

Indicators

October 2005

The main fruits

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

| % | Volumes | Expenditure |
|--------|---------|-------------|
| Grapes | 21 | 25 |
| Apple | 24 | 19 |
| Banana | 10 | 13 |

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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| Oct. 2005 / Oct. 2004 | | | |
|-----------------------|---|------|---|
| Price | ↗ | Vol. | ↗ |

Grapes

The grape market has been more satisfactory than last year in spite of a larger harvest in Italy and a French harvest identical to that of 2004. Favourable weather conditions and very satisfactory fruit quality enabled relatively fluid sales. Prices were higher than last year's.

| Oct. 2005 / Oct. 2004 | | | |
|-----------------------|----|------|---|
| Price | ↘↘ | Vol. | ↗ |

Apple

Sales of the 2005 fruits really only started towards mid-October—more than a month late. The substantial stocks left from the previous season and those from the southern hemisphere maintained an unprecedented slump with rock-bottom prices (-25%). Supplies—short in large fruits—has continued to target mainly the domestic and overseas markets, while the German and Spanish markets have continued to be difficult.

| Oct. 2005 / Oct. 2004 | | | |
|-----------------------|----|------|---|
| Price | ↗↗ | Vol. | ↘ |

Banana

October was far from living up to its reputation! Cumulated shipments from Africa and the West Indies remained significantly short. Furthermore, distributors continued to re-launch sales on the domestic market after a dull September. Export releases were more dynamic, in particular to northern European countries. In this context, prices continued to exceed the levels attained in recent seasons.

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Sea freight

The month of October illustrates the vulnerability of the reefer business to variables beyond its control and especially highlights the risks that a reefer owner, particularly of Spot tonnage, must endure.

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

OCTOBER 2005

Monthly comparison: Oct. 2005 / Sept. 2005

Price

↘ - 6%

Volumes

↗ + 10%

Annual comparison: Oct. 05 / Oct. 04

Price

↗ + 54%

Volumes

↘ - 8%



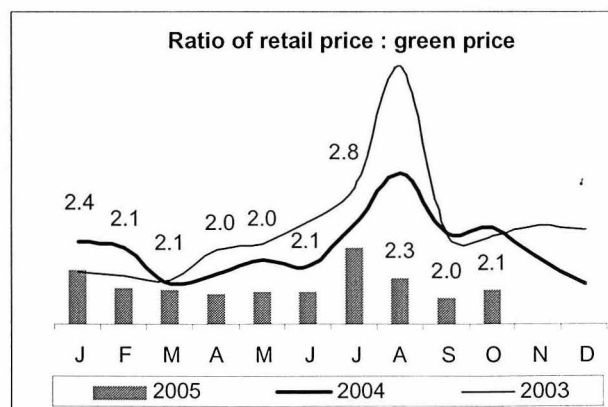
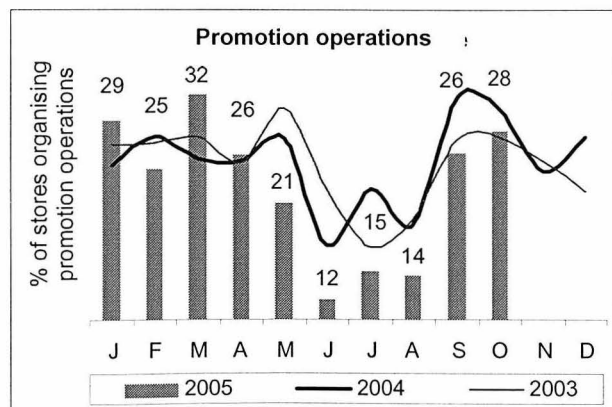
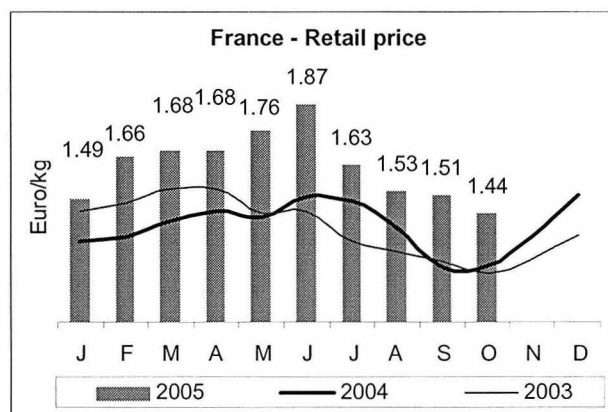
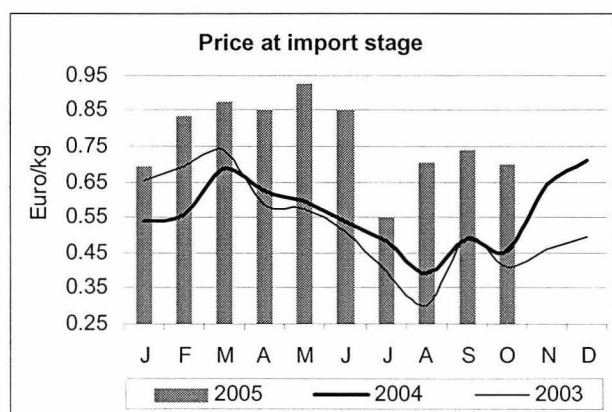
October was far from living up to its reputation! Cumulated shipments from Africa and the West Indies remained significantly short. Furthermore, distributors continued to re-launch sales on the domestic market after a dull September. Export releases were more dynamic, in particular to northern European countries. In this context, prices continued to exceed the levels attained in recent seasons.

