

Indicators

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Apple	26.5	20.5
	Grapes	18.0	22.0
	Banana	13.5	9.5

	Pages
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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OCTOBER 2006

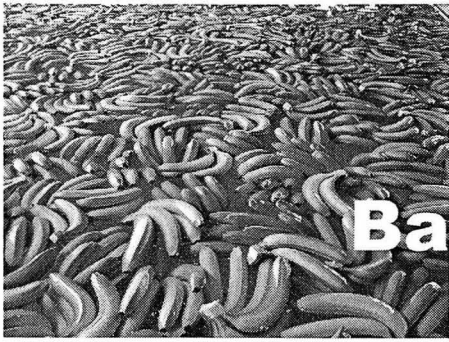
Apple	The situation has been a little less difficult than in previous years. Supplies have been comparatively substantial with the season beginning or begun in all regions and for all varieties. However, the total has been smaller than average as a result of a marked deficit in French production. Thus, even though export demand was limited to the British wholesale market and exports to distant destinations, prices have been markedly higher than they were last year.	Oct. 2006 / Oct. 2005			
		Price	↗	Vol.	↘

Grapes	The market improved after going through a critical period in September. Firstly, supplies were more moderate with the end of the open field crop season. Secondly, improved weather conditions had a positive effect on fruit quality and on demand. Prices gained considerable ground although they remained lower than the fairly disappointing 2006 levels.	Oct. 2006 / Oct. 2005			
		Price	↘	Vol.	=↗

Banana	The market was a little less morose than in other years. Demand picked up on northern European markets at the beginning of the month while supplies were still not excessive. The average monthly price was markedly down on the exceptional level attained in 2005 but still well above those of 2003 and 2004.	Oct. 2006 / Oct. 2005			
		Price	=↗	Vol.	=↘

Sea freight	Had a couple of owners paid more attention to supply and demand at the beginning of the month and fixed accordingly, the Spot market average for October may well have rivalled that of September. Although the market did respond mid-month, by the end of October it had weakened again as vessels that had broken lay-up in the Mediterranean appeared at Cristobal. Coupled with this the Ecuadorian exit price increased, stifling fixing activity by the traders.				

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 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.



Banana

OCTOBER 2006

The market was a little less dull than in other years. Demand was slow in September as every year and picked up at the beginning of October on most of the northern European markets. There were distinctly more promotion operations in France than in the three preceding years. In parallel, supplies continued to be contained.

The deficit in arrivals from Africa and the West Indies shrank, in particular with the recovery of shipments from Côte d'Ivoire. However, it was still marked as West Indian shipments were well below average. In addition, deliveries of dollar bananas were moderate during the second half of the month: exports from Ecuador to all destinations were average but shipments from Colombia decreased considerably.

The average monthly price was well down in comparison with that of 2005 but 23% and 10% higher than those of 2003 and 2004 respectively.

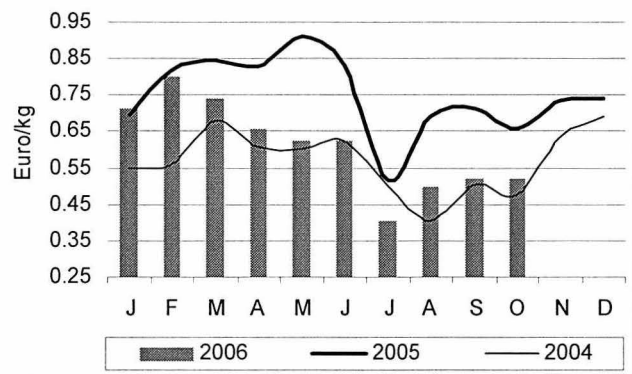
Monthly and annual comparisons

Volumes*	Price
October 2006 / September 2006	
0	0
October 2006 / October 2005	
0	↘↘ - 21%

