

Indicators

March 2005

In shares by total volume and expenditure on fruits for the month in France

The main fruits	%	Volumes	Expenditure
	Apple	27	23
	Orange	23	18
	Easy peelers	13	12

Pages

The trends for the main produce of the month significantly influence the overall situation of the fruit market. A column entitled 'Indicators' discussing these fruits precedes the pages devoted to a selection of exotic and citrus fruits.

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March 2005 / March 2004

Price		Vol.	
	↘		↘

Apple

Market performance has still been patchy. The rate of domestic sales was satisfactory but prices remained well below last year's levels. In contrast, the export market situation remained very difficult. Shipments to northern European markets continued to be much smaller than in preceding years because of very lively competition from Italy, in particular with regard to 'Golden Delicious' and 'Braeburn'.

March 2005 / March 2004

Price		Vol.	
	↗		↘

Orange

Market performance was fairly satisfactory. The average monthly price increased markedly whereas the supply shortage was fairly small, especially during the first part of the month. However, these good overall results hid a distinct, disturbing market situation at the end of the month. Demand had been active but slowed substantially because of a fairly general worsening of the quality of the fruits supplied.

March 2005 / March 2004

Price		Vol.	
	↗↗		↗

Easy peelers

In contrast with forecasts, the market was very generously supplied. Spanish supplies continued to be ample in spite of the serious losses caused by frost. Demand was healthy until the middle of the month. The price of good quality produce increased and reached a very satisfactory level. In contrast, the market was very difficult for the other types of produce and especially for 'Minneola'.

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Information on the situation and prices of sea freight

Sea freight 17

Sea freight

A high exit price for Ecuadorian bananas for most of March kept chartering activity in check although an earlier than expected recovery in volumes out of Panama and Costa Rica following the January rains combined with strong US and EU banana markets kept the majors in particular on the lookout for tonnage. While supply of tonnage exceeded demand, owners and operators of Spot units generally held their nerve and as a result the reefer charter market eased until the last week of the month, but not by much.

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

MARCH 2005

Monthly comparison: March 2005 / Feb. 2005

Price	Volumes
↗ + 20%	↗ + 6%

Annual comparison: March 2005 / March 2004

Price	Volumes
↗ + 51%	↘ - 20%



The market performed well once again, concluding a very good first quarter. Nevertheless, supplies returned to average levels after two months of marked shortfall. Domestic demand was lively especially because of the significant deficit of competing produce. Exports were also dynamic as a result of the shortage of dollar and Canary Island bananas.

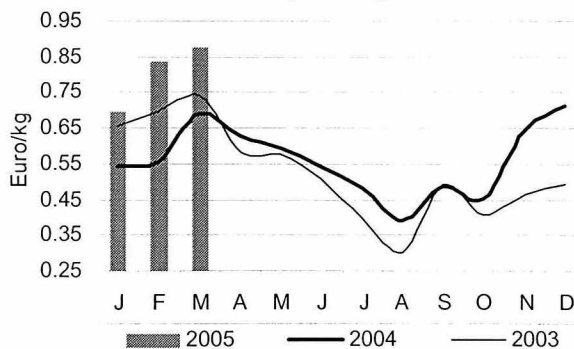
Supplies returned to average levels after being light since the beginning of the year. However, although the shortfall in shipments from the West Indies was smaller than in the two previous months, it remained very significant (-15 to -30% in comparison with the average). Nonetheless, quantities from Africa recovered noticeably. Demand regained vigour at the beginning of the month with the

end of the holidays and the return to normal weather after the cold snap in February. Business was even brisk. Supplies of competing fruits were markedly short. Furthermore, promotion operations—average in intensity but very regular—were distinctly greater than average, as were distributors' margins (the difference between retail and quay prices reached a record EUR 0.86 per

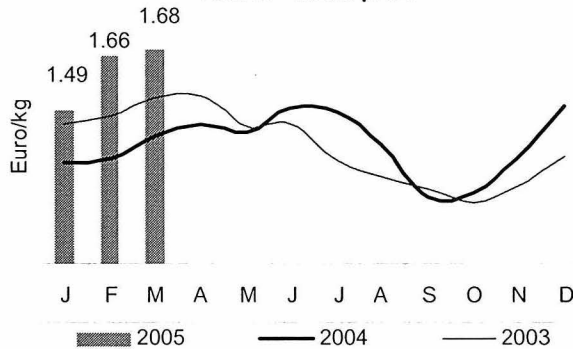
kg). Finally, export demand was dynamic in both northern Europe and Italy (dollar banana supplies were running about 3% short) and from Spanish operators as the shortage of Canary fruits reached historic levels. Prices were about 10 to 15% above average in France and in northern Europe. The increase on the Spanish market was spectacular, approaching 100%!

