

Indicators

December 2004

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Apple	23	19
	Easy peelers	21	23
	Orange	13	10

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

Apple The export flow remained much slower than in previous years and was focused mainly on the UK (with some signs of the recovery of exports to Germany at the end of the month). However, releases on the domestic market were fairly good, especially for club varieties. Stocks of fruits of grade 85 and larger have nonetheless been over-large. Prices are still higher than those observed in 2003/2004.

Dec. 2004 / Dec. 2003			
Price	↓	Vol.	↓

Easy peelers The distinct improvement in the taste qualities of the fruits supplied led to a marked recovery in demand. However, the performance of Spanish operators remains very poor. The large quantities of Nules and Clemenvilla still available in the production zones and the quality problems caused by the long period of rainy weather limited the possibility of a price recovery. The other origins benefited from a temporary transfer of demand for lack of Spanish fruits and performed better.

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

Orange The market for oranges did not perform well, like that for easy peelers. The slight increase in prices of Naveline—the main variety available this month—from Spain in comparison with the 2003/2004 season did not make up for the decrease in the quantities sold. This difficult situation was probably caused by strong competition from easy peelers.

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Information on the situation and prices of sea freight	Sea freight 17

Sea freight The December Time Charter averages bring to an end a year in which average earnings for the large and small reefer segments have risen to 62c/cbft and 73c/cbft, or by 29% and 21% respectively. With the way 2005 has kicked off, a similar increase this year looks more rather than less likely.

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

DECEMBER 2004

Monthly comparison: Dec. 2004 / Nov. 2004

Price	Volumes
↗ + 11%	↘ - 3%

Annual comparison: Dec. 2004 / Dec. 2003

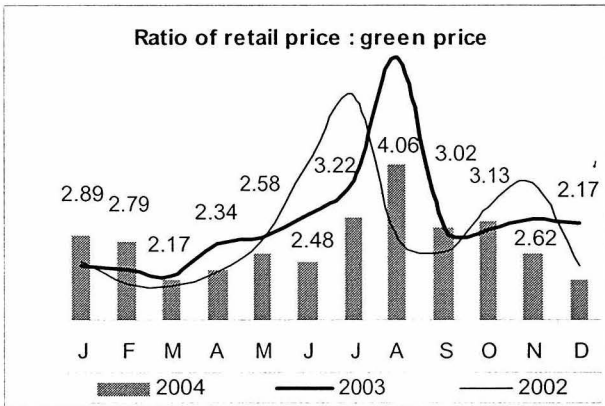
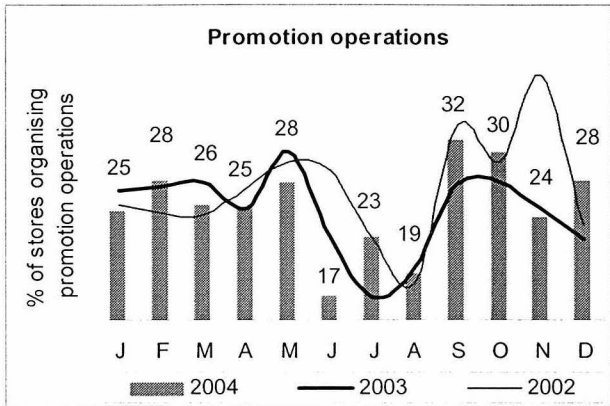
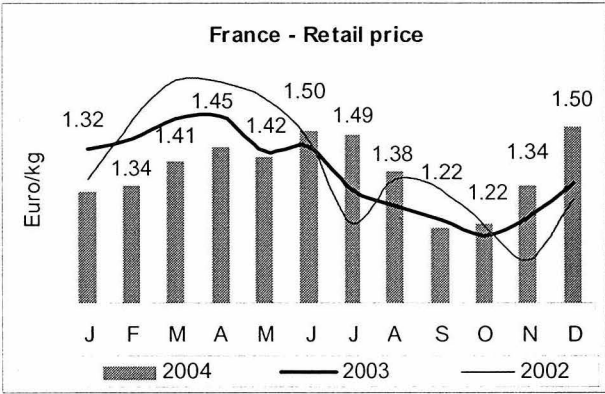
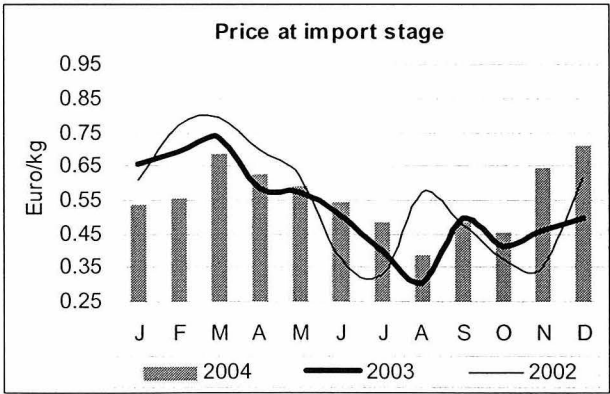
Price	Volumes
↗↗ + 44%	↘↘ - 19%