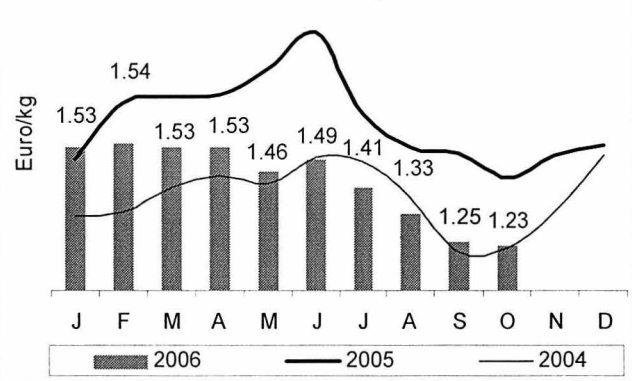
* Arrivals from Africa/West Indies

French banana market — Indicators

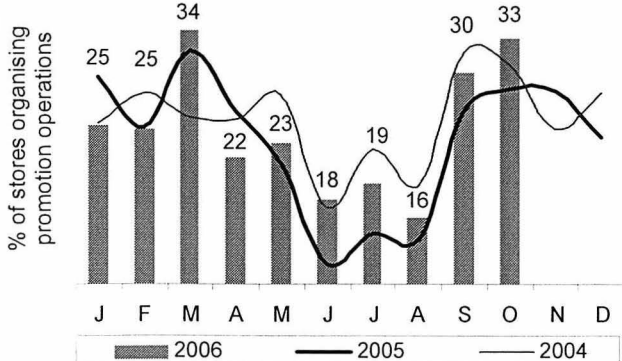
Price at import stage



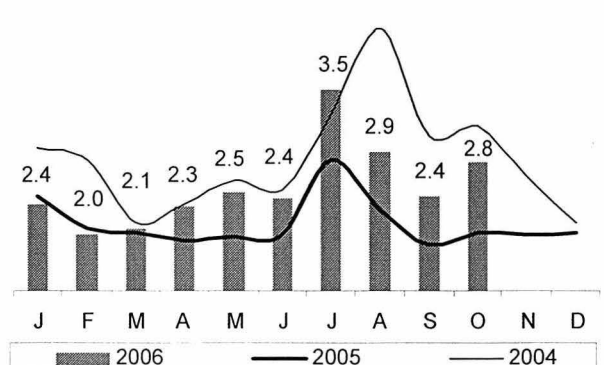
France - Retail price



Promotion operations



Ratio of retail price : green price

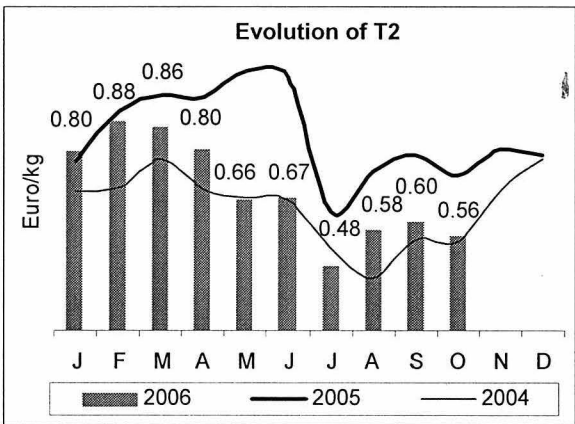
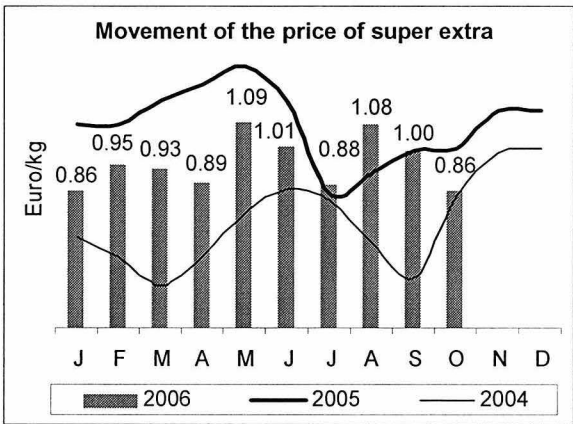


European banana market — Indicators

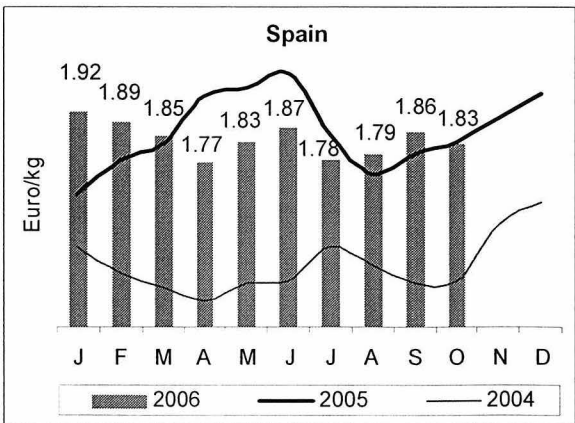
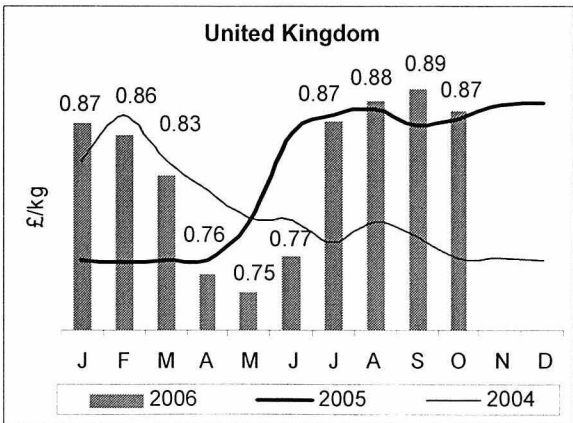
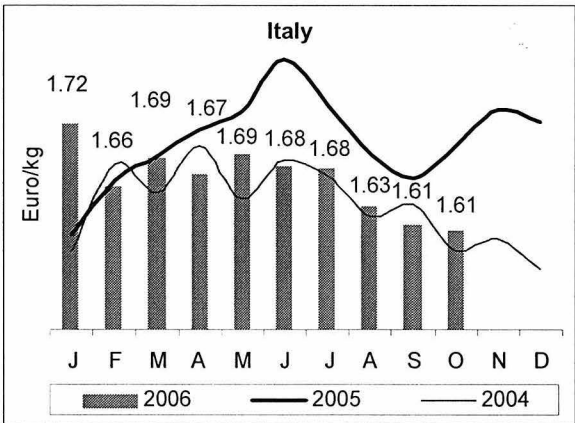
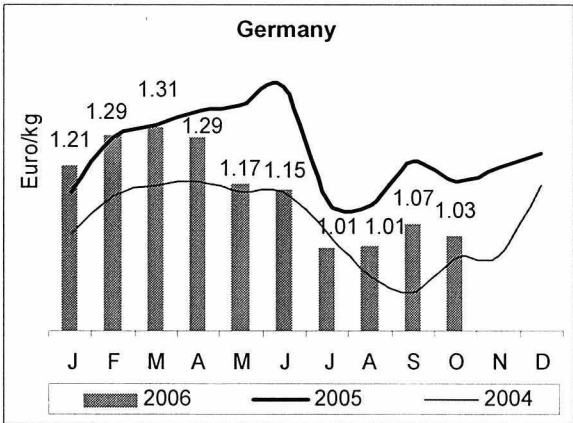
Main origins in Europe