French banana market — Indicators

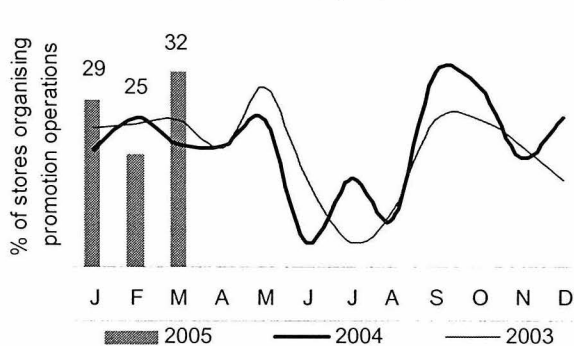
Price at import stage



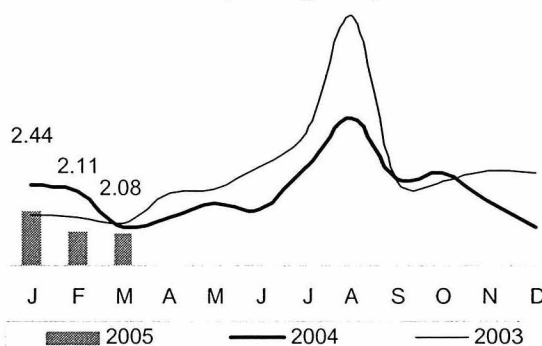
France - Retail price



Promotion operations



Ratio retail price : green price



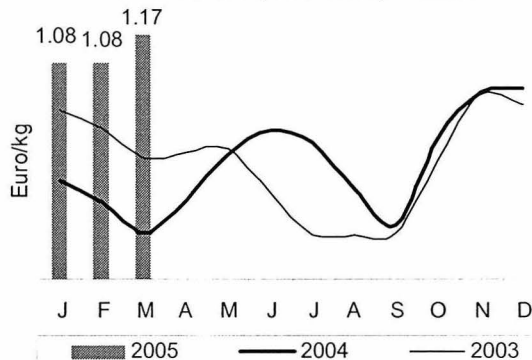
European banana market — Indicators

Tonnes	March 2005	Comparisons (%)		Total season 2005	Season comparisons (%)	
		2005/2004	2005/2003		2005/2004	2005/2003
Martinique	19 028	- 13	- 1	47 451	- 23	- 14
Guadeloupe	4 145	- 37	- 46	12 672	- 35	- 46
Canaries	28 840	- 33	- 21	85 980	- 20	- 21
Côte d'Ivoire	21 033	- 1	+ 20	52 504	- 6	+ 20
Cameroon	24 721	- 9	+ 10	56 687	- 22	+ 10

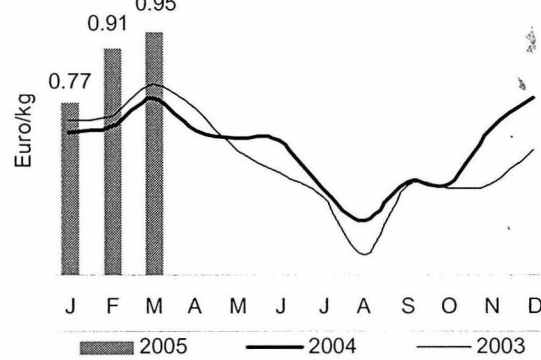
Index (base 100 in March 2004)

Dollar	119	+ 19	+ 16	ND	+ 20	+ 17
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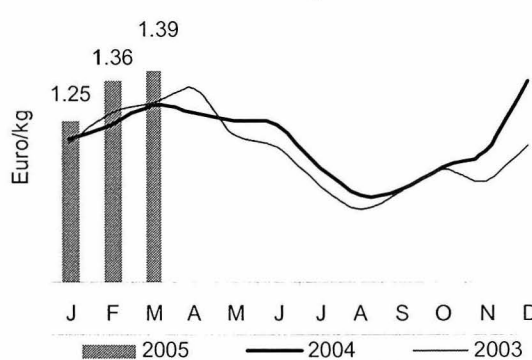
Movement of the price of super extra



