

# Indicators

## February 2006

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Apple	27	23
	Orange	23	18
	Easy peelers	13	12

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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Feb. 2006 / Feb. 2005			
Price	↘	Vol.	=↗

**Apple**

The market remained difficult and very competitive. Sales volumes were satisfactory on the domestic market but only because prices were very competitive and distinctly lower than the average observed in previous years. Demand continued to be slow on export markets, except for Russia. Stocks at the end of the month were distinctly greater than on preceding years, especially for 'Golden Delicious' and bicoloured fruits other than 'Gala'.

Feb. 2006 / Feb. 2005			
Price	↗	Vol.	↘

**Orange**

February was a turning-point in the 2005/2006 winter orange season. Supplies had been short since October and started to increase considerably with the Spanish 'Navelate' orchards in full production at the end of the month. Thus, after being very satisfactory at the beginning of the month, the market gradually became more fragile, especially as demand was comparatively sluggish. Prices were high at the beginning of the month and gradually fell, dropping to below average at the end of the month

Feb. 2006 / Feb. 2005			
Price	=	Vol.	↘

**Easy peelers**

Demand slowed distinctly as it does during this period every year. In spite of a context of general deficit because of the small late easy peeler crop in Spain, only the origins shipping mainly high-quality varieties performed well. Israel, and Morocco to a lesser extent, had a satisfactory month. In contrast, the situation was much more difficult for Spain.

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**Sea freight**

While at 66c/cbft and 75c/cbft the February average Time Charter Equivalent (TCE) returns on the reefer charter market for large and small tonnage respectively are significantly higher than the respective January figures, they do match last year's equivalents—influenced by an unexpected oversupply of bananas and a shortage of tonnage.

**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 are 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

FEBRUARY 2006

## Monthly comparison: Feb. 2006 / Jan. 2006

Price  
 ↗ + 13%

Volumes  
 ↘ - 3%

## Annual comparison: Feb. 2006 / Feb. 2005

Price  
 ↘ - 4%

Volumes  
 = 0%



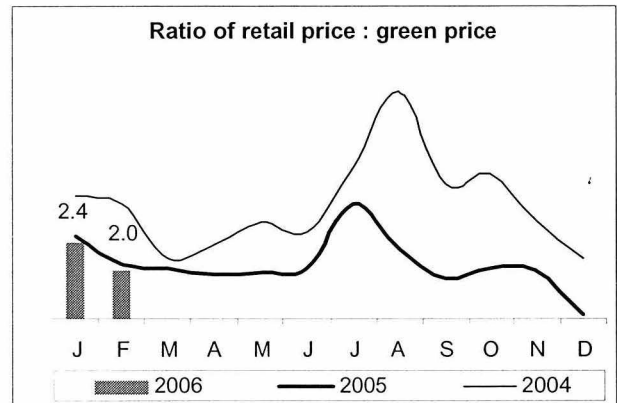
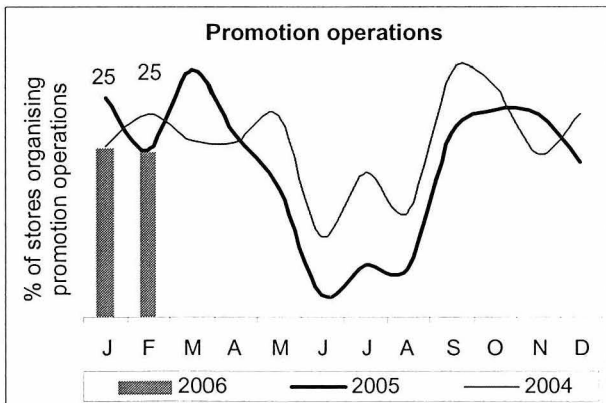
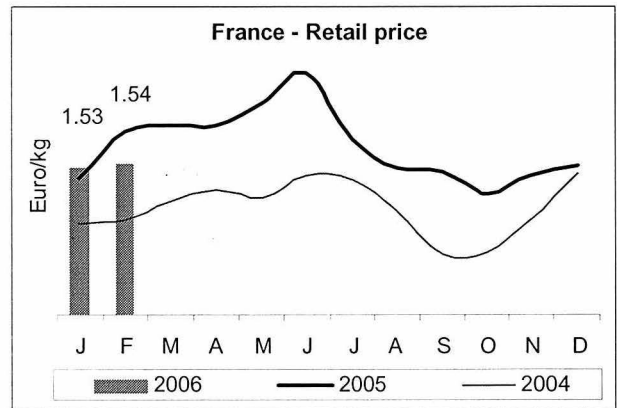
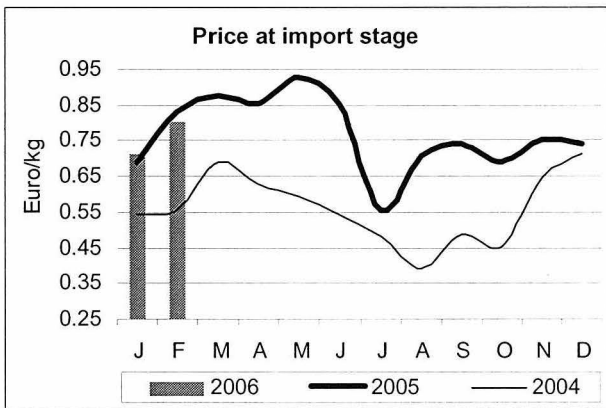
Continued under-supply made it possible to achieve an excellent performance once again in spite of the end of the quota system. Supplies from Africa and the West Indies displayed a marked deficit and arrivals from Latin America did not increase markedly except for a few isolated cases on certain markets. Prices increased to more than 15% higher than average.

