

Indicators

March 2006

The main fruits

- 1st Apple
- 2nd Strawberry
- 3rd Orange



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

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March 2006 / March 2005			
Price	↘	Vol.	↗

Apple

Sales speeded up slightly but prices remained stable and low for all varietal groups. Arrivals from the southern hemisphere were distinctly smaller than in 2005 as a result of the setting up of a statistical surveillance system for imports and this made releases of French bicolour ('Gala' and 'Braeburn') and green fruits more fluid. However, prices remained rock-bottom. Furthermore, the 'Golden Delicious' market was unaffected by the improvement.

March 2006 / March 2005			
Price	↘	Vol.	↗↗

Strawberry

The market was particularly difficult. Substantial quantities arrived from Spain and Morocco and quality was sometimes uneven. Meanwhile, demand was particularly slow, with the cooler than average weather not encouraging consumption of red fruits. Prices soon fell to below cost price.

March 2006 / March 2005			
Price	↘	Vol.	↗

Orange

The deterioration noted in February gained momentum in March. The market was soon over-supplied as a result of the large 'Navelate' crop in Spain and somewhat slow demand in spite of the cold weather. In this context, the market shares of the other suppliers—especially Morocco—shrank considerably.

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Following what can best be described as an average start to the year, the charter market gathered momentum rapidly throughout March to peak in the penultimate week of the month.

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

Monthly comparison: March 2006 / Feb. 2006

Price	Volumes
↘ - 8%	↗ + 9%

Annual comparison: March 2006 / March 2005

Price	Volumes
↘ - 15%	↘ - 14%

MARCH 2006



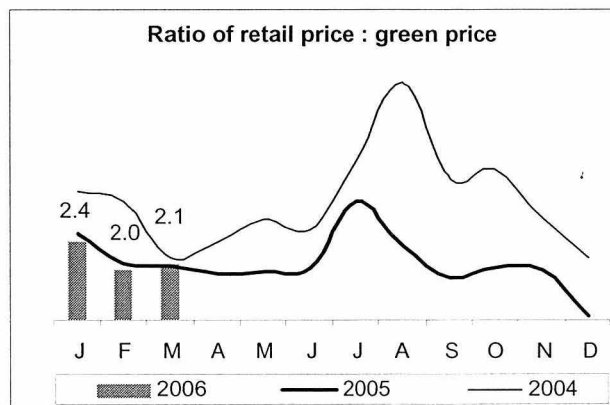
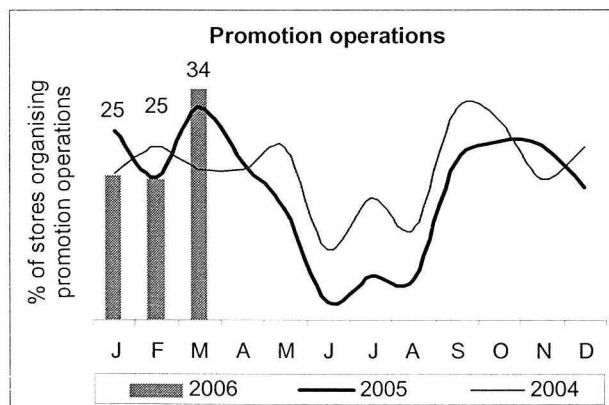
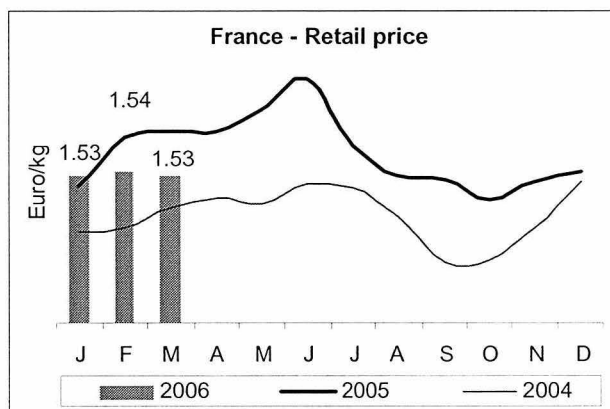
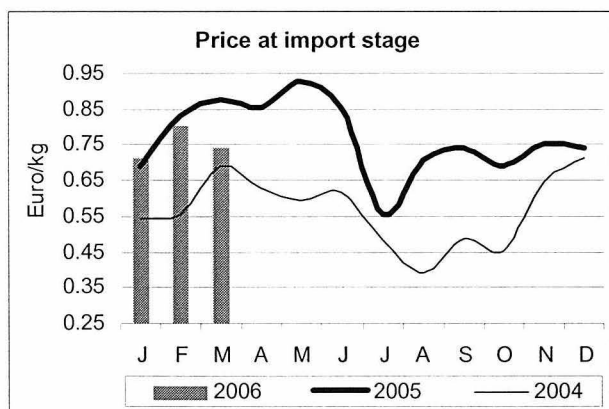
Market performance was disappointing, forming a break with the excellent results achieved in January and February. The monthly price was slightly lower than average in spite of a serious deficit in the cumulated shipments from the West Indies and Africa and still restrained arrivals of dollar bananas. Demand was slowed by cold weather during the first two-thirds of the month and seems to have been smaller than usual. Furthermore, the dollar bananas available in limited quantities but at competitive prices played a destabilising role.

