Indicators
June 2006

The main fruits

In shares by total volume and expenditure on fruits for the month in France		
%	Volumes	Expenditure
Peach/nectarine	16	19
Apple	21	15
Apricot	8	10

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.

June 2006 / June 2005	
Price	=↗
Vol.	=

Peach/nect.

The situation was difficult at the beginning of the month because of the volumes from Spain (a large harvest and the overlapping of Andalusia and Extremadura). The market improved in the second half of the month with medium French-grown quantities. It became somewhat buoyant at the end of the month because of the marked deficit in Italian production as a result of hail.

June 2006 / June 2005	
Price	↗
Vol.	↗

Apple

The season finished better than it had started. The significant decrease in arrivals from the southern hemisphere (statistical monitoring of imports, production deficit in some countries, market situation) made the sale of French production more fluid. Prices were higher than in 2005.

June 2006 / June 2005	
Price	↗
Vol.	↗

Apricot

The start of the French season was satisfactory. The quantities available were well above average in June with the increase in cultivated area (in particular planted with blush varieties like 'Orangered'). However, demand was there with weather conditions favourable for consumption. Prices increased in comparison with the average.

Information on the situation and prices of sea freight

Sea freight

June delivered more bad news to the specialised reefer sector – if it hadn't been clear to operators of vintage tonnage at the end of May that they should have taken the lay up option, by the end of week 26 those same operators may have had a few regrets. What banana chartering did take place was fixed by the majors on modern tonnage at TC rate equivalents that could not be matched by box rates on older vessels. At the beginning of July it looked as if the trend might continue throughout the summer.

Notes concerning market appraisal methodology

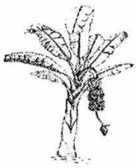
The statistics on the following pages are estimates of quantities put on the market in France. They are only calculated for the main supplier countries and are drawn up using information on weekly arrivals or market release statements by representative operators. The past figures are kindly provided 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

JUNE 2006

Monthly comparison: June 2006 / May 2006	
Price	Volumes*
0%	↘ – 13%
Annual comparison: June 2006 / June 2005	
Price	Volumes*
↘↘ – 25%	↗ + 3%

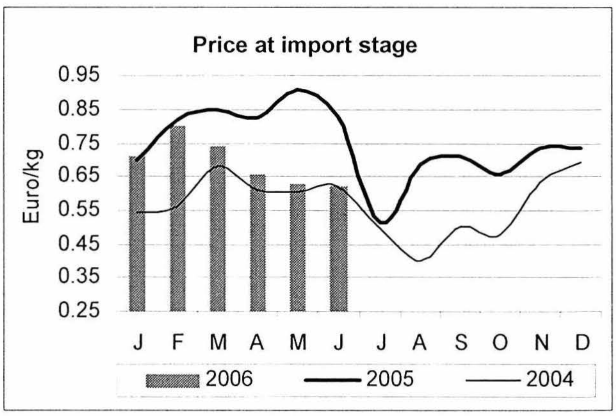
* Arrivals from Africa/West Indies

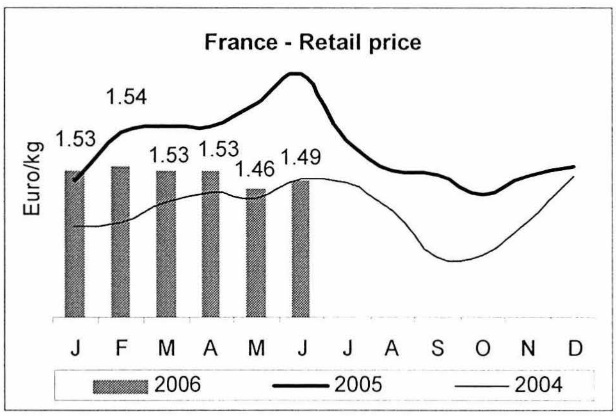


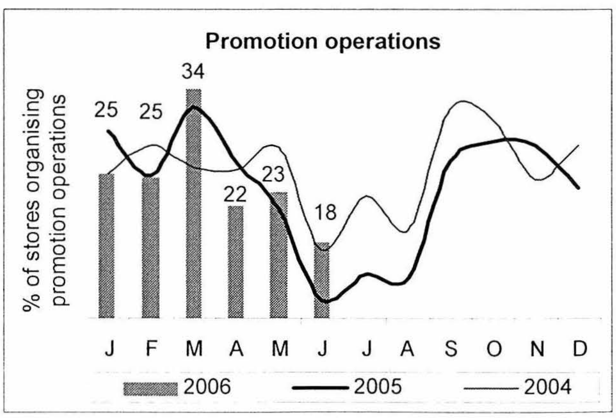
The market scenario was typical of June. Demand slowed greatly at the start of the last third of the month as summer weather took hold throughout Europe. However, overall supplies were only medium in volume. The average price thus decreased strongly in comparison with May but remained similar to that of 2004 and much higher than 2002 and 2003 levels.