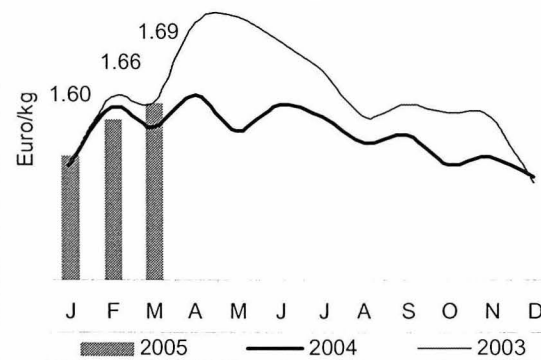
Evolution of T2



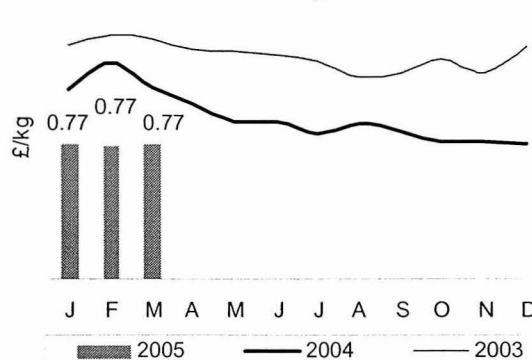
Germany



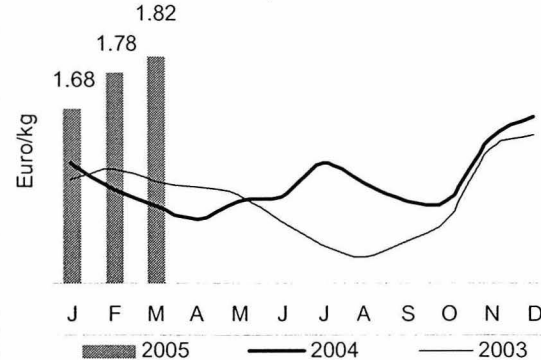
Italy



United Kingdom



Spain



Sources : CIRAD, SNM, TW Marketing Consulting

Avocado

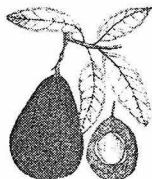
MARCH 2005

Monthly comparison: March 2005 / Feb. 2005

Price	Volumes
↘ - 19%	↗ + 55%

Annual comparison: March 2005 / March 2004

Price	Volumes
↘ - 16%	↗ + 15%



Performance was comparatively satisfactory. The increase in the volumes sold made up fairly precisely for the fall in the average monthly price. But the trend was very different from one variety to another. The market for 'Hass' was satisfactory thanks to slightly short supplies and relatively satisfactory demand, especially from mid-month onwards. In contrast, the large quantities of green varieties available caused a marked, steady decrease in prices, which were right down at the end of the month.

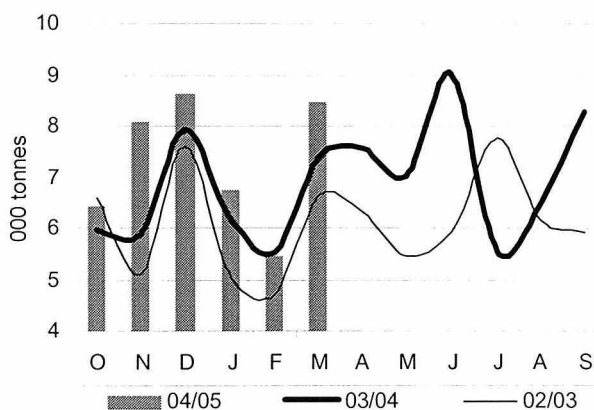
The market for green fruits was fairly satisfactory at the beginning of the month and then worsened rapidly. Supplies were ample. On the one hand, substantial quantities arrived from Kenya. On the other, Israel was still very present after being very discreet from March onward in the past two seasons because of small production. Demand could not handle

these volumes and prices hit rock-bottom at the end of the month. Easter promotion operations started in the middle of the month but would not halt the fall in prices as most of the operations concerned 'Hass'. Although fairly large quantities of the latter arrived from Mexico, supplies were somewhat short as a whole because of the small Spanish

