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Banana

MARCH 2009

March lived up to its reputation for being excellent for the banana trade. Prices continued to climb and, at the import stage, in the middle of month reached the symbolic, rarely attained threshold of 1 euro. The marked supply deficit continued. First, dollar banana supply was still slightly below average as the deficit from Costa Rica was still just as marked and, to a lesser degree, volumes from Colombia were fairly small. Arrivals from Ecuador continued to be very large as exporters kept a large flow running—concentrated on Europe and the United States at the expense of Russia. However, this did not make up for the shortage of fruits from the other dollar sources. Second, the small deliveries from the FWI worsened the overall deficit. Hardly any fruits arrived from Martinique until the end of the month as a result of continued, intensifying industrial action. Volumes from Africa were still average.

Meanwhile, demand remained at a good level in spite of a certain slowing at the end of the month. The only average temperatures favoured banana consumption and slowed spring fruit production, except in Spain. In addition, retail prices remained fairly reasonable in spite of the rise in quay prices, especially in France where, in addition, promotions were fairly numerous.

The average monthly price was markedly higher than average.

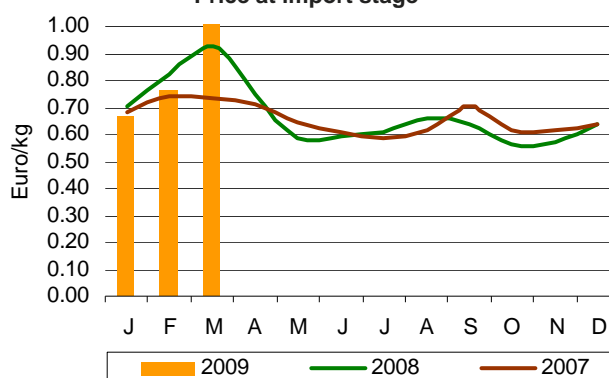
Monthly and annual comparisons

Volumes*	EU reference price**
March 2009 / February 2009	
= ↗ + 1%	↗ + 32%
March 2009 / March 2008	
↗ + 4%	↗ + 8%

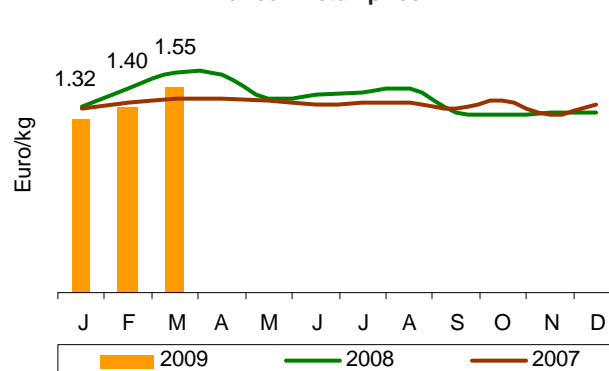
* Arrivals from Africa/West Indies ** Green price in Germany (GlobalGap)