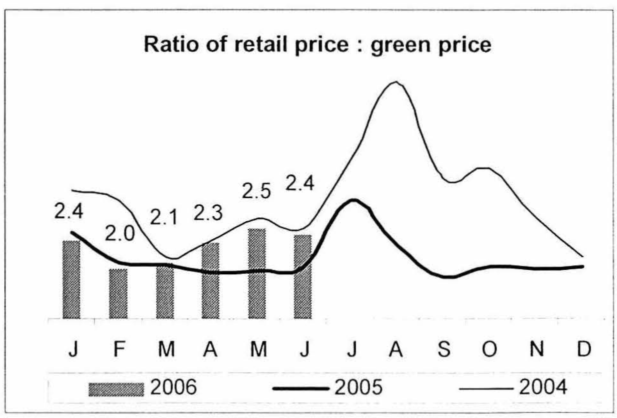
As every year, the beginning of the summer was not kind to the banana market. The tremendous heat wave that started in the second third of the month caused a sharp, sudden decrease in demand on all the European Union markets. However, supplies were slightly smaller than average. Cumulated shipments from Africa and the West Indies were down by about 4%. The strong, recurrent deficit (- 25%) in arrivals from the West Indies more than compensated the large volumes arriving from Africa (the quantities from Côte d'Ivoire were short but Cameroon was very present and additional volumes were shipped from Ghana). In addition, supplies of dollar bananas do not seem to have been larger than those of other years (with limited production in Colombia and Ecuador where FOB prices were high throughout the month). The decrease in quay prices was clear and generalised all over Europe in the second half of the month. However, it was not as marked as that of 2004 and especially 2002 and 2003 in spite of the destabilising effects of spot supplies of dollar bananas in northern Europe; the quantities involved were limited but the prices were very competitive.

French banana market — Indicators







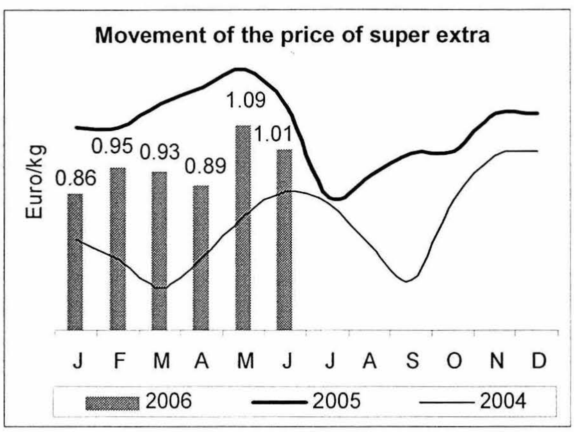


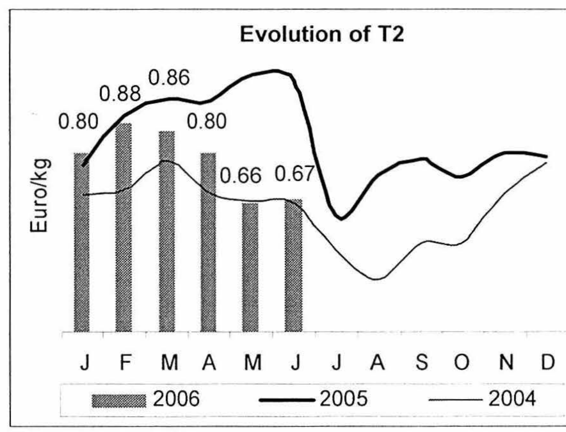
European banana market — Indicators

Main origins in Europe

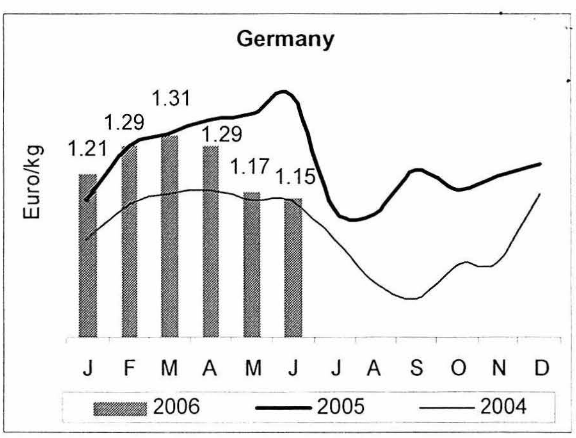
Tonnes	June 2006	Comparisons (%) 2006/2005	Comparisons (%) 2006/2004	Total season 2006	Season comparisons (%) 2006/2005	Season comparisons (%) 2006/2004
Martinique	16 113	- 18	- 24	88 425	+ 1	- 13
Guadeloupe	3 469	- 12	- 45	19 370	- 7	- 39
Canaries	26 453	+ 5	- 20	176 260	+ 19	- 2
Côte d'Ivoire	14 622	0	- 13	108 364	+ 25	+ 14
Cameroon	23 631	+ 19	+ 15	124 634	+ 24	+ 5
Ghana	1 878	-	-	5 591	-	-