Tonnes	October 2006	Comparisons (%)		Total season 2006	Season comparisons (%)	
		2006/2005	2006/2004		2006/2005	2006/2004
Martinique	20 039	+ 1	- 15	183 944	- 10	- 21
Guadeloupe	4 577	- 11	- 20	42 491	- 13	- 34
Canaries	24 628	+ 1	- 2	283 585	- 1	- 19
Côte d'Ivoire	19 384	- 1	+ 10	189 619	0	- 2
Cameroon	24 807	- 5	- 4	232 135	0	- 8
Ghana	2 130	-	-	16 458	-	-

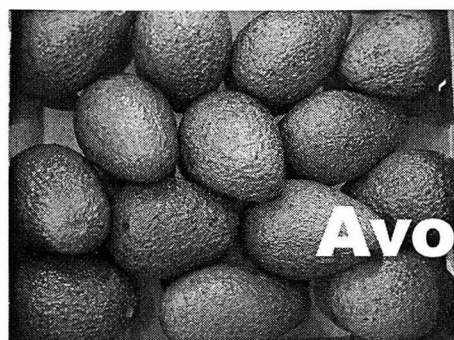
Green price in Europe



Retail price in Europe



Sources: Cirad, SNM, TW Marketing Consulting



Avocado

OCTOBER 2006

Performance was still poor with prices below average for the third month running. Firstly, demand seems to have been somewhat slow for the season but above all large volumes of 'Hass' were shipped to the European Union, especially during the second half of the month. Although Mexico displayed only a discreet presence, arrivals from Chile were massive and very irregular. Thus, the recovery at the beginning of the month was short-lived and 'Hass' prices soon dropped back to a lower than average position.

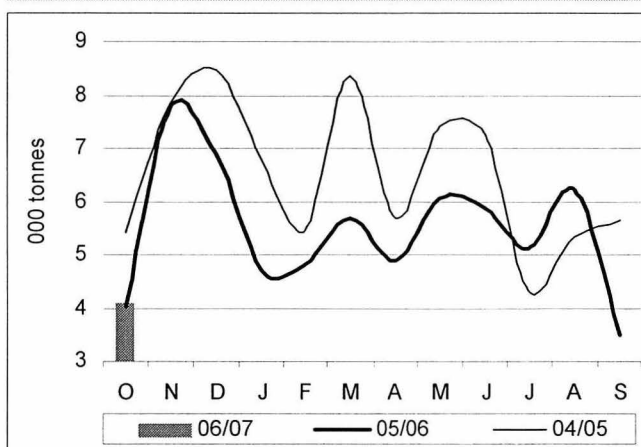
The market for green varieties suffered from this situation. Prices were satisfactory during the first part of the month as only moderate quantities were available, with the gradual warming up of the 'Ettinger' season in Israel, the 'Bacon' and 'Fuerte' season in Spain and the arrival of the very last batches of 'Ryan' from South Africa. They fell strongly and sharply in the second half of the month as the 'Hass' market was more difficult and the first massive shipments arrived from Israel.

Monthly and annual comparisons

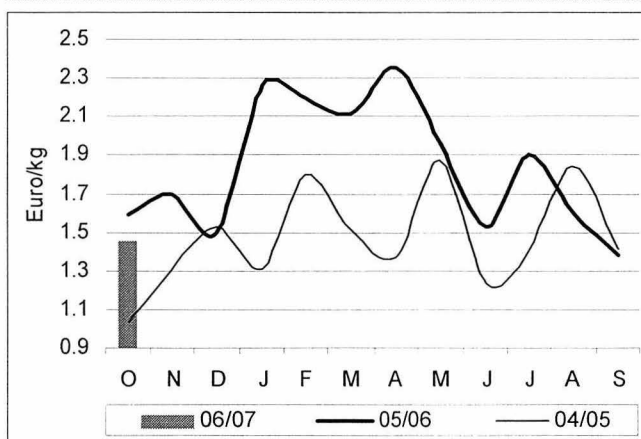
Volumes	Price
October 2006 / September 2006	
↗ + 18%	↗ + 6%
October 2006 / October 2005	
=↗ + 2%	↘ - 7%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	October 2006	Comparisons (%)		Total season	Season comparisons (%)	
		2006/2005	2006/2004		06-07/05-06	06-07/04-05
Chile	1 260	+ 64	- 8	2 442	+ 84	- 14
Mexico	1 314	+ 3	- 18	1 596	- 44	- 68
South Africa	260	- 44	- 3	8 090	- 29	- 1
Israel	710	+ 44	+ 6	710	+ 44	+ 6
Spain	559	- 36	- 47	559	- 36	- 75
Total	4 103	+ 2	- 24	13 397	- 21	- 29



Orange

OCTOBER 2006

Market performance was good, with the average monthly price gaining more than 10% in comparison with the three-year average. However, demand was more hesitant because of the unusually warm weather and extremely strong competition from easy peelers.