As in January and February, cumulated arrivals from the West Indies and Africa was well down on those of the preceding years (16% down on the three-year average). The deficit in West Indian bananas continued to be very marked. Arrivals from Africa had been at the seasonal level in February but returned to below-average figures because of the small volumes arriving from Cameroon. Ghana made its

appearance on the EU market. However, domestic demand seems to have been slower than in preceding years in spite of a recovery at the end of the month as a result of numerous promotion operations. Temperatures were well below the seasonal average for the first two-thirds of the month and this seems to have had a negative effect on consumption. These weather conditions also weighed on exports to northern Europe even though arrivals

were measured because of high freight costs and high fruit prices at departure until Week 12. Furthermore, new dollar operators seeking to gain a foothold in the EU destabilised the market by offering limited quantities of produce but at competitive prices. The quay price equalled the excellent 2005 level at the beginning of the month and then fell to that of 2003 at the end of the period.

French banana market — Indicators



European banana market — Indicators

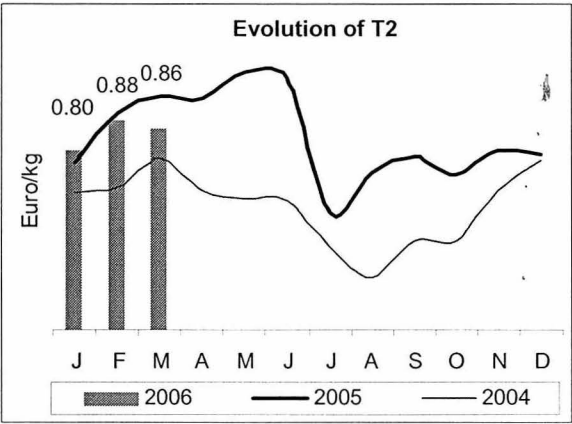
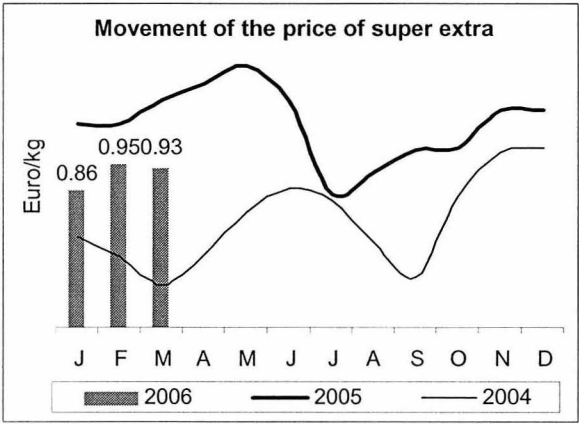
Tonnes	March 2006	Comparisons (%)		Total season 2006	Season comparisons (%)	
		2006/2005	2006/2004		2006/2005	2006/2004
Martinique	15 373	- 19	- 30	42 323	- 11	- 32
Guadeloupe	3 273	- 21	- 50	10 124	- 20	- 48
Canaries	35 918	+ 25	- 16	91 415	+ 6	- 15
Côte d'Ivoire	21 862	+ 4	+ 3	56 405	+ 7	+ 1
Cameroon	19 185	- 22	- 30	53 334	- 6	- 26

Index (base 100 in March 2005)

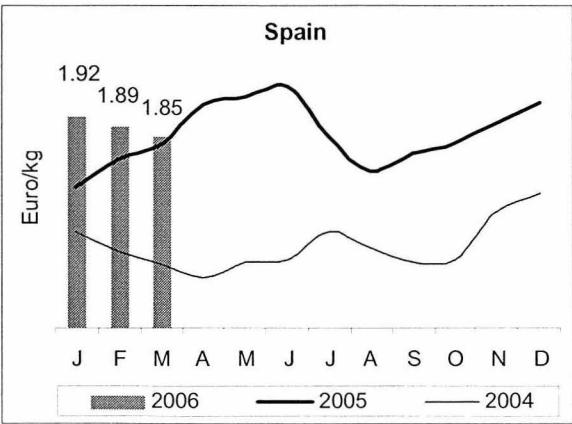
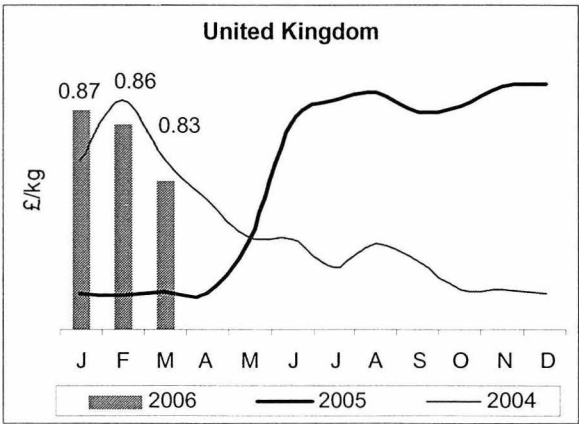
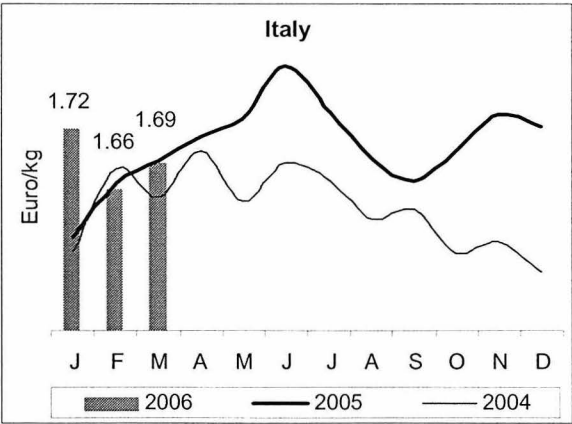
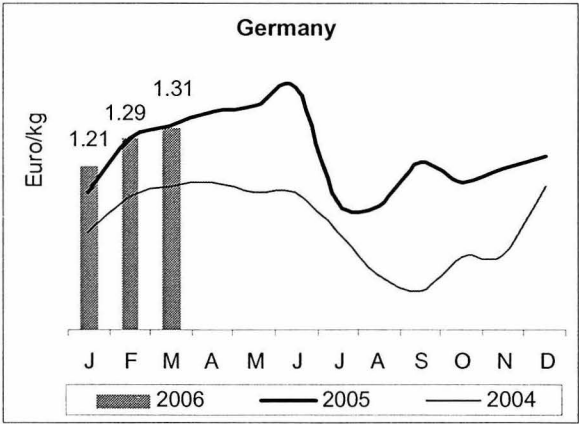
Dollar	NA	NA	NA	NA	NA	NA
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Main origins in Europe