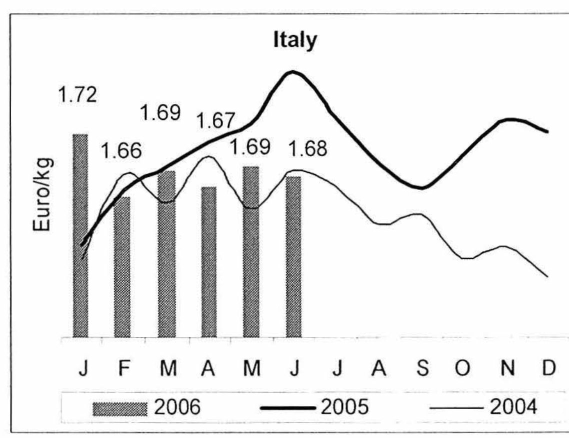
Green price in Europe

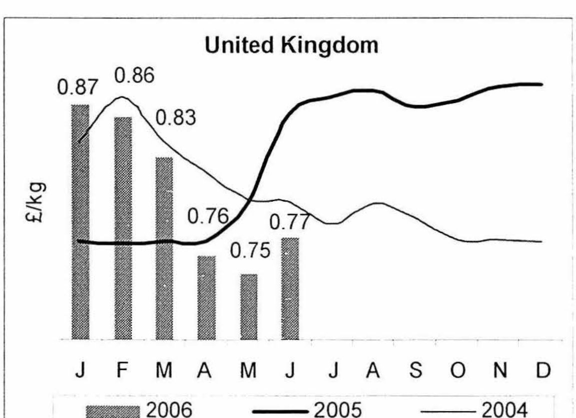


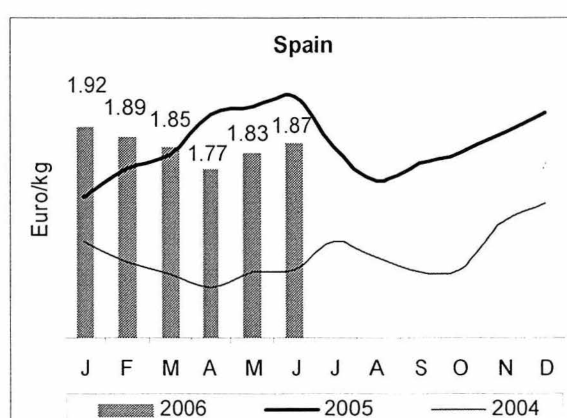


Retail price in Europe









Sources: CIRAD, SNM, TW Marketing Consulting

Avocado

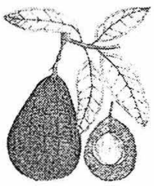
JUNE 2006

Monthly comparison: June 2006 / May 2006

Price	Volumes
↘↘ – 22%	↘ – 2%

Annual comparison: June 2006 / June 2005

Price	Volumes
↗↗ + 24%	↘ – 17%

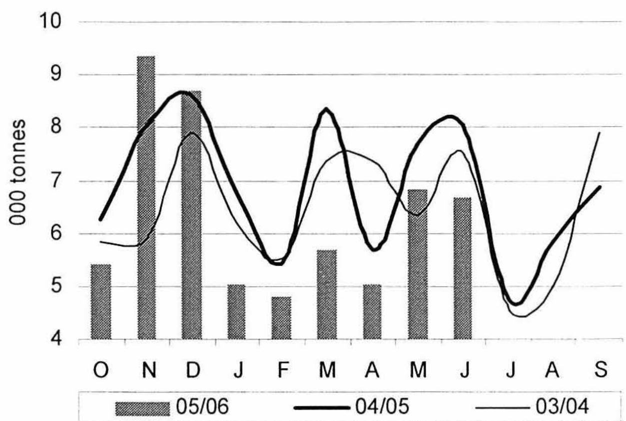


Overall performance was somewhat mediocre. Prices were down by about 10% in comparison with the three-year average even though supplies dipped by 3%. However, the good performance of the 'Hass' market should be noted. The judicious distribution between the different EU markets of the substantial arrivals from Peru and South Africa in a context of a shortage of supplies of green varieties prevented a repeat of the catastrophe of June 2005. The increase in consumption in the United Kingdom and Spain seems to be confirmed.

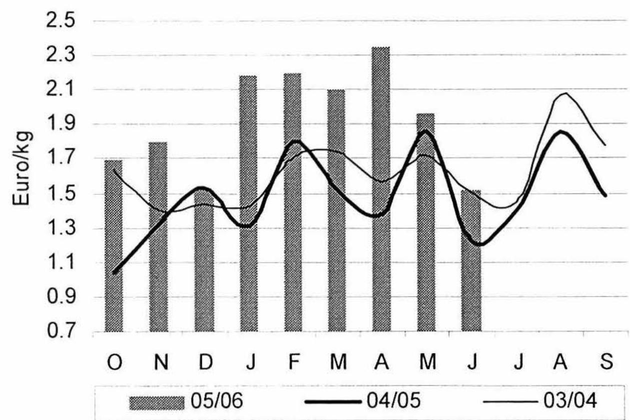
Supplies of 'Hass' were particularly ample in spite of the early end of the Spanish season in May. On the one hand, Peru confirmed its position as leading supplier in June with volumes as large as those of 2005. On the other, the South African season started as early as last year and cumulated shipments were about 10% greater than the three-year average. However, prices were under pressure in the first half of the month but did not follow the catastrophic trail observed in 2005 and recovered in mid-month. Firstly, arrivals from these two origins were not concentrated in France but judiciously distributed among the increasing number of markets (The United Kingdom, Spain, etc.). Secondly, promotion operations were undertaken in particular in France in order to add pep to the dull market at the beginning of the month. In contrast with 'Hass', the supply of green varieties was very small because of a marked deficit in supplies from Kenya and an even more marked shortage of South African fruits (40% lower than the three-year average because of adverse weather conditions). Prices were rock-bottom at the beginning of the month because of the situation on the 'Hass' market and then rose at the beginning of the third week.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	June 2006	Comparisons (%)		Total season	Season comparisons (%)	
		2006/2005	2006/2004	2005/2006	05-06/04-05	05-06/03-04
Spain	954	- 2	- 65	14 553	- 15	- 41
Mexico	19	- 83	- 94	13 677	+ 2	- 5
Kenya	967	- 34	+ 60	3 890	- 17	- 31
South Africa	1 701	- 28	- 21	3 244	- 28	- 9
Peru	3 028	0	+ 77	6 349	+ 54	+ 145
Total	**6 669**	**- 17**	**- 11**	**41 713**	**- 5**	**- 18**