The market remained significantly under-supplied. Nevertheless, shipments from Africa returned to a seasonal level after a dip in January. Larger supplies from Côte d'Ivoire made up for the continued deficit in Cameroonian fruits. However, the deficit in West Indian fruits became more marked, with volumes running at about 30% less than the three-year

average. Above all, arrivals of dollar bananas remained moderate in spite of the removal of the quota system. FOB prices continued to be very firm in Ecuador as a result of decreased productivity and strong pressure from world demand. Retail prices on the domestic market were close to normal, stimulating sales, even though quay prices rose by more than 15%.

However, the cold snap that hit the whole of northern Europe at the end of the month weighed on sales both in France and on export markets. Market balance became more delicate, especially as the very competitive supplies of dollar bananas that started the month slowly and were limited to Italy increased in volume and began to affect northern Europe.

## French banana market — Indicators



European banana market — Indicators

Tonnes	February 2006	Comparisons (%)		Total season 2006	Season comparisons (%)	
		2006/2005	2006/2004		2006/2005	2006/2004
Martinique	13 106	- 9	- 35	26 950	- 5	- 33
Guadeloupe	3 017	- 29	- 52	6 851	- 20	- 47
Canaries	29 047	- 7	- 18	55 497	- 3	- 14
Côte d'Ivoire	18 788	+ 21	+ 6	34 543	+ 10	0
Cameroon	16 718	+ 9	- 21	34 149	+ 7	- 24

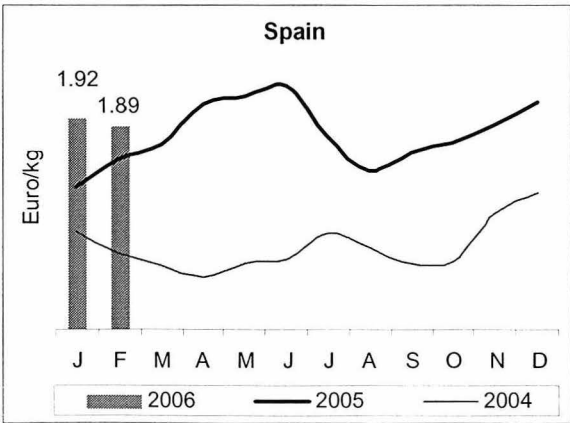
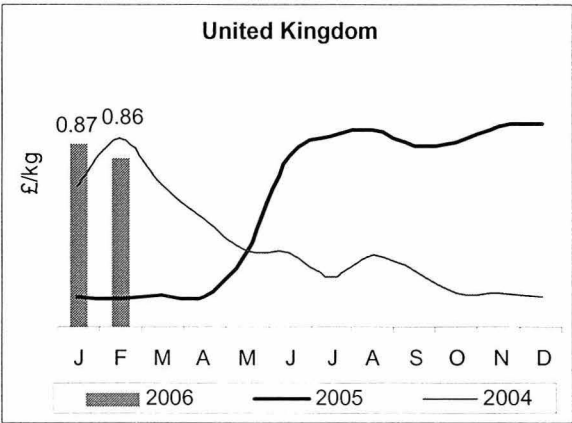
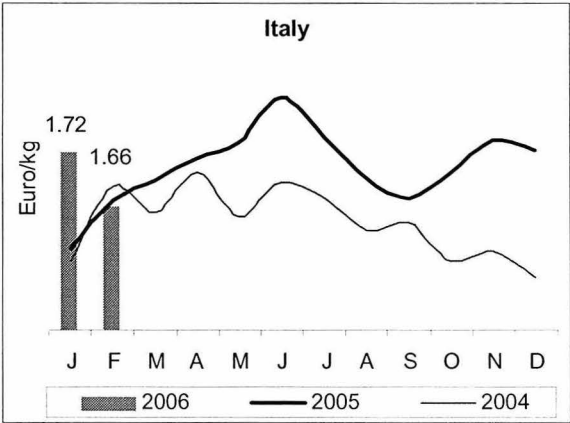
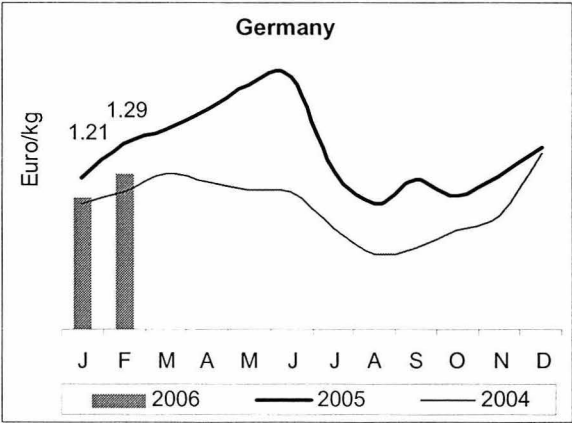
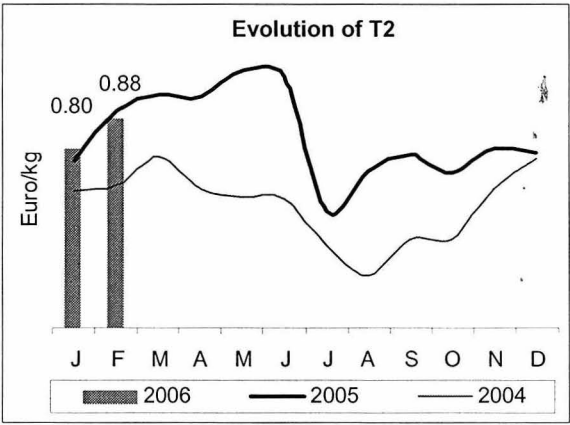
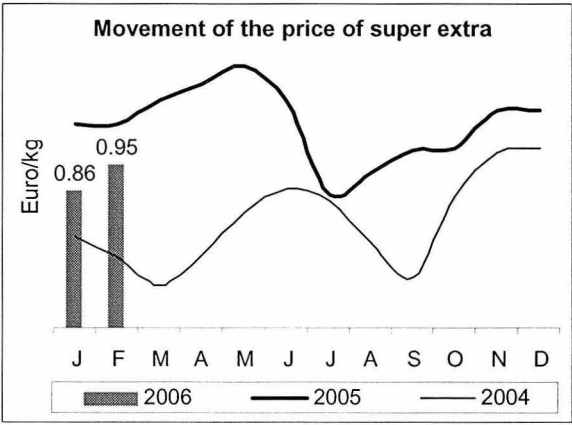
Index (base 100 in February 2005)