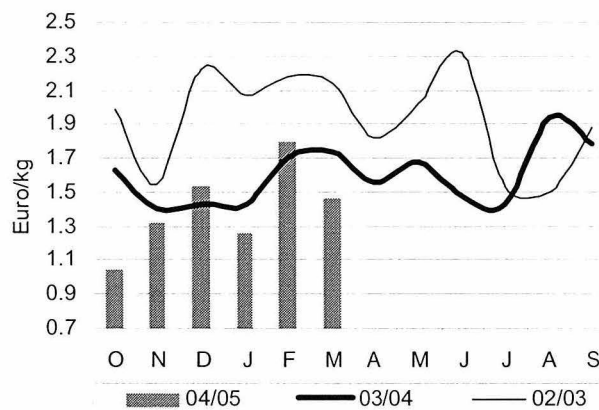
shipments (serious loss of production) and Israel exports still shipped to the United Kingdom. Furthermore, demand livened at the end of the month thanks to the promotion operations mentioned above. Prices remained stable and above average throughout the month.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	March 2005	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	1 992	- 41	- 6	13 205	- 12	+ 17
Mexico	2 023	+ 17	- 18	12 749	- 1	+ 15
Israel	2 851	+ 249	+ 409	16 755	+ 64	+ 45
Kenya	1 607	+ 10	- 11	1 737	- 13	- 13
Total	8 473	+ 15	+ 28	44 446	+ 11	+ 23

Orange

MARCH 2005

Monthly comparison: March 2005 / Feb. 2005

Price	Volumes
↗ + 48%	↘ - 6%

Annual comparison: March 2005 / March 2004

Price	Volumes
↗ + 11%	↘ - 25%



Market performance was fairly satisfactory. The average monthly price increased markedly whereas the supply shortage was fairly small, especially during the first part of the month. However, these good overall results hid a distinct, disturbing market situation at the end of the month. Demand had been active but slowed substantially because of a fairly general worsening of the quality of the fruits supplied.

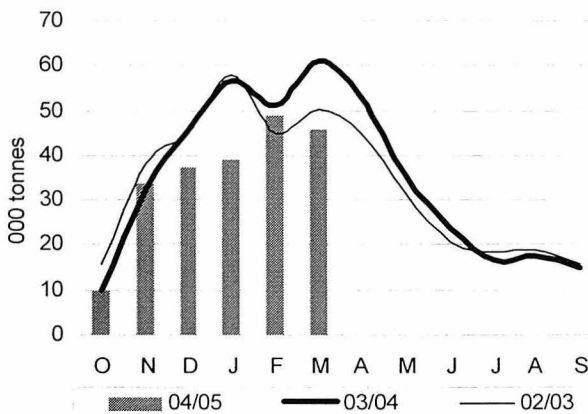
The market was buoyant during the first part of the month. However, the supply shortage was only small in spite of the serious production losses caused by frost in Spain. Supplies of 'Navelate' decreased distinctly (-25%), but to a lesser degree than expected after a 50% production loss. The fruits least affected by frost were marketed. Furthermore, the Navel season was prolonged because of poor sales in preceding months. Finally, supplies

from other origins were larger ('Maltese' from Tunisia, 'Salustiana', 'Washington' blood orange and a few batches of 'Navel' from Morocco). However, demand was good in spite of the somewhat poor quality of the fruits supplied, probably as a result of the shortage of competing produce. Prices increased to distinctly higher levels than those of preceding years for good brands. The situation worsened considerably at the end of the month.

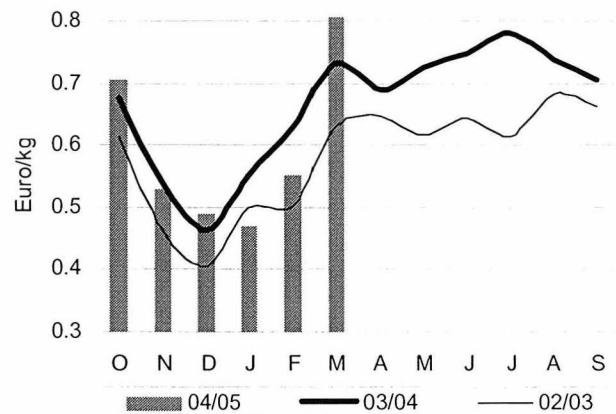
Nevertheless, the shortage of Spanish fruits became more marked as the 'Navelate' season tailed off early and 'Valencia' started very slowly. Demand slowed distinctly mainly because of fairly widespread quality problems (Spanish fruits, Maltese from Tunisia at the end of the season and 'Maroc Late' from various zones handicapped by small size). Prices decreased.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	March 2005	Comparisons (%)		Total season	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	38 667	- 21	- 9	191 898	- 16	- 15
Tunisia	6 747	+ 60	+ 28	15 548	+ 11	- 4
Morocco	344	+ 44	+ 70	2 400	+ 32	+ 4
Total	45 758	- 25	- 9	209 846	- 16	- 15