Orange

JUNE 2006

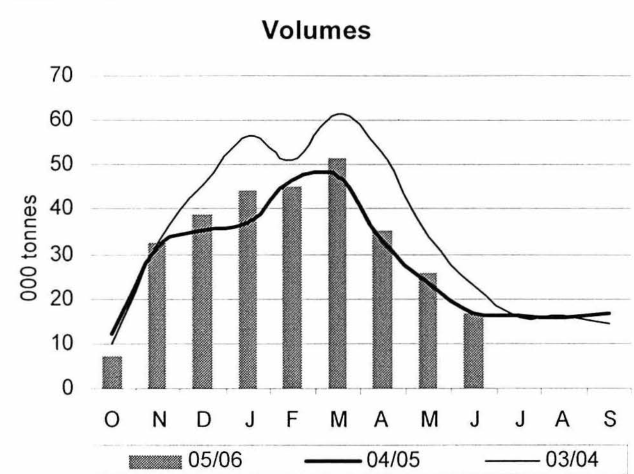
Monthly comparison: June 2006 / May 2006	
Price	Volumes
↘ – 17%	↘↘ – 36%

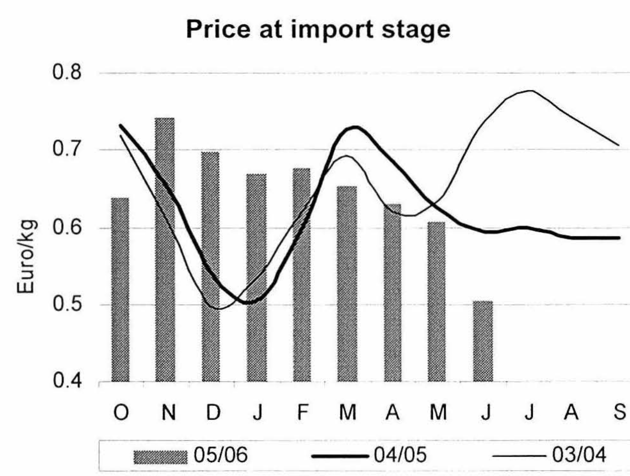
Annual comparison: June 2006 / June 2005	
Price	Volumes
↘ – 15%	0%

Performance had been poor since March and became critical in June. The total volume sold and quay prices were both about 25% lower than average. Demand remained focused on the large volumes of 'Valencia' from Spain that were available at very competitive prices. In this particularly difficult context, importers considerably reduced their schedule for 'Navel' from South Africa.

The volumes of Spanish 'Valencia Late' remaining to be marketed at the beginning of June were much larger than in preceding years (large crop and late marketing because substantial quantities of 'Navelate' were available from March to May). This over-abundance in supplies sent prices at production to historically low levels: 65% to 70% below those of 2003 and 2004 and even 30% below the 2005 season when quality was not perfect because of frosts. Customers then remained focused on this variety as the import prices asked were very competitive and quality was satisfactory. The volumes sold were fairly satisfactory for Spanish operators although the situation at production remained critical. In this context, the market was particularly difficult for the other origins. Moroccan operators held large quantities of 'Maroc Late' and had to lower their prices. Even so, they did not sell as much as they had hoped. Sales of 'Navel' from South Africa were at their lowest level for years. The risk was particularly great for importers because of the price levels on the European market and the generalisation of the 'firm' contract system in South Africa.