Dollar	NA	NA	NA	NA	NA	NA
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Main origins in Europe

Green price in Europe

Retail price in Europe



Sources: CIRAD, SNM, TW Marketing Consulting

# Avocado

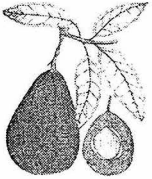
FEBRUARY 2006

## Monthly comparison: Feb. 2006 / Jan. 2006

Price	Volumes
↘ - 3%	↘ - 4%

## Annual comparison: Feb. 2006 / Feb. 2005

Price	Volumes
↗ + 18%	↘ - 11%



A mixed performance contrasting with the excellent January results. Supplies of both 'Hass' and green varieties remained markedly short. Shipments from Mexico were exceptionally plentiful but did not make up for the small quantities shipped from Mediterranean origins. Sales were nonetheless laborious because of slowed demand resulting mainly from high retail prices. In this context, prices fell gradually, reaching a level lower than average at the end of the month.

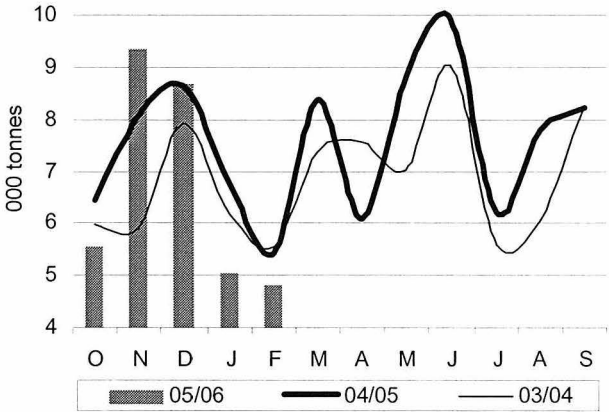
The 'Hass' market was distinctly undersupplied, mainly because of the small quantities produced by the Mediterranean origins this season. Shipments from Spanish operators, additionally penalised by small fruits, fell to 25% less than the three-year average. The decrease was even greater for Israel (-35%), especially in France as a result of a concentration

of flow to the British market. In this unusual context, Mexico kept its position as the leading origin with cumulated arrivals in February 80% up on the average. In spite of a continued strong deficit, prices returned to an average level after the January peak as demand was slowed by high retail prices and unfavourable weather conditions (cold) for consumption. The

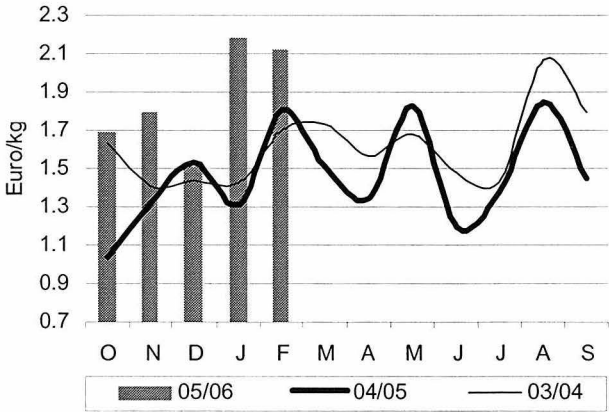
supply shortage was just as marked on the market for green varieties. Supplies from Israel were much smaller than usual, with production of 'Pinkerton' and 'Fuerte' dwindling at an early date. The Kenyan 'Fuerte' season started very gradually in spite of this shortage of supplies. Prices were very firm and close to those of 'Hass'.

