

# Indicators

## November 2004

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.

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Easy peelers	19	21
	Apple	22	18
Banana	12	9	

	Pages
Banana .....	13
Avocado.....	15
Orange.....	16
Grapefruit.....	17
Easy peelers.....	18
Litchi .....	19
Mango.....	20

Nov. 2004 / Nov. 2003			
Price	↓	Vol.	↓

**Easy peelers** No improvement was noted in November. Demand was still slow for the season during the first part of the month, affecting the end of the season for early varieties. The stimulation of sales generated by cooler weather in mid-November did not correct the fall in price as large quantities of Nules and Clemenvilla were available. In this context, other origins found it difficult to gain a foothold on the EU market.

Nov. 2004 / Nov. 2003			
Price	↓	Vol.	= ↓

**Apple** The market became more difficult and worry increased. On the one hand, the export flow was weaker than in preceding years, especially to Germany (with very strong competition from Poland, Italy and the Benelux countries). On the other, large fruits formed a substantial proportion of the crop this season and they continued to sell very slowly. Finally, there have been many cases of bitter pit, especially in Braeburn. Prices are noticeably down on 2003 and 2002.

Nov. 2004 / Nov. 2003			
Price	↑	Vol.	↓

**Banana** Exceptional. This is no exaggeration for the fine performance in November. The quantities available nonetheless returned to average levels after the dip in October. However, demand was lively on both the domestic and export markets. Furthermore, the positive effects of the latest change to the common market organisation (CMO) of banana seem to be confirmed.

	Page
Information on the situation and prices of sea freight	Sea freight ..... 21

**Sea freight** November began where October left off, with rates climbing to create the year's fourth peak but this disappeared as quickly as it had materialised as tonnage began accumulating at the Panama Canal and charterers refrained from fixing. As a result, some charterers who had forward fixed into the Med in weeks 46 and 47 found they were competing in the banana market with other charterers who are paying as much as US\$1 per box less.

**Notes concerning market appraisal methodology**  
The statistics on the following pages are estimates of quantities put on the market in France. They are only calculated for the main supplier countries and are drawn up using information on weekly arrivals or market release statements by representative operators. The past figures are kindly provided from the POMONA data base and processed by CIRAD. The figures in the 'Main fruits' section above are provided by the CTIFL, with SECODIP being the source. The data published in the French market pages is provided solely as a guide and CIRAD accepts no responsibility for their accuracy. The illustrations are reproduced with the kind permission of Fabrice Le Bellec (CIRAD-FLHOR).

# Banana

NOVEMBER 2004

## Monthly comparison: Nov. 2004 / Oct. 2004

Price	Volumes
↗ + 43%	↘ - 5%

## Annual comparison: Nov. 2004 / Nov. 2003

Price	Volumes
↗ + 40%	↘ - 4%



**Exceptional.** This is no exaggeration for the fine performance in November. The quantities available nonetheless returned to average levels after the dip in October. However, demand was lively on both the domestic and export markets. Furthermore, the positive effects of the latest change to the common market organisation (CMO) of banana seem to be confirmed.

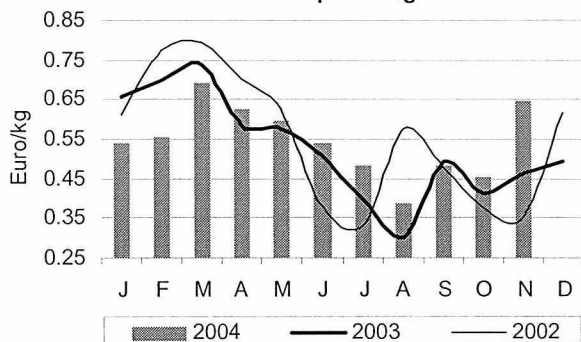
Cumulated shipments arriving from the West Indies and Africa returned to normal after the dip in October. The shortfall from the West Indies increased (dock strike in Guadeloupe that also reduced the number of containers available in Martinique). However, the decrease was

compensated by increasing quantities from Africa in spite of the difficult situation in Côte d'Ivoire. Domestic demand reached a good level. The increase in retail prices was relatively moderate in the light of the increase in quay prices. Furthermore, exports remained very dynamic, especially to

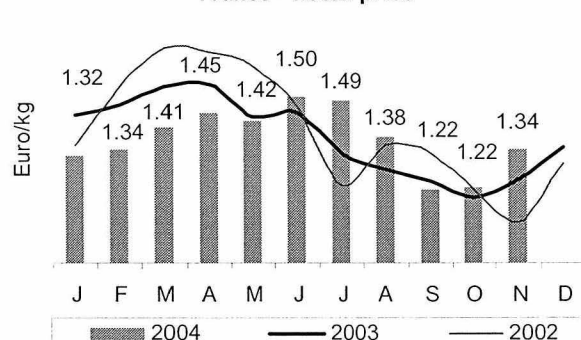
northern Europe where the arrivals of dollar bananas were only average because licences were fairly limited in the fourth quarter of 2004. The average price peaked at 0.65 euro per kg, a level unseen for seven years.