Estimated market releases in France





Estimated market releases in France by origin

Tonnes	June 2006	Comparisons (%)		Total season	Season comparisons (%)	
		2006/2005	2006/2004	2005/2006	05-06/04-05	05-06/03-04
Spain	13 928	+ 24	- 18	259 635	+ 7	- 19
Morocco	995	+ 99	- 29	11 700	+ 25	+ 2
South Africa	1 615	- 67	- 21	1 774	- 68	- 50
Total	**16 538**	**0**	**- 29**	**273 109**	**+ 6**	**- 21**

Grapefruit

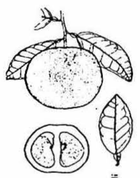
JUNE 2006

Monthly comparison: June 2006 / May 2006

Price	Volumes
↗ + 17%	↗↗ + 50%

Annual comparison: June 2006 / June 2005

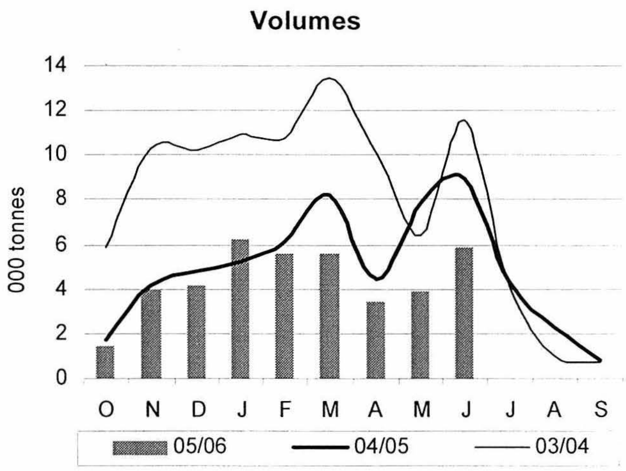
Price	Volumes
↗ + 7%	↘↘ – 35%

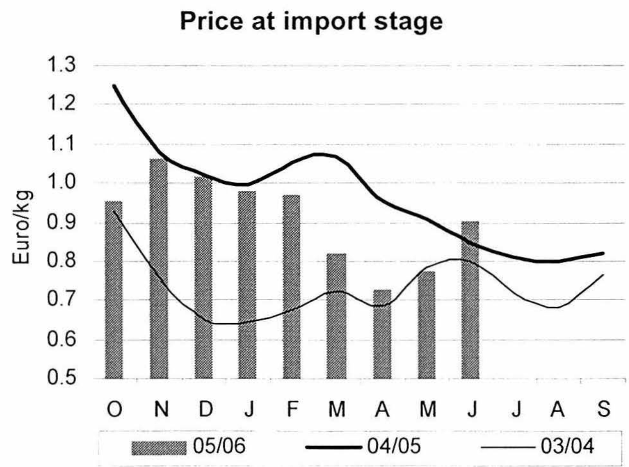


In contrast with forecasts, the entry of the southern hemisphere suppliers only relieved market under-supply. The scale of shipments of fruits from Argentina and South Africa was much lower than both the average and forecasts. In this context and with the seasonal demand, prices were about 10% higher than in the two previous years.

Total supplies remained very small, displaying a deficit, in spite of the prolonging of the season in Turkey. Firstly, supplies from Argentina were much smaller than usual. A new outbreak of citrus canker in the Salta region and the strengthening of phytosanitary controls at EU frontiers resulted in a strong decrease in exports. Secondly, the South African season started very late and deliveries were much smaller than average throughout June. The heavy rainfall in the northern part of the country in May caused significant production loss. A few batches of Corsican fruits completed supplies in France. As every year, demand slowed distinctly with the increase in supplies of summer fruits. Nevertheless, it was sufficient given the reduced supplies. Prices remained fairly firm throughout the month and distinctly higher than in the two preceding years.

Estimated market releases in France





Estimated market releases in France by origin

Tonnes	June 2006	Comparisons (%)		Total season	Season comparisons (%)	
		2006/2005	2006/2004	2005/2006	05-06/04-05	05-06/03-04
Turkey	477	-	0	11 547	+ 127	+ 97
Argentina	2 063	- 32	- 49	2 946	- 54	- 49
South Africa	3 295	- 41	- 56	4 363	- 50	- 54
Total	**5 835**	**- 35**	**- 49**	**18 856**	**- 22**	**- 55**

Litchi

JUNE 2006

Litchi from Thailand — Import prices		
Euros	Min	Max
By sea (kg)		
France	2.50	4.00
Netherlands	2.00	3.00
Belgium	2.50	3.50

Just like the European market, the French market was supplied in June mainly with litchi shipped from Thailand by sea. The Thai litchi marketing season seemed lighter this year, finishing at the end of the month with falling prices. Supplies were completed by deliveries—mainly by air—from Mexico and China.

Deliveries of litchi from Thailand were landed mainly in the **Netherlands** and then distributed among the various European markets. There are direct imports by the various countries of Europe but these are fairly limited. Still sold at EUR 2.75-2.85 per kg at the beginning of the month, prices weakened gradually to EUR 2.30-2.50 per kg in the second week and then stabilised at around EUR 2.00-2.50 per kg in the second half of the month. Poor demand and uneven fruit quality were behind this fall in prices although a few sales at up to EUR 3.00 per kg were seen for fine quality produce. According to some operators, the World Football Cup caused reawakened interest in litchi. The size of the fruit, easy eating and juiciness apparently made it suitable for consumption outside traditional meals! With only a few containers each week, shipments from Thailand seem to have been smaller this year than in the preceding season. Litchi sales should continue in July with the arrival of the first fruits from Israel, where the crop is forecast to be smaller than in 2005.

