

Indicators

July/August 2005

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
	Peach/Nectarine	26	29
	Apple	16	12
	Apricot	7	8

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July-Aug. 05 / July-Aug. 04

Price	↘	Vol.	= ↗
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Peach/Nect.

Helped by hot weather, July started energetically with very fluid releases. However, as supplies were fairly large and sales slowed from mid-July onwards (colder weather), the market began to feel the pressure. Prices were lowered, hitting rock bottom at the end of August.

July-Aug. 05 / July-Aug. 04

Price	↘↘	Vol.	↗
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Apple

Following on from June, the summer period remained just as laborious. Supplies were slightly up in comparison with 2004 (+ 3%). Furthermore, the presence of the season's fruits and also strong competition between origins (southern hemisphere, Poland, Italy, Benelux and France) resulted in slow releases, especially for bicolour fruits ('Idared' and 'Braeburn') and also for the early varieties available at the end of July. Prices were noticeably down on the average for certain bicolour varieties.

July-Aug. 05 / July-Aug. 04

Price	↘	Vol.	↗↗
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Apricot

Supplies were particularly abundant, especially in the first half of July (+ 8% in comparison with 2004 and even + 27% in relation to the average!), as the range of varieties was very large. As a result, in spite of a good flow of releases, prices were lower than average until mid-July and then firmed during the last part of the season.

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Sea freight

July historically records the lowest TCE average for the Spot market and this year was no different as the charter market reverted to type following what can now be regarded as the untypical events of summer 2004.

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

JULY-AUGUST 2005

Monthly comparison: August 2005 / July 2005

Price	Volumes
↗ + 28%	↗ + 1%

Annual comparison: July-Aug 05 / July-Aug 04

Price	Volumes
↗ + 45%	↗ + 5%



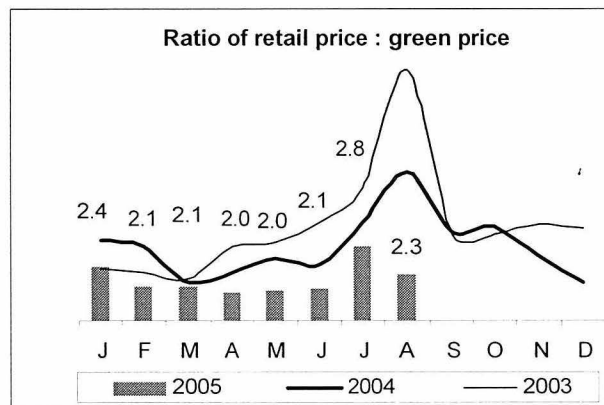
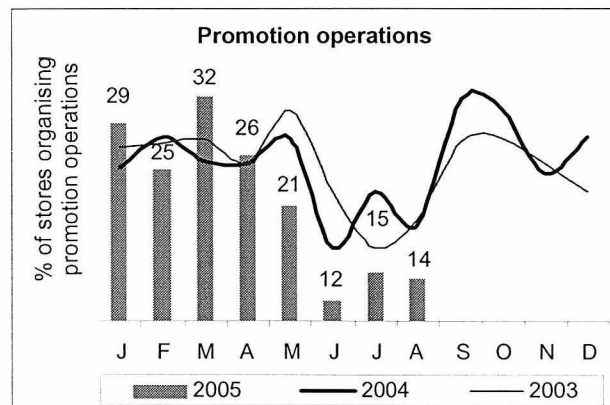
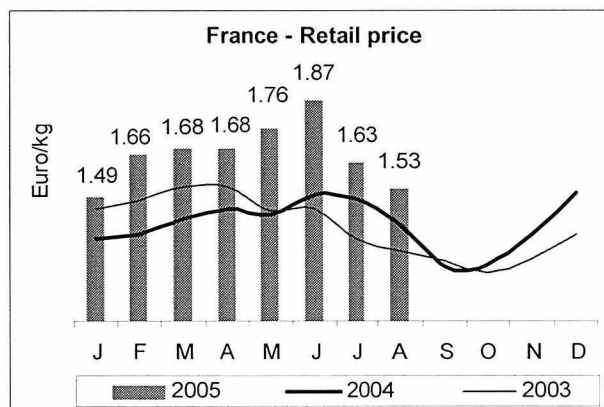
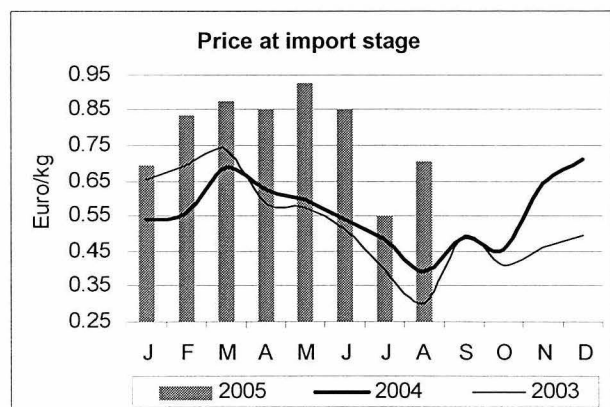
The results for the first two months of the summer were satisfactory in spite of a dull period in the first half of July. The average monthly price continued to be well above average, especially in August at nearly 70% higher! On the one hand, shipments to France were markedly down, especially from mid-July onwards, and on the other demand remained at a fairly good level for the season on both the domestic and export markets.

