps premature to draw too many concrete conclusions about the future of the reefer. Certainly, if trading patterns stay the same it is hard to conceive that demand for independent reefer capacity will disappear completely.



■ Litchi in Madagascar: the sector has no alternative. We now know that sales of litchis from Madagascar are handled by two import companies. The restructuring of the litchi sector by the exporters themselves, with support from the public authorities in Madagascar, is particularly strict. The volumes shipped by sea will be limited to 13 000 tonnes in two conventional ships for Christmas and the New Year and to 2 000 tonnes more in containers in January and February. The pillars of the strategy of the largest supplier of litchis to the European market are therefore reduction in tonnages and the number of consignees and the implementation of a plan for the close surveillance of sulphur treatment of the fruits. Although these reforms mark a change in the evolution of the sector, might not the reduction of the number of consignees be excessive? Indeed, the companies not chosen form a substantial distribution potential that the two companies chosen do not necessarily possess.

However that may be, the Madagascar litchi sector has no choice. Any failure with regard to the measures planned this year will be strongly counter-productive.

Source: Pierre Gerbaud

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# reefer trends

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

### MONTHLY SPOT AVERAGE

US\$/cubic foot x 30 days	Large reefers	Small reefers
October 2011	24	35
October 2010	27	55
October 2009	30	59