Green price in Europe



Retail price in Europe



Sources: CIRAD, SNM, TW Marketing Consulting

Avocado

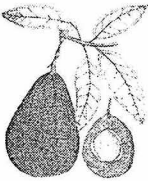
MARCH 2006

Monthly comparison: March 2006 / Feb. 2006

Price	Volumes
↘ - 5%	↗ + 18%

Annual comparison: March 2006 / March 2005

Price	Volumes
↗ + 33%	↘ - 32%



The under-supply of the 'Hass' market became more marked with the early dwindling of Mediterranean production which has been short this season. This conjunctural feature continued to be very favourable for Mexico, which chalked up a new record in particular thanks to Easter promotion operations in supermarket chains at the end of the month. The green market was very satisfactory in this context. Supply consisted mainly of the last Israeli exports and remained small because of the late starting of the harvest in Kenya.

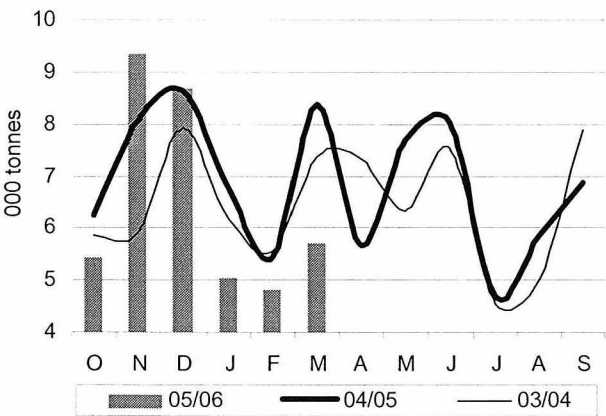
The market remained satisfactory. The 'Hass' supply deficit became increasingly marked in spite of the strong presence of Mexican exports. The production shortage of Mediterranean origins continued to limit supplies. On the one hand, Spain was not very present and its shipments consisted mainly of small fruits (20/22/24/26) for the wholesale market. On the other, the avocado season finished early in Israel, with

cumulated exports of less than 7 million boxes at the end of the month. Supplies were all the more limited in France as shipments were concentrated on neighbouring markets ('Hass' to the UK and smooth varieties—mainly large fruits—to Germany). Prices increased steadily to very satisfactory levels at the end of the month thanks to lively supermarket demand for the preparation of Easter special offers from the end of Week 13

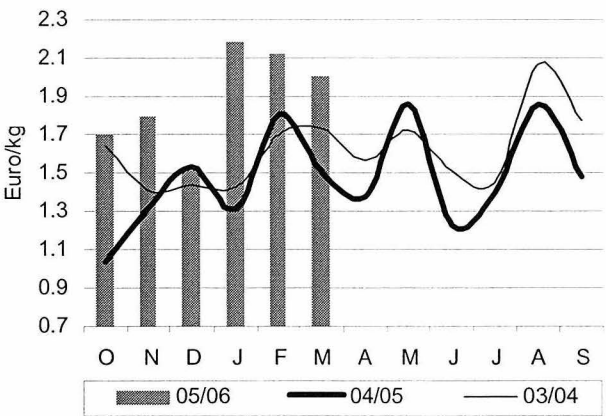
onwards. In parallel, supplies of green fruits remained limited mainly because of the lateness of the Kenyan season (a ship was cancelled because of strikes). Sales were very satisfactory and supplies somewhat mixed. Small (20/22/24) 'Fuerte' from Kenya completed a very broad range from Israel ('Pinkerton', 'Reed', 'Wurtz', 'Nabal', etc.).

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	March 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Spain	2 098	+ 5	- 37	9 870	- 22	- 34
Mexico	2 191	+ 8	+ 27	12 721	+ 3	- 2
Israel	970	- 66	+ 19	9 375	- 44	- 8
Kenya	431	- 71	- 71	663	- 59	+ 538
Total	5 691	- 32	- 23	32 629	- 25	- 17

Orange

MARCH 2006

Monthly comparison: March 2006 / Feb. 2006

Price	Volumes
↘ - 3%	↗ + 14%

Annual comparison: March 2006 / March 2005

Price	Volumes
↘ - 10%	↗ + 9%



The deterioration noted in February gained momentum in March. The market was soon over-supplied as a result of the large 'Navelate' crop in Spain and somewhat slow demand in spite of the cold weather. In this context, the market shares of the other suppliers—especially Morocco—shrank considerably.