Arrivals in France of West Indian and African bananas were comparatively modest. The deficit of between 5 to 10% in the first half of July then increased and varied from 10 to 15% until the end of August. The main reason was that shipments from the West Indies were extremely meagre for the season. In parallel, demand

was sufficient to take the volumes available. Export sales were also fairly good, in particular to Germany and the United Kingdom and also to Spain where supplies of Canary bananas continued to be small (the deficit was more than 30% during the two-month period). Releases for the domestic market were very slow in the first half

of July (in particular as the difficult situation for summer fruits affected banana) but then recovered rapidly and reached a satisfactory level for the season. Prices were stable in July and then increased again in August, reaching a record level of some 15 euros per box for top quality brands at the end of the month.

French banana market — Indicators



European banana market — Indicators

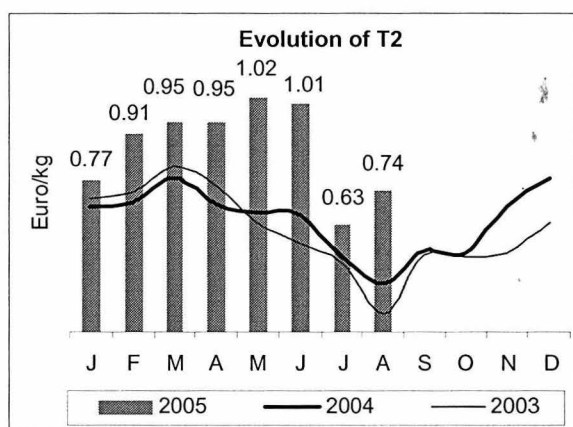
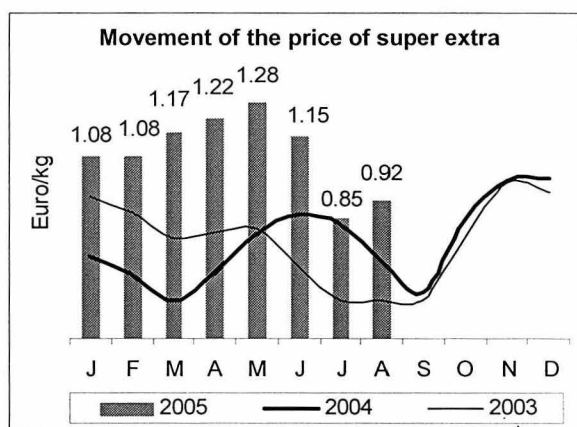
Main origins in Europe

Tonnes	July 2005	August 2005	Comparisons (%)				Total Season 2005	Season comparisons	
			2005/2004		2005/2003			2005/2004 2005/200 (%)	2005/2003
			July	August	July	August			
Martinique	16 933	15 175	- 18	- 32	- 13	- 19	156 784	- 17	- 11
Guadeloupe	3 551	3 788	- 44	- 39	- 50	- 46	36 297	- 35	- 45
Canaries	17 484	17 403	- 32	- 33	- 22	- 23	234 767	- 21	- 17
Côte d'Ivoire	12 408	16 051	- 14	+ 13	- 16	+ 22	148 839	- 6	- 4
Cameroon	18 532	21 289	+ 9	+ 3	- 16	+ 6	184 665	- 8	- 9