## French banana market — Indicators

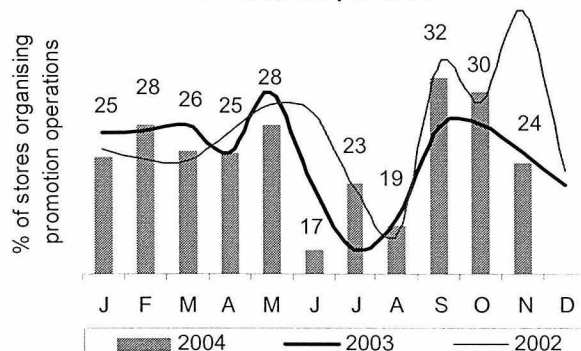
Price at import stage



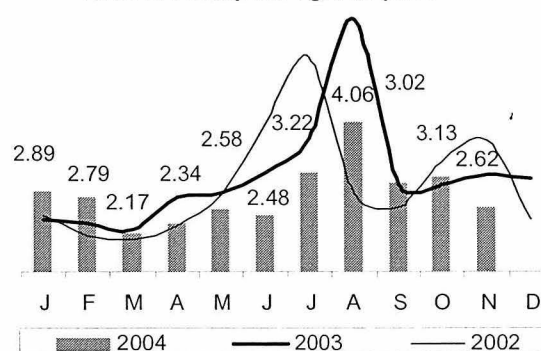
France - Retail price



Promotion operations



Ratio of retail price : green price



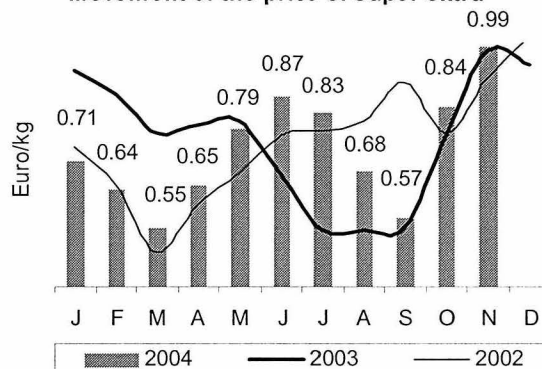
## European banana market — Indicators

Tonnes	November 2004	Comparisons (%)		Total season 2004	Season comparisons (%)	
		2004/2003	2004/2002		2004/2003	2004/2002
Martinique	21 807	+ 5	- 7	234 284	+ 5	- 3
Guadeloupe	3 137	- 59	- 59	64 672	- 21	- 25
Canaries	29 918	+ 12	+ 20	349 322	+ 3	0
Côte d'Ivoire	18 340	+ 3	- 7	193 988	+ 2	- 1
Cameroon	27 099	+ 7	+ 18	252 914	- 1	+ 10

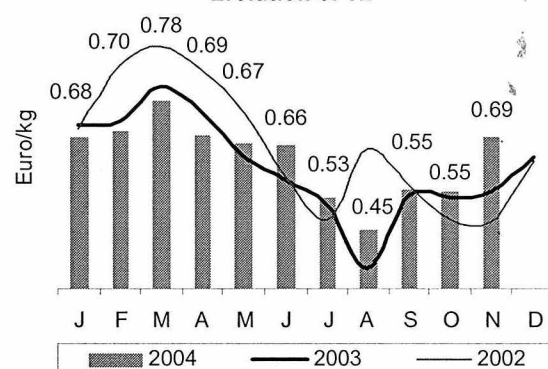
## Index (base 100 in November 2003)