Grapefruit

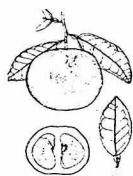
MARCH 2005

Monthly comparison: March 2005 / Feb. 2005

Price $\uparrow + 2\%$ Volumes $\uparrow\uparrow + 34\%$

Annual comparison: March 2005 / March 2004

Price $\uparrow\uparrow + 48\%$ Volumes $\downarrow\downarrow - 39\%$



The market balance became more delicate as the supply shortage was less serious than in preceding months (concentration of shipments from Florida to the EU and an increase in the rate of Israeli exports). However, the average monthly price remained very strong. Although the performance of fruits from Mediterranean origins was satisfactory, it was less so for standard produce from Florida.

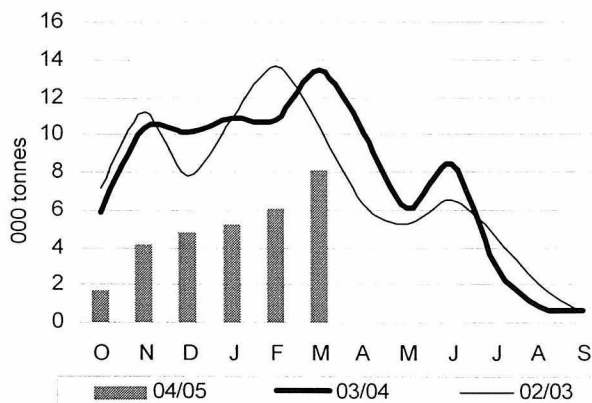
Supplies remained noticeably short but somewhat improved, in spite of the still low level of shipments from Turkey. On the one hand, exporters in Florida stepped up shipments to the EU, probably because fruit quality was not up to Japanese market standards. On the other hand, supplies from Israel began to develop strongly from Week 11 onwards in application of a strategy

for the concentration of supplies at the end of the season. Supplies were completed by Cypriot fruits and some stocks of Cuban and Mexican produce. Demand was still slow in Week 9 and then increased gradually. It was fairly satisfactory (but selective) until the end of the month, when it slowed noticeably. Market balance became more fragile in mid-month with

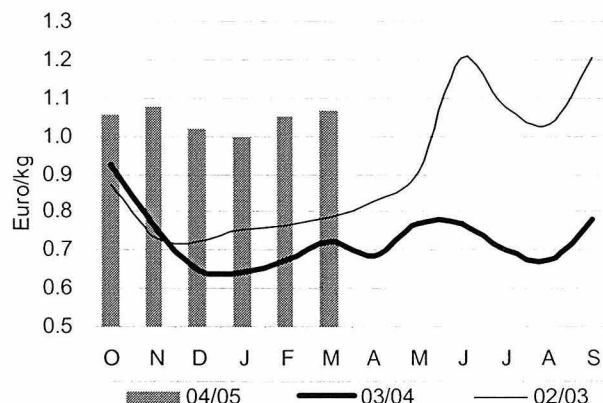
supplies still short but larger. The prices of standard brand fruits from Florida were readjusted and approached cost price—very high this season. The average monthly price was nevertheless in line with those of previous months and was more than 40% higher than the three-year average.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	March 2005	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Florida	5 950	- 47	- 32	19 092	- 63	- 63
Israel	1 499	+ 44	+ 60	6 136	+ 23	+ 50
Turkey	738	- 38	+ 8	4 938	+ 11	- 16
Total	8 187	- 39	- 21	30 166	- 51	- 51

Easy peelers

MARCH 2005

Monthly comparison: March 2005 / Feb. 2005

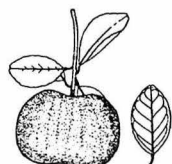
Price
 ↗ + 76%

Volumes
 ↘ - 45%

Annual comparison: March 2005 / March 2004

Price
 ↗ + 61%

Volumes
 ↗ + 17%



In contrast with forecasts, the market was very generously supplied. Spanish supplies continued to be ample in spite of the serious losses caused by frost. Demand was healthy until the middle of the month. The price of good quality produce increased and reached a very satisfactory level. In contrast, the market was very difficult for the other types of produce and especially for 'Minneola'.