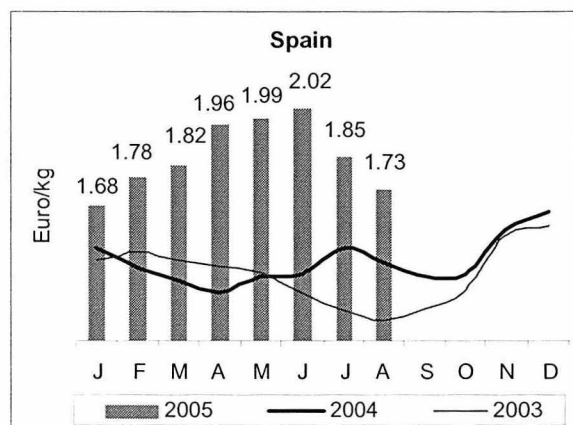
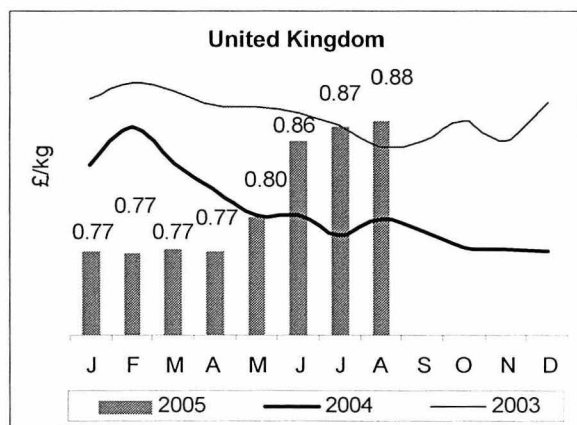
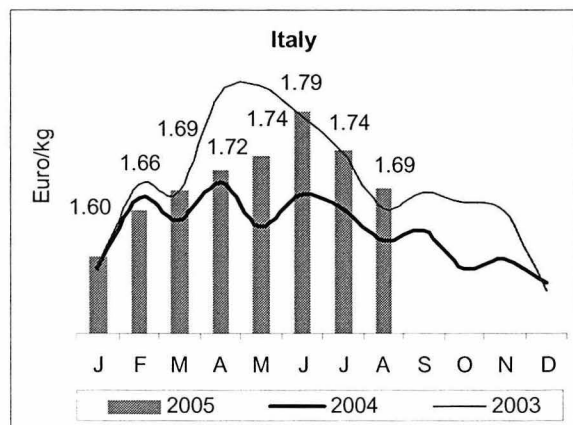
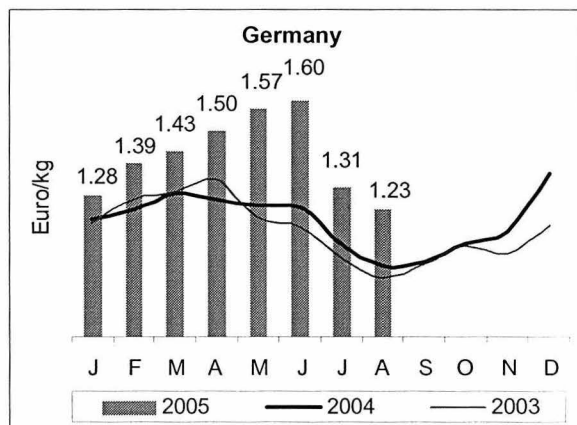
Index (base 100 in August 2004)

Dollar	ND	ND	ND	ND	ND	ND
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Green price in Europe



Retail price in Europe



Sources: CIRAD, SNM, TW Marketing Consulting

Avocado

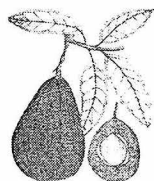
JULY-AUGUST 2005

Monthly comparison: August 2005 / July 2005

Price	Volumes
↗ + 35%	↗ + 27%

Annual comparison: July-Aug 05 / July-Aug 04

Price	Volumes
↘ - 3%	↗ + 16%



The 'Hass' market performed well this summer after a catastrophic situation in June. The marked decrease in arriving shipments enabled a rapid recovery. Prices increased steadily for most of the two-month period and were at a very strong level in mid-August. The subsequent return to a situation with more ample supplies resulted in a slight worsening of the market in the second half of August. The market for green varieties, strongly supplied by South Africa and mainly for export, followed this trend.