The market kept on exceeding the performance of recent years by far, as October is traditionally a difficult month for bananas. On the one hand, overall arrivals remained significantly smaller than usual (12% down on the three-year average). The shortage of supplies from the West Indies eased but remained very marked (30% down on the three-year average). This made it possible to compensate for

imports from Africa slightly larger than the three-year average (+ 3% from Côte d'Ivoire and + 2% from Cameroon). On the other hand, the rate of sales increased significantly on the domestic markets after a somewhat dull September. Promotion operations had been rare but returned to average levels while distributors also agreed to reduce their margins considerably (- 8% in comparison with

the three-year average). Furthermore, releases to export markets continued to be very fluid, mainly because of an increasingly acute shortage of dollar licences and still limited arrivals from the Canary Islands. The average monthly price made a record leap to nearly 70% above the three-year average.

French banana market — Indicators



European banana market — Indicators

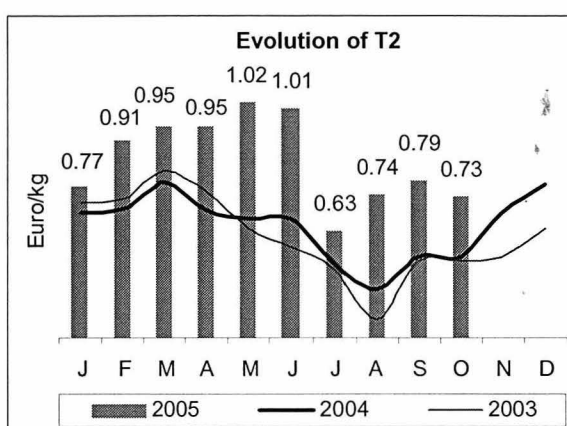
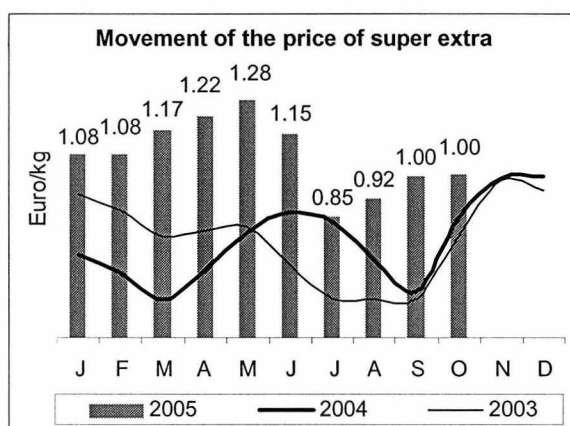
Main origins in Europe

| Tonnes | October 2005 | Comparisons (%) | | Total season 2005 | Season comparisons (%) | |
|---------------|--------------|-----------------|-----------|-------------------|------------------------|-----------|
| | | 2005/2004 | 2005/2003 | | 2005/2004 | 2005/2003 |
| Martinique | 19 051 | - 19 | - 28 | 175 835 | - 17 | - 22 |
| Guadeloupe | 4 837 | - 15 | - 43 | 41 135 | - 33 | - 45 |
| Canaries | 24 407 | - 3 | - 21 | 259 174 | - 19 | - 17 |
| Côte d'Ivoire | 19 638 | + 11 | + 11 | 168 477 | - 4 | - 2 |
| Cameroon | 25 999 | + 1 | - 3 | 210 664 | - 7 | - 8 |

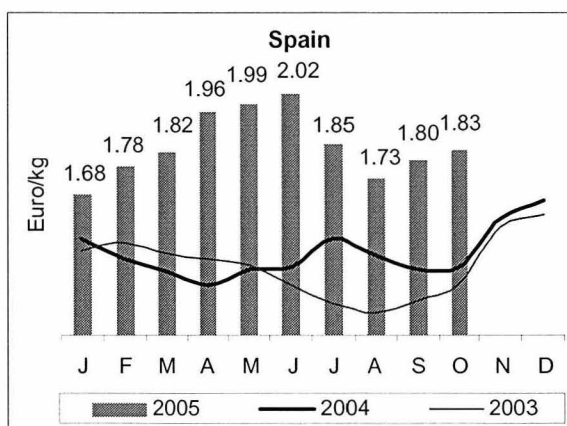
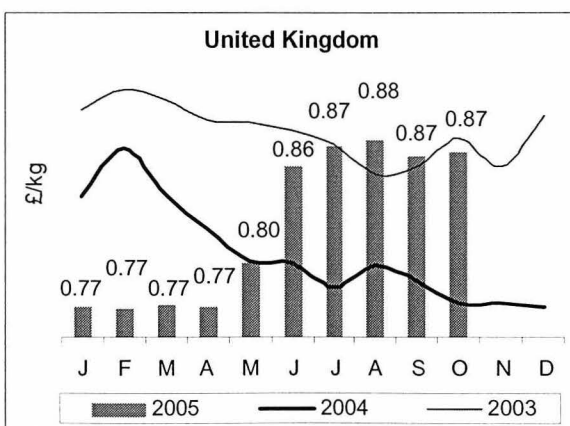
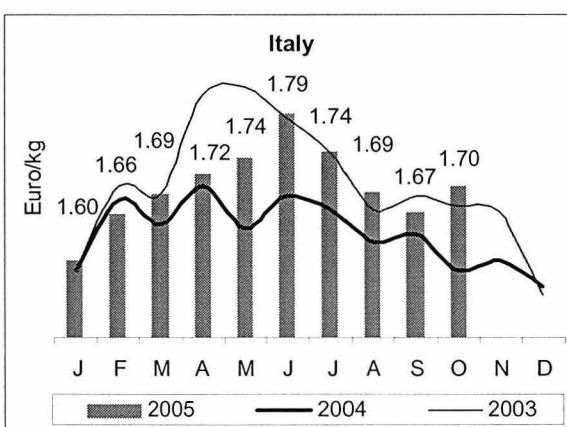
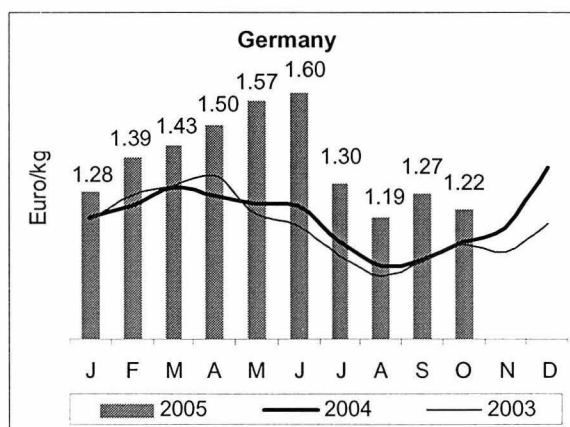
Index (base 100 in October 2004)