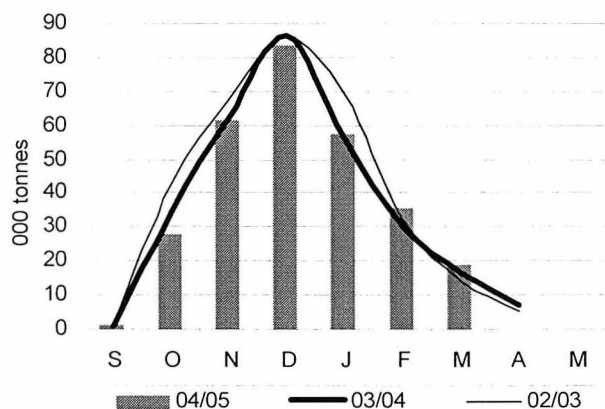
In contrast with forecasts, overall supplies were markedly larger than in previous years. Supplies from Spain were once again surprisingly plentiful this month. The season for certain varieties was extended (clementines) or started late ('Fortuna') because of the market situation in preceding months. Above all, the frost continued to have unexpected effects. Large volumes of 'Ortanique' were available.

Indeed, release on the market was early because a large proportion of the fruits could not be kept for long (the peak in arriving shipments was one month earlier than last year's). Supplies were completed at the beginning of the month by a few batches of 'Hernandina'. In addition, supplies of 'Minneola' (from Cyprus, Israel and Turkey) were plentiful at the beginning of the month. Demand was

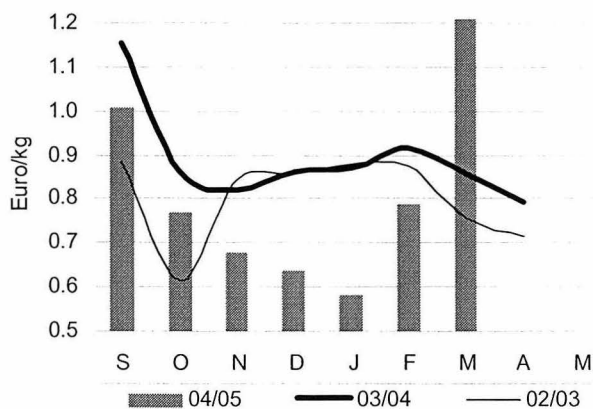
choosy but fairly strong until mid-month. Prices continued to be firm for quality produce (top of the range brands of 'Fortuna' and 'Ortanique' from Spain, 'Nadorcot' from Morocco and 'Or' from Israel even though the volumes were increasing). In contrast, the market was difficult for standard produce and for 'Minneola' from all origins. The latter variety experienced one of its worst seasons.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	March 2005	Comparisons (%)		Total season 2004/2005	Season comparisons (%)	
		2005/2004	2005/2003		04-05/03-04	04-05/02-03
Spain	17 898	+ 15	+ 34	244 242	+ 2	- 9
Morocco	331	- 43	- 61	18 372	- 37	- 2
Israel	1 113	+ 142	+ 293	2 092	+ 43	+ 31
Total	19 342	+ 17	+ 34	264 706	- 2	- 9

Litchi

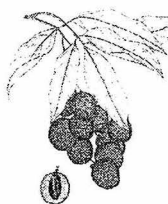
MARCH 2005

Litchi — Arrival estimates In tonnes

Weeks	9	10	11
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By sea — Arrivals in Europe

South Africa	77	24	19
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March probably marked the start of the slow time of year for litchi imports to European markets. While awaiting the start of the Thai export season forecast for April, the market has only substitutes like longan and rambutan.

The South African litchi sales season finished at the beginning of March, although deliveries had been particularly limited since mid-February. The last batches of 'MacLean' litchi from this origin sold at a lower price in the first week of the month because of the mediocre quality of the fruits. The following week, the very last batches available went in clearance sales on the wholesale markets at a price of around EUR 0.75 per kg. The poor end to the season was doubtless the result of transport problems in the last containers shipped. Meanwhile, South African fruits sold much better on the Dutch market where they fetched EUR 3.50 to 3.75 per kg according to fruit size (XL or XXL).

The Australian season finished in mid-month. This origin gained a foothold thanks to the trade niche left by the rapid end to the South African and Madagascan export seasons.

Australian fruits shipped by air sold at very high prices because of the cost of air freight and the limited supplies (a few tonnes). This origin enabled litchi to regain its character of rare exotic fruit. The 'Kwai Mai Pink' variety fruits supplied were well coloured and had a pleasant, sweet taste. Australian litchis were generally packed in 5 kg boxes (containing two 2.5 kg bags) or in 2 kg net weight boxes.

To make up for the lack of litchis, the French market received small quantities of substitute produce throughout March to supply retailers specialised in exotic fruits. Longans shipped by sea from Thailand sold steadily at some EUR 1.80-2.00 per kg and 1-kg film-wrapped punnets of rambutans of the same origin fetched a stable EUR 6.00 per kg.