## Estimated market releases in France

Volumes



Price at import stage



## Estimated market releases in France by origin

Tonnes	February 2006	Comparisons (%)		Total season	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Spain	1 665	- 20	- 36	7 772	- 27	- 33
Mexico	1 764	+ 91	+ 114	10 530	+ 2	- 6
Israel	1 159	- 50	- 26	8 405	- 40	- 11
Kenya	232	+ 78	- 56	232	+ 78	+ 538
<b>Total</b>	<b>4 820</b>	<b>- 11</b>	<b>- 13</b>	<b>26 939</b>	<b>- 26</b>	<b>- 20</b>



# Orange

FEBRUARY 2006

## Monthly comparison: Feb. 2006 / Jan. 2006

Price	Volumes
↘ - 3%	= + 1%

## Annual comparison: Feb. 2006 / Feb. 2005

Price	Volumes
↗ + 10%	↘ - 3%



February was a turning-point in the 2005/2006 winter orange season. Supplies had been short since October and started to increase considerably with the Spanish 'Navelate' orchards in full production at the end of the month. Thus, after being very satisfactory at the beginning of the month, the market gradually became more fragile, especially as demand was comparatively sluggish. Prices were high at the beginning of the month and gradually fell, dropping to below average at the end of the month

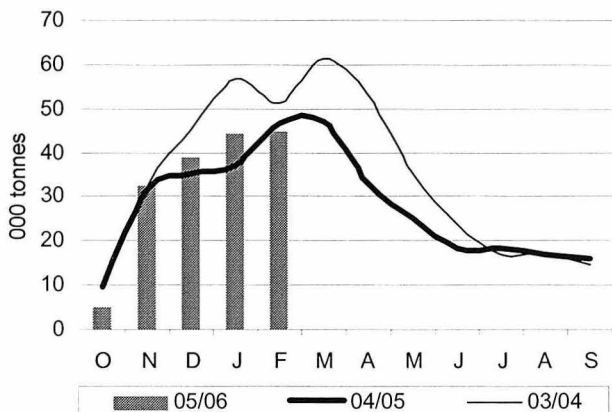
The situation was favourable for most of the month. The start of the half-term holidays in February was very staggered this year and gradually penalised releases, making them slow in the second half of the month. However, although the quantities available in Spain increased gradually as the 'Navelate' crop ripened, they remained moderate until the end of the

month because of the early end to the 'Naveline'/'Navel' season, which displayed a serious deficit. The other players were more present but were unable to make up for the decrease in the volumes supplied by Spain. Arrivals of 'Maltese' from Tunisia were markedly larger than usual (+25% in comparison with the average), as were those of 'Washington' blood orange

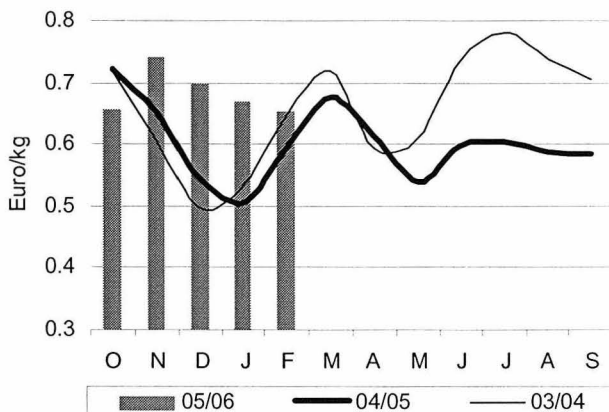
from Morocco. Prices thus fell gradually but remained higher than average for the first two-thirds of the month. The situation changed when the 'Navelate' crop was in full swing at the end of the month. Prices fell faster and were lower than average for all origins in Week 9.

## Estimated market releases in France

Volumes



Price at import stage



## Estimated market releases in France by origin

Tonnes	February 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Spain	36 598	- 6	- 20	148 368	+ 3	- 17
Morocco	2 807	+ 44	+ 13	3 548	+ 73	+ 9
Tunisia	5 656	+ 4	- 13	11 012	+ 25	+ 114
<b>Total</b>	<b>45 061</b>	<b>- 3</b>	<b>- 12</b>	<b>162 928</b>	<b>+ 5</b>	<b>- 15</b>

# Grapefruit

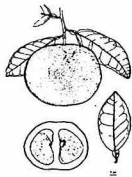
FEBRUARY 2006

Monthly comparison: Feb. 2006 / Jan. 2006

Price	Volumes
= - 1%	↘ - 10%

Annual comparison: Feb. 2006 / Feb. 2005

Price	Volumes
↘ - 8%	↘ - 9%



A mixed score. The monthly price was higher than the average but the advantage was very meagre as the deficit was still more marked than in January because of the early slowing of the Florida season. Sales were very laborious for fruits of all origins. Although sales by Turkish operators increased distinctly, the same did not apply to Israel where the performance was mediocre. The results for Florida were even worse as the quality of some brands was disappointing