Dollar NA NA NA NA NA NA

Green price in Europe



Retail price in Europe



Sources: CIRAD, SNM, TW Marketing Consulting

Avocado

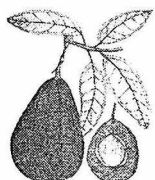
OCTOBER 2005

Monthly comparison: Oct. 2005 / Sept. 2005

| | |
|---------|---------|
| Price | Volumes |
| ↗ + 17% | ↘ - 33% |

Annual comparison: Oct. 05 / Oct. 04

| | |
|---------|---------|
| Price | Volumes |
| ↗ + 62% | ↘ - 14% |



Once again, the market switched sharply from over-supply in September 2005 to marked under-supply (-12% in comparison with the average). However, Chilean operators attained their objective of becoming the reference suppliers in October by exporting volumes as large as in 2004. However, the presence of Mexican fruits was much smaller than in other seasons as exporters concentrated on the United States market. Prices recovered sharply and reached a very satisfactory level at the end of the month.

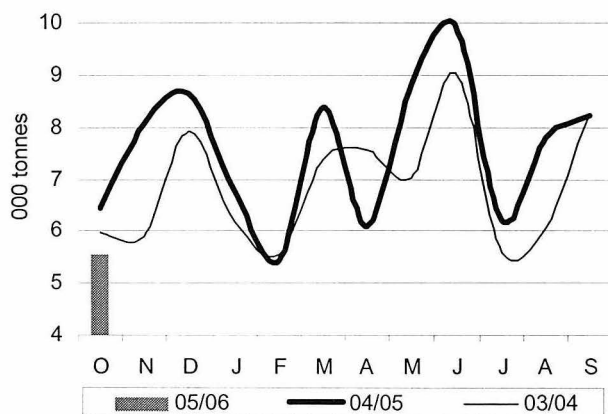
Mexico, traditionally the leading supplier at the beginning of the winter season, shipped 40% less fruits than the three-year average. In spite of the launching of a promotion campaign initiated by the Michoacán producers and exporters association, operators remained cautious and continued to favour the US market. In contrast, Chile confirmed its wish to become a

major supplier by shipping 40% of European supplies even though production is some 15% down. Supplies were better distributed than last year with regard to both geography (three target markets: the UK, France and Spain) and time. Supplies were completed by a few batches from South Africa and Kenya. 'Hass' prices were hardly profitable at

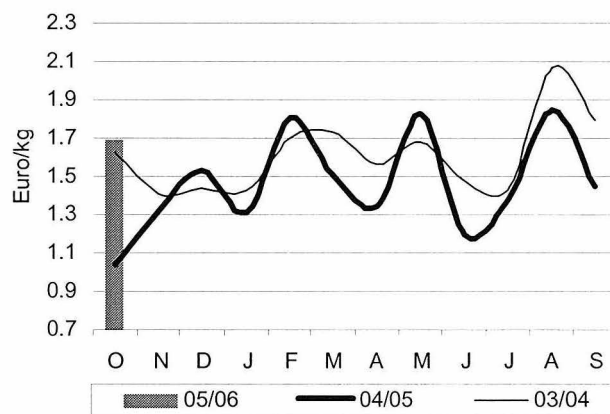
the beginning of the month and then exceeded EUR 8 per box at the end. In this context, the green avocado market was satisfactory for high-quality fruits, especially as supplies were short because the Israeli season started late. Most of the fruits were marketed outside France.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

| Tonnes | October 2005 | Comparisons (%) | | Total season 2005/2006 | Season comparisons (%) | |
|--------------|--------------|-----------------|------------|------------------------|------------------------|-------------|
| | | 2006/2005 | 2006/2004 | | 05-06/04-05 | 05-06/03-04 |
| Spain | 873 | - 17 | - 12 | 873 | - 46 | - 35 |
| Mexico | 1 271 | - 21 | - 50 | 2 825 | - 44 | - 49 |
| Israel | 494 | - 26 | - 31 | 494 | - 26 | - 31 |
| Chile | 2 178 | + 4 | + 177 | 3 762 | + 7 | + 201 |
| Kenya | 143 | - 49 | - 66 | 7 811 | - 1 | - 22 |
| Peru | - | - 100 | - | 8 408 | + 30 | + 73 |
| South Africa | 577 | + 32 | + 11 | 19 648 | + 49 | + 30 |
| Total | 5 536 | - 14 | - 7 | 43 821 | + 14 | + 13 |

Orange

OCTOBER 2005

Monthly comparison: Oct. 2005 / Sept. 2005

Price

↗ + 12%

Volumes

↘ - 69%

Annual comparison: Oct. 05 / Oct. 04

Price

↘ - 7%

Volumes

↘ - 48%



The season in the southern hemisphere, with no marked ups and downs, finished fairly well. Supplies were short, mainly because of the very late start to the Spanish 'Naveline' season. The prices of the last 'Valencia' from the southern hemisphere—forming most of supplies—were increased, returning to an average level.