Dollar	103	+ 3	+ 1	ND	+ 12	+ 12
--------	-----	-----	-----	----	------	------

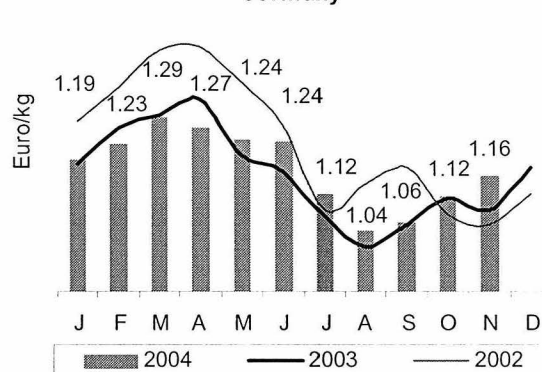
Movement of the price of super extra



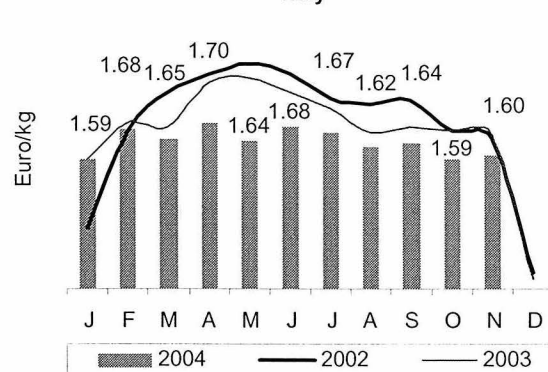
Evolution of T2



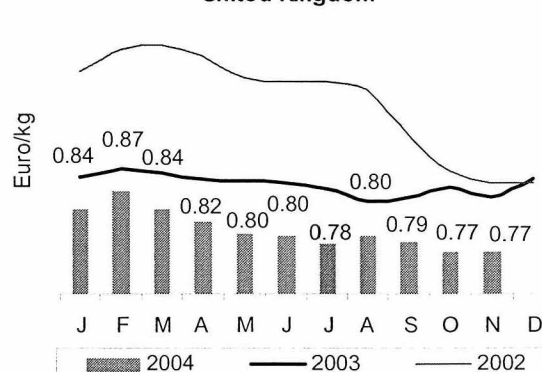
Germany



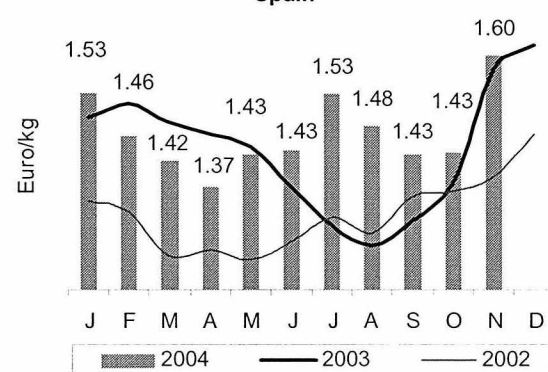
Italy



United Kingdom



Spain



Sources: CIRAD-FLHOR, SNM, TW Marketing Consulting

# Avocado

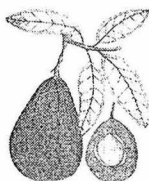
NOVEMBER 2004

## Monthly comparison: Nov. 2004 / Oct. 2004

Price	Volumes
↗ + 27%	↗ + 26%

## Annual comparison: Nov. 2004 / Nov. 2003

Price	Volumes
↘ - 6%	↗ + 37%



Performance was satisfactory. The average price of green varieties was substantially down on the two preceding years. However, although supplies were large with the return to normal levels of Ettinger production in Israel they were shifted with no major problem thanks to the numerous promotion operations set up. Hass prices remained firm as the market was markedly under-supplied for most of the month.

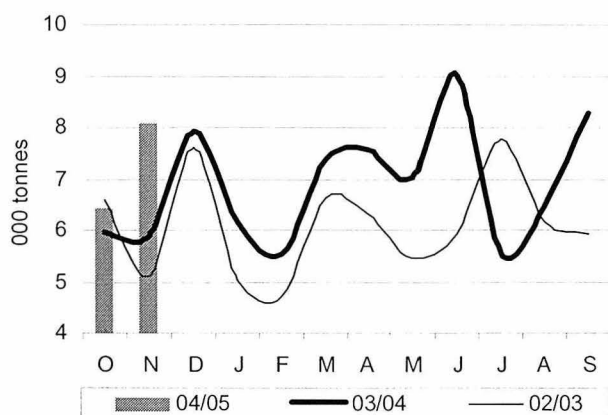
Hass remained firm as supplies were markedly short during the first two-thirds of the month. Importers were very cautious in their orders for Mexican fruits after the October catastrophe and arrivals from Spain were relatively sparse with producers preferring to speculate on the

production deficit. The quantities arriving from Chile were well down but still significant and concentrated in Spain and the United Kingdom. The market for green varieties remained well-balanced. Israeli supplies returned to normal after two seasons with shortfalls and were fairly plentiful.