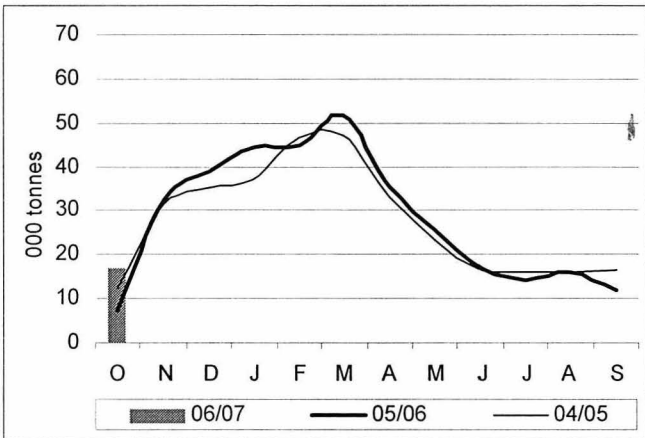
In addition, arrivals were distinctly larger than average. Very large late shipments of 'Valencia' arrived from South Africa and, to a lesser degree, from Argentina as prices in the EU were attractive. However, smaller volumes were available this year as the stocks available at the beginning of the month were much smaller than usual. Cumulated volumes—all varieties—delivered to the EU during the season were about 20% down on average for South Africa and 10% for Argentina. Spain was therefore able to place fruits with supermarkets a little earlier than in past years and the volumes sold in October displayed a fine increase.

Monthly and annual comparisons

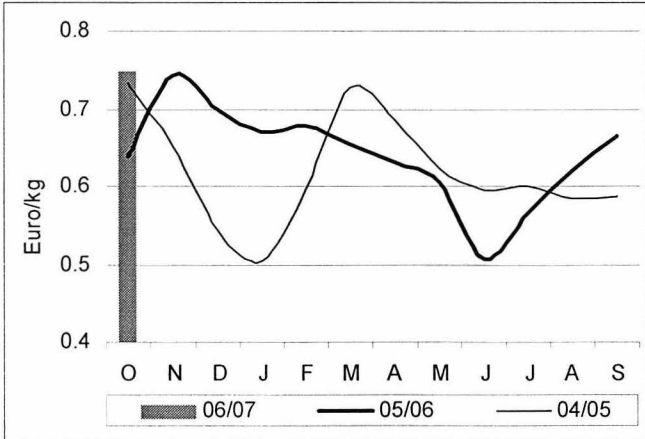
Volumes	Price
October 2006 / September 2006	
↗ + 40%	↗ + 19%
October 2006 / October 2005	
↗↗↗ + 127%	↗↗ + 24%

Estimated market releases in France

Volumes

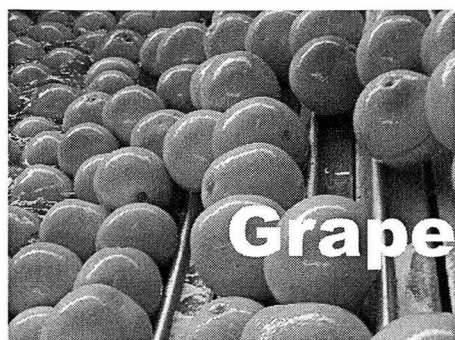


Price at import stage



Estimated market releases in France by origin

Tonnes	October 2006	Comparisons (%)		Total season 2006/2007	Season comparisons (%)	
		2006/2005	2006/2004		06-07/05-06	06-07/04-05
Spain	7 231	+ 276	+ 48	7 231	+ 276	+ 48
South Africa	9 494	+ 74	+ 28	37 046	- 23	- 19
Total	16 725	+ 127	+ 36	44 277	- 12	- 13



Grapefruit

OCTOBER 2006

After being very limited throughout the summer, supplies increased considerably from Week 41 and the total volume delivered to the European Union in October was substantially above average. Inter-season supplies were large, with average quantities from Honduras but a distinct increase in quantities from Mexico and the return of Cuba after two years of almost total absence. In addition, the presence of certain winter origins was stronger, with Florida returning to a normal calendar, but with a harvest deficit, and medium quantities from Israel. Finally, the South Africa season was prolonged.

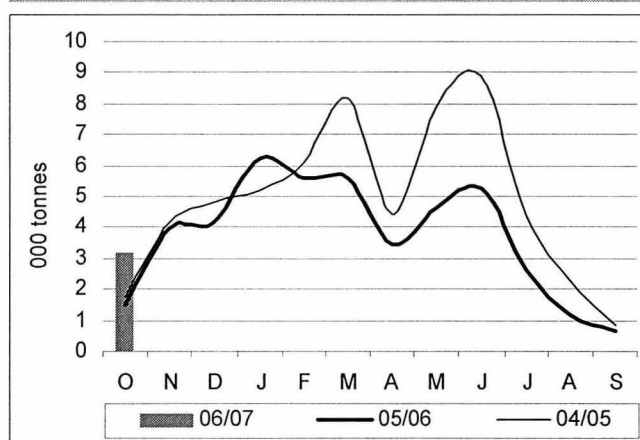
Sales were fluid until mid-month and then slowed considerably for all suppliers except for Florida. Competition between Mediterranean and inter-season origins was fierce in the second half of the month. The satisfactory average price for the month thus hides considerable disparities. Florida showed a good performance but the score was disappointing for the other origins.