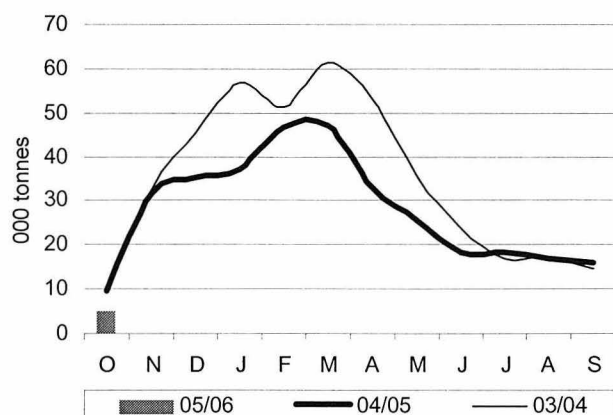
Supplies were smaller than average. Nevertheless, supplies of late fruits from South Africa ('Valencia', 'Midnight' and 'Delta') were fairly large even though arriving shipments were short in October. Significant stocks were available at the beginning of the month as a result of the increase of some 5% in shipments from South Africa to the EU during the

2005 season as a whole and marketing delays at the beginning of the season. Nevertheless, arrivals from Argentina, which had been very large in October 2004, returned to an average level. Above all, the Spanish 'Naveline' season started very late. Arrivals are usually significant from mid-October and only started to gain momentum right at the end of the

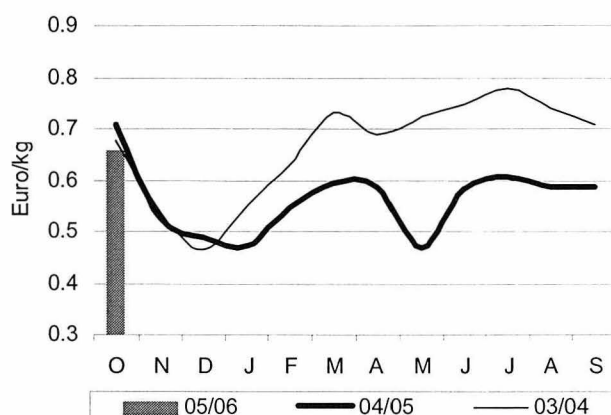
month. The delay is explained by inadequate fruit ripeness in October combined with a serious production deficit (following last winter's frosts, see *Fruitrop* 128). Demand was at a healthy level for the season. Prices firmed distinctly, especially for medium-sized fruits (72/88 in 15 kg boxes).

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

| Tonnes | October 2005 | Comparisons (%) | | Total season | Season comparisons (%) | |
|--------------|--------------|-----------------|-------------|---------------|------------------------|-------------|
| | | 2006/2005 | 2006/2004 | | 05-06/04-05 | 05-06/03-04 |
| Spain | 1 923 | - 61 | - 69 | 1 923 | - 61 | - 69 |
| South Africa | 3 059 | - 34 | - 13 | 49 543 | + 8 | + 10 |
| Total | 4 982 | - 48 | - 49 | 51 466 | - 4 | - 7 |

Grapefruit

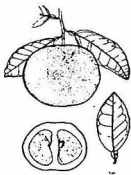
OCTOBER 2005

Monthly comparison: Oct. 2005 / Sept. 2005

| | |
|---------|----------|
| Price | Volumes |
| ↗ + 16% | ↗ + 220% |

Annual comparison: Oct. 05 / Oct. 04

| | |
|--------|---------|
| Price | Volumes |
| ↘ - 8% | ↘ - 14% |

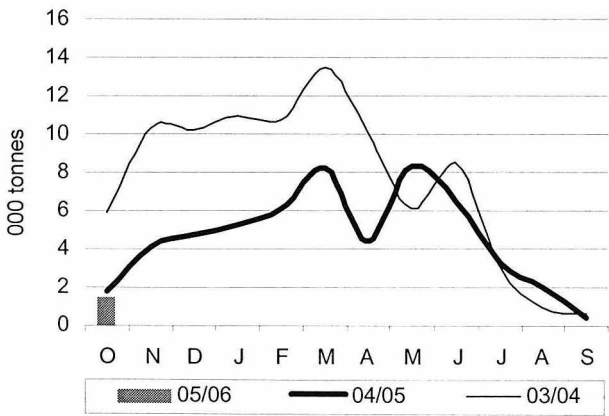


Supplies have been particularly light, consisting mainly of the last fruits from South Africa and Honduras. Practically no produce arrived from Cuba. Furthermore, presence of the winter origins was very discreet, (serious deficit in Florida, small fruits in Turkey and religious festivals in Israel). In this context, prices were very firm for most origins even though demand for citrus fruits was slowed by warm weather. Only Honduras displayed a mixed performance.

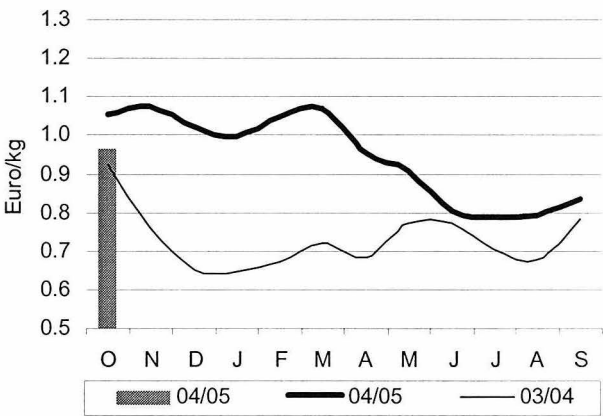
Overall supplies were small. The winter origins that normally form most of the produce available from mid-October onwards were discreet. Florida, with a historic deficit for the second year running, was practically absent from the market. Shipments from Israel and Turkey were late in gaining momentum. In addition, Cuban presence was marginal as the main plantation was hit by a hurricane this summer. Market supplies were based above all on the last batches from South Africa, fruits from Honduras and a few batches from Mexico. Demand was smaller than usual because the weather did not encourage sales of citrus and prices were comparatively high. However, it was sufficient in the light of the small volumes available. Nevertheless, sales of fruits from Honduras only truly accelerated after the end of the South African season and the fall in prices to the level of those of the 2003 season. Prices were higher than the average of those for the other origins.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