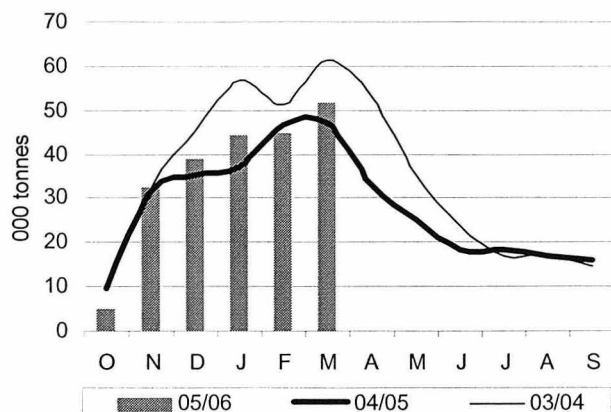
After a deficit in the first part of the season, Spanish production started to increase in February and in March was much larger than in recent years. 'Navelate' is abundant this season and production was in full swing from the beginning of the month. The 'Valencia Late' crop has also been a big one and this was ready at the end of the month. The market had still been balanced in

February but was soon over-supplied, especially as demand was focused on 'Navelate' and somewhat slow in spite of the cold. Prices weakened to an average level at the import stage but were 30 to 35% lower than 2003 and 2004 production stage prices for both 'Navelate' and 'Valencia'. Fruits from other supply origins found it very difficult to gain a position in this

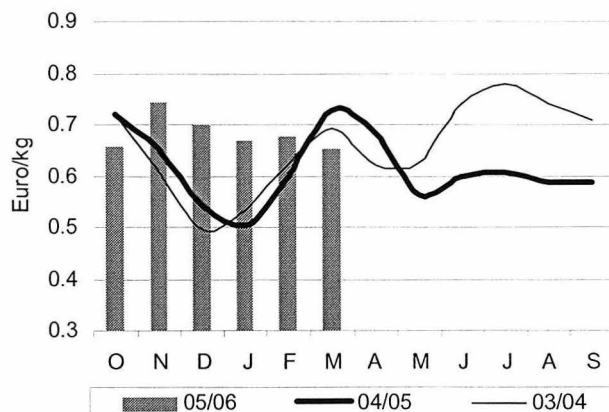
situation. The volumes sold by Morocco decreased very strongly as the end of the 'Washington' blood orange season and the nonetheless late start of that of 'Valencia' were very arduous. Sales of 'Maltese' from Tunisia, a fruit with a special market segment, was also significantly difficult although less marked.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	March 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Spain	42 586	+ 14	- 13	190 954	+ 5	- 17
Morocco	3 120	+ 4	- 5	6 667	+ 32	- 5
Tunisia	5 882	- 13	- 22	16 894	+ 9	+ 12
Total	51 588	+ 9	- 16	214 515	+ 6	- 15

Grapefruit

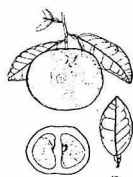
MARCH 2006

Monthly comparison: March 2006 / Feb. 2006

Price	Volumes
↘ - 15%	= - 1%

Annual comparison: March 2006 / March 2005

Price	Volumes
↘ - 23%	↘ - 32%



Overall performance was very disappointing. The average monthly price was slightly below the three-year average while the supply shortage worsened, reaching nearly 50%. The market for Mediterranean grapefruit was very difficult and practically monopolised by a plethora of Turkish fruits whose quality was sometimes uneven. In this context, it was difficult for fruits of other origins to gain a position, with the exception of produce from Florida with an assurance of good quality.

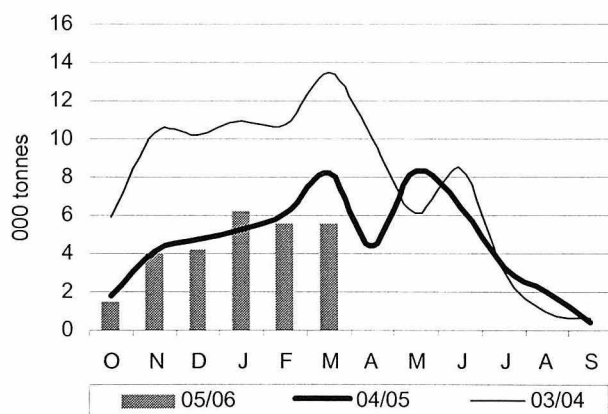
The early dwindling of Florida production made the EU market supply shortage even more marked. Cumulated shipments totalled half of the amount usually reaching the market in March because supplies from Florida were down by 70%. Shipments from Turkey were particularly large, reaching a level never seen before at this time of the year but they just eased the overall

deficit. In contrast, they put strong pressure on the Mediterranean grapefruit market. The price of Turkish grapefruit soon bottomed out, especially as demand lacked enthusiasm because some batches had uncertain keeping qualities. This competition meant that the other Mediterranean origins found it difficult to gain a position even though prices were lowered several times. Israeli