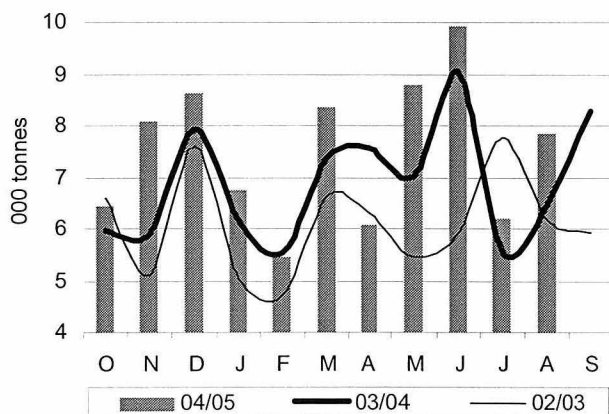
Once again, the market switched from critical over-supply in June to marked under-supply in July and, to a lesser extent, in the first half of August. South Africa had considerable potential this season and remained very present. However, the extremely difficult situation in June encouraged caution among Peruvian and Mexican operators (arrivals from Peru were still brisk but closer to average than in

June and the volumes from Mexico were down). In addition, Spain was almost totally absent as the harvest potential had been considerably reduced by frost damage. Prices increased strongly from the beginning of July and reached very high levels in mid-August (up to EUR 9.00 per box of 'Hass'). Market balance became delicate in the second half of August. Demand remained at summer levels

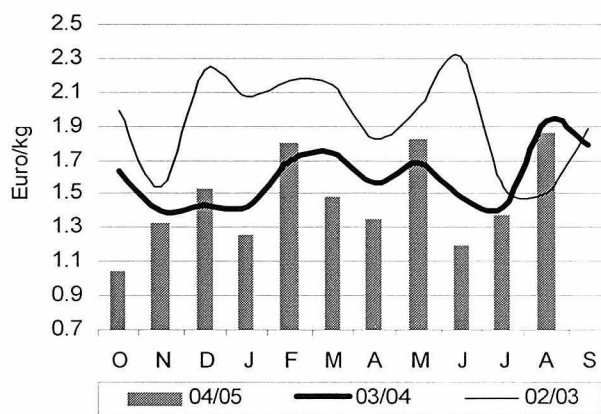
while supplies increased markedly. The South African, Peruvian and Kenyan seasons were lengthened. Furthermore, Chilean exporters expressed their determination to enter the EU market with fairly modest shipments but starting three weeks earlier than in 2004. Prices were readjusted but remained strong.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	July 2005	August 2005	Comparisons (%)				Total season 04-05	Season comparisons	
			2005/2004		2005/2003			04-05/03-04	04-05/02-03 (%)
			July	August	July	August			
Spain	590	50	- 58	- 92	+ 338	-	50	- 92	-
Mexico	21	290	- 88	- 74	- 92	- 60	311	- 76	- 69
Peru	1 581	1 823	+ 38	+ 50	- 19	+ 41	6 534	+ 52	+ 63
Kenya	664	1 196	+ 172	+ 38	- 65	+ 10	7 519	- 3	- 28
South Africa	3 339	4 394	+ 27	+ 66	- 4	+ 43	15 632	+ 39	- 23
Chile	-	88	-	-	-	-	-	-	-
Total	6 195	7 841	+ 11	+ 21	- 20	+ 27	30 046	+ 11	+ 12

Orange

JULY-AUGUST 2005

Monthly comparison: August 2005 / July 2005

Price	Volumes
↘ - 3%	⇒ - 1%

Annual comparison: July-Aug 05 / July-Aug 04

Price	Volumes
↘ - 22%	↗ + 9%



The market remained very difficult. With demand still smaller than usual and Spanish 'Valencia' very present and selling at practically cost price, South African and then Argentinian oranges had great difficulty in gaining a position. The situation was particularly difficult for 'Navel'; these were available in large quantities and often had poor keeping qualities.