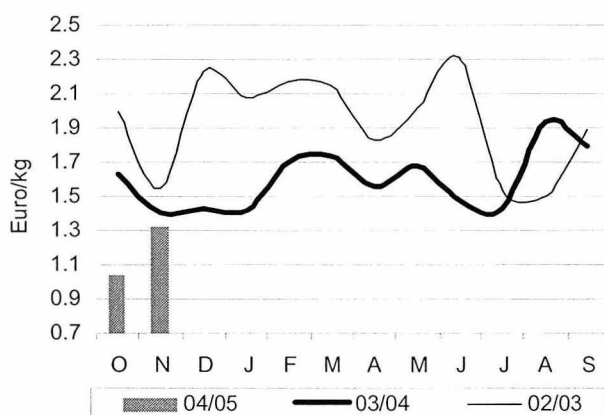
Demand was nonetheless good, stimulated by the numerous promotion operations organised. Grade 12/14 fruits formed a large proportion of supply during the first part of the month and were more difficult to sell than 16/18 fruits.

## Estimated market releases in France

### Volumes



### Price at import stage



## Estimated market releases in France by origin

Tonnes	November 2004	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	2 023	0	+ 71	4 255	+ 26	+ 54
Mexico	1 247	- 19	- 24	6 698	- 5	+ 42
Israel	3 943	+ 94	+ 33	4 612	+ 68	+ 2
Chile	850	+ 486	-	4 365	+ 213	+ 528
<b>Total</b>	<b>8 063</b>	<b>+ 37</b>	<b>+ 58</b>	<b>19 930</b>	<b>+ 37</b>	<b>+ 57</b>



# Orange

NOVEMBER 2004

## Monthly comparison: Nov. 2004 / Oct. 2004

Price

↘ - 25%

Volumes

↗ + 241%

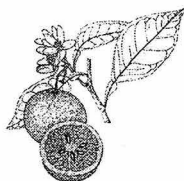
## Annual comparison: Nov. 2004 / Nov. 2003

Price

↘ - 2%

Volumes

↗ + 4%



Performance was average, with sales markedly down on the normal level. Prices were nevertheless slightly above average even though the market was difficult in the first half of the month (competition from easy peelers and a significant proportion of supplies insufficiently ripe).

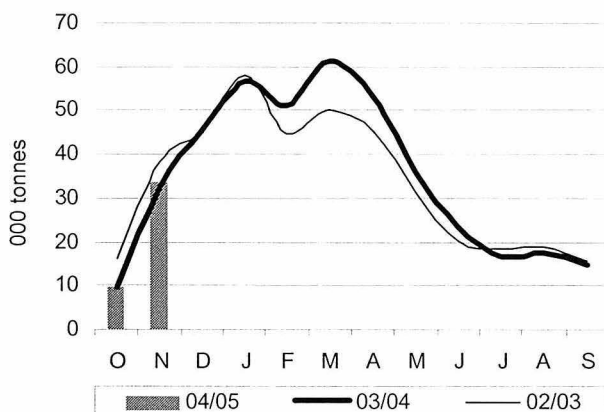
After a slow start because of late ripening, shipments of Naveline from Spain reached normal levels after the first third of the month. The last positions occupied by Valencia from South Africa fell to Spanish operators in the middle of the month. However, demand was very slow, especially

during the second half of the month. The difficult situation for easy peelers affected the orange market. Furthermore, the taste quality of a significant proportion of the fruits was disappointing as they were not ripe enough. In this context, prices managed to remain close to that of

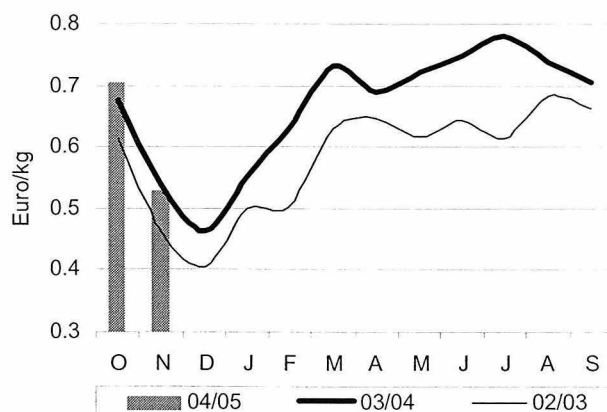
2003 until the middle of the month but then plummeted and approached the withdrawal price at the end of November. The first Salustiana from Spain were shipped at the end of the month.