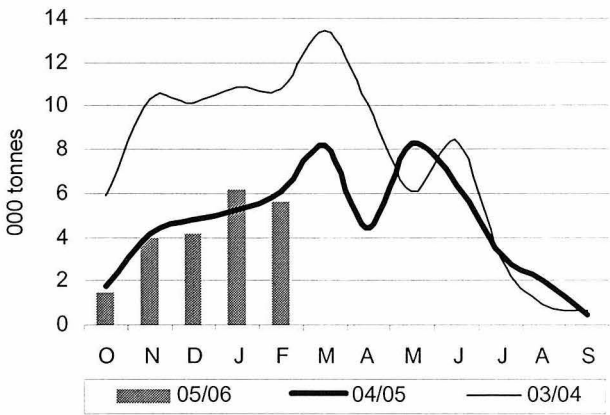
The supply deficit worsened after the slight recovery observed in January. Nevertheless, Turkish presence was still stronger with arrivals some 90% up on the three-year average. However, shipments from Florida slowed again as the harvest finished very early in a significant proportion of plantations (EU unloading 60% below average). The marked increase in exports of Israeli 'Star Ruby' at the beginning of February did not benefit

the French market as the fruits tended to be shipped to eastern Europe. Spain and Cyprus still completed supplies. Sales were even more difficult than in January for all the origins on the market—as every year—because the school holidays had a very negative effect on demand, especially in the catering industry. Performance varied considerably from one origin to another and even from one operator to another. The monthly

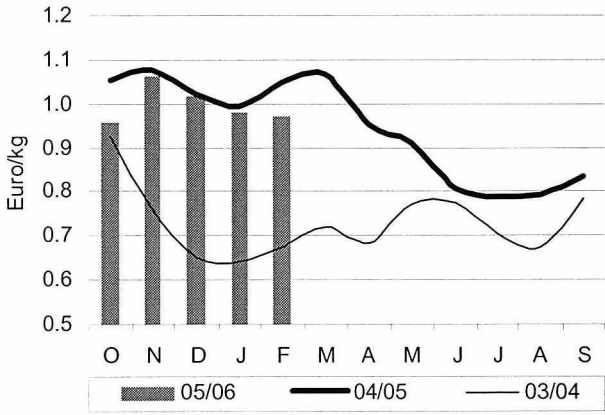
price was only average for Turkey but sales increased strongly. In contrast, the situation was disappointing overall for Florida operators as the strong decrease in volume was not counterbalanced by a proportional increase in price (especially because of the uneven quality of some brands). Performance was mediocre for Israeli operators.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	February 2006	Comparisons (%)		Total season	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Israel	609	- 38	- 7	3 277	- 29	- 17
Florida	3 670	- 17	- 62	11 428	- 13	- 72
Turkey	1 311	+ 82	+ 138	6 712	+ 60	+ 106
Total	5 590	- 9	- 48	21 417	- 3	- 55

# Easy peelers

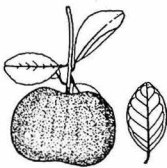
FEBRUARY 2006

Monthly comparison: Feb. 2006 / Jan. 2006

Price	Volumes
↗ + 15%	↘ - 55%

Annual comparison: Feb. 2006 / Feb. 2005

Price	Volumes
= + 2%	↘ - 15%



Demand slowed distinctly as it does during this period every year. In spite of a context of general deficit because of the small late easy peeler crop in Spain, only the origins shipping mainly high-quality varieties performed well. Israel, and Morocco to a lesser extent, had a satisfactory month. In contrast, the situation was much more difficult for Spain.

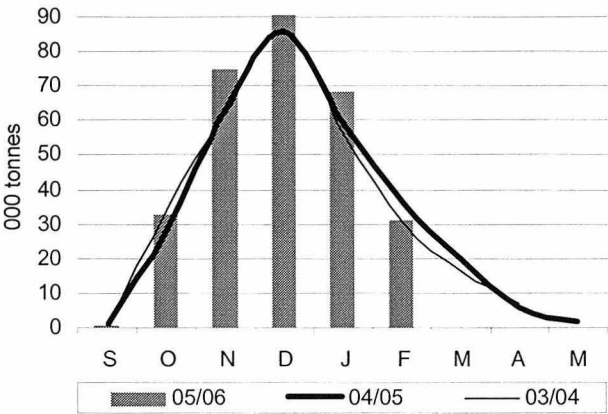
Supplies were markedly short because Spanish late variety production was smaller than usual. The performance of the origin was disappointing, with a twin decrease in volumes sold and prices. Demand slowed distinctly in comparison with that in January, in particular because of the usual reduction of supermarket shelf space devoted to easy peelers at this time of

year. In addition, Spanish supplies were less attractive than they had been at the beginning of the season. The last 'Clemenvilla' were fragile at the beginning of the month and followed by the less-liked 'Hernandina', 'Fortuna' and 'Ortanique'. Morocco achieved a better performance. Sales of 'Nadorcot'/'Afourer' were laborious as their price was markedly higher

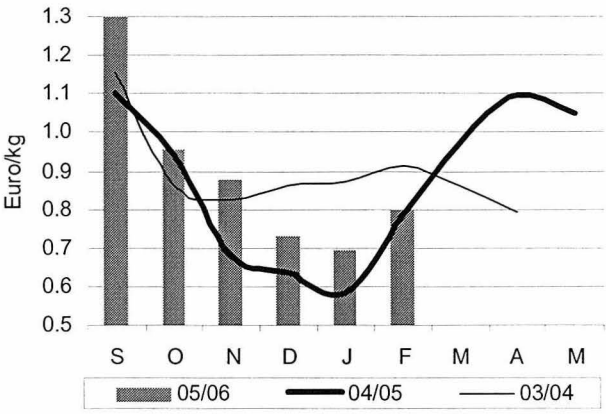
than that of standard varieties, but monthly sales were distinctly greater than average. Israeli operators had an excellent month with brisk sales of the very high quality 'Or' in spite of a high selling price. A few batches of 'Ortanique' from Cyprus and 'Minneola' from Turkey completed the range available.