| Tonnes | October 2005 | Comparisons (%) | | Total season 2005/2006 | Season comparisons (%) | |
|---------|--------------|-----------------|-----------|------------------------|------------------------|-------------|
| | | 2006/2005 | 2006/2004 | | 05-06/04-05 | 05-06/03-04 |
| Israel | 768 | + 10 | - 38 | 768 | + 10 | - 38 |
| Florida | 185 | + 602 | - 95 | 185 | + 602 | - 95 |
| Turkey | 540 | - 17 | - 16 | 540 | - 17 | - 16 |
| Total | 1 493 | - 14 | - 75 | 1 493 | - 75 | - 14 |

Easy peelers

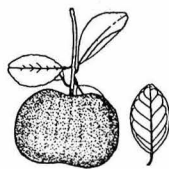
OCTOBER 2005

Monthly comparison: Oct. 2005 / Sept. 2005

| | |
|----------|---------|
| Price | Volumes |
| ↘↘ - 27% | ↗↗↗ |

Annual comparison: Oct. 05 / Oct. 04

| | |
|--------|---------|
| Price | Volumes |
| ↗ + 1% | ↗ + 14% |



The season started better than in 2004 for Spanish operators, who were practically alone on the market in October. Although sales were far from euphoric, in particular as the weather was still distinctly warmer than average for the season, they were better than those of October 2004. Prices were comparatively satisfactory for the improved varieties targeted by demand.

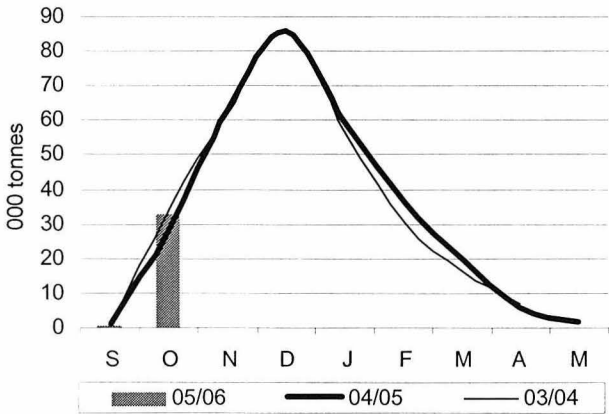
In spite of a still growing area devoted to early clementine, the volumes available in 2005/2006 were only average after a particularly generous 2004/2005 season. Nearly 50% of the area planted with 'Marisol' has been reconverted and the quantities of new early, improved varieties such as 'Oronules', 'Loretina' and 'Clemenpons' are increasing only gradually. Like last year, the Indian

summer, that seems to have become a feature of the October market, had a negative effect on demand for clementines and on citrus in general. However, total sales were up on 2004, probably thanks to better ripeness than last year, even though the fruits were late. The increase in the share of improved varieties in total supplies also had a favourable effect. In addition, although sales of

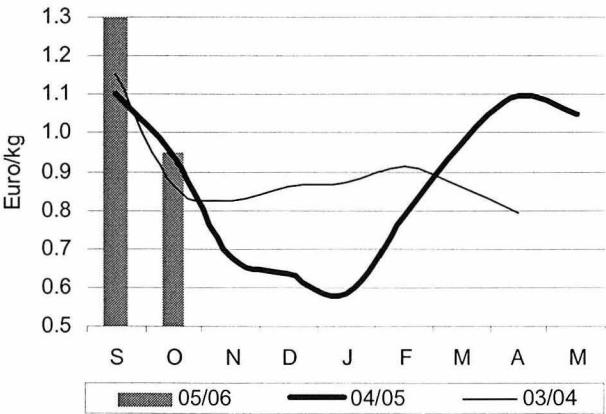
'Oronules' were steady and fairly good, those of 'Marisol' were particularly difficult, especially during the second half of the month. Prices fell strongly in mid-month but were fairly satisfactory for the improved varieties. A few of the first 'Fines' from Morocco completed supplies at the end of the month.

Estimated market releases in France

Volumes



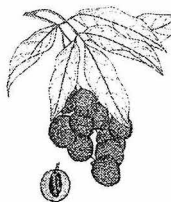
Price at import stage



Estimated market releases in France by origin

| Tonnes | October 2005 | Comparisons (%) | | Total season 2005/2006 | Season comparisons (%) | |
|---------|--------------|-----------------|-----------|------------------------|------------------------|-------------|
| | | 2006/2005 | 2006/2004 | | 05-06/04-05 | 05-06/03-04 |
| Spain | 32 606 | + 14 | - 4 | 33 147 | + 10 | - 4 |
| Morocco | 113 | - 21 | - 82 | 113 | - 21 | - 82 |
| Total | 32 719 | + 14 | - 5 | 33 260 | + 10 | - 6 |

Litchi



In contrast with October 2004 when the gap in litchi supplies lasted about 10 days, litchi was totally absent from the range of exotic fruits for nearly a month this October. It did not reappear on European markets until the beginning of November, with the start of the export seasons of the producers in the Indian Ocean zone (Mauritius, Réunion, South Africa and Madagascar).