The year 2004 started very badly but finished well. Demand displayed the usual marked decrease from mid-December onwards because of the run-up to Christmas but the market held up better as only small quantities of fruits were available. The last time prices were higher than 0.70 euro per kg, as they were in December 2004, was precisely ten years previously.

Demand followed the normal trend and slowed distinctly from mid-December onwards on both the domestic and EU-15 markets (with a switch at the retail level to exotic fruits and easy peelers). The high retail prices in France probably also had an effect in spite of the reasonable margins taken by distributors. Nevertheless, overall supplies were markedly smaller than in previous years even though arrivals of dollar bananas were normal for the season. Although the shortfall in arrivals from Africa was fairly moderate, that for shipments from the West Indies amounted to nearly 25% in comparison with the three-year average. Furthermore, some of the new EU countries (in particular Poland and Hungary) took delivery of large quantities as bananas are considered as a festive fruit there. The structure of the banana consumption calendar in the EU has thus perhaps been changed by the enlargement of the community (this hypothesis should be examined). Prices held up well and were only slightly down on the very satisfactory level reached at the end of November.

French banana market — Indicators



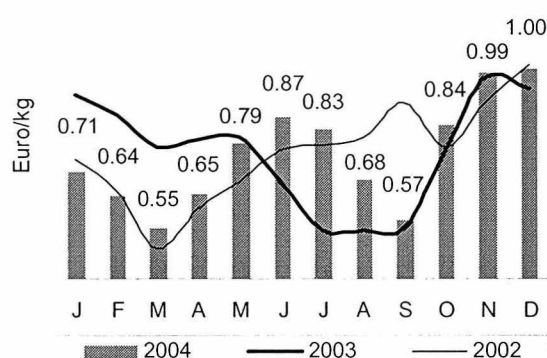
European banana market — Indicators

Tonnes	December 2004	Comparisons (%)		Total season 2004	Season comparisons (%)	
		2004/2003	2004/2002		2004/2003	2004/2002
Martinique	17 763	- 27	- 17	252 047	+ 2	- 5
Guadeloupe	5 159	- 41	- 35	69 830	- 23	- 26
Canaries	28 524	- 10	+ 2	377 846	+ 2	0
Côte d'Ivoire	20 758	- 1	- 4	214 746	+ 2	- 1
Cameroon	24 678	- 13	- 2	277 593	- 2	+ 9

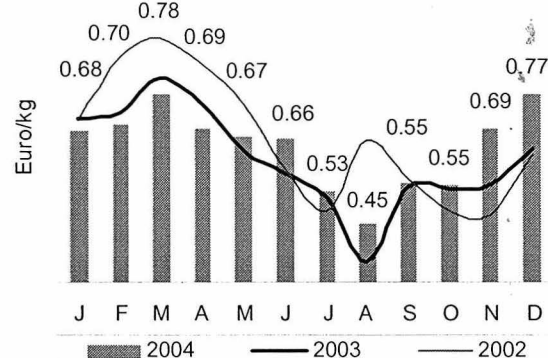
Index (base 100 in December 2003)

Dollar	120	+ 20	+ 26	ND	+ 13	+ 13
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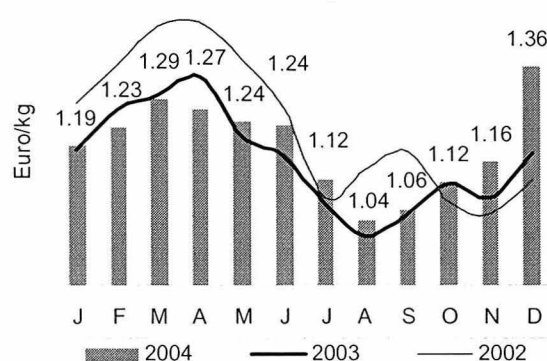
Movement of the price of super extra