Monthly and annual comparisons

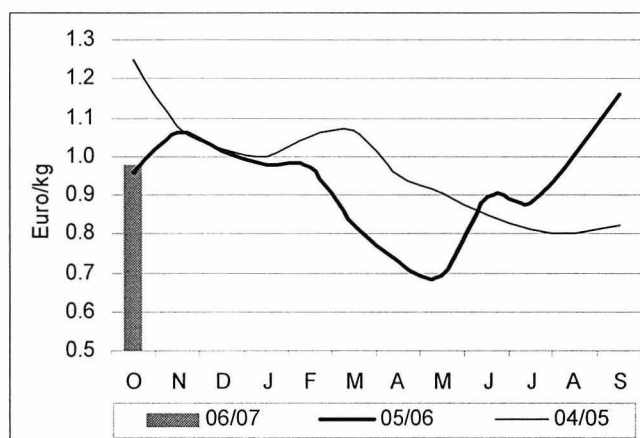
Volumes	Price
October 2006 / September 2006	
↑↑↑ + 417%	↓ - 16%
October 2006 / October 2005	
↑↑↑ + 118%	= ↑ + 2%

Estimated market releases in France

Volumes



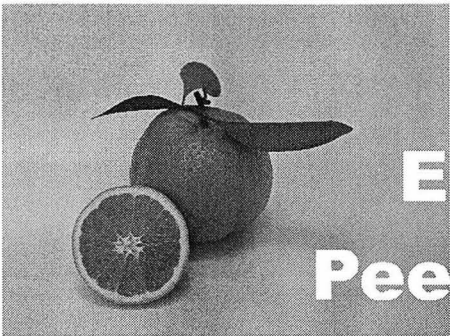
Price at import stage



Estimated market releases in France by origin

Tonnes	October 2006	Comparisons (%)		Total season 2006/2007	Season comparisons (%)	
		2006/2005	2006/2004		06-07/05-06	06-07/04-05
Turkey	1 488	+ 176	+ 46	1 488	+ 176	+ 46
Florida	776	+ 320	+ 2 845	776	+ 320	+ 2 845
Israel	642	- 14	- 8	642	- 14	- 8
South Africa	300	- 26	- 3	7 881	- 46	- 44
Total	3 206	+ 118	+ 84	10 787	- 33	- 32

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Easy Peelers

OCTOBER 2006

The 2006-2007 season started badly. Spain, benefiting from a near-monopoly in October, had a very large early clementine crop this year (10% more than in 2004-2005 and 24% more than in 2005-2006). The areas under 'Marisol' are still decreasing but are more than compensated by the increase in the planted area of improved early varieties such as 'Oronules'. Price at production was therefore 10% lower than average for 'Marisol' and more than 20% lower for 'Oronules'.

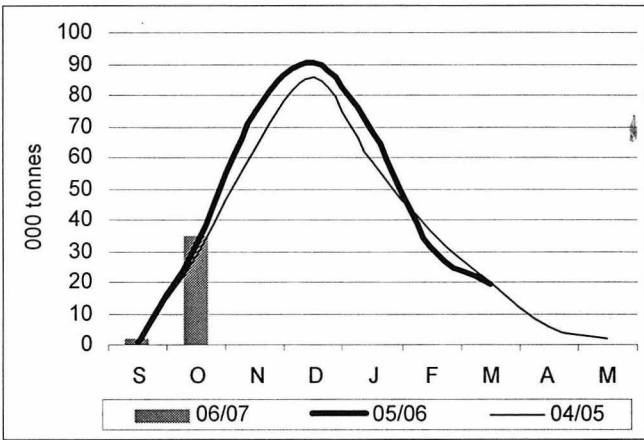
In this context, the average monthly price was well below average in spite of fairly brisk demand even though the weather was much warmer than usual for the season. The situation was particularly difficult for small fruits that have been available in large quantities this seasons and for 'Marisol', a variety less and less sought after by buyers.

Monthly and annual comparisons

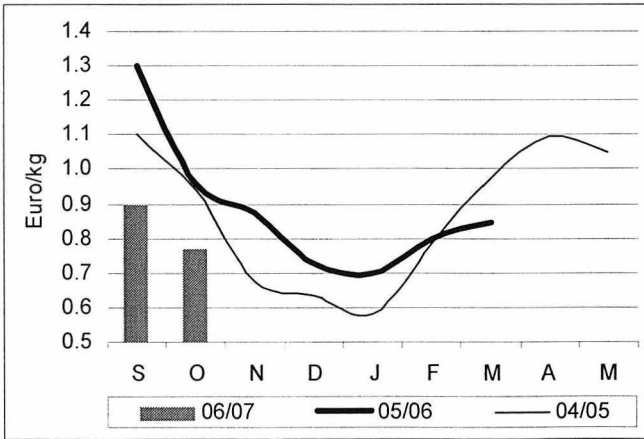
Volumes	Price
October 2006 / September 2006	
↗ + 1 810%	↘ - 15%
October 2006 / October 2005	
↗ + 5%	↘ - 19%

Estimated market releases in France

Volumes



Price at import stage

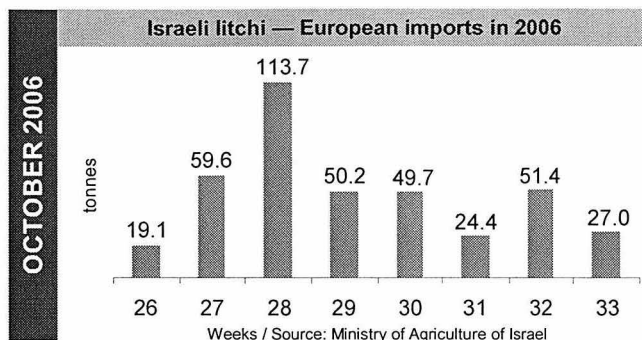


Estimated market releases in France by origin

Tonnes	October 2006	Comparisons (%)		Total season 2006/2007	Season comparisons (%)	
		2006/2005	2006/2004		06-07/05-06	06-07/04-05
Spain	34 567	+ 6	+ 21	36 377	+ 10	+ 21
Total	34 567	+ 6	+ 21	36 377	+ 10	+ 21



Litchi



October was marked by the total absence of litchi on the European market. The situation was therefore similar to that of 2005 when October also featured a supply break between the Spanish and Israeli seasons on the one hand and the Indian Ocean season on the other. These two years differ markedly from 2004 when the supply gap was smaller. Litchi is still markedly seasonal and continuous supplies over long periods are still not possible.