French banana market — Indicators

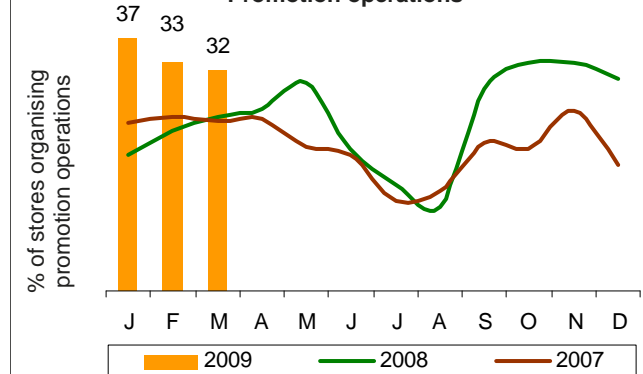
Price at import stage*



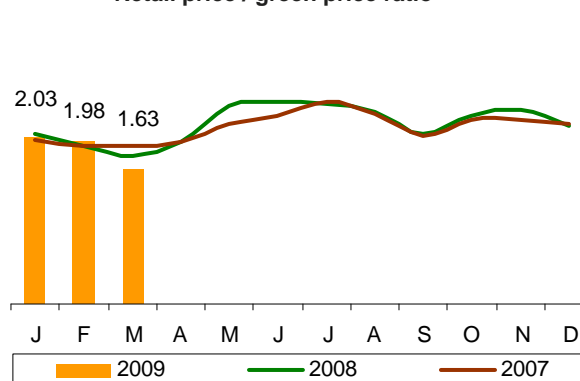
France - Retail price



Promotion operations



Retail price / green price ratio*



* African origin

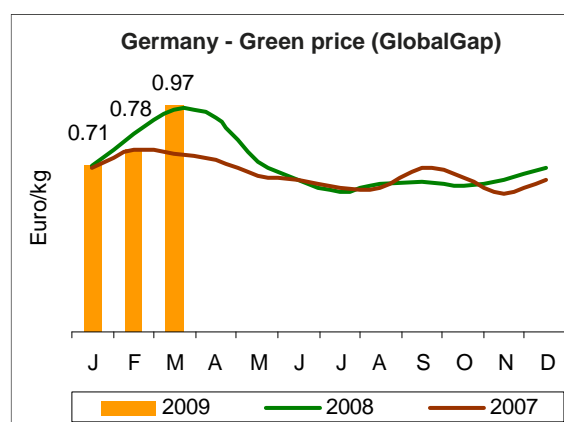
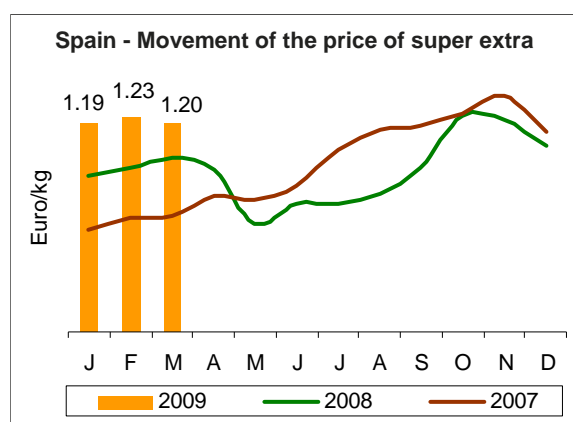
European banana market — Indicators