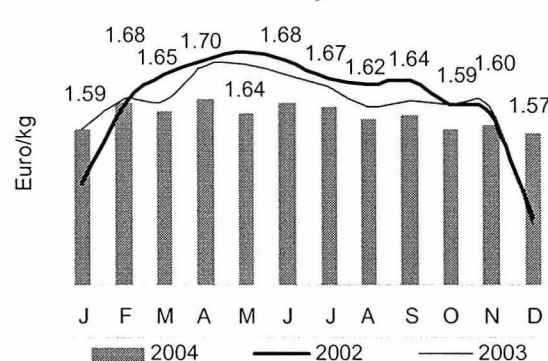
Evolution of T2



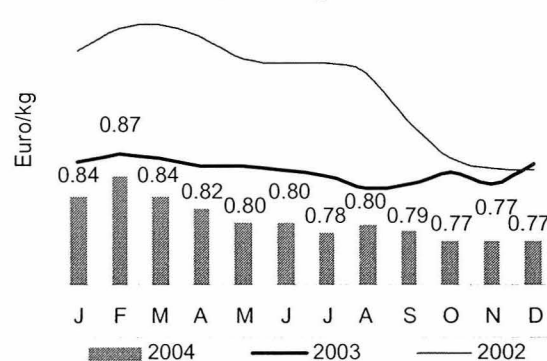
Germany



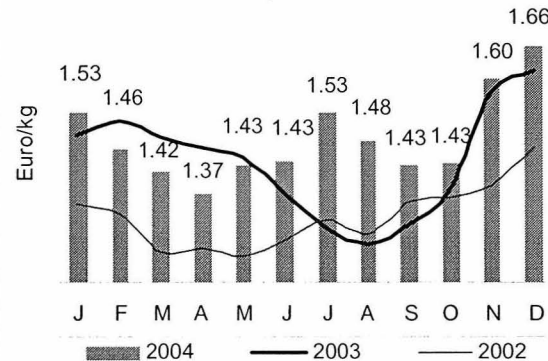
Italy



United Kingdom



Spain



Sources: CIRAD-FLHOR, SNM, TW Marketing Consulting

Avocado

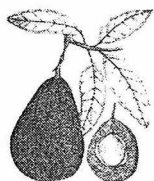
DECEMBER 2004

Monthly comparison: Dec. 2004 / Nov. 2004

Price	Volumes
↗ + 15%	↗ + 7%

Annual comparison: Dec. 2004 / Dec. 2003

Price	Volumes
↗ + 7%	↗ + 9%



Large quantities have been sold (with shipments of Mexican Hass as large as in 2003 and ample quantities of green varieties from Israel after two years of shortfall). However, performance was comparatively satisfactory even if demand markedly smaller than forecasts during the Christmas sales operations resulted in a noticeable worsening of the market at the end of the month. The average price was higher than in 2003 and higher than the average.

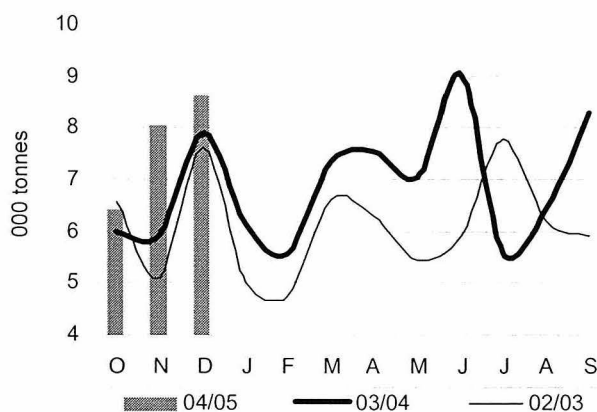
Supplies of Mexican Hass were large, as they had been a year before. In contrast, shipment of this variety from other origins were small. Israeli exporters concentrated their deliveries on the United Kingdom. Spain had only limited quantities as producers preferred to speculate on the end of the season and directed them towards their traditional clientele. Even though

demand was sluggish in the first two-thirds of the month, prices held up because most of the quantities were reserved for Christmas promotion operations. Poor sales during these operations caused prices—especially for grade 20 fruits—to dip to below cost price. Large quantities of green varieties, consisting of Ettinger and then Pinkerton from Israel, were also