## Estimated market releases in France

### Volumes



### Price at import stage



## Estimated market releases in France by origin

Tonnes	November 2004	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	33 575	+ 4	- 12	38 762	+ 1	- 21
<b>Total</b>	<b>33 575</b>	<b>+ 4</b>	<b>- 12</b>	<b>38 762</b>	<b>+ 1</b>	<b>- 21</b>

# Grapefruit

NOVEMBER 2004

## Monthly comparison: Nov. 2004 / Oct. 2004

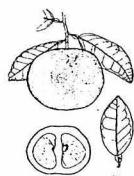
Price  
= + 1%

Volumes  
↗ + 198%

## Annual comparison: Nov. 2004 / Nov. 2003

Price  
↗ + 46%

Volumes  
↘ - 52%



Demand slowed markedly as is usual in November every year, especially during the second half of the month, and was focused on high-quality produce. Prices nevertheless remained extremely firm because of the shortage of supplies resulting from the lack of normal arrivals from Florida. The only negative feature was the difficult end of the season for out of season origins (Mexico and Cuba).

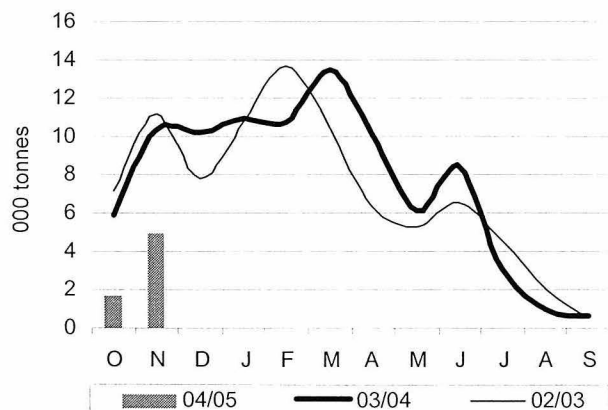
Arrivals from Florida were some 60% to 70% down, in line with the production forecast published by USDA (see *Fruitrop* 117). Overall supplies were thus particularly small. Compensation by Mediterranean origins (Israel and Turkey to a lesser extent) was only very partial. Supplies

were completed by a few shipments from Mexico and Cuba and some stocks of Honduran fruits. Demand followed the normal pattern for the season by slowing distinctly in the second part of the month and by concentrating on high-quality produce (the best Florida brands). The prices of

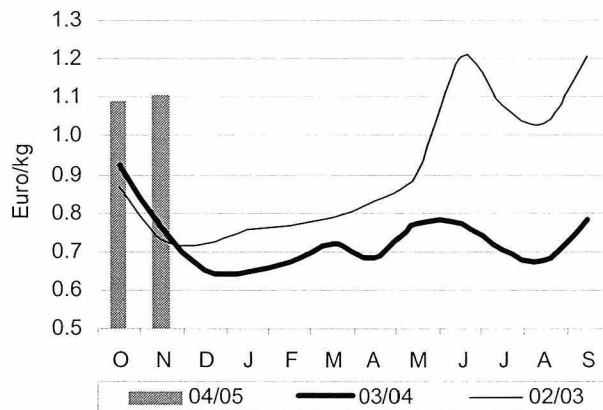
the latter remained very firm. Similarly, those of Mediterranean fruits, whose quantities were adjusted to demand, remained at levels much higher than normal. In contrast, substantial concessions were necessary to attempt to shift the remaining fruits from Cuba and Mexico.

## Estimated market releases in France

Volumes



Price at import stage



## Estimated market releases in France by origin

Tonnes	November 2004	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Florida	3 062	- 66	- 67	3 228	- 74	- 78
Israel	959	+ 15	+ 33	1 658	- 20	+ 18
Turkey	941	+ 71	- 20	1 739	- 2	- 27
<b>Total</b>	<b>4 962</b>	<b>- 52</b>	<b>- 56</b>	<b>6 625</b>	<b>- 59</b>	<b>- 64</b>

# Easy peelers

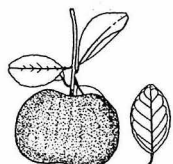
NOVEMBER 2004

## Monthly comparison: Nov. 2004 / Oct. 2004

Price	Volumes
↘ - 13%	↗ + 114%

## Annual comparison: Nov. 2004 / Nov. 2003

Price	Volumes
↘ - 18%	↘ - 3%



No improvement was noted in November. Demand was still slow for the season during the first part of the month, affecting the end of the season for early varieties. The stimulation of sales generated by cooler weather in mid-November did not correct the fall in price as large quantities of Nules and Clemenvilla were available. In this context, other origins found it difficult to gain a foothold on the EU market.