The seasons were short in Israel and Spain in 2006. They started early—at the end of June in Israel and at the beginning of August in Spain—and soon came to an end. Shipments from Israel stopped in mid-August and those from Spain at the end of September. It seems that the 2006 harvests were smaller than in preceding years. Weather conditions and alternate bearing are very probably among the main reasons. The disturbances experienced by Israel during the export season can be added. It is reminded that the Israeli marketing season generally finishes at the end of September, that is to say a month and a half later than the case this year.

The 395 tonnes of litchi shipped to the European Union in 2006 is well down on previous years during which exports of this fruit increased. Nearly 1000 tonnes was exported in 2005, showing the

shortfall in 2006. Spain continued to ship small quantities of litchi until the end of September. The marked decrease in shipments from the two origins made litchi a rare fruit to be found in specialised shops. The positive aspect of scarce supplies was that prices remained at higher levels than in previous years in spite of the uneven quality of the fruits sold.

Litchi may well continue to be scarce on European markets this year as a result of the late start to the season in the Indian Ocean. Indeed, production seems to be good but the cool weather in recent months made flowering late and staggered. Most of the Indian Ocean origins appear to be affected by the phenomenon. Shipments from Mauritius should only begin in Week 46 or 47, that is to say three or four weeks later than in the 2005 season. Fruits from Réunion are expected in mid-

December in comparison with the end of November in 2005. Only South Africa will be able to start its shipments by air earlier this year, in Week 46. Madagascar will follow Mauritius with air shipments but deliveries by conventional ship are forecast to start only a few days before Christmas. If this is the case, sales during the weekend before Christmas will be strongly compromised. This shift in time also risks the postponement of the greater proportion of tonnages of sea litchi until after Christmas and January, a less favourable period for sales of this fruit. Moreover, the quantities on the market in January would be increased by arrivals from South Africa, from which large volumes should be expected this season. It seems difficult to prevent the overlapping of volumes and all the more so if the total quantities shipped to Europe are large.

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

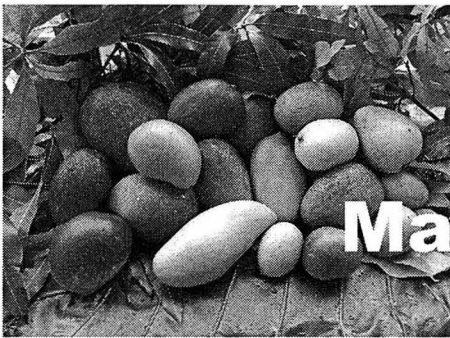
Import prices, estimation of releases, trends, etc.



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Mango

OCTOBER 2006	Mango — Weekly arrivals — Estimates in tonnes				
		40	41	42	43
	By air				
	Brazil	20-30	20-30	20	15-20
	By sea				
	Brazil	1 600	2 000	1 500	2 300
	Israel	170-220	-	-	-

The Europe mango market went through a period of uncertainty in October as a result of the change in sources of supply. The Israeli season ended earlier than in 2005, considerably benefiting shipments from Brazil that remained limited to the European scale. At the same time, the gradual decrease in shipments from Spain also relieved the market and allowed the maintaining of satisfactory prices. After a dull start to the month, the prices of the fruits available stabilised at a substantially higher level than during the same period in 2005.

While a dip in the prices of sea mango was expected at the beginning of October as a result of the announcements of shipments from Brazil, the trend was finally short-lived. A combination of several factors accounts for the maintaining of the market in a comparatively balanced state for most of the month. The rapid decrease and then the disappearance of Israeli mangoes from the European market meant that over-supply was avoided, as was the case at the same time last year. Arriving quantities were finally smaller than those announced from Brazil, also contributing to the trend. Finally, the marked decrease in supplies from Spain and the withdrawal of the latter from certain markets strengthened the overall balance of the European market. After a week of hesitation marked by a decrease in prices, prices firmed in the second half of the month. Mango from Brazil soon formed most of European supplies with deliveries being distinctly smaller than those of the previous season, enhancing market balance during a period of overall sluggish demand. The tendency for firming was felt strongly on the French market for reasons of fruit variety. Buyers preferred the last shipments of 'Keitt'

from Israel and 'Osteen', 'Kent' and 'Keitt' from Spain to 'Tommy Atkins' from Brazil. Mangoes from the latter origin sold mainly on the northern European markets and were only the subject of occasional sales in French purchase centres that wished to continue to stock the variety. In addition to the varietal aspect, it was difficult to sell the small fruits (10/12) that made up most of Brazilian supplies whereas demand was more for medium-sized fruits. The difference in quality between the different brands from Brazil also affected market release and often resulted in broad price ranges. October is also a period of recovery after the summer months. This was slow because of the late presence of the season's fruits and the marked lack of interest by supermarket chains in a fruit whose price had remained high during the previous periods.