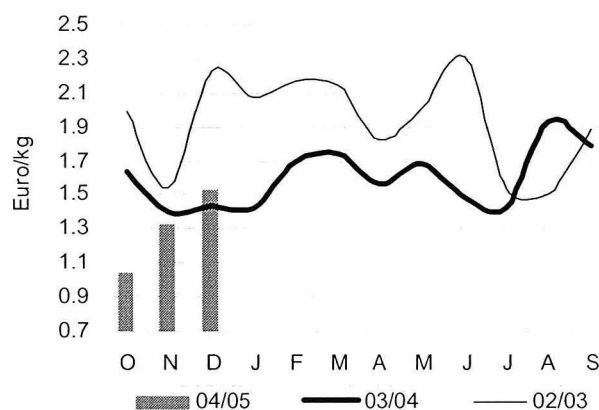
available (with production back to normal after two years of small crops). Demand was nevertheless brisk, thanks to numerous special offers at attractive prices (in France and Germany). As for Hass, the balance of the market for green varieties became more fragile at the end of the month.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	December 2004	Comparisons (%)		Total season	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	2 663	- 15	0	6 917	+ 6	+ 28
Mexico	2 075	- 2	+ 31	8 773	- 4	+ 33
Israel	3 476	+ 33	+ 12	8 088	+ 51	+ 6
Chile	421	0	-	4 786	+ 243	+ 588
Total	8 635	+ 9	+ 14	28 564	+ 27	+ 40

Orange

DECEMBER 2004

Monthly comparison: Dec. 2004 / Nov. 2004

Price	Volumes
↘ - 7%	↗ + 11%

Annual comparison: Dec. 2004 / Dec. 2003

Price	Volumes
↗ + 6%	↘ - 17%



The market for oranges did not perform well, like that for easy peelers. The slight increase in prices of Naveline—the main variety available this month—from Spain in comparison with the 2003/2004 season did not make up for the decrease in the quantities sold. This difficult situation was probably caused by strong competition from easy peelers.

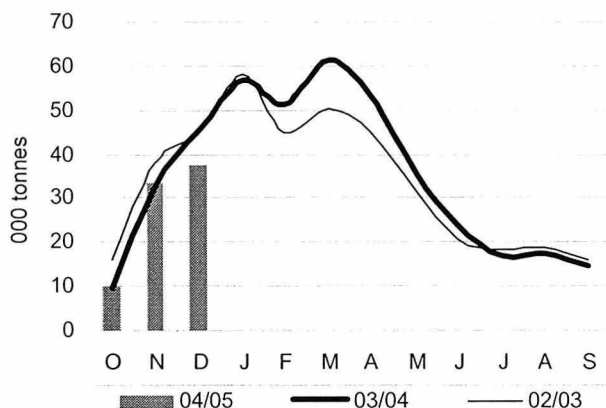
Supplies consisted mainly of Naveline from Spain. Although the quantities of Salustiana from the same origin increased from mid-December onwards, they were still limited. Demand was slow for the season in France, probably because of very lively competition from easy peelers as the latter were available at very

competitive prices throughout December. The price of Naveline tended to approach the very disappointing level observed during the last season and flirted with the withdrawal price but then increased during the first third of the month because heavy rainfall in the Valencia region caused a temporary decrease

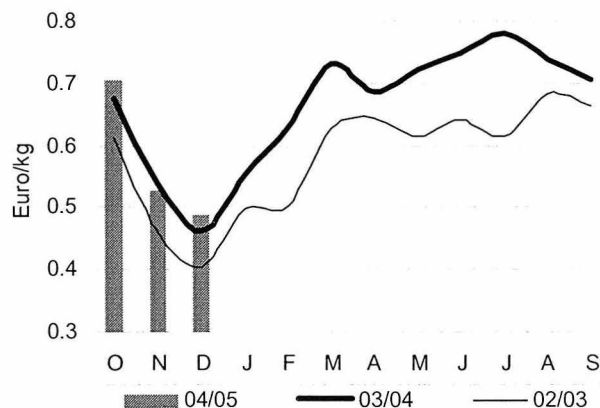
in supplies. Even if this recovery was both artificial and short-lived, the average monthly price was higher than average. However, it did not match producers' expectations, given the substantial shortfall in Naveline production (15% down on 2003/2004).