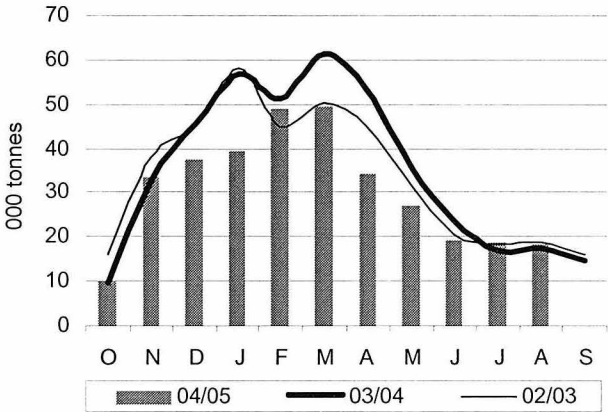
The 'Navel' season has been difficult. Large quantities were shipped from South Africa to the EU as the harvest was early and large and the market difficult in eastern Europe. In parallel, these fruits were referenced very late because of the continued presence of Spanish 'Valencia' sold at very competitive prices while demand was

very slow (lack of interest in oranges since the beginning of the second quarter and sometimes uneven quality of fruits from South Africa after heavy rainfall in the main production zones). Prices fell steadily and were markedly down on those of the three preceding years. The summer 'Valencia' season started in a difficult context and

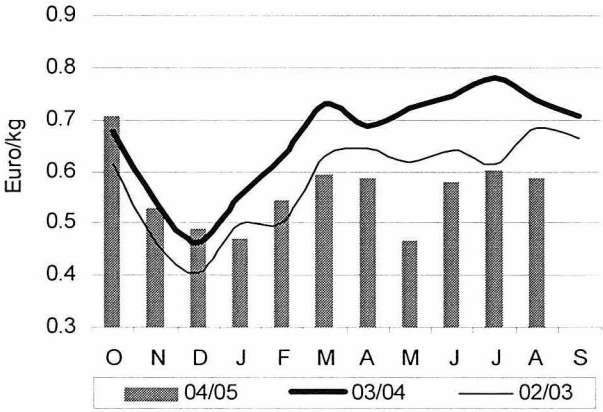
references suffered from the late marketing of 'Navel'. Arrivals returned to normal levels from both South Africa and Argentina. Demand was still disappointing and focused on the average sizes used for packaged sales (75/88 in 15 kg packages). Prices soon reached the Argentinian cost price and were lower than normal.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	July 2005	August 2005	Comparisons (%)				Total season 04-05	Season comparisons	
			2005/2004		2005/2003			04-05/03-04	04-05/02-03
			July	August	July	August		(%)	
Spain	6 132	2 809	- 8	+ 19	- 18	- 24	269 076	- 19	- 16
South Africa	12 480	15 675	+ 26	+ 4	+ 15	+ 5	6 678	+ 69	+ 43
Total	18 612	18 484	+ 11	+ 6	+ 1	- 1	275 754	- 20	- 20

Grapefruit

JULY-AUGUST 2005

Monthly comparison: August 2005 / July 2005

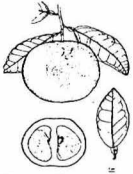
Price
= ↗ + 1%

Volumes
↘ - 38%

Annual comparison: July-Aug 05 / July-Aug 04

Price
↗ + 14%

Volumes
↗ + 32%



Performance was mixed in spite of the only average availability resulting from the late starting of the season in Honduras. The market was fairly satisfactory for size 40. In contrast, the situation continued to be difficult for small fruits and in particular for sizes 50/55 that were plentiful this year from all suppliers. The balance for the two months is fairly negative for Argentina because of keeping problems in a significant part of supplies.

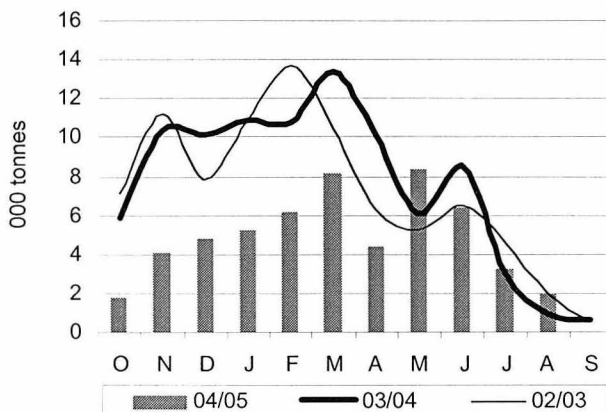
Supplies were only average during the two summer months in spite of the strong presence of South Africa in August. Supplies from Argentina, which soon dwindled, were smaller than those of preceding seasons. Above all, the first significant quantities shipped from Honduras were only delivered at the end of August, that is to say practically two weeks later than

in the two preceding years. The size distribution of supplies from both South Africa and Argentina was very unbalanced (over-abundance of small fruits). Demand was at summer levels and continued to be very selective with regard to both size and quality. The prices of large fruits (size 40) remained firm and distinctly higher than average. In contrast, those of small fruits