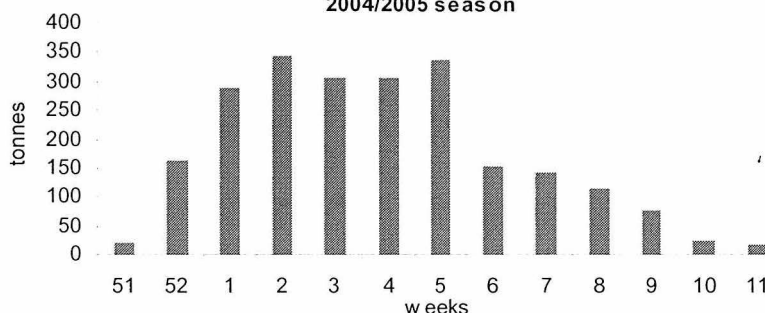
With 2 300 tonnes of litchi exported during the 2004/2005, South Africa

displays a distinct fall on the European markets in comparison with preceding seasons, although it is true that the latter were particularly successful in terms of volume. The last two seasons totalled 6 230 tonnes (2002/2003) and 4 230 tonnes (2003/2004). The decrease in litchi exports from South Africa is of course a result of natural production conditions that vary from one year to the next. However, weather conditions should not hide other explanations that are just as important, such as the importance of the domestic market and the effect of competition with exports from Madagascar. The gradual decrease in the selling price of Madagascan litchi makes it increasingly difficult for South African fruits to be competitive.

Litchi — Prices in euros/kilo Import stage in France

Weeks 2005	9	10
By air		
Australia	8.00 - 9.00	8.00-9.00
By sea		
South Africa	1.50	-

South African litchi - Weekly arrivals
2004/2005 season



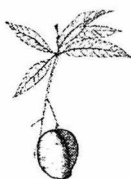


Mango

MARCH 2005

Mango — Arrival estimates In tonnes

Weeks	9	10	11	12
By air				
Peru	60	70	75	50
Mali	3	10	30	30
Burkina Faso	5	5	5	5



Most of the mangoes supplied in March were from Peru, which conserved its dominance for both sea and air-freighted fruits. The situation improved in the middle of the month as Peruvian shipments decreased and competition from other supplier countries was weak. This was the context for the first shipments by air of mangoes from West Africa.

The market clearance trend already noticed in the second half of February truly got under way in the first half of March. The marked decrease in the volumes shipped by Peru favoured a fairly fast, strong rise in prices of some EUR 1 to 2 per box for mangoes shipped by sea. After the discarding of the last questionable batches of this origin that had been stored for a long time, the quantities arriving each week did not entirely cover demand, taking the market into a period of under-supply once again. This was lasting as the West African export season got off to a late start. The entire European market was substantially short of mangoes from Week 11 while demand from supermarket chains was strong in the run-up to Easter. Indeed, Easter is often chosen by distributors for the promotion of mango even though the period is that of a traditional dip in supplies. March is the time of the switch between the last southern hemisphere origins and the first supplier countries in the northern

hemisphere. During the second half of the month, a few complementary batches of 'Tommy Atkins' from Brazil and of 'Keitt' from Costa Rica were added to supplies from Peru and sold at the same price. The strong increase in price in the second part of March was the occasion for operators to make up at least partially for the poor results since the beginning of the season.

The air mango market was supplied satisfactorily throughout the month, with consignments from Peru in particular. A few batches arriving in mid-month were found to be of poorer quality but Peruvian exporters soon corrected the defects observed. The change of production zone also resulted in the importing of healthy, well-coloured fruits that were not overripe. Peru remained the dominant origin throughout March in terms of quantity and regularity. Meanwhile shipments from the first West African origins—Burkina Faso and Mali—were

getting under way gently. The first consignments were of the 'Amélie' variety, generally green and not always ripe. Fruit quality improved as shipments continued, with maturity better suited to the market and the beginning of an orange colour. The price held up during the first half of the month under the effect of novelty and the scarcity of arrivals. It decreased in the second half of the month as supplies increased. In parallel, Mali started shipping 'Valencia' from mid-March. This coloured variety contrasted with the green of 'Amélie' and sold steadily at a higher price. These fruits displayed a few quality defects right at the end of the month and the prices dipped a little. Market supplies were completed by a few batches of 'Keitt' from Australia. These marked the end of the Australian season and limited quantities of selected fruits sold at around EUR 6.00 per kg.