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	December 2004	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	37 354	- 17	- 17	76 116	- 9	- 19
Total	37 354	- 17	- 17	76 116	- 9	- 19

Grapefruit

DECEMBER 2004

Monthly comparison: Dec. 2004 / Nov. 2004

Price

↘ - 8%

Volumes

↘ - 2%

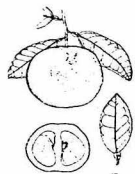
Annual comparison: Dec. 2004 / Dec. 2003

Price

↗ + 57%

Volumes

↘ - 53%



The change in the range available in supermarkets to the benefit of festive produce led to a considerable decrease in releases, as every year. However, operators in Florida earned a new record price as supplies were still very short and demand concentrated on the top-of-the-range varieties from this origin. Performance was much more uneven for the other origins. However, all displayed an average price that was sometimes lower than that of November (the case for Turkey, Cuba and Mexico) but remained markedly higher than in previous seasons.

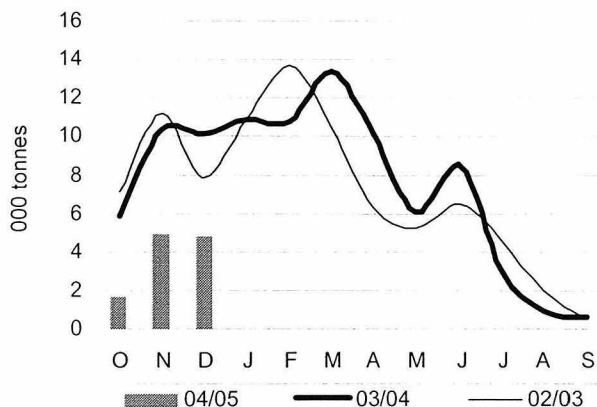
Demand slowed markedly as is always the case in December when supermarket chains set out a more festive range of goods and concentrated on the best produce from Florida. However, the prices for produce from this origin only fell a little and remained very firm. Supplies remained very short, still at the

equivalent of only a third of 'normal' quantities. The latest production estimate reports a worsening of the shortfall (with the harvest totalling approximately 13 million 85-lb boxes against 42 million in 2003/2004). The performance of other origins has been much more mixed, with very slow demand. The scale of the decrease in

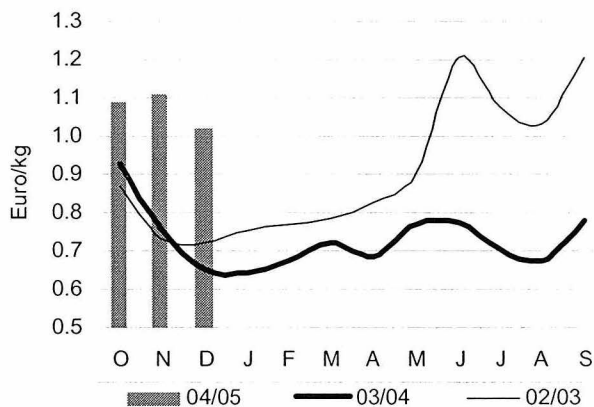
price was limited for Israel thanks to limited arriving shipments. More significant concessions were made by some Turkish operators who received markedly greater quantities than usual. Likewise, considerable price concessions were made for the last batches of grapefruit from Mexico and Cuba.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	December 2004	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Florida	3 302	- 65	- 49	6 530	- 70	- 69
Israel	846	+ 59	+ 72	2 479	- 5	+ 31
Turkey	678	+ 165	- 20	2 417	+ 19	- 25
Total	4 826	- 53	- 38	11 426	- 57	- 56

Easy Peelers

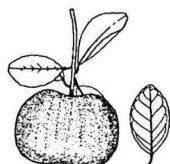
DECEMBER 2004

Monthly comparison: Dec. 2004 / Nov. 2004

Price	Volumes
↘ - 4%	↗ + 12%

Annual comparison: Dec. 2004 / Dec. 2003

Price	Volumes
↘↘ - 24%	↘↘ - 22%



The distinct improvement in the taste qualities of the fruits supplied led to a marked recovery in demand. However, the performance of Spanish operators remains very poor. The large quantities of Nules and Clemenvilla still available in the production zones and the quality problems caused by the long period of rainy weather limited the possibility of a price recovery. The other origins benefited from a temporary transfer of demand for lack of Spanish fruits and performed better.