Estimated market releases in France

Volumes



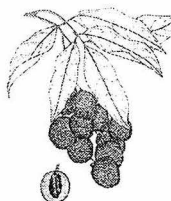
Price at import stage



Estimated market releases in France by origin

Tonnes	February 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Spain	27 314	- 18	- 4	253 224	+ 8	+ 13
Morocco	2 739	+ 2	+ 60	26 238	+ 45	- 8
Israel	936	0	0	1 604	+ 64	+ 59
Total	30 989	- 15	+ 2	281 066	+ 9	+ 10

# Litchi



The Indian Ocean litchi export season finished gradually in February. Fruits from Madagascar and South Africa still dominated the European market but in strongly decreasing quantities. Litchi sales ended simultaneously for both origins leaving the market practically empty. The only litchi on the market at the end of the month consisted of a few air shipments from Australia. The resumption of more plentiful supplies will be at the end of March/beginning of April with the first arrivals of fruits shipped from Thailand by air.

The Madagascan and South African litchi seasons finished at the same time. Most of February sales consisted of fruits that had already been delivered and stored. Madagascar exported about 22 390 tonnes of litchi during the season, comprising 200 tonnes by air, 16 090 tonnes in conventional ships and 6 100 tonnes in sea containers. Unfortunately, these record quantities were accompanied by very mixed, even poor sales results. The race to export the most seems to have shown once again that it does not mean success as falling retail prices leave little scope for sector stakeholders in terms of margin.

The wave of Madagascan litchi also won a partial victory over exports from South Africa, whose season was finally fairly small in volume and difficult to manage in such a way as to maintain viable prices for operators. Falling back on a growing domestic market would seem to have been more profitable than forcing their way into an international market that is too

competitive. South African litchi followed the example of mango, which is gradually disappearing from shipments to Europe.

Litchi sales fell strongly in February when supermarkets preferred to switch to new produce. Although retailers still stocked litchi in February, the displays shrank considerably. Furthermore, the cold weather in Europe in February did not enhance the consumption of tropical fruits. Consumers preferred to buy winter vegetables. The Madagascan litchis still available in February were of increasingly uneven quality; the fruits became either hard or soft, had an unattractive brown colour and were sometimes very overripe. In parallel, some batches were of perfectly satisfactory quality—pink, with supple texture and good flavour. However, this category of produce became increasingly rare as time passed.

The prices of the South African fruits delivered in smaller and smaller

quantities were distinctly higher than those of Madagascan produce. The French market received small quantities while shipments to the United Kingdom were larger and selling prices higher. The switch from the 'Mauritius' variety to 'Red McLean' at the end of January did not improve the position of South Africa as the latter fruits are much less liked by consumers.

While sales of South African and Madagascan fruits came to an end, the market received very small quantities shipped from Australia by air and sold at very high prices. These goods met demand from specialised fruiterers and up-market restaurants. The first shipments soon sold at lower prices because of unsuitable packaging (micro-perforated bags). The quality of subsequent shipments was satisfactory but they were difficult to sell as the prices asked were very high.

FEBRUARY 2006

## Litchi - Arrival estimates

Weeks	05	06	07	08
By air (France) - Tonnes				
Australia	-	2	3	3

## Litchi — Import price on the French market — Euros/kg

Weeks 2006	05	06	07	08	Average February 2006	Average February 2005
By air						
Australia	-	9.00	7.00	11.00-12.00	9.00-9.35	8.00-8.50
By sea						
Madagascar	0.80-1.20	0.80-1.00	0.80-0.90	-	0.80-1.00	1.20-1.60
South Africa	2.00-2.25	2.00-2.25	2.00	-	2.00-2.15	2.30-2.85



# Mango



The European mango market was substantially dominated by Peru and remained comparatively well balanced throughout February. In practice, the pattern of sales was the opposite of that of the same period in 2005. Whereas prices had recovered in the second half of the month in 2005, they lost ground this year under pressure from an unexpected strong increase in supply. Cumulated shipments from Peru and Brazil resulted in the gradual forming of stocks, especially on the northern European markets that received this produce directly.

With shipments running at 3 000 to 3 500 tonnes during the first three weeks of February, Peru doubtless overestimated the capacity of the European market. The start of the Peruvian mango season led to supposing that the quantities would be smaller than those shipped last year, when the volumes had been massive from the outset and had drawn prices into a downward spiral that continued until mid-February. Whereas most European operators considered that Peru would maintain a lower profile this year after the difficulties of 2005, this did not happen. The export peak just shifted in time. The volumes of mangoes arriving by sea did not immediately disturb prices. Indeed, stocks accumulated during a gap lasting about two weeks and then prices began to be affected in mid-month. The price of a box of mangoes lost EUR 1.00 in the second half of

February. Meanwhile, Brazil was still present on northern European markets with steady but contained quantities. It is true that these fruits added to the arrivals from Peru but their price remained stable until the third week of the month (EUR 4.00-5.00 per box in Holland) before weakening at the end of the month under pressure from the stocks available. The greater resilience of the price of Brazilian fruits was probably because Brazil was the only origin to supply 'Tommy Atkins' during this period. The predominance of large fruits (6 to 8) was also a factor in lowering prices, as many distributors prefer smaller fruits for their shelves. The uneven stage of colour and ripeness of the mangoes from Peru also slowed consumption against a background of winter holidays that affected the sales of all fruits and vegetables.