Principales origines en Europe

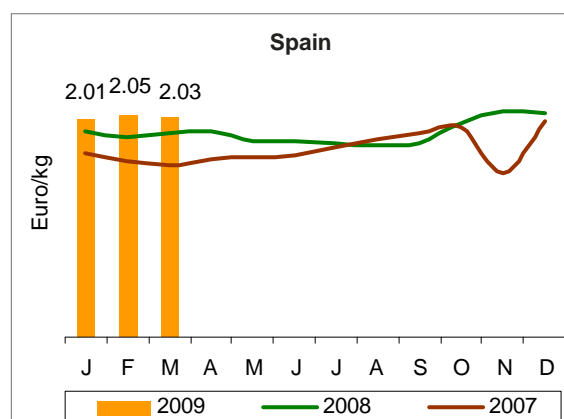
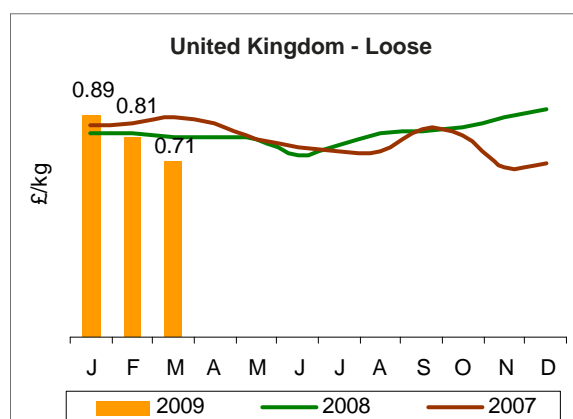
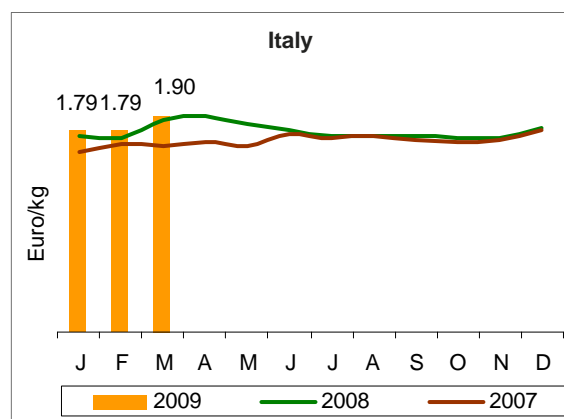
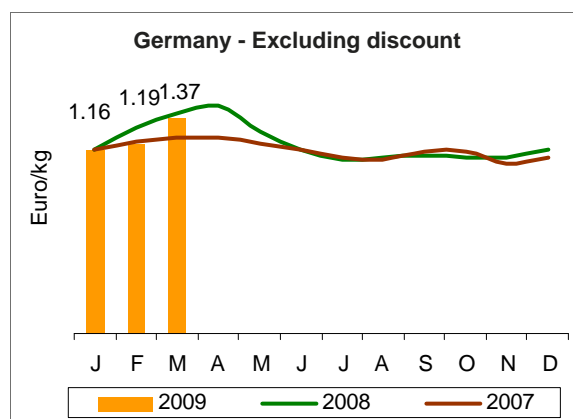
Tonnes	March 2009	Monthly comparisons (%)		Total season 2009	Season comparisons (%)	
		2009/2008	2009/2007		2009/2008	2009/2007
Martinique	7 441	+ 85	- 55	33 694	+ 11 274	- 30
Guadeloupe	3 776	+ 57	- 2	11 426	+ 36	- 3
Canaries	32 128	0	- 10	81 275	+ 2	- 17
Côte d'Ivoire *	12 091	+ 25	- 24	31 970	+ 9	- 27
Cameroon	21 229	- 15	+ 4	58 250	- 16	- 8
Ghana	2 361	- 40	+ 36	7 439	- 38	- 4

* Containers excepted

Green price in Europe



Retail price in Europe



Sources: CIRAD, SNM, TW Marketing Consulting



Avocado

MARCH 2009

The market was still sluggish in the first half of the month and then improved rapidly.

Supply had recovered to close to average in February and then decreased—in both green varieties and 'Hass'. The 'Fuerte' seasons in Kenya and Peru had started early in February and continued at full steam, with large deliveries. However, supplies of green varieties from winter sources started to decrease rapidly from the beginning of the month onwards because of the approaching end of the season and weather problems in Israel and Spain. 'Hass' shipments from Mexico increased and were larger than average. However, supplies from Spain were smaller than usual in spite of a peak at the beginning of the month after strong winds, and the Israeli season dwindled rapidly. Supply was completed by a few limited batches from Peru during the second half of the month.

Demand was still very slow at the beginning of the month and then became brisker, reaching a fairly satisfactory level at the end of the month with the setting up of the first Easter promotion operations.

Prices were flexible and weakening at the beginning of the month, especially for extreme sizes, and then started to rise at the end of the first fortnight. The average monthly price was slightly lower than average.