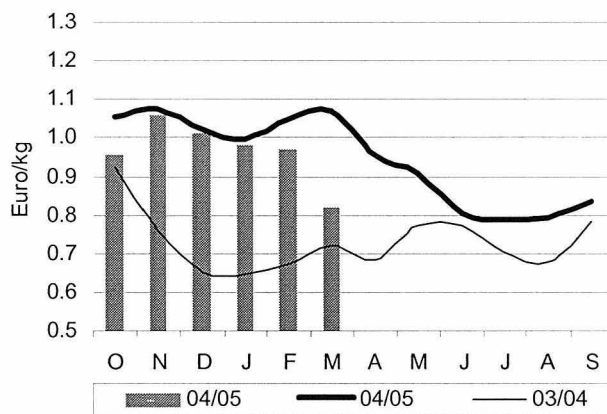
releases in France were substantially down in comparison with the average. The situation was mixed for Florida producers in spite of the deficit. Although both the market and prices were satisfactory for top-of-the-range produce with the certainty of good quality, the performance of more standard brands was disappointing and they sometimes sold at less than cost price.

Estimated market releases in France

Volumes



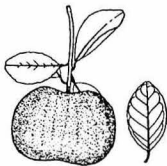
Price at import stage



Estimated market releases in France by origin

Tonnes	March 2006	Comparisons (%)		Total season	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Israel	727	- 51	- 30	4 004	- 35	- 20
Florida	2 677	- 55	- 76	14 105	- 26	- 73
Turkey	2 157	+ 192	+ 81	8 869	+ 80	+ 99
Total	5 561	- 32	- 59	26 978	- 11	- 56

Easy peelers



Performance was very varied. The comparatively slow demand typical of the season was very selective and focused on up-market produce with guaranteed high quality (the best brands of 'Fortuna' from Spain, 'Nadorcot' from Spain and Morocco and 'Or' from Israel). The sales of other produce—especially 'Ortanique'—were laborious. The average price for the month and the volumes sold were below average overall.

The situation remained comparatively difficult for Spain. Both the average price and the volumes sold were markedly lower than average. The end of the 'Fortuna' season was disappointing, with difficult sales because of the poor quality of a large proportion of the supplies. The situation was no easier for 'Ortanique',

which took over the market. The lack of interest in this variety seems more marked every year and production prices fell to depths that have rarely been seen. Only 'Nadorcot' moved steadily. Performance was better for Morocco. Sales were slightly larger than average thanks to fairly good but not excessive demand for 'Nadorcot'.

The 'Or' season in Israel finished successfully. Demand remained very active in spite of strong prices and some fruit fragility in certain batches right at the end of the season. Most operators found that sales of 'Ortanique' from Cyprus were laborious.

Monthly comparison: March 2006 / Feb. 2006

MARCH 2006

Price
↗ + 5%

Volumes
↘ - 37%

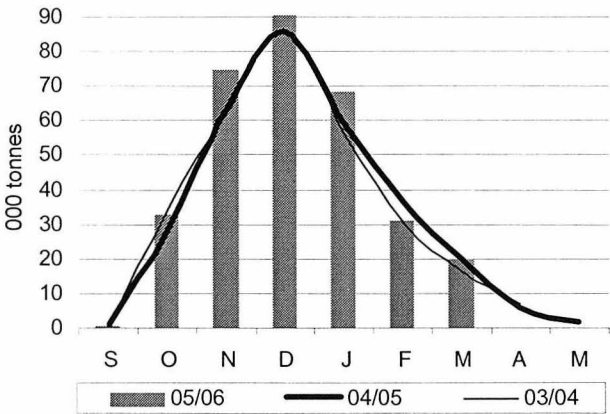
Annual comparison: March 2006 / March 2005

Price
↘ - 13%

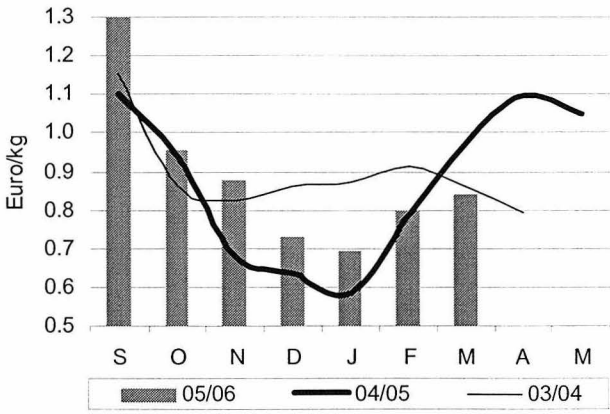
Volumes
↘ - 2%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

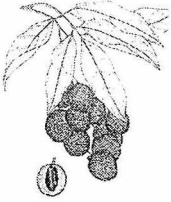
Tonnes	March 2006	Comparisons (%)		Total season 2005/2006	Season comparisons (%)	
		2006/2005	2006/2004		05-06/04-05	05-06/03-04
Spain	17 501	- 5	+ 13	270 725	+ 7	+ 13
Morocco	1 451	+ 338	+ 150	27 689	+ 51	- 4
Israel	630	- 54	+ 249	2 234	+ 7	+ 52
Total	19 582	- 2	+ 18	300 648	+ 8	+ 11

Litchi

MARCH 2006

Litchi — Price at import stage

Euros	Min	Max
By air (kg)		
Australia	5.00	12.00
Thailand	6.50	7.00



In March, the market featured an almost complete absence of litchi. As the Indian Ocean season had finished in February, only Australia continued to make shipments to Europe. The Thai export season started in the second half of the month. This origin should keep the European market supplied until the summer months. Litchi is becoming a rare exotic fruit again and is changing hands at high prices.