Mango — Prices in euros — Import stage

Weeks 2005		9	10	11	12
By air (kg)					
Peru	Kent	3.60-4.00	3.60-4.00	3.80-4.50	4.00-4.50
Burkina Faso	Amélie	2.80-3.00	2.70-2.90	2.70-2.80	2.50-2.80
Mali	Amélie	-	2.80	2.70-2.80	2.50-2.80
Mali	Valencia	-	-	3.00-3.50	2.80-3.00
By sea (box)					
Peru	Kent	3.50	3.50-4.00	5.00-5.50	5.00-6.00

Sea freight



A high exit price for Ecuadorian bananas for most of March kept chartering activity in check although an earlier than expected recovery in volumes out of Panama and Costa Rica following the January rains combined with strong US and EU banana markets kept the majors in particular on the lookout for tonnage. While supply of tonnage exceeded demand, owners and operators of Spot units generally held their nerve and as a result the reefer charter market eased until the last week of the month, but not by much.

For this year at least operators have made the paradigm shift away from the psychological importance of the Easter calendar date: given that some of the factors that played such a key role in underpinning last year's off-season appear as strong if not stronger than last year, charterers are approaching the summer with some trepidation. Owners are reportedly looking at 50-100% increases in the trade lanes, such as South Africa to Japan, that require the most modern units. Charterers and owners are both puzzling over the reasons why the Q1 2005 rate average is up between 45-50% over 2004. Analysing the factors in isolation provides few clues: there certainly has not been a 50% growth in

cargo shipped and while Argentina shipped more fruit earlier, South Africa was well down on historical averages and Chile also had a slow start. Banana volumes, the principal driver of Spot market activity, in totality from the 'Big 5' were similar to last year, if not slightly lower.

However, add the timing of these events to the mix and a plausible explanation emerges: key to it all was demand for banana tonnage – early in the year there was an excess of fruit in Ecuador to the point that the country's largest exporter Noboa took 5 vessels in as many weeks. Despite its 300K box per week contract with Chiquita, Reybanpac was active as was CoMaCo. The Caribbean storms that

hit Panama and Costa Rican volumes forced the majors into the market for the more modern container-friendly units, of which there was a shortage. The Med banana markets could not handle the additional volumes and vessels were delayed in making additional port calls as customers were hunted. The Arctic storms too were responsible for restricting the usual convoy of trans-Atlantic ballasters to a manageable trickle.

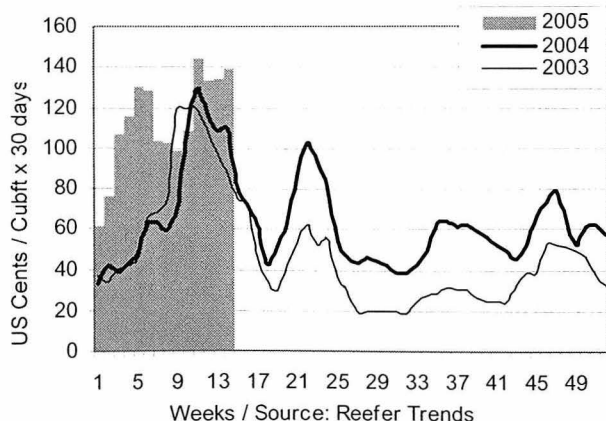
With the Spot desks on top of their game and the GWF alone more than doubling its chartering requirements on last year's equivalent time frame, the result of strong banana markets in the US and EU, and the recipe for the increase is complete.

Monthly spot averages

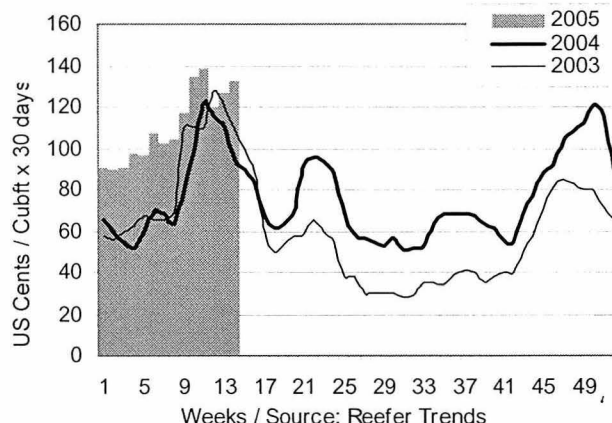
US\$/cents/cubic foot x 30 days	Large reefers	Small reefers
March 2005	122	123
March 2004	114	109
March 2003	112	117

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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