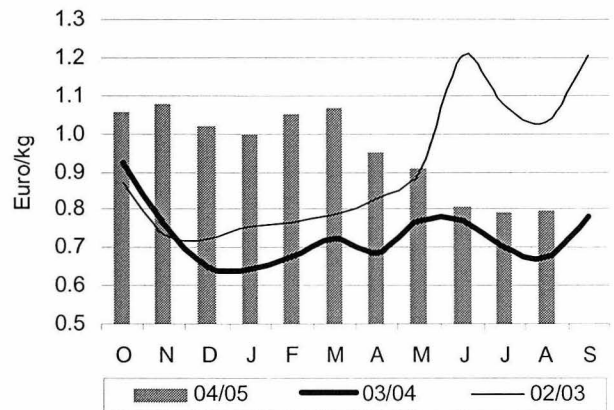
remained in the downward trend of June. The situation was critical for sizes 50/55 (with large stocks, especially in northern Europe). A substantial price difference formed between South African and Argentinian fruits—often of uneven quality—from mid-July onwards.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	July 2005	August 2005	Comparisons (%)				Total season 04-05	Season comparisons	
			2005/2004		2005/2003			04-05/03-04	04-05/02-03
			July	August	July	August			
Argentina	1 415	79	+ 43	- 66	+ 2	- 83	7 845	+ 12	+ 12
South Africa	1 802	1 913	- 12	+ 187	- 44	+ 23	10 371	+ 19	+ 3
Total	3 217	1 992	- 30	- 2	- 44	+ 66	18 216	+ 7	- 2

Litchi



The European market was supplied with litchi in July by Thailand, whose season was coming to an end, and by Israel, whose season was starting. The volumes from Thailand decreased at the end of the month and sales continued until the second week in August on some markets. Other European countries switched more sharply to Israeli fruits, whose supplies increased rapidly from mid-July. Spanish litchi appeared in mid-August—very early in comparison with preceding years. Supplies were amply sufficient in the light of the traditional slow demand in summer.

Supplies to the **French** market this year were harmonious, with fairly limited volumes. Demand for litchi was small in July and August. It would appear that the markets in northern Europe received larger quantities and served as a bridgehead for certain origins, with the fruits sent from there to the various EU markets. The Thai litchi season thus ended gradually at the beginning of July and was replaced little by little by increasing quantities from Israel. In contrast with last year, when the quantities marketed caused tension in transactions, the volumes from Israel have been smaller this season. Sales on wholesale markets were limited to a few dozen boxes per week as buyers were nervous about a fruit exposed to strong competition from the season's fruits. The French market was dominated by supplies from Israel from mid-July to mid-August, with prices weakening as a whole but with occasional sales at higher prices. Prices lost ground more markedly in August because of the increasingly obvious poor keeping qualities of the fruits available and the beginning of competition from Spanish fruit. The early start of shipments from

Spain caused surprise as they usually begin in September. Not only was the start of the season earlier, but the quantities of fruits were also large with regard to market conditions. This is partly explains the price fluctuations, with high prices fetched in the early sales and then a marked decrease followed by partial recovery when supplies decreased. The very attractive and almost unreal red colour of the Spanish fruits surprised buyers. In addition to this main source of supply, sporadic shipments of large litchis from Israel sold at EUR 7.00 per kg in the second half of July and litchis shipped by air from China fetched around EUR 5.50 per kg at the end of August.

The selling price of Thai litchis in the **Netherlands** sank steadily throughout July from EUR 2.00 per kg at the beginning of the month to EUR 1.75 and then finishing at EUR 1.50 per kg or less. After the very mediocre performance of 2004, Thailand protected itself more by reducing and halting shipments earlier to avoid a showdown with Israeli produce. The sale of the last batches held in store at

the end of July were sometimes concluded at the best price offered by buyers, given the uneven quality of the produce. Israeli litchi replaced Thai fruits in August at EUR 3.00 per kg or more until mid-July and then around EUR 2.50 per kg until the third week in August when the price firmed at about EUR 2.50-3.00 per kg in spite of more uneven quality. A few batches arrived from China at the end of July/ beginning of August; these sold at about EUR 2.00 per kg for fruits of very mediocre quality.