The Australian shipping season finished in the second week in March with tonnages that were extremely small at the European scale (a few hundred boxes). These fruits were available at EUR 11.00 to 12.00 per kg and were shifted with difficulty, partly because of the price asked and partly because of their poor keeping quality. In most cases, the prices expected were not attained and the last sales were completed on the basis of EUR 5.00-6.00 per kg because of the deterioration of fruit quality. Unable to ensure higher prices, importers of Australian litchi preferred to suspend their orders rather than risk selling at a loss. In addition, lively demand for litchi on the Asian markets encouraged the redirecting of the last batches of the Australian season.

After the last fruits from Australia marketed during the first half of the month, the European market displayed a dearth of litchi until the arrival in Week 12 of the first batches shipped from Thailand. These fruits shipped by air were destined mainly for the Dutch market. Deliveries from Thailand hardly exceeded 1 tonne in Week 12 and then increased to 2 to 3 tonnes in Week 13. The fruits were sold mainly

on the Dutch market at EUR 6.50-7.00 per kg. The first arrivals by sea were announced at the end of the month and this should enable broader distribution and also a lowering of prices.

With no litchi for much of March, the French market turned to substitutes such as longan and rambutan. Thai longan shipped by sea was available at from EUR 2.50 to 2.80 per kg. This fruit is little known by French consumers and is purchased mainly by Asian populations. Rambutan, more closely related to litchi and with a more original shape, is also sold to Asian communities but there is also a small niche with retailers specialising in tropical fruits, preparers of baskets of fruit and certain restaurants. Rambutans from Madagascar are available from time to time in March and sold at EUR 6.50 to 7.00 per kg, that is to say at the same price as the Thai fruits available irregularly during the same month. The fruits shipped from the latter origin are generally packed in 500 g or 1 kg film-covered punnets whereas Madagascan fruits arrived in 4 kg boxes.

A brief summary of the South African season

South African litchi exports during the 2005/2006 finally totalled only 1 750 tonnes in comparison with 2 300 tonnes shipped during the preceding season. Exports have dwindled steadily for three or four years and the main reasons given by South African operators are:

- poor weather conditions, causing a marked decrease in production this season;
- the competitiveness of Madagascan production that leaves little scope for competing origins;
- a dynamic domestic market that increasingly attracts South African producers who see in it the possibility of marketing their production under good conditions and with much less risk than export business.

However, the South African research sector is still alert and active to allow a strong return on the international market if trading conditions should change.

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

Weeks 2006	09	10	11	12	13	Average March 2006	Average March 2005
By air							
Australia	11.00-12.00	11.00-12.00	-	-	-	11.00-12.00	8.00-9.00

Mango



Arrivals from Peru clearly dominated the European market in March, and were completed by regular shipments from Brazil that were mainly delivered to the countries of northern Europe. Deliveries from Peru were smaller—at least during the first half of the month—and this allowed a partial recovery of prices. Nevertheless, the prolonging of the Peruvian season limited the trend and kept prices at an intermediate level. This situation was most unfavourable for the increase of exports from West Africa and these had to endure the difficult market conditions imposed by Peru.

The clearing of the market forecast by operators at the beginning of the month hung fire. Indeed, the decrease in shipments from Peru was not sufficiently marked and continuous for it to be possible to clear stocks and improve market conditions. The delay in delivery led to thinking for a moment that the market could clear itself fairly quickly. It is true that prices returned to more average prices but the threshold of EUR 4.00 per box for sea mango was rarely exceeded and the average was more around EUR 3.50 per box. The upper end of the range was for the best-coloured fruits while the lowest prices were commonly paid for large fruits and those that lacked colour. The switch from the Puira production region to the Casma valley was announced as the beginning of the end of the Peruvian season. In fact, even though they were decreasing, the tonnages received were still substantial in the light of the decreased demand for tropical fruits. Most Peruvian mangoes were large and their quality deteriorated, resulting in a two-tier market, with well-coloured fruits fetching the best prices and then

little-coloured, poor-quality fruits that had been stored for varying lengths of time and that sold at best for around EUR 3.00 per box and at the worst at clearance prices. The fruits from Brazil present on the northern European markets also hindered the flow of Peruvian mangoes and sold fairly steadily at a slightly higher price. Given the quantity and varietal composition, deliveries from Peru undercut the start of the West African export season and particularly that of Côte d'Ivoire. In contrast with 2005, when March was under-supplied, the market received large quantities overall this year. The green 'Amélie' mangoes with fragile quality were totally neglected by buyers to the advantage of 'Kent' from Peru, that were often more coloured and available at attractive prices. Paradoxically, 'Amélie' seems to have scored the best sales results on export markets as the French market rejected the variety strongly. The air mango market was also dominated by Peru, with tonnages down in the second half of the month, making it possible to keep prices high.