Monthly and annual comparisons

Volumes

Price

March 2009 / February 2009

↗ + 15%

↘ - 10%

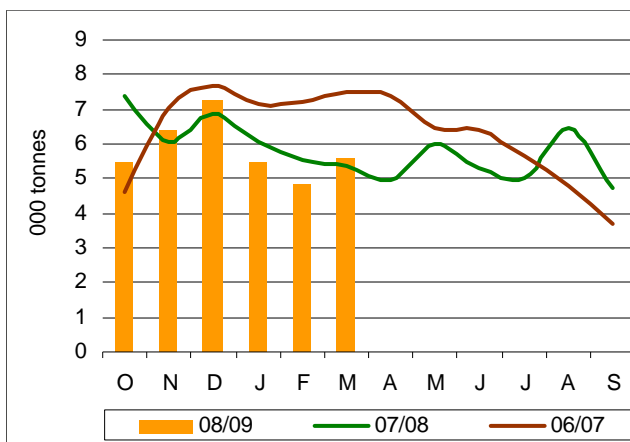
March 2009 / March 2008

↗ + 5%

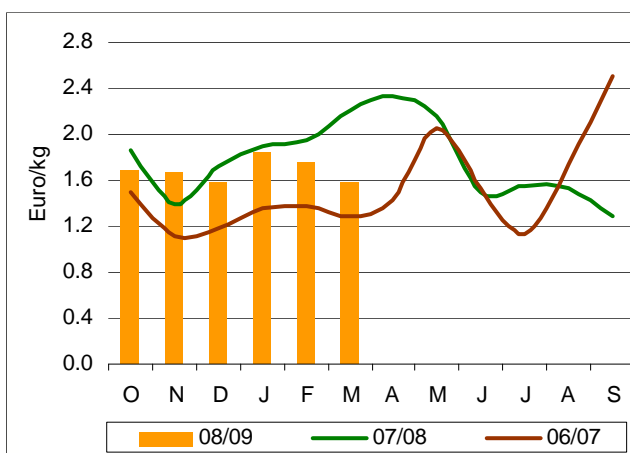
↘ - 28%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	March 2009	Comparisons (%)		Total season 2008/2009	Season comparisons (%)	
		2009/2008	2009/2007		08-09/07-08	08-09/06-07
Peru	814	+ 50	-	814	+ 50	-
Mexico	1 089	+ 22	- 28	7 767	0	- 2
Spain	1 358	- 45	- 44	8 928	- 33	- 9
Israel	1 357	+ 68	- 53	11 781	+ 26	- 35
Kenya	1 000	+ 47	+ 51	1 165	- 42	- 2
Total	5 618	+ 5	- 25	30 455	+ 8	- 8