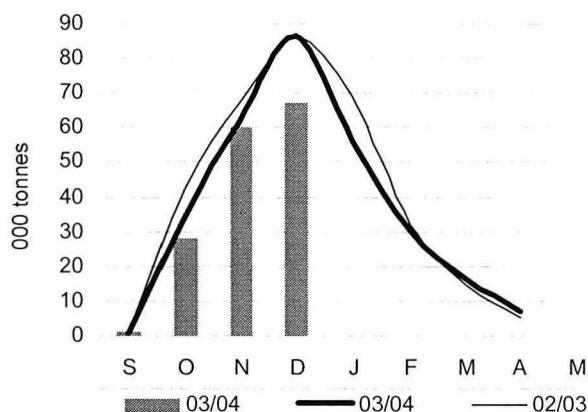
After being abnormally slow in November, demand recovered in particular thanks to a marked improvement of fruit ripeness as maturity was very late this season. However, results were very poor for most Spanish operators. Already faced with particularly large supplies (large production of Nules clementine and Clemenvilla to be shifted in December), in spite of record withdrawals (250 000

tonnes of clementines scheduled !), operators were faced with an aggravating factor. The long period of wet weather that hit the Valencia region at the beginning of the month made much of production fragile and also meant that certain shippers lost a significant proportion of important pre-Christmas supply contracts as harvesting was not possible. This shortage enabled Corsican and

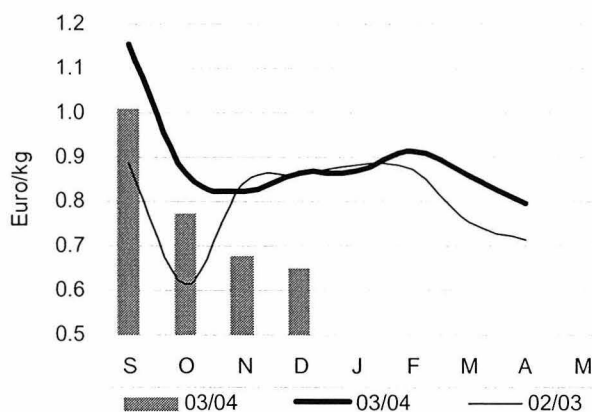
Moroccan operators, suffering serious problems of gaining a position on the market in relation to competition from Spain, to benefit from a transfer of demand. After being very slow before the rainy period, sales increased perceptibly. The two origins therefore posted a slightly higher average price than Spain.

Estimated market releases in France

Volumes



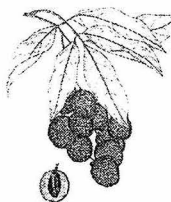
Price at import stage



Estimated market releases in France by origin

Tonnes	December 2004	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	48 558	- 24	- 30	127 992	- 13	- 25
Morocco	8 018	- 32	+ 38	11 844	- 40	+ 37
Corsica	10 775	+ 1	+ 3	16 697	0	- 9
Total	67 351	- 22	- 21	156 533	- 15	- 21

Litchi



With over 19 000 palettes arriving at their destination before Christmas, Madagascan exports set a new record in the history of the litchi trade, going well beyond the hoped-for 14 000 palettes initially announced as an appropriate target for this period. The pressure generated by the quantities available meant that the price levels counted on at the beginning of the sea litchi season were not reached. After a fairly rapid decrease, the price of Madagascan litchi remained stable until the end of December. The dull economic context did not help in sales of this festive fruit whose image is taking a bash season after season.

The first batches of Madagascan litchi shipped in a conventional vessel were placed on the market in the first week of December, in line with the earliness of the Indian Ocean export season. The six conventional ships finally chartered for the season arrived at a fast rate, with the last one docking on 13 December. A greater variety of European ports were used than in preceding years, with the destinations as follows by order of arrival: Marseille, Köper, Vado, Vlissingen and Antwerp. This geographic distribution responds to a wish to be as close as possible to consumer centres and to better distribute the produce at the European scale while benefiting from satisfactory handling and storage conditions. The early arrival of ships gave a better spread of marketing before Christmas and the New Year; with less time it would have been more difficult to sell the large quantities received. Demand increased gradually and peaked in the days before Christmas. Operators report that it did not reach the intensity seen in certain years. The overall satisfactory quality of Madagascan fruits is an undoubted advantage for

the duration of sales. The prices shown below are for sales of good quality fruits. Sales were made at lower prices throughout the month either because of occasional problems of quality or as massive sales to clear goods. The inflow of produce over a short period also enhanced distribution via channels with little knowledge of exotic fruits. These commission sales weighed on the overall marketing of the produce. The arrival of the first containers just before Christmas also changed the commercial profile of the season. Where in previous years the sale of container fruits enabled a recovery—even short-lived—of prices, this did not happen this season as these fruits were soon mingled with the last cargoes of conventional vessels.