Some batches even sold at more than EUR 5.00 per kg at the start of the month, a record for this type of fruit whose unit price at the retail stage can be imagined! The price differences are explained by the uneven colouring of the fruits and above all their degree of ripeness. The reception of 'Kent' shipped from Peru by boat and which displayed very fine colour and satisfactory maturity tended to upset air mango sales in the middle of the month. Some buyers naturally transferred their orders to these fine quality fruits that were considerably cheaper. As for sea mango, supplies from Peru compromised the start of the 'Amélie' season in Mali and Burkina Faso—quickly neglected by purchasers in favour of 'Kent' from Peru. Some importers suspended their supplies of 'Amélie' for reasons of lack of profitability. 'Valencia' sold a little better and soon formed the greater part of West African deliveries. Competition from Peru was all the more strong as certain batches that were very mature on arrival were offered at attractive prices.

Mango — Weekly arrivals Estimates in tonnes					
	09	10	11	12	13
By air					
Peru	60	50	110	30	50
Mali	2	15	30	25	30
Burkina Faso	5	5	8	5	10
By sea					
Peru	3 360	1 250	1 100	660-880	660-880
Brazil	660-880	660-880	1 100	1 100	1 100
			-1 210	-1 210	
Côte d'Ivoire				70	90
Burkina Faso					25

Mango — Prices in euros — Import stage								
Weeks 2006		09	10	11	12	13	Average March 2006	Average March 2005
By air (kg)								
Peru	Kent	4.50-4.80	4.30-4.80	4.50-4.80	4.50-4.80	4.00-5.00	4.35-4.85	3.75-4.25
Burkina Faso	Amélie		2.80-3.00	2.50-2.60	2.00-2.20	2.00-2.30	2.30-2.50	2.65-2.85
Mali	Amélie		2.80-3.00	2.50-2.60	2.00-2.20	2.00-2.30	2.30-2.50	2.65-2.80
Mali	Valencia		3.00-3.50	3.00-3.50	3.00-3.50	2.50-3.00	2.85-3.35	2.90-3.25
By sea (box)								
Peru	Kent	2.50-3.50	3.50-4.20	3.50-4.00	3.50-4.00	3.50-4.00	3.30-3.90	4.25-4.75
Côte d'Ivoire	Amélie				4.00	3.50-4.00	3.75-4.00	-

Pineapple



Supplies of 'Sweet' increased steadily throughout the month. With Easter approaching and the swelling of the volumes arriving from Latin America, demand became more and more firm, making it possible to clear the quantities available. The quality of supplies of 'Smooth Cayenne' seemed to increase during the same period, but new quality problems affected marketing already hit by the volumes arriving from Latin America. The trend that started in the air pineapple market at the end of February continued and supplies of 'Smooth Cayenne' and 'Victoria' decreased continuously.

The logistic problems experienced at the end of February also had effects in March. In the first week of the month, the delay suffered by ships carrying 'Sweet' strengthened overall demand for pineapple. Sales of 'Sweet' and 'Smooth Cayenne' were more fluid and regular in spite of continued problems of overripeness in some batches from Côte d'Ivoire. With the regularisation of arrivals from Latin America, that became more substantial in the second week, the market became a little more difficult. However, operators succeeded in selling the volumes available, especially thanks to a more lively re-export market. In parallel, the quality of the batches from Côte d'Ivoire improved, enabling operators to sell their stocks in hand. The three last weeks were entirely dominated by 'Sweet', with continued increase in supply and demand. The setting up of promotion operations by certain large retail chains made it possible to sell

large volumes. Even if 'Sweet' prices were firmer, only sales to the more lively northern and southern markets allowed operators to hope for a significant price rise for Easter. In addition, 'Sweet' from West and Central Africa fetched slightly higher prices than those of 'Sweet' from Latin America during this period. The situation was much more difficult for 'Smooth Cayenne' in the last three weeks of the month. Although the fruits were no longer too mature they lacked colour. Depending on the arriving batches, they were very green (30% and sometimes 60% of the batches were at the C1 or M1 stage). This defect was most unfavourable for fruits whose marketing was already running up against the supplies of 'Sweet'. Supplies by air decreased considerably. All the origins that generally supply this market segment had difficulty in assembling the volumes expected. The first result was that prices firmed

and rose. In addition, the quality of the meagre volumes available was not always perfect. Thus certain batches from Benin and Ghana lacked colour but the context of a shortage of produce meant that they sold without difficulty. The market was slightly tense in the last week of the month and prices lost a little ground. Although regular, sales were less fluid and prices a little lower, as if buyers had agreed not to go beyond a certain threshold.

The situation for 'Victoria' was practically identical to that of 'Smooth Cayenne'. Shipments from Réunion decreased considerably after a hurricane warning and Mauritian fruits were sometimes absent from the market. This enabled the batches available to fetch good prices and the best quality fruits to sell well; the less good ones (fairly numerous) were shifted with difficulty.