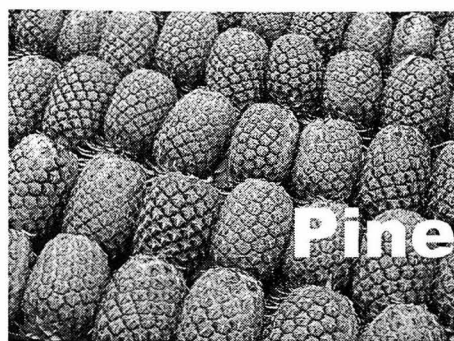
Spain continued to ship mangoes throughout October although quantities decreased in the second half of the month. The quality of 'Osteen' had been less regular for a while and then recovered, favouring a return to strong prices. 'Kent' sold steadily at high prices even though fruit colour was

often inadequate. Spanish operators clearly benefited from the shortage of 'Kent' in October. The increase in arrivals from Brazil in the northern European countries seems to have encouraged Spanish operators to redirect their deliveries to the French market. Even though the season for this origin is not completely over, Spain's performance deserves highlighting. It is true that it benefited from a good trade situation this year but in the past two or three seasons it has succeeded in placing its produce (especially 'Osteen') in a position between air mango and sea mango.

The air market was balanced throughout the month with a slight trend for under-supply. The limited tonnages of 'Haden' and then 'Kent' from Brazil sold well and were a good replacement for the last deliveries of mediocre quality fruits from Israel. Here again, Spain, with 'Osteen' mango, competed with supplies shipped by air by offering buyers an alternative to Brazilian produce. This was less true for 'Kent' fruits that were less intensely coloured than those of competitors.

Mango — Import prices on the French market — Euros

Weeks 2006		40	41	42	43	October 2006 average	October 2005 average
By air (kg)							
Israel	Kent/Keitt	2.00-3.00	3.00-3.50			2.50-3.25	2.10-2.85
Brazil	Haden	3.50-4.00	3.50-4.00	3.50-4.00	3.50-4.20	3.50-4.05	nc
Brazil	Kent	-	-	4.00-4.50	4.00-4.80	4.00-4.65	4.30-4.60
By sea (box)							
Brazil	Tommy Atkins	4.30-5.00	4.00-5.00	4.50-5.50	4.50-5.50	4.30-5.25	2.25-3.60
Israel	Kent/Keitt	4.00-5.00	4.00-5.00			4.00-5.00	3.75-4.50
By road (box)							
Spain	Osteen	7.50-9.00	9.00-10.00	9.00-10	-	8.50-9.65	7.50-9.10
Spain	Kent	12.00-14.00	12.00-14.00	12.00-14.00	8.00-10.00	11.00-13.00	11.10-12.80



Pineapple

OCTOBER 2006	Pineapple — Import price		
	Euros	Min	Max
	By air (kg)		
	Smooth Cayenne	1.50	1.85
	Victoria	2.00	3.50
	By sea (box)		
	Smooth Cayenne	5.00	8.00
	Sweet	7.00	8.50

The pineapple market recovered after a difficult month. Volumes were smaller, business was more dynamic and sales more fluid, at least during the first half of the month. However, the evolution of the situation at the end of the month held a threat of darker days. The decrease in volumes on the air pineapple market also contributed to clearing the situation to a certain extent. Unfortunately, uneven fruit quality prevented the various origins supplying the market from truly benefiting from the improvement.

The prospect of certain improvement of the pineapple market could already be felt at the end of September. The effects of the various promotion operations started to be felt and the market was less overloaded with fruits. The improvement continued in October but for different reasons. Shipments of 'Smooth Cayenne' and 'Sweet' decreased considerably during the first half of the month. Already small supplies of 'Smooth Cayenne' dwindled further with fruits increasingly taking a niche position. This overall decrease in supplies was in balance with demand and prices increased gradually. The second half of the month was marked by an increase in arrivals from Latin America throughout the fortnight. At the end of the month, arrivals not only increased but supplies of all origins consisted mainly of large fruits for which there

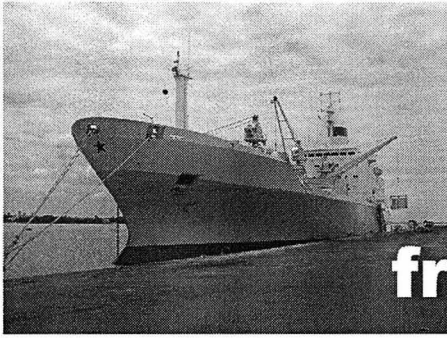
was no demand. This was the case in particular for 'Sweet' from Latin America and 'Smooth Cayenne' was hardly any better off. In addition, the external markets (Germany and Spain) had seemed fairly busy during the first half of the month but became saturated with supplies of 'Sweet'. The situation was all the more difficult as supplies of 'Smooth Cayenne' were under pressure from the quantities of 'Sweet' available.

The situation was practically the same for air pineapple. The quality of supplies from Cameroon and Benin was very irregular and, in addition, the number of marketers of Benin fruits increased and the latter were found almost everywhere. The situation was bad for this origin as operators were engaged in a price war, although this was facilitated by the uneven quality of the shipments arriving. The reduction of imports

from Cameroon and Benin resulting from this problem of quality succeeded in causing a slight shortage on the market. The quality of the batches received in the third week of the month was much better. However, colour problems at the end of the month resulting mainly from heavy rainfall affected fruit quality again and prices fell to a certain extent.

The market for 'Victoria' pineapple was much more stable. Although supplies are very varied, fruits from Réunion are still the reference in terms of quality and evenness while those from Côte d'Ivoire have difficulty in finding their marks. The increase in volumes at the end of the month was therefore bad for all the origins competing with Réunion—mainly Ghana and Mauritius, where prices decreased gradually.