Thai litchis were also sold on the market in **Belgium**. Rarely imported directly, litchi fetched slightly higher prices than in the Netherlands. The fruit started the month at some EUR 3.50 per kg and then fell to EUR 2.75-3.00 and subsequently 2.50-3.00 per kg in the second half of the month. The season finished at the end of the month on the same price basis, with fruits that operators found to be of mediocre quality.

Sources of supply were more varied for the market in **France**. Indeed, the dominant deliveries from Thailand were complemented by fruits generally shipped in small quantities by air from Mexico and China. The price of Thai litchi was fairly stable at the beginning of the month and then dipped in the second half as on the other European markets. Mexican and Chinese fruits did not trigger strong competition from those from Thailand as they were not positioned in the same market segment. The Thai fruits shipped in containers are treated with sulphur to ensure longer conservation. This type of produce is aimed at the mass retail trade with lower prices as transport costs are lower. The Mexican season that began in mid-May continued into the second half of June with prices markedly down on the preceding period when fruits changed hands at around EUR 8.00 per kg. This fall can be blamed on the fragility of the fruits (non-treated) requiring quick sale on a market on which demand is sluggish at this time of the year. The pattern of prices of Mexican litchi has been similar for several years and tends to show the difficulty of marketing tropical fruits when the European production season is in full swing (strawberry, cherry, apricot, etc). High prices and short shelf lives seem to form a real obstacle to commercial development. Clearance sales of the last batches of Mexican litchis whose quality had suffered were observed in the second half of the month. The pattern was the same for fruits from China; these were also difficult to sell in the context of the June market. Exports from China are more recent on the French market and green coloured fruits and others with no stone were shipped, showing interesting product diversification. Unfortunately, unfavourable market conditions made it impossible to shift all the arriving goods at the prices mentioned above. A number of batches had to be sold at lower prices. Chinese litchi was also sold via distribution channels specialising in Asian fruits and that are outside the traditional channels. Related fruits such as longan and rambutan from Thailand were also available and sold at around EUR 2.00-2.50 per kg and EUR 6.00-7.00 per kg respectively.

Litchi — Import prices on the French market — Euros/kg							
Weeks 2006	22	23	24	25	26	Average June 2006	Average June 2005
By air							
China		-	4.00-5.00	4.00-5.00	4.00-4.50	4.00-4.80	
Mexico	5.50-6.00	4.50	4.00-5.00			4.65-5.15	
By sea							
Thailand	3.50-4.00	3.50	3.50	2.50-3.25	-	3.25-3.55	4.00-4.75

Mango

JUNE 2006

Mango — Weekly arrivals — Estimates in tonnes	22	23	24	25	26
By air					
Mali	60	80	60	45	25
Burkina Faso	20	10	8-10	5	5
Côte d'Ivoire	20	10	5	-	-
Mexico	-	-	-	10	15
By sea					
Brazil	1 100	968	704	550	550
Côte d'Ivoire	850-950	1 100	770	660	440
Burkina Faso	110	110	110	110	45
Mali	300	220	176	220	176
Guinea	-	110	45	22	-

After two months that were difficult for mango sales, June marked a recovery. One of the main reasons was the slowing of deliveries from Côte d'Ivoire. However, market conditions improved more rapidly for mangoes shipped by air than for those arriving by sea. Although arrivals by sea decreased gradually, the stocks that had formed and the worsening of fruit quality weighed strongly on sales.

The large quantities arriving from Côte d'Ivoire throughout May, together with those from Mali and Burkina Faso, caused stocks to grow in importers' warehouses and at ports. Continued deliveries in June choked the market, hindered the flow of sales and prevented operators from raising their prices. At the same time, demand decreased with buyers preferring the season's fruits. Exports from Côte d'Ivoire in June consisted mainly of the 'Kent' variety. 'Keitt' appeared at the beginning of the month but the quantities remained limited in contrast with the situation in previous years when it took over from 'Kent' at the end of the season. Fruit quality was also a constraint. Indeed, the worsening of the quality of West African mangoes led operators to performing clearance sales at prices starting at EUR 1.80-2.00 per box to unload defective fruits as quickly as possible. Prolonged storage and the deterioration of quality made sales even more difficult (overripeness, fungal attacks, etc.). Paradoxically, some batches of good quality fruits sold better at prices returning to above EUR 3.00-3.50 per box in the second half of the month when market conditions were difficult. The dominance of large fruits also hindered sales as this trend was inverse to the trend in demand, especially from supermarket chains. It seems that Côte d'Ivoire exported very large quantities this year (more than 13 000 tonnes), explaining the persistently low prices during much of the season. Although smaller, exports from Mali and Burkina Faso complemented the quantities from Côte d'Ivoire, making supplies still larger than the traditionally shrinking demand of this time of the year.

The 'air' mango market was congested at the beginning of the month and then cleared gradually and returned to more normal conditions in the second half of the month. The situation remained confused at the beginning of the month because of the stocks of fruits from Côte d'Ivoire whose quality was deteriorating rapidly. In fact shipments from this origin ceased. However, the market did not recover quickly because of the substantial arrivals from Mali (Malians operators hoped to profit from the withdrawal of Côte d'Ivoire). The decrease in tonnages in the second part of the month took place all the more rapidly because several batches of mango from Mali were intercepted by the Plant Protection Service because of the presence of fruitfly larvae. The Mexican season started in the middle of the month with the 'Kent' variety. These first fruits with little marked colour were sold at high prices. The prices then fell slightly as a result on an increase in volume and the persistent lack of colour of some batches.