The arrival of litchis by sea cut short supplies sent by air freight—at least for destemmed sulphur-treated fruits. Fresh fruits on the branch were available until the end of the month. Litchi from Réunion were more difficult to sell this year because of the larger shipments, the frequently mediocre fruit quality or rapid oxidation and

limited demand. In order to keep the export season going, several Mauritian operators stopped shipping sulphur-treated fruits by air (this was not profitable in the face of competition from Madagascar) and concentrated on shipping fresh fruits on the branch. These came into competition with fruits from Réunion but they sold fairly well as quality was satisfactory.

South African exporters remained very discreet in the face of the flood of litchi from Madagascar. Only a few air shipments at the end of November/ beginning of December and some by sea at the end of the month sold properly thanks to stricter selection and grading of the fruits. As the season started early it might finish soon, leaving the market open to other, later origins.

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



Litchi — Arrivals — Estimates in tonnes					
Weeks	49	50	51	52	53
By air — Arrivals — France					
Mauritius	2	-	2	-	0.7
Madagascar	10	5	2.5	-	-
Réunion	20	20	25	20	15
South Africa				10	
By sea — Arrivals — Europe					
Madagascar	7 276	8 395	3 431	2 417	515
South Africa			20	170	300

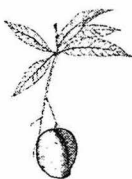
Litchi — Price in euros/kilo — Import stage in France					
Weeks 2004	49	50	51	52	53
By air					
Réunion on the branch	5.00-7.00	5.50-6.50	5.50-6.50	6.00-6.50	6.50-7.00
By sea					
Madagascar	1.40-1.80	1.40-1.60	1.30-1.50	1.30-1.50	1.30-1.50
South Africa			2.50-3.50	2.25-3.00	2.25-3.00

Mango

DECEMBER 2004

Kent mango — Price at import stage

	Min	Max
By air (kg)		
Brazil	3.50	5.00
Peru	3.50	5.00
By sea (Box)		
Brazil	3.50	6.00
Peru	2.50	6.00



The trend reversed completely in December with the accumulation of fruits arriving from Brazil and then from Peru and Ecuador. The operators who had forecast a large, sharp increase in deliveries of fruits from South America were right. This happened just before Christmas, taking prices into a lasting dip and upsetting the market.

The first fortnight in December was like November, with an apparently balanced market. In fact, the shortage of fruits felt at the beginning of November encouraged certain European operators to seek goods to make up for the shortage at the time—that seemed to be lasting. In practice, deliveries from Brazil speeded up in the second half of November (arrivals of the order of 130 containers per week for the European market were mentioned) and the other countries called up also responded by increasing their shipments. The multiplication of the quantities available first met market demand and then resulted in the forming of stocks. Prices were fairly stable in the first half of December while the warehouses were being filled. The size of these stocks and the markedly average demand in mid-December caused a sudden market change. The rapid decrease in prices first took the form of a broadening of the price ranges according to the variety, grade and

quality of the fruits. The prices below are for good quality fruits. Batches of poorer quality Tommy Atkins were sold at lower prices on the European market (from 1.00 euro per box). The same applies to Kent with sales at from 2.00 euros per box. At the end of the month, prices stabilised at their lowest level since the last peak of supplies from Brazil in August 2004.

The market did not collapse just as a result of the increase in exports from Brazil but more because of the combination of shipments from the various origins. Although they cannot be quantified, shipments from Peru and Ecuador were much larger than during the same period in 2003. Here, the increase in tonnage from Ecuador can be noted, an origin hitherto little represented on the French market. The fruits were considered to be of lower overall quality (palettisation, packing, intrinsic fruit quality, etc.). Given the context of the markets and the stocks in hand, the situation will

probably not improve before the end of January 2005. Prices will probably remain low, with clearance sales and withdrawals of goods because of the gradual deterioration of fruit quality.

The 'air mango' market performed better in December. Sales deteriorated in mid-month because of lack of demand but also because of the marked unevenness in the ripeness of Brazilian and Peruvian fruits. Some mangoes were overripe and this sent prices down and made frequent sorting necessary. The slight price advantage of Peruvian fruits gradually faded and goods from both origins were finally available at the same price. The prospects for the coming weeks are not particularly optimistic as Peruvian exporters plan to increase their shipments. As air transport enables greater flexibility in the marketing of fruits, operators might perhaps adjust their shipments to match the limited market demand.