Pineapple — Import prices on the French market — Main origins — Euros					
Weeks 2006		40	41	42	43
By air (kg)					
Smooth Cayenne	Benin	1.60-1.70	1.60-1.80	1.60-1.75	1.60-1.80
	Cameroon	1.80-1.85	1.65-1.85	1.70-1.85	1.60-1.85
	Côte d'Ivoire	-	1.60-1.75	1.50-1.75	1.50-1.80
	Ghana	1.60-1.70	1.60-1.75	1.60-1.75	1.55-1.70
Victoria	Côte d'Ivoire	2.00-2.20	2.00	2.00	2.00
	Ghana	2.80-3.00	2.50-2.80	2.50-2.80	2.80-3.00
	Réunion	3.50	3.30-3.50	3.30-3.50	3.30-3.40
	Mauritius	3.00-3.20	3.00-3.30	2.80-3.30	2.80-3.30
	South Africa	-	3.00	3.00	3.00
By sea (box)					
Smooth Cayenne	Côte d'Ivoire	5.50-8.00	6.00-8.00	6.00-8.00	5.00-8.00
Sweet	Côte d'Ivoire	7.50-8.50	7.00-8.00	7.50-8.50	-
	Cameroon	7.50-8.50	7.00-8.00	7.50-8.50	-
	Ghana	7.50-8.50	7.00-8.00	7.50-8.50	-
	Costa Rica	7.00-8.50	7.00-7.50	7.50-8.00	7.00-7.50



freight

OCTOBER 2006

Had a couple of owners paid more attention to supply and demand at the beginning of the month and fixed accordingly, the Spot market average for October may well have rivalled that of September. Although the market did respond mid-month, by the end of October it had weakened again as vessels that had broken lay-up in the Mediterranean appeared at Cristobal. Coupled with this the Ecuadorian exit price increased, stifling fixing activity by the traders.

Throughout the month the market was sustained by the majors and traders continuing to load excess fruit out of Colombia and Costa Rica, while a spike in fish and poultry requirements, an early start to the Moroccan citrus season and a fall in bunker prices underpinned an historically strong October market for both large and small segments. In its Q3 results Chiquita admitted that it had made a mistake by 'going long' on banana procurement in Ecuador to cover customer requirements over what was predicted to be a similar hurricane season to last year. The US multi-national prudently hedges forward against movements in the € against the US\$ and bunker prices; however in Q3 it found that the premium it paid for hedging against the weather was far too high. The consequences of its decision were felt by others: firstly, fixing 2-3 modern, fuel-efficient, container-friendly vessels per week from the Spot market provided the basis for a solid off-season for the reefer charter

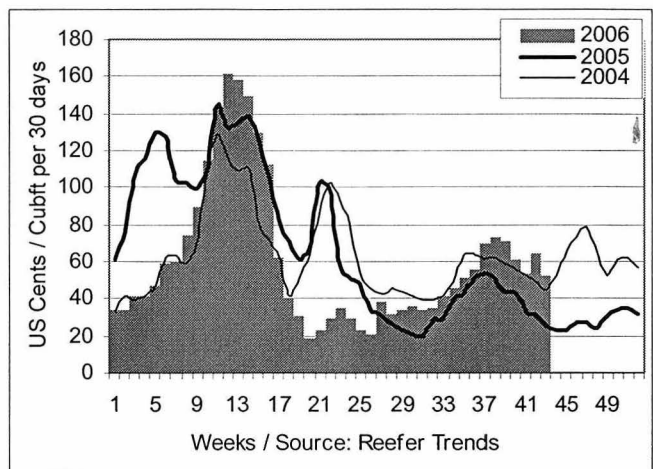
market and the strongest September and October Time Charter Equivalent averages for the past decade. It also contributed to an excellent set of Q3 results for Star Reefers. Secondly, all its additional fruit was sold into the trading markets of the Med – strategically this was smart as although it did nothing for its own bottom line, it was able to do a lot of damage to its principal competitors such as Dole, CoMaCo and Adriafruit, while ensuring the EU banana market did not crash. In its Q3 results webcast the company said that it would not have the same procurement policy for Q3 next year. If its shipping subsidiary GWF is not in the market over the period, it is safe to assume that the premium for modern vessels will not be there either. Owners and operators would do well to remember the reasons for the artificially strong July to October 2006 market and plan ahead for more 'normal' market conditions next year, which will most likely include hurricane disruption.

Monthly spot averages

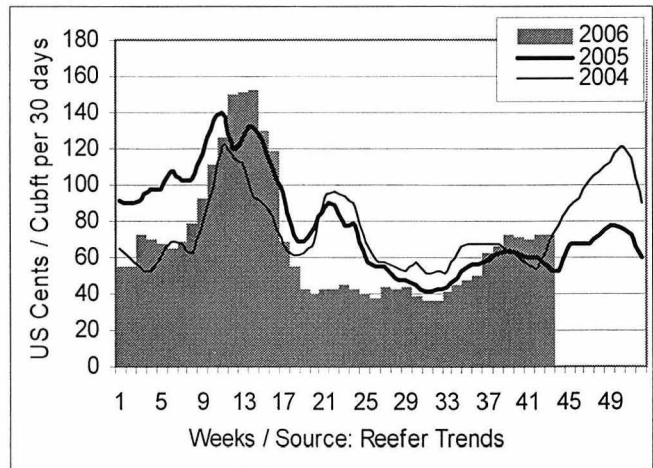
US\$cents/cubic foot x 30 days	Large reefers	Small reefers
October 2006	55	64
October 2005	26	52
October 2004	49	64

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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