Limited batches from the Dominican Republic and Pakistan also reached the market in June.

Mango — Import prices on the French market — Euros/kg

Weeks 2006		22	23	24	25	26	Average June 2006	Average June 2005
By air (kg)								
Burkina Faso	Kent	2.20-2.50	2.50-2.80	2.30-3.00	2.30-2.80		2.45-2.85	2.00-2.75
Mali	Valencia	2.50-3.00	2.50-3.00	2.50-3.00	2.70-2.90		2.55-2.95	-
Mali	Kent	2.50-3.00	2.50-3.00	2.50-3.00	2.60-3.00	2.50-3.20	2.50-3.05	2.00-2.50
Côte d'Ivoire	Kent	2.50-3.50	3.00-4.00	3.00-3.50			3.00-3.75	3.00-3.75
Mexico	Kent				4.50	4.30-4.80	4.40-4.65	-
By sea (box)								
Côte d'Ivoire	Kent	2.50-4.00	2.00-4.00	2.50-3.50	2.50-3.50	3.00-4.00	2.50-3.75	4.15-4.65
Burkina Faso	Kent	2.50-3.50	2.00-3.50	2.50-3.50	2.50-3.50	3.00-4.00	2.50-3.60	4.30-5.10
Mali	Kent/Keitt	2.50-3.50	2.00-3.00	2.50-3.00	2.50-3.50	3.00-4.00	2.50-3.35	4.75
Senegal						5.00	5.00	6.50

Pineapple

JUNE 2006 — Pineapple — Import prices		
Euros	Min	Max
By air (kg)		
Smooth Cayenne	1.65	1.80
Victoria	2.80	3.80
By sea (box)		
Smooth Cayenne	5.00	7.50
Sweet	5.50	8.00

Demand continued to decrease. The weather was hot and consumption was oriented more towards the season's fruits that were available in large quantities at low prices. Supplies of pineapple—especially 'Smooth Cayenne'—decreased. In spite of a significant decrease, those of 'Sweet' nonetheless remained too large for demand except at the end of the month. The market situation for pineapple shipped by air was fairly tense. Supplies were limited and whereas operators expected a rise in prices, they remained where they were and sometimes even decreased a little. Demand also decreased and sales were in small batches. In spite of a decrease of the volumes of 'Victoria', poor demand resulted in difficulties in shifting the limited quantities available.

June was fairly difficult for operators. The situation was somewhat tense in the first half of the month. Demand was focused on the season's fruits and sales were difficult on a market that was nonetheless not overloaded with pineapple. A few batches that had been stored were sold at the beginning of the month—often at clearance prices. Operators sought to avoid market congestion and to enable new batches to be handled under the best possible conditions. Indeed, the absence of demand made sales very difficult and the market tended to become heavy very fast. Even though it was announced that the volumes of 'Sweet' were down, the batches available were still large in comparison with demand. Supplies of Sweet were fairly unbalanced in terms of fruit size, with a large proportion of small pineapples for which it was difficult to find takers. This helped to bring the price of 'Sweet' down and the presence of these fruits at low prices considerably hindered the marketing of the few available batches of 'Smooth Cayenne'. Buyers preferred to purchase 'Sweet' at a low price rather than 'Smooth Cayenne'. In the second half of the month, the already much reduced supplies of 'Smooth Cayenne' decreased further to the point that there were only very few sales. Supplies of 'Sweet' continued to decrease but the volumes were still greater than demand. Even though there were practically none of these fruits on the market, the price of 'Smooth Cayenne' did not increase as might have been hoped and the sales concerned such limited quantities that it was difficult to draw a parallel between the market for 'Sweet' and that for 'Cayenne'. Operators nevertheless hoped that this general decrease in supplies would finally allow a price recovery in the following month, on condition that demand became a little stronger.

Things were not particularly peaceful on the air pineapple market. Supplies were small throughout the month, mainly because of the rain that prevented exporters from shipping larger quantities. The decrease in supply was accompanied by a decrease in demand and weakening prices.

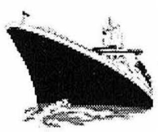
The situation for 'Victoria' was hardly any better. It would seem that June was marked by a general lack of interest in small exotic fruits and 'Victoria' pineapple was no exception. The situation was fairly difficult in spite of a slight improvement of the quality of batches shipped from Réunion. Demand was too small to handle the volumes released and the market soon became heavy and overloaded. It was difficult to reverse the trend under these conditions. Furthermore, the marketing of 'Victoria' pineapples was somewhat complicated by a few quality problems at the end of the month (greyish, lack-lustre fruits).