The market for 'Kent' mangoes shipped from Peru by air was more regular in February. However, price variations were noted during the first three weeks of the month. Great irregularity in the stage of maturity disturbed sales. Very ripe fruits were sold at lower prices than those mentioned below. Some batches were even sold off to clear. A change in production zone also limited hitherto plentiful supplies and encouraged the exporting of less ripe fruits that were more difficult to sell. In spite of these passing difficulties, the price level on the market remained high for fine quality fruits. The first batch of 'Amélie' mango from Mali reached the French market in the last week of the month. The first shipment was not representative because only small quantities were concerned but it did mark the beginning of the export season for West African origins.

Mango — Weekly arrivals Estimates in tonnes					
		05	06	07	08
By air					
FEBRUARY 2006	Peru Kent	40	30	40	20
	Mali Amélie	-	-	-	1
By sea*					
FEBRUARY 2006	Brazil TA/Kent	1 200	1 100	1 200	800
	Peru Kent	3 600	3 500	3 100	1 500

\* Arrival estimates for Europe (Northern Europe ports)

## Mango — Prices in euros — Import stage

Weeks 2006		05	06	07	08	Average February 2006	Average February 2005
By air (kg)							
Peru	Kent	3.50-4.00	3.50-4.00	3.50-4.00	3.50-4.50	3.50-4.10	3.30-3.85
By sea (box)							
Peru	Kent	4.00-5.00	4.00-5.00	3.50-4.00	3.00-4.00	3.60-4.50	2.85-3.75
Ecuador	Tommy Atkins	4.00				4.00	-

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

Import prices, estimation of releases, trends, etc.



Pierre Gerbaud

Information from:  
322, rue de la Tour - Centra 149  
94566 Rungis cedex - France

Tel: 33 (0)1 46 87 47 41  
Mob: 33 (0)6 77 76 11 56  
pierregerbaud@hotmail.com

# Pineapple



As in January, February was marked by a few logistic difficulties that disturbed supplies, causing delays that strengthened demand. Although supplies of 'Smooth Cayenne' (especially from Côte d'Ivoire) decreased, those of 'Sweet' increased but without having an effect on prices. Thus 'Sweet' prices remained unchanged and were even sometimes lower than those of 'Smooth Cayenne', resulting in a market that was fairly disparate overall. The market for fruits shipped by air lacked quality for a while and then improved, but with limited volumes that made it possible to increase prices.

As forecast by operators handling MD-2, supplies of 'Sweet' gained momentum in February. Increasingly large volumes arrived. 'Sweet' supplies dominated the market for the first three weeks of the month. Demand for pineapple was steady and sales were fairly fluid. Paradoxically, the price did not rise and even stagnated at times. Ex-quay sales were then concluded at prices lower than those of Smooth Cayenne! Sales in France were steady but no more. The re-export market enabled operators receiving consignments of 'Sweet' to avoid a clogging of the market once again. The market was slightly under-supplied with 'Sweet' in the last week of the month because of logistic problems. This considerably strengthened demand for this fruit but did not affect the relatively low prices. The situation was hardly any better for 'Smooth Cayenne'. Better quality fruits arrived in the first week of February and sold

well. Unfortunately, quality was lacking in subsequent weeks. Many batches of 'Sweet Cayenne' were too ripe, considerably hindering sales and making it difficult for prices to hold. Operators taking delivery of large volumes of 'Smooth Cayenne' reported a difficult market situation. Indeed, sales were only really finalised when the produce was not returned to the supplier for reasons of quality defects, which happened too often during the month. At the end of the month, demand for 'Sweet Cayenne' was focused on small fruits (available in small quantities) while buyers of 'Sweet' sought larger ones.

The air pineapple market was difficult at the beginning of the month. The half-term holidays in February greatly affected demand—very weak—but were not the only reason for poor sales. Indeed, the quality of the batches received at the beginning of the month was often poor. Those from

Benin and Ghana (spotted and lacking colour) had great difficulty in finding a market position and this meant that the batches from Cameroon and Côte d'Ivoire sold better. Supplies decreased considerably in volume from the second week onwards and the quality of fruits from origins such as Benin and Ghana improved. Sales became firmer and prices increased until the end of the month, with good quality batches sometimes finding takers at prices higher than those shown below.

In spite of the diversity of origins, volumes on the 'Victoria' market were very limited throughout the month (fruits from Réunion were affected in particular). Demand became brisker but in contrast with the situation on the 'Smooth Cayenne' market, prices did not really rise—there was rather a greater fluidity of sales.