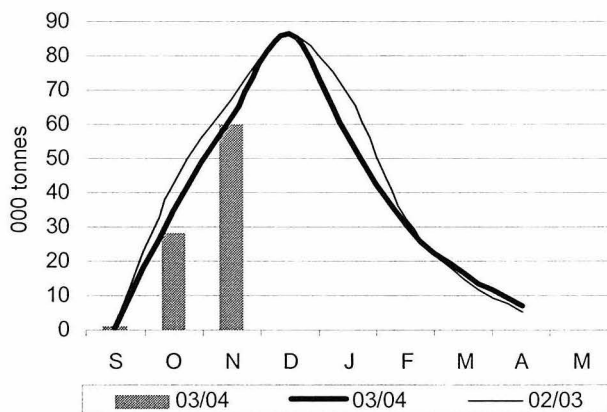
Spanish produce was still difficult to shift throughout the month. The end of the season for the early varieties (Marisol, Oronules and Clemenpons and then Oroval) was difficult. Demand was slow for the season as the weather was not propitious for citrus consumption and large quantities remained available. Sales increased noticeably from mid-November

onwards when temperatures dropped to levels that were more normal for the season. However, the large volumes of both Nules and Clemenvilla available in the production zones did not enable operators to halt the falling prices. These hit rock bottom at the end of the month. It was very difficult to find takers for fruits from other origins under these conditions. Moroccan

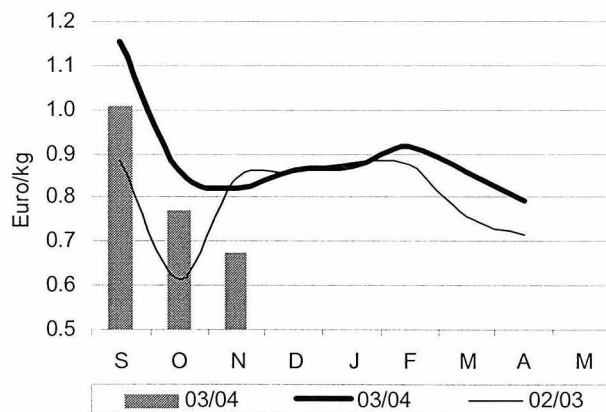
exporters concentrated on the Russian market, especially as fruits were small—a further difficulty for sales on the EU market. It was very difficult to place Corsican clementine—especially small fruits—sold almost exclusively on the French market. However, only limited quantities were available until the middle of the month because of late ripening.

## Estimated market releases in France

### Volumes



### Price at import stage



## Estimated market releases in France by origin

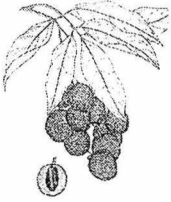
Tonnes	November 2004	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	50 306	+ 4	- 12	79 434	- 4	- 21
Morocco	3 684	- 51	+ 31	3 827	- 53	+ 36
Corsica	5 922	- 2	- 18	5 922	- 2	- 24
<b>Total</b>	<b>59 912</b>	<b>- 3</b>	<b>- 11</b>	<b>89 183</b>	<b>- 8</b>	<b>- 20</b>

# Litchi

NOVEMBER 2004

## Litchi — European arrivals Estimates in tonnes

Weeks	45	46	47	48
Mauritius	18	22	25	15
Madagascar	30	45	60	10
Réunion	-	3	20	20



The Indian Ocean export season started in Week 44, as in the previous season. In contrast, the season started very early in Madagascar this year. The first Madagascar fruits arrived in Week 45, three weeks earlier than in the 2003/2004 season. The arrival of the first conventional ships was announced for the end of November! This early start soon caused prices to sag because of the strong competition between the origins present on the market.

The first shipments of litchi left Mauritius at the end of October. This origin generally opens the export season in the Indian Ocean zone. Mauritian operators did not profit from the early harvest to sell the produce rapidly but preferred to wait until fruit quality was satisfactory before shipping, thus losing the early position on the market. In contrast with preceding years, Mauritian exporters gave priority to the shipping of destemmed fruits treated with sulphur. Shipments of fruits on the branch did not get under way until the second third of the month.

Madagascan fruits were sold from Week 45 onwards with substantial tonnages for the start of a season. Shipments by air freight enhanced this rapid increase in quantities and doubtless affected prices, that soon slid downwards. The trend continued throughout November and prices at the end of the period were half of those observed initially. Shippers in Mauritius who generally profit from the gap between the early start to the

season and the arrival of fruits from Madagascar were caught out this year by the rapid arrival of the first fruits from Madagascar. The price of their fruits gradually matched that of the Madagascan litchis that dominated supplies. It is added that demand for this type of fruit was not very strong in November. Litchis shipped by air almost all arrive in France thus limiting the quantities concerned. The other European countries prefer to wait for the fruits shipped by sea and hence cheaper.