Litchi supplies to the French market dried up rapidly at the beginning of the month, leaving a complete gap. Shipments from Spain finished as early as they had started, in fact lasting from mid-August to the end of September with somewhat uneven deliveries. Fairly large volumes in relation to national production capacity were shipped at the beginning of the season. Fruiting was centred on a short period and was not such as to favour the prolonging of the season. The volumes decreased suddenly at the end of August/beginning of September and then recovered a little later with different varieties. Operators tempted to delay shipping to ensure high prices did not have to wait long as quantities decreased rapidly. Withholding fruits before shipment also carries a risk of a deterioration in quality that affects the selling price. The last batches changed hands at between EUR 5.00 and 8.00 per kg according to fruit quality. The average price was probably closer to EUR 5.00 per kg than to EUR 8.00.

The Israeli season also finished at the end of September with batches of end-of-season fruits, that is to say of uneven quality. Many fruits were soft or had indurated shells. The sale of fruits from this origin seems to have lasted a little longer in northern European countries where the stocks held may have been larger. The presence of Israeli fruits was noted in Holland and Belgium in the first 10 days of October. The operators in these countries admitted that the quality of the last fruits sold was poor. The litchis were small, not very attractive and some were squashed at the bottom of the boxes. Fruits arriving by sea sold at about EUR 3.50 per kg.

According to information from the various origins, the marketing season for Indian Ocean litchis should not be early, unlike the situation last year. Mauritius should therefore give the kick-off to the season in this production zone in early November. It should be followed by Réunion and Madagascar in the middle of the month or perhaps in the third week of November (for fruits shipped by air).

In this group of origins, South Africa has announced a fairly early start to the season, possibly at the beginning of November, and seems to be getting ready for a season with average volumes because production is down this year and European market conditions are not always profitable because of competition from Madagascar. South Africa is trying to place its produce on the margins of the European market, that is to say on particular markets before or after the flow of fruits from Madagascar, and stressing high fruit quality.

Volumes should be large in the Madagascan sea export season and may exceed those shipped in 2004/2005. The traditional question on the eve of the season remains that of knowing whether the European market can handle these increasing tonnages and at what price. The steady decrease in price observed for several years is becoming more marked and little by little calls into question a number of economic components of the Madagascan litchi sector.

OCTOBER 2005

Litchi export to Europe — Forecasts Tonnes

| | |
|--------------|-----------------|
| Madagascar | 20 000 - 25 000 |
| South Africa | 3 000 - 4 000 |
| Réunion | 200 - 300 |
| Mauritius | 100 - 200 |

Weekly monitoring of the European mango market is available during the West African season.

Import prices, estimation of releases, trends, etc.



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Mango



After a boost in demand and consumption at the beginning of the month, the market risked a dangerous upset but did not fall even though the supply conditions became dangerous. Brazil dominated supplies to Europe in October. Less represented on the French market, this origin left room for fruit from Israel and Spain which were finishing or continuing their export seasons. Prices were set according to the variety and the type of transport, leading to a broad range of prices.

'Keitt' from Israel was the most plentiful variety in France while the markets in northern Europe experienced the arrival of huge shipments from Brazil. Israeli operators have always preferred to ship their goods to France to avoid direct competition with Brazil. The French market was thus protected from the collapse of the price of 'Tommy Atkins' from Brazil during the first half of the month that caused a serious crisis in the northern markets ('Tommy Atkins' from Brazil sold at less than EUR 2.00 per box). 'Keitt' profited well from this situation; selling prices were fairly steady in spite of mediocre fruit colour. The small tonnages of 'Tommy Atkins' from Brazil sold at dwindling prices because of the market situation in Europe but did not fall below the EUR 2.00 per box mark. Brazilian fruits of satisfactory quality and good size even fetched close to normal prices. The starting of exports of 'Kent' from Brazil was satisfactory and prices were fairly high (it is the only origin shipping the variety at the moment). The early start was accompanied by some quality defects—colour, keeping

characteristics and the development of fungal diseases. Spain has been the second source of supply for France, shipping batches of 'Osteen' and also more modest batches of 'Kent' sold at a higher price. They sold steadily and the prices even rose during the second half of the month. 'Osteen' was an alternative to 'Keitt' from Israel, whose quality was basic, and the first 'Kent' from Brazil selling at higher prices if shipped by air and of less attractive quality if shipped by sea. Spanish mangoes have found an interesting marketing niche, selling in particular via traditional retail channels or in neighbourhood supermarkets. Retailers liked these strongly coloured European mangoes with satisfactory flavour, but that nevertheless are not the equal of 'Kent'.

The market for mangoes shipped by air was sufficiently well supplied by 'Keitt' from Israel, whose sales were prolonged on a comparatively little-supplied market. However, the price fell, especially during the second half of the month, as quality was increasingly uncertain. In parallel,

Brazil increased its exports of 'Kent', succeeding in shipping 30 to 40 tonnes per week. These mangoes varied in colour quality but were well packed and soon dominated supplies in this market segment. Their high price was not an obstacle to the selling of still limited quantities. However, occasional decreases in price were observed for very ripe fruits for which there were no buyers and for a few cases of fruits infected by diseases. Supplies were completed by a few batches of 'Haden' from Brazil in the middle of the month but it was difficult to find buyers because of the competition from 'Kent' of the same origin. In addition, commercial interest was limited because the fruits ripened very rapidly. The Australian export season started in the second half of the month with the variety 'R2E2'. The high prices asked (EUR 6.80-7.50 per kg) made them difficult to sell as cheaper fruits were available from other origins. The price soon fell to EUR 6.50-7.00 per kg for high quality fruits but the marked maturity of some brought the average selling price down.