Mango — Price in euros — Import stage

Weeks 2004		49	50	51	52	53
		By air (kg)				
Brazil	Kent	4.50-5.00	4.50	3.50-4.00	3.50-4.00	3.50-4.00
Peru	Kent	4.50-5.00	4.50	4.00-4.50	4.00-4.50	3.50-4.00
		By sea (box)				
Brazil	Tommy Atkins	4.00-5.50	4.00-4.80	4.00-4.50	3.50-4.30	2.00-3.50
Brazil	Kent	5.00-6.00	5.00-6.00	5.00-5.50	4.50	3.50-4.00
Peru	Kent		5.00-6.00	5.00-6.00	4.50-5.00	2.50-3.00
Ecuador			5.00-6.00	4.00-5.00	4.00	3.00-4.00

Sea freight



The December Time Charter averages bring to an end a year in which average earnings for the large and small reefer segments have risen to 62c/cbft and 73c/cbft, or by 29% and 21% respectively. With the way 2005 has kicked off, a similar increase this year looks more rather than less likely.

For the large segment, the market remained stable throughout the month. Despite a drop off in banana fixtures once Russian Christmas holiday requirements had been fulfilled, the charter market was sustained by poultry requirements as US charterers struggled to fill their quotas.

While Time Charter Equivalent values for large reefers eased throughout the month, rates for the small segment dipped sharply as heavy early month demand for tonnage dropped off to zero as the Continental trawlers stopped fishing for Christmas, the Dutch potato harvest was suspended

and Morocco stopped picking its citrus. Despite the drop, rates for both segments were still well above 2003 values as the year ended.

From a slow start, Moroccan citrus exports up to 3 January were up 23% to 203 800 t from 165 000 t the previous year, with additional Russian demand absorbing much of the pre-Christmas increase and driving up demand and therefore rates for small tonnage into St Petersburg and the Black Sea as a consequence.

The last major piece of Period business for 2004 was concluded with

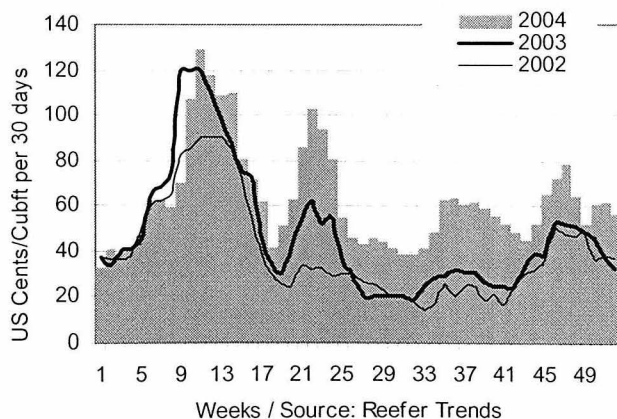
New Zealand kiwifruit marketer Zespri fixing its 2005 positions at 'significant increases' over 2004 values. Zespri appears to be anticipating similar volumes this year to last year's record kiwifruit crop, with an equal number of vessels chartered – from NYK Reefers, Seatrade, Star Reefers and LauritzenCool. Ivory Coast banana and pineapple marketer OCAB also agreed terms on the fourth of its 12-month contracts, fixing Seatrade's 403'cbft blt'93 Prince of Waves at 82c/cbft for its regular liner service from Abidjan into Marseilles.

Monthly spot averages

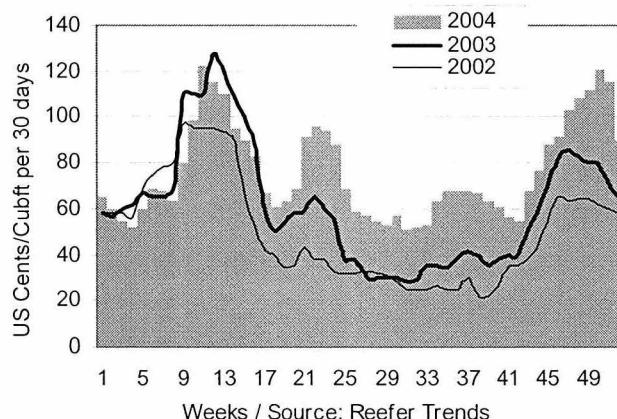
US\$cents/cubic foot x 30 days	Large reefers	Small reefers
December 2004	58	97
December 2003	42	69
December 2002	37	60

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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