The pattern of the **Belgian** litchi market in July and August was similar to that observed in the Netherlands, with Thai fruits dominant until mid-July and selling at between EUR 1.50 and 2.00 per kg. Some sales were concluded at even lower prices to clear produce of very variable quality. Israel truly took over in the second half of July with fruits selling at EUR 3.00 per kg, falling in August to EUR 2.50 per kg and then returning to between EUR 2.50 and 3.00 in the second part of the month. A few batches from Spain sold at about EUR 3.50-4.00 per kg at the end of August.

JULY-AUGUST 2005	Litchi by sea from Israel Price at import stage		
	Euros/kg	Min	Max
	France	1.50	3.50
	Belgium	2.50	3.00
	Netherlands	2.50	3.00

Litchi — Prices in France at import stage — Euros/kg									
Weeks 2005	27	28	29	30	31	32	33	34	35
By sea									
Thailand	2.50	2.50							
Israel	3.00-3.50	3.00	2.60-3.00	2.50-3.00	2.00-2.75	2.20-250	2.00-2.50	1.50-3.00	
Spain						6.00	3.00	4.00-4.50	4.00-5.50

Mango

JULY-AUGUST 2005

Mango weekly arrivals from Senegal Estimates — Tonnes

27	28	29	30	31	32	33	34	35
By air								
65	45	45	30	10	15	10	10	0
By sea								
180	180	200	200	150	80	76	80	80



Performance in July logically followed that of June when supply dwindled rapidly. The relative shortage of mango in the face of demand that traditionally decreases at this time of year resulted in a steep increase in prices. In contrast, August was strongly marked by distributors' lack of interest in the fruit and the return to more plentiful supplies and a dip in selling prices for all origins and types of shipping method.

The premature end in the second half of June of the Côte d'Ivoire export season, and also that of the other West African origins (Burkina Faso and Mali), resulted in a strong decrease in supplies. This was aggravated by the absence of large tonnages from Brazil, which was little inclined to experience a repeat of last year's poor sales, and from Mexico where supplies were limited because of continued poor weather conditions during the fruiting period. Arrivals from Senegal that were still small at the European market scale and the gradual starting of the Israeli season were not enough to make up for the general shortage of supplies. A change in sources of supply in the first half of July is traditional on the French market. The convergence of the situation on the different European markets is much less common. When this situation occurs at the national level, it is regulated quite easily by re-balancing arrivals from neighbouring

European countries. This year, the shortage affected the whole of Europe, with overall supplies smaller than normal European market demand at this time of the year. The prices first rocketed—faithful to the law of supply and demand. They then stabilised or decreased slightly because of lack of interest in the produce by retail distributors. A large proportion of buyers preferred to dereference mango temporarily as the retail price had become too high for them to be able to satisfy their clientele.

The situation changed in August with increased supplies from Israel—with first 'Tommy Atkins' soon followed by 'Kent'. While demand was at its lowest in mid-month, the increase in arriving shipments caused a marked decrease in prices. They regained a little ground at the end of the month when supplies decreased. Senegalese produce seems to have been less present during this period as supplies had poor

keeping qualities and strong risk of the presence of fruitfly larvae.

The market for mangoes shipped by air was more stable in July and August. 'Kent' from Mexico and Israel were delivered in fairly small quantities but sufficient in the light of demand; they sold well as their quality was satisfactory and even. Mangoes from Senegal had a poorer image because of their keeping qualities and the irregular deliveries caused by several cases of seizure by the authorities for phytosanitary reasons. Air shipments from Senegal also stopped in the last week of August because of the increasing risk of interception of the fruits. The marketing of 'Maya' mango from Israel experienced great difficulties during the summer. The variety was much appreciated last year but performance was mixed this year because of its frequent lack of colour and its mediocre keeping qualities.