| | | | | | | |
|--------------|--|---------|-------|-------|-------|-------|
| OCTOBER 2005 | Mango — Estimated arrivals Tonnes | | | | | |
| | Weeks | 40 | 41 | 42 | 43 | |
| | By air | | | | | |
| | Brazil | Kent | - | 10 | 30-40 | 30-40 |
| | By sea | | | | | |
| | Brazil* | TA/Kent | 2 770 | 3 080 | 2 640 | 2 200 |
| | * Estimated arrivals in Europe (Northern Europe ports) | | | | | |

| Mango — Price in euro — Import stage | | | | | | | |
|--------------------------------------|--------------|-------------|-------------|-------------|------------|--------------------|--------------------|
| Weeks 2005 | | 40 | 41 | 42 | 43 | Aver. October 2005 | Aver. October 2004 |
| By air (kg) | | | | | | | |
| Israel | Keitt | 2.50-3.00 | 2.00-3.50 | 2.00-3.00 | 2.00 | 2.10-2.85 | 2.50 |
| Brazil | Kent | - | 4.50 | 4.50-4.80 | 4.00-4.50 | 4.30-4.60 | 4.25-4.50 |
| By sea (box) | | | | | | | |
| Israel | Keitt | 4.00-5.00 | 3.50-4.50 | 3.50-4.00 | 4.00-4.50 | 3.75-4.50 | 4.00-4.50 |
| Brazil | Tommy Atkins | 2.50-4.00 | 2.00-3.50 | 2.50-3.50 | 2.00-3.50 | 2.25-3.60 | 3.25-4.00 |
| Brazil | Kent | - | - | 8.00-9.00 | 7.00-8.00 | 7.50-8.50 | na |
| By truck (box) | | | | | | | |
| Spain | Osteen | 6.80-8.40 | 6.80-8.80 | 8.00-9.20 | 8.40-10.00 | 7.50-9.10 | 6.25-7.25 |
| Spain | Kent | 12.00-14.00 | 12.00-13.20 | 12.00-14.00 | 8.40-10.00 | 11.10-12.80 | na |
| Spain | Keitt | - | - | - | 10 | - | na |

Pineapple



The recovery in business that started in September continued but the precipitous arrival from Week 41 onwards of large volumes of 'Sweet' (MD-2) pineapple seriously disturbed a market that some had hoped would be peaceful and steady until the end of the month. Sales were much more fluid on the market for pineapple shipped by air; volumes remained limited and demand matched supply.

Supplies of 'Sweet' from Latin America were still fairly small at the end of September and many operators thought that the **sea** market would be much busier at the end of October (Week 42 or even 43) with the gradual arrival of larger volumes from Costa Rica. However, the market had to face a large, varied flow of 'Sweet' from Latin America (Costa Rica, Ecuador, Honduras and Panama) and Africa (Côte d'Ivoire and Ghana) in Week 41. Although arrivals from Africa remained limited and irregular, this was not the case of those from South America, with a significant increase in the number of exporters and brands available on the market. The image of homogeneity hitherto associated with 'Sweet' was hit by the quality proposed, as this varied enormously according to the brand. The price of 'MD-2' already started sinking in Week 41 and the price ranges were very large according to quality. Arrivals from Costa Rica continued at a brisk rate and the market became heavier from one week to the next as demand could

no longer cope with supplies. Operators could not count on re-exports to relieve the domestic market as most of the markets that generally display demand for 'Sweet' had difficulty in managing the quantities that had already arrived. This situation benefited 'Cayenne' from Côte d'Ivoire. At the beginning of the month, 'Cayenne' supplies were not only limited (production), but the first shipments from Côte d'Ivoire also arrived a little late following logistic problems. This firmed demand, even if the batches that arrived late subsequently displayed problems of excessive maturity. Supplies of 'Cayenne' increased from Week 42 but prices held up at a good level thanks to re-exports to eastern countries (especially Russia). For nearly two weeks (42 and 43), sales of 'Cayenne' (on the quay) fetched the same price as 'Sweet'! Demand for small fruits was dominant in October. Promotion operations for 'MD-2' were run at the end of the month to relieve pressure on the market.

The supplies of **air** pineapple were still limited. Rain continued to hinder shipments from Cameroon and the few fruits available from this origin were of fairly uneven quality. Shipments from Benin also decreased because of rain but the quality held up. Arrivals from Côte d'Ivoire made progress above all in quality, with much more evenly coloured batches. Small batches arrived from Guinea at the end of the month but their colour was not always homogeneous. Overall, the prices of pineapple shipped by air were firmer, even if the sales did not concern large volumes. Supplies of '**Victoria**' were still just as varied, with fruits arriving from Réunion, Mauritius, Côte d'Ivoire, Ghana and South Africa. In spite of a distinct increase in supplies, the market quietened slightly with demand finding it difficult to get off the ground. Some concerns about the quality of batches from Réunion were noted, after hitherto irreproachable quality, but this did not stop the origin from continuing to serve as a reference.