In order to continue shipping and not shorten the season, Mauritian exporters opted for fresh fruits on the branch, thus avoiding head-on competition with Madagascan produce. This was a judicious strategy but did not totally protect Mauritian supplies as they were in competition with shipments from Réunion.

Exports from Réunion started slowly in the second week of the month and displayed a fairly rapid increase in tonnages, overloading the market—

especially as the produce was of mixed quality and worse than last year in some cases. The price of such produce soon fell week after week. The increase in the quantities arriving while demand remained limited further aggravated the crumbling of prices resulting from worsening fruit quality.

The announcement of the first conventional ship from Madagascar brought things to a head and aggravated the fall in the price of the loose, sulphur-treated fruits that operators wanted to shift before releasing the fruits shipped by sea available at more accessible prices. This change also affected fruits on the branch as a proportion of customers transferred buying to fruits arriving by sea.

The Madagascan litchi season was monitored by Pierre Gerbaud for CHT thanks to European Union funding (STABEX resources).



## Litchi — Prices in euros — Import stage in France

Weeks 2004	45	46	47	48
<b>Mauritius</b>				
sulphur treated	8.00-8.50	6.00-6.50	4.00-5.00	4.00-4.50
fresh on the branch		9.00-10.00	7.00-8.00	6.00-6.50
<b>Réunion</b>				
fresh on the branch	-	11.00-12.00	9.00-11.00	7.00-8.00
<b>Madagascar</b>				
sulphur treated	8.00-8.50	5.50-6.00	4.00-5.00	3.50-4.50
fresh on the branch	-	-	5.00	4.00-5.00



# Mango

West African Season



The market was well-balanced in November with prices firm throughout the month and even climbing during the second fortnight. The absence of large tonnages from Brazil was probably the main reason for the trend. Much contradictory information circulated in November concerning a possible shortage of mangoes at the end of the year. Some traders supported this hypothesis while others gambled on a large, sharp increase in deliveries from Brazil that could soon send prices downwards.

When Israel had cleared the last batches of Keitt mangoes, the market was open to Brazilian and Spanish fruits. Indeed, the two origins were clearly dominant on the European market in November. Profiting from the regular but small shipments from Brazil, Spain succeeded in handling its marketing season under good market conditions. The advantages of lower transport costs and closeness to consumer markets were well exploited by shippers in southern Spain. Supplies consisted mainly of the Osteen variety. This is not particularly sought after by consumers but it has little by little gained a major position in distribution channels as its stage of ripeness was such that it could be eaten shortly after purchasing. Although Osteen was dominant in supplies from Spain, it was accompanied from the second half of November onwards by Kent and then Keitt. The comparative shortage of mangoes and the regularity of

shipments from Spain resulted in selling prices remaining fairly high.

Brazilian fruits were available throughout the period but with fairly small shipments at the European scale. The poor results of last autumn's season probably encouraged Brazilian exporters to revise their trading strategy. It seems that disagreement between producers and exporters also contributed to the reduction in the quantities shipped to the European market. This dip in supplies meant that some European operators had to scout for supplies to cover their requirements—especially for the Christmas period. The arrival of the first batches from Peru and Ecuador at the end of the month is related to November's comparatively short supplies. Batches of Kent mangoes shipped by air from Brazil arrived regularly but were relatively small and so prices were strong throughout the month. They were

completed from time to time by the varieties Palmer and Haden sold at slightly lower prices (3.00 euros per kg). For fruits shipped by sea, the selling price of Tommy Atkins increased gradually from 4.00 euros per box at the beginning of the month to 5.00 euros at the end. The price for Kent shown below does not include brand fruits that are traditionally subject to greater care and that sold for more than 1 euro per box. The decrease in arrivals is one of the factors accounting for the increase in prices to more normal levels in comparison with the preceding periods. Furthermore, the decrease in the tonnages arriving from Brazil was salutary as demand in November finally remained fairly slow.

The earliness of the Peruvian mango season should be noted, together with the announcement of large quantities from Ecuador.