MARCH 2006

Pineapple — Import prices

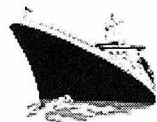
Euros	Min	Max
By air (kg)		
Smooth Cayenne	1.65	1.90
Victoria	2.50	4.20
By sea (box)		
Smooth Cayenne	6.00	8.50
Sweet	6.00	10.00

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

Weeks 2006		09	10	11	12	13
		By air (kg)				
Smooth Cayenne	Benin	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90	1.85
	Cameroon	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90	1.80
	Côte d'Ivoire	1.70-1.75	1.70-1.80	1.80-1.90	1.70-1.80	1.70-1.80
	Ghana	1.65-1.75	1.65-1.75	1.75-1.85	1.70-1.75	1.70-1.75
Victoria	Côte d'Ivoire	2.90-3.00	2.90-3.00	3.50	3.00	3.00
	Ghana	2.90-3.00	2.90-3.00		3.00	3.00
	Réunion	3.40-3.50	4.00-4.20	3.80-4.00	3.50-4.00	3.50-4.00
	Mauritius	3.30-3.50	2.50-3.00	3.00-3.60		
	South Africa	2.90-3.00	2.90-3.00	3.00		
		By sea (box)				
Smooth Cayenne	Côte d'Ivoire	7.00-8.50	7.00-8.00	7.00-8.00	6.00-8.50	6.00-8.00
	Ghana	7.00-7.50				7.00-7.50
Sweet	Côte d'Ivoire	6.00-8.50	7.00-9.00	7.00-9.50	8.00-10.00	8.50-10.00
	Cameroon	6.00-8.50	7.00-9.00	7.00-9.50	8.00-10.00	8.50-10.00
	Ghana	6.00-8.50	7.00-9.00	7.00-9.50	8.00-10.00	8.50-10.00
	Ecuador	6.00-8.50	7.00-8.50	6.50-8.50	7.00-9.00	7.00-9.00
	Costa Rica	6.00-8.50	7.00-8.50	6.50-8.50	7.00-9.00	7.00-9.00

Sea freight

Following what can best be described as an average start to the year, the charter market gathered momentum rapidly throughout March to peak in the penultimate week of the month.



While the market would historically be driven upwards principally by increased volumes of bananas from Ecuador, this year Chile was more active in the market and the South Atlantic squid season absorbed more units. Had South African fruit exports been more plentiful, it is likely the market would have been forced even higher. As it was, volumes were so low that the NYK/Lauritzen/Cool/Seatrade VSA made the strategic decision to withdraw from the market for what may be a total of seven weeks, diverting tonnage into other trades. Although the Ecuadorian exit price dropped steadily throughout the month, the volume of fruit exported did not increase dramatically, with heavy rain and cool weather impacting on quality and quantity. As banana production

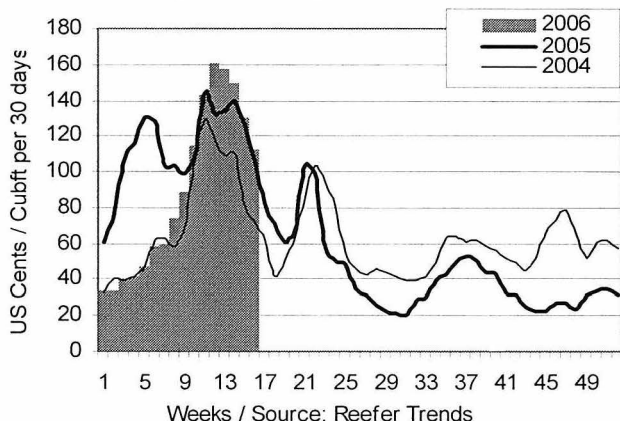
recovers elsewhere in Central and South America, the majors will procure less fruit from Ecuador and the exit price should remain under pressure, no doubt encouraging the traders to re-enter the market. Between the mid and end of the month the delays at the Panama Canal became a critical factor, forcing charterers into making replacement fixtures and operators to re-schedule. Finally, the shortage of reefer boxes, particularly in Costa Rica, forced independent melon exporters to look at the specialised reefer option as an alternative for the first time. The rapid growth of melon, watermelon, mango, pineapple and fresh vegetable exports into the US from C and S America should ensure that scarcity of reefer box capacity is an issue in March every year, unless

the box operators tool up accordingly. Although the March TCE average for large reefers is approximately 10% up on last year's equivalent, the quarterly performance lags behind as a result of the remarkably strong start to the 2005 market (and not the 'weak' start to 2006). For owners, the first three months' performance of this year (80c/cbft) compare favourably to the 2002-2004 average of 70c/cbft – the early peak season trend is clearly upwards. However it is the market's Q2 performance over the last three years that has transformed the fortunes of the reefer business and re-injected optimism into the sector. Last year's April to June TCE average of 80c/cbft compares to 70c/cbft in 2004, 49c/cbft in 2004 and 38c/cbft in 2002. What will happen this year?

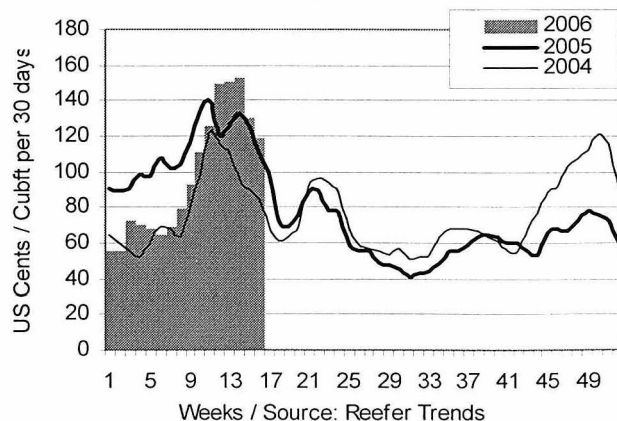
MARCH 2006	Monthly spot averages		
	US\$cents cubic foot x 30 days	Large reefers	Small reefers
	March 2006	135	127
	March 2005	122	123
	March 2004	114	109

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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