Mango — Prices in euros — Import stage

Weeks 2005		27	28	29	30	31	32	33	34	35
By air (kg)										
Mali	Kent	2.00-2.60								
Burkina Faso		2.20-2.60								
Mexico	Kent		4.00-4.50	4.00-4.80	4.00-4.20	3.50	3.50-4.00	3.50	3.00-4.00	3.00-3.50
Senegal	Kent	3.00-4.00	3.80-4.20	3.50-4.00	2.70-3.00	2.50-3.00	2.50-3.50	2.90-3.00	2.70-3.00	-
Israel	Maya			3.50-4.00	3.00-3.50	2.00-2.50	2.50-3.00	2.20-2.90	2.00-3.00	2.00-3.00
Israel	Kent								3.80-4.00	3.50-4.00
By sea (box)										
Côte d'Ivoire	Kent	5.00-6.00								
Mexico	Kent/TA								4.50-5.00	5.00-5.50
Senegal	Kent	6.00-7.50	7.00-8.00	7.00-8.00	7.00-7.50	5.50-6.50	4.50-5.50	4.00-5.00	4.00-4.80	4.00-4.50
Israel	TA		6.00	6.50-7.00	5.00-6.00	4.00-5.00	3.50-4.00	3.00-4.50	2.50-3.50	
Israel	Kent	5.00-5.50	5.00	3.50-4.00	4.00-4.50	5.00-5.50	5.00	3.50-4.00	4.00-4.50	5.00-5.50
Brazil	TA	7.00	7.00-7.50	7.00-7.50		5.00-5.50	4.50	3.50-4.00	2.50-4.75	3.00-4.50

Sea freight



July historically records the lowest TCE average for the Spot market and this year was no different as the charter market reverted to type following what can now be regarded as the untypical events of summer 2004.

With Spot market activity also conforming to historical trends the August headlines were made elsewhere: these included NKY Reefers and LauritzenCool finally receiving the green light from the EU to merge and immediately announcing that the new JV would be imaginatively named NYKLauritzenCool AB. Also Green Reefers delivered a solid set of results and continued on its spending spree, adding four more mid-size vessels, which are currently chartered to Fyffes in the Seatrade pool.

The first pieces of seasonal business for the 2005/06 season were concluded with the early signs that,

despite a weak 'off-season' Spot market performance, owners and operators were sufficiently emboldened to ask for and achieve significant rate increases on 2004 contracts. Undoubtedly, key to their 'success' has been the dramatic and sustained increase in bunker prices, a factor which will most likely return to haunt charterers of modern tonnage when this year's 12-month Period renewals are negotiated in September and October.

The pre-season indicator Canary Island tomato contract showed 'healthy' rate increases for owners, although charterers fixed only four out

of the five vessels they called for compared to the traditional six. It is still not clear what their intentions are regarding the fifth position, but playing the Spot market during the season is a realistic possibility.

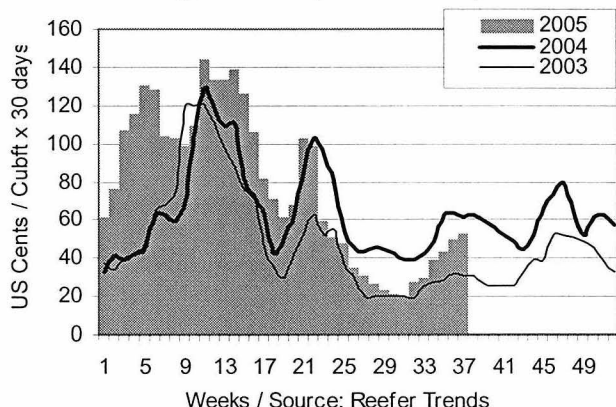
For the record, the 18 Spanish clementine positions for Citrus Ship were fixed by Star (4), NYKLauritzenCool (5) and Green Reefers (9) while Seatrade is believed to have fixed the 7-vessel Gandia group positions. On the Citrus Ship contract, pallet rates have reportedly been set at between US\$182-200 per pallet, up a maximum 35% on last year.

Monthly spot averages

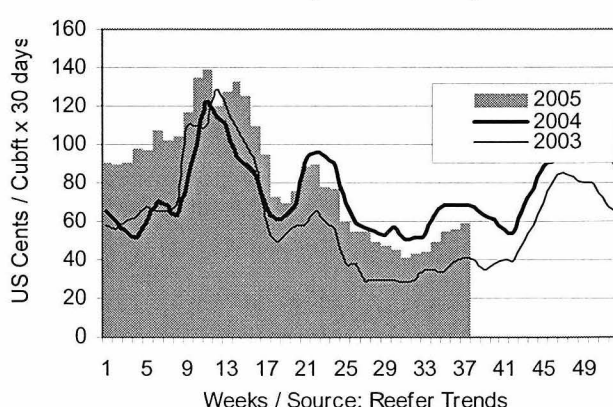
US\$/cents/cubic foot x 30 days	Large reefers	Small reefers
July 2005	23	43
July 2004	39	51
July 2003	20	30
August 2005	28	44
August 2004	47	56
August 2003	24	32

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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