NOVEMBER 2004	Kent mango — Price at import stage in euros/box	
	Min	Max
	by sea	
	Brazil	5.00 6.00
	by truck	
	Spain	8.00 10.00

Mango — Prices in euros — Import stage					
Weeks 2004		45	46	47	48
by air (kg)					
Brazil	Kent	4.50	4.50	4.50	4.00-4.50
Peru	Kent				4.50
by sea (box)					
Israel	Keitt	4.00	-	-	-
Brazil	Tommy Atkins	4.00	4.00-4.50	4.00-5.00	4.50-5.00
Brazil	Kent	6.00	5.00-6.00	5.00-6.00	5.00-6.00
by truck (box)					
Spain	Osteen	6.00-7.00	6.00-8.00	7.00-8.00	-
Spain	Kent	9.00-10.00	8.00-9.00	-	-
Spain	Keitt	-	6.50-7.00	6.50-7.00	7.00

# Sea freight



November began where October left off, with rates climbing to create the year's fourth peak but this disappeared as quickly as it had materialised as tonnage began accumulating at the Panama Canal and charterers refrained from fixing. As a result, some charterers who had forward fixed into the Med in weeks 46 and 47 found they were competing in the banana market with other charterers who are paying as much as US\$1 per box less.

## Newbuilding

Away from the charter market, the month's major excitement revolved around the commissioning of the first reefer newbuilds for 5 years. Owner/operator Star Reefers has revealed that it has entered into a long-term charter back arrangement with the Shikoku yard in Japan for two 585 000 cbft vessels for delivery in 2006/07. Despite this welcome shot in the arm for the reefer business, the move is unlikely to herald a newbuilding rush for a number of different reasons: shipyard orderbooks are full with orders for boxships, bulkers and tankers for the next 2-4 years. Reefers are notoriously difficult and expensive to build. More importantly however the question remains as to who will build them: ask any of the major head owners and they

will say that they may need a handful of vessels only to cover anticipated increases in liner business. Operators require more tonnage for greater flexibility and to cover increases in Spot business but will only take the newbuilding plunge once friendly charterers have agreed long-term charter back arrangements.

## Trade

Mid month the Chinese President signed a series of reciprocal phytosanitary protocol and trade agreements with the major fruit and meat producing nations of South America. The reefer trade to and from the Asian giant has hitherto been exclusively box-based; should this continue then the majority of reefer boxes currently being manufactured in

China may end up dedicated to this new trade, particularly if Chinese consumption of imported fresh fruit and meat matches its appetite for industrial raw materials.

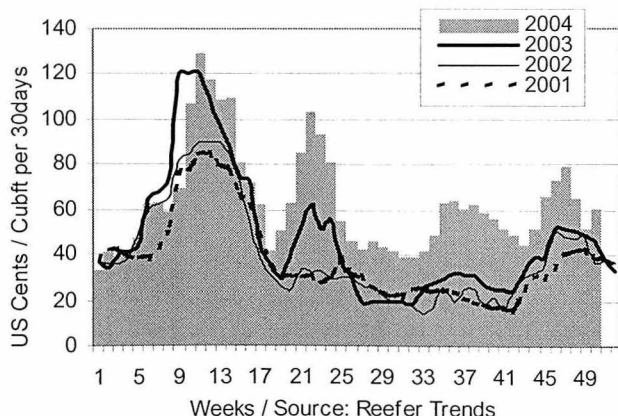
A new banana trade lane opened up out of Mexico to the Med with the first 2 vessels loaded out of the Yucatan port of Dos Bocas. According to last month's *Fruitrop* report, in 2003 Mexico was Central America's second largest Cavendish banana producer after Costa Rica. However while in 2003 Costa Rica exported 94% of its Cavendish crop, Mexico exported less than 4%. Given that the first Mexican fruit arrived in the Syrian market reportedly in good condition, the upside potential for the Mexico to Med trade could be very high.

## Monthly spot averages

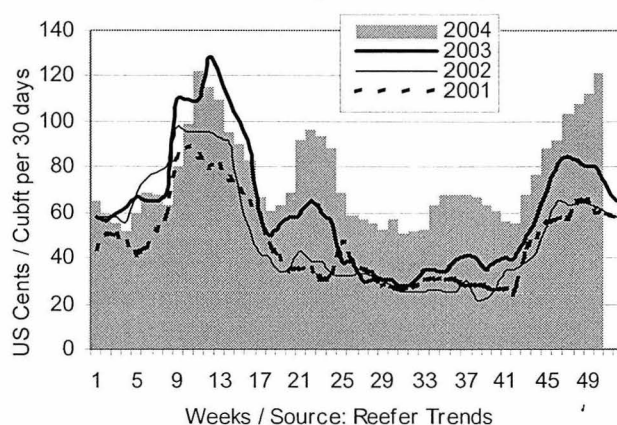
US\$cents/cubic foot x 30 days	Large reefers	Small reefers
November 2004	67	92
November 2003	49	80
November 2002	45	62

## Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



Web: [www.reeferevents.com](http://www.reeferevents.com)  
 Tel: +44 (0) 1494 875550  
 Email: [info@reeferevents.com](mailto:info@reeferevents.com)

# reefer trends

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