Pineapple — Import prices on the French market — Main origins — Euros

Weeks 2006		23	24	25	26
		By air (kg)			
Smooth Cayenne	Benin	1.80	1.70-1.80	1.70-1.80	1.70-1.80
	Cameroon	1.75-1.80	1.70-1.75	1.75-1.80	1.75-1.80
	Côte d'Ivoire	1.75-1.80	1.75-1.80	1.75-1.80	1.75-1.80
	Ghana	1.65-1.75	1.65-1.75	1.65-1.75	1.65-1.75
Victoria	Côte d'Ivoire	3.00	3.00	3.00	2.80-3.00
	Ghana	3.00	3.00	3.00	3.00
	Réunion	3.50-3.80	3.50-3.80	3.50-3.80	3.50-3.70
		By sea (box)			
Smooth Cayenne	Côte d'Ivoire	5.00-7.00	5.00-7.00	5.00-7.50	5.00-7.00
	Ghana	6.00-7.00	5.00-7.00	5.50-7.00	5.50-7.00
Sweet	Côte d'Ivoire	5.50-7.00	5.50-7.00	5.50-7.50	6.00-8.00
	Cameroon	5.50-7.00	5.50-7.00	5.50-7.50	6.00-8.00
	Ghana	5.50-7.00	5.50-7.00	5.50-7.50	6.00-8.00
	Costa Rica	6.00-7.50	6.00-7.50	6.00-8..00	7.00-8.00

Sea freight

JUNE 2006 Monthly spot averages		
US$cents cubic foot x 30 days	Large reefers	Small reefers
June 2006	27	43
June 2005	47	64
June 2004	63	74

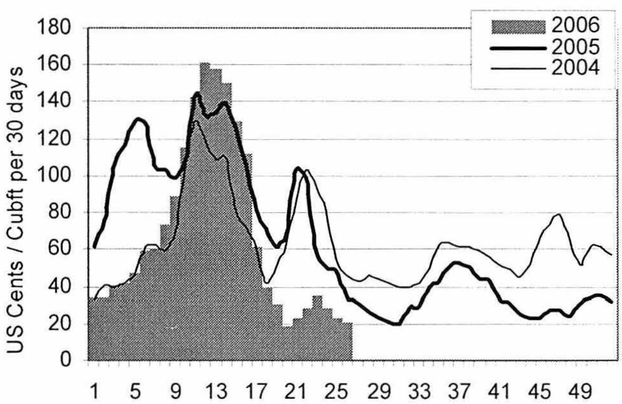


June delivered more bad news to the specialised reefer sector – if it hadn't been clear to operators of vintage tonnage at the end of May that they should have taken the lay up option, by the end of week 26 those same operators may have had a few regrets. What banana chartering did take place was fixed by the majors on modern tonnage at TC rate equivalents that could not be matched by box rates on older vessels. At the beginning of July it looked as if the trend might continue throughout the summer.

The Reefer Trends TCE average for the H1 2006 charter market is 68c/cbft for the larger segment and 77c/cbft for the smaller units, figures that are roughly equivalent to market performance in 2004. In order to match the 2004 annual total the large reefers would need to average 53c/cbft and the small reefers 70c/cbft in the second half of 2006. It should be stressed that these figures are calculated from TCE returns of vessels fixed – they do not necessarily represent the yield to the owner, as idle time has not been factored in to the equation. Throughout the month and even with an exit price well below that of the state-determined minimum for most of June, traders were not tempted into the market and banana chartering activity remained light – this was partly because reefer owners would not concede ground on box rates, the other major factor in the CIF equation, and partly because of the slump in banana market values in Russia, the EU and Med. The position begs the question for Ecuador's banana producers: if the cost of fuel remains high enough to persuade enough owners and operators to scrap or lay-up 'early' after next year's peak season, their choice of transport mode for any non-contracted, excess, 'Spot' production from June through to October is restricted to that offered by the reefer box. And the box trade is not yet geared to handle the potential volumes available. The worst case scenario would be as follows: if next year's Ecuadorian banana crop is greater than this year's climate affected volumes then a likely combination of similarly weak global banana markets and a reefer capacity crunch caused by the withdrawal of tonnage could once again lead to producer unrest and strikes, especially if the reference price calculation is not redesigned or reformed! Elsewhere the South African citrus season offered little respite for owners of Spot tonnage: as well as being late and low, the business has become more liner oriented and there has also been increasing incursion by the box lines. Demand for additional Spot capacity was non-existent!

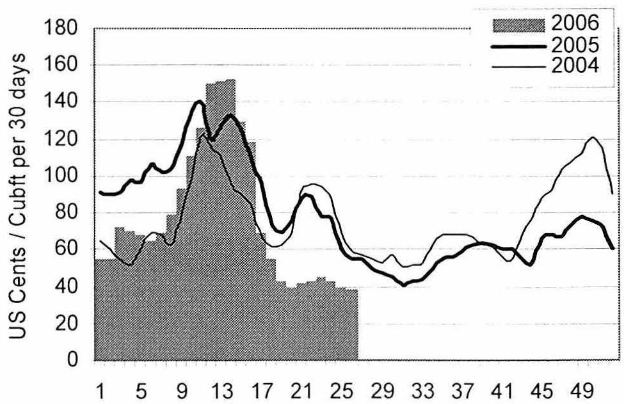
Weekly market movement

Large reefers (450 000 cuft)



Weeks / Source: Reefer Trends

Small reefers (330 000 cuft)



Weeks / Source: Reefer Trends