FEBRUARY 2006

## Pineapple — Import prices

Euros	Min	Max
By air (kg)		
Smooth Cayenne	1.60	1.90
Victoria	2.90	3.60
By sea (box)		
Smooth Cayenne	6.50	8.50
Sweet	5.00	9.00

## Pineapple — Import prices on the French market — Main origins — In euros

Weeks 2006		05	06	07	08
		By air (kg)			
Smooth Cayenne	Benin	1.70-1.75	1.60-1.70	1.60-1.70	1.70-1.80
	Cameroon	1.60-1.75	1.70-1.80	1.70-1.85	1.70-1.90
	Côte d'Ivoire	1.60-1.75	1.60-1.75	1.60-1.75	1.60-1.65
	Ghana	1.60-1.70	1.60-1.70	1.60-1.70	1.60-1.70
Victoria	Réunion	3.40-3.60	3.50	3.40-3.50	3.40-3.60
	Mauritius	3.30-3.50	3.40	3.30-3.40	3.40-3.50
	South Africa	2.90-3.10	3.00	2.90-3.00	2.90-3.00
		By sea (box)			
Smooth Cayenne	Côte d'Ivoire	7.00-8.00	7.00-8.50	6.50-8.50	6.50-8.00
	Ghana	7.50-8.00	7.00-7.50		7.00-7.50
Sweet	Côte d'Ivoire	8.00-8.50		6.50-8.00	6.50-8.50
	Cameroon			6.50-8.00	6.50-8.50
	Ghana	8.00-8.50		6.50-8.00	6.50-8.50
	Ecuador	7.50-8.50	7.50-9.00	5.00-7.50	6.50-8.50
	Costa Rica	7.50-8.00	7.00-8.00	5.00-7.50	6.50-8.50

# Sea freight



While at 66c/cbft and 75c/cbft the February average Time Charter Equivalent (TCE) returns on the reefer charter market for large and small tonnage respectively are significantly higher than the respective January figures, they do match last year's equivalents—influenced by an unexpected oversupply of bananas and a shortage of tonnage.

The TCE rate development to date this year is more like that of the 2004 season although the parallel is unlikely to continue for very long. The Spot market is most affected by changes in banana supply and with no restrictions on importing banana volumes into the European Union, the world's most lucrative banana market, it seems safe to assume that more fruit from the same and different sources will end up in EU markets. How much more fruit and for how long depends on many variables but this will be the singular major influence on the market for the rest of 2006. Global banana supply throughout February was tight and so banana markets were strong. In this environment it is unsurprising that the banana majors were active on the chartering front, fixing predominantly Ecuadorian fruit into US retail contracts, which had been compromised by hurricane damage to

plantations last year. The resulting shortage of Spot bananas in Ecuador meant less reefer chartering activity in particular by the Mediterranean banana players, which led to a reefer charter market with weak fundamentals over the period. However, towards the end of the month banana supply started to normalise, chartering activity increased and the market strengthened. To date fruit flow out of South Africa has been little short of disastrous for both specialised and reefer box modes: the combination of a lower than estimated grape crop, a strong Rand and a weak market have left vessels sailing light since the beginning of the season while the pome fruit crop is also coming forward only very slowly. A combination of overcapacity and high bunker costs has left the country's largest exporter Capespan's chartering arm Cape Reefers prepared to 'listen to offers' on a

sub-charter for all or part of its Snow programme! The combination of late frosts, a late start, alternate bearing crops and a weak US\$ had led to a reduction of 11% of Chilean fresh exports to date, according to exporter association ASOEX — to 26 February exports totalled 744K MT. Grape, stonefruit, avocado and apple volumes were all lower — only cherries and berries have increased to date. Of more concern however is the news that box operators have increased their share of exports from 17% to 23%. Argentinian fresh exports have been even more sharply lower although the drift to boxes in the early part of the season has not been as dramatic as forecast. To the end of February exports of fresh fruit from San Antonio Este had fallen 23% to 148K MT of which Maersk and Hamburg Sud shipped a total of 8%. The balance was shipped in specialised reefer vessels.

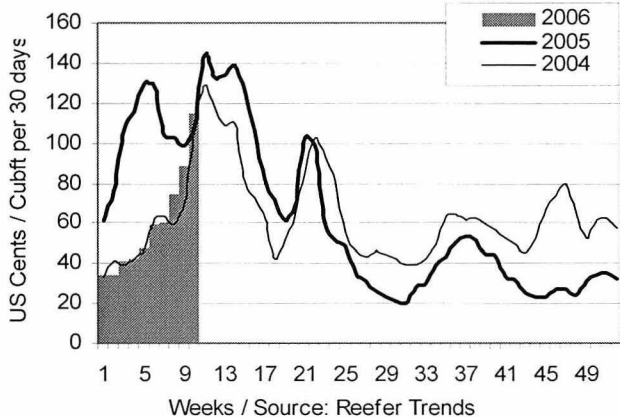
FEBRUARY 2006

## Monthly spot averages

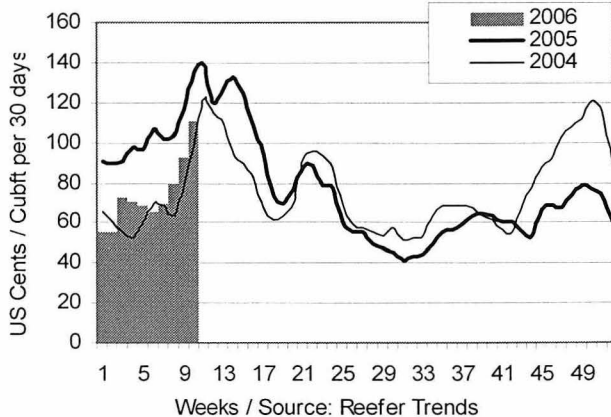
US\$cents cubic foot x 30 days	Large reefers	Small reefers
February 2006	66	75
February 2005	116	103
February 2004	64	70

## Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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

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