| OCTOBER 2005 | Pineapple — Price at import stage | | |
|--------------|-----------------------------------|------|-------|
| | Euros/kg | Min | Max |
| | By air (kg) | | |
| | Cayenne | 1.60 | 2.00 |
| | Victoria | 2.30 | 3.50 |
| | By sea (box) | | |
| | Cayenne | 5.00 | 9.50 |
| | MD-2 | 5.00 | 12.00 |

| Pineapple — Price in euros at import stage — Main origins | | | | | |
|---|---------------------|-------------|------------|-----------|-----------|
| Weeks 2005 | | 40 | 41 | 42 | 43 |
| By air (kg) | | | | | |
| Cayenne lisse | Benin | 1.80-1.85 | 1.80-1.85 | 1.80-2.00 | 1.90-2.00 |
| | Cameroon | 1.60-1.85 | 1.70-1.80 | 1.80-1.90 | 1.75-1.90 |
| | Côte d'Ivoire | 1.75-1.85 | 1.60-1.75 | 1.65-1.90 | 1.80 |
| | Ghana | 1.60-1.65 | 1.60-1.70 | 1.65-1.90 | 1.65-1.90 |
| | Guinea | | | | 1.85-1.90 |
| Victoria | Côte d'Ivoire/Ghana | 2.80-3.00 | | 2.30-2.50 | |
| | Réunion | 3.30-3.50 | 3.30-3.50 | 3.30-3.50 | 3.20-3.50 |
| | Mauritius | 3.30-3.40 | 3.00-3.50 | 3.00-3.50 | 3.00-3.30 |
| | South Africa | 3.00 | | 2.90-3.00 | 2.90-3.40 |
| By sea (box) | | | | | |
| Cayenne lisse | Côte d'Ivoire | 6.00-9.50 | 7.00-8.00 | 6.00-9.00 | 5.00-8.00 |
| | Ghana | | | | 5.00-6.00 |
| MD-2 | Côte d'Ivoire | | | 7.50-9.50 | |
| | Ghana | | | 6.00-8.00 | 5.00-7.00 |
| | Panama | | 7.00-8.50 | 5.00-8.50 | 5.00-7.00 |
| | Costa Rica | 10.00-12.00 | 7.00-10.00 | 6.00-9.00 | 5.00-7.00 |

Sea freight



The month of October illustrates the vulnerability of the reefer business to variables beyond its control and especially highlights the risks that a reefer owner, particularly of Spot tonnage, must endure.

Last October and in previous years the Spot market eased gradually through the month but then picked up on the strength of heavy banana export volumes in week 43 as charterers loaded for the end of Ramadan and then in week 44 as Russian charterers fixed forward poultry and bananas for their Christmas programmes. This year, the damage done by the Caribbean hurricane season limited banana supply and forced an accumulation of open reefer tonnage, which put severe pressure on the charter market for most of the month. Poultry exports were hit by damage to US Gulf ports. While by the end of October last year all but one of the major 12-month fixtures had been concluded, very little had been finalised this year as Period charterers awaited the outcome of the banana arbitration. Despite the relative delay, operators of modern units remain confident in obtaining the 15-20% plus

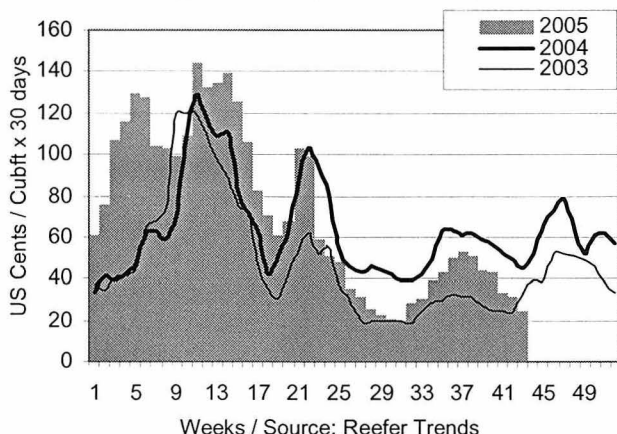
increases they are looking for. The importance of Spot market performance to the reefer business has changed markedly over the past 24 months: while it is still perceived to be an indicator of sector health, its direct relevance to new investment can be questioned. The average yield to owners of Spot tonnage this year may be equal to or perhaps even less than last year once the bunkers and idle time have been factored in to voyage fixtures; despite this operators of modern units should be able to secure double-digit increases as greater value is placed on fuel-efficient units with on-deck container capacity. Why? For the first time in a decade there are clearly identifiable segments to the market: on the one hand, the consequence of a sparse order book for newbuilds and shortage of deliveries since the start of the decade, is an ageing fleet. On the other, demand for

fuel-efficient tonnage with deck-stow reefer container capacity from blue-chip charterers has risen, more so today now that fuel prices are so high. This has created a multi-tiered market where demand for quality units is becoming increasingly inelastic as the fleet ages and is not replaced. 12-month Period charters deal almost exclusively with such quality tonnage, hence the increases witnessed and the sector's optimism. Between them the three largest players and most likely investors in newbuildings Seatrade, NYKLauritzenCool and Star Reefers may be shy of a total of 10-20 high-spec vessels. None of the companies appear to be in a rush to commission more units especially given current newbuild cost estimates. The units instead can be sourced from other owners of quality tonnage.

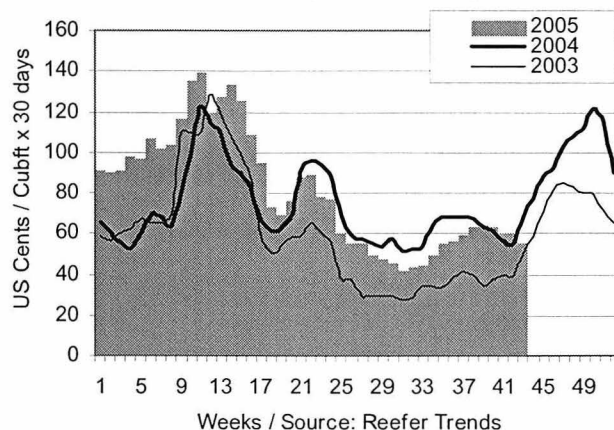
| OCTOBER 2005 | Monthly spot averages | | |
|--------------|-----------------------------------|---------------|---------------|
| | US\$cents cubic foot x 30 days | Large reefers | Small reefers |
| | October 2005 | 26 | 42 |
| | October 2004 | 49 | 64 |
| | October 2003 | 30 | 46 |

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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