Orange

Monthly and annual comparisons

Volumes

Price

March 2009 / February 2009

↗ + 17%

↗ + 9%

March 2009 / March 2008

↗ + 7%

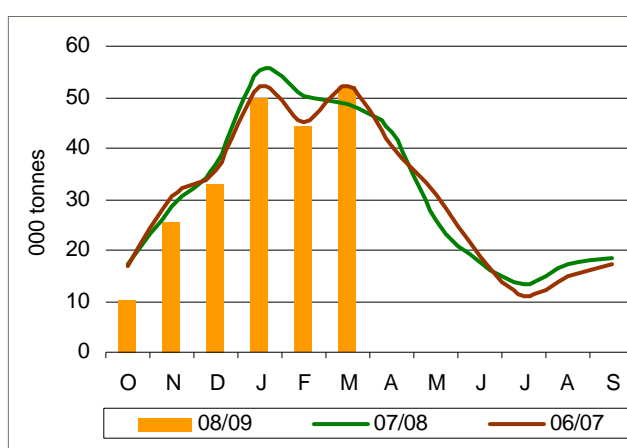
↘ - 17%

MARCH 2009

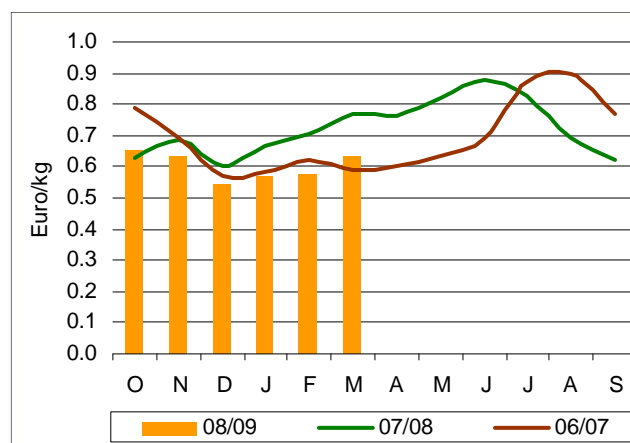
The market remained very difficult. Demand had been fairly good in February but slowed distinctly in mid-March because of warmer weather that was less favourable for consumption. In addition, very large volumes (especially small fruits) of 'Navelate' from Spain remained to be sold. Prices remained low and fairly flexible, especially as a proportion of exporters had to speed up sales of batches that had become very ripe. In this very competitive context, the 'Valencia Late' season started very gradually for all sources. Although the harvest was large, only very limited volumes were shipped from Spain. Nevertheless, prices fell rapidly to a very low level for the small fruits (6 and 7, and even 8 and 9) that were over-abundant in Spanish supply this season. Likewise, given the difficulties on the European market and too high a risk of defaulting by a fair number of clients in Russia, Moroccan operators had to concentrate on their domestic market. This worsening also had a negative impact on the market for small 'Maltese' from Tunisia.

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	March 2009	Comparisons (%)		Total season 2008/2009	Season comparisons (%)	
		2009/2008	2009/2007		08-09/07-08	08-09/06-07
Spain	43 162	+ 11	- 8	186 793	- 6	- 9
Morocco	2 542	+ 19	+ 177	3 908	- 8	+ 51
Tunisia	6 396	- 13	+ 54	18 215	- 12	+ 27
Total	52 100	+ 7	0	208 916	- 6	- 6



Grapefruit

MARCH 2009

The market remained patchy and even the very early tailing off of arrivals from Florida did not result in any improvement. The average monthly price was still fairly high in spite of fairly disappointing results for all sources.

Sales of fruits from Florida remained steady and at an average to fairly good level depending on the operators. Shipments decreased in Week 12—more than a month earlier than the two preceding seasons—as production was fairly limited. However, prices increased only very slightly as they were already fairly high but hardly covered strongly increasing cost prices.

The situation remained fairly disappointing for Mediterranean sources in spite of moderate overall supply as the presence of Turkey was still discreet. Israeli sales continued to be only average although arrivals were large. Prices were increased but still held at a level lower than average. Supplies were completed by Spain and, to a lesser degree, by Cyprus and the very first shipments from Corsica at the end of the month.

Monthly and annual comparisons

Volumes

Price

March 2009 / February 2009

↗ + 5%

= ↗ + 2%

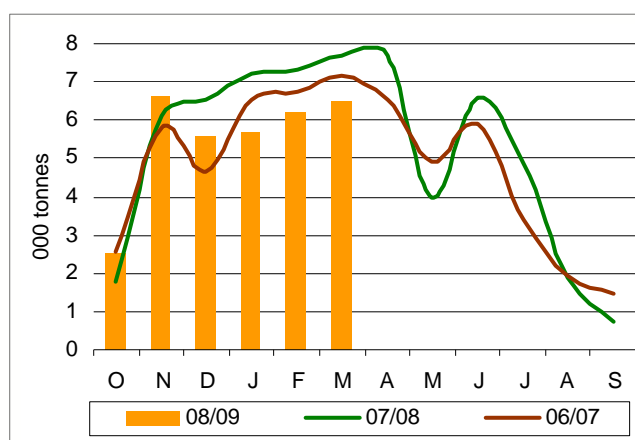
March 2009 / March 2008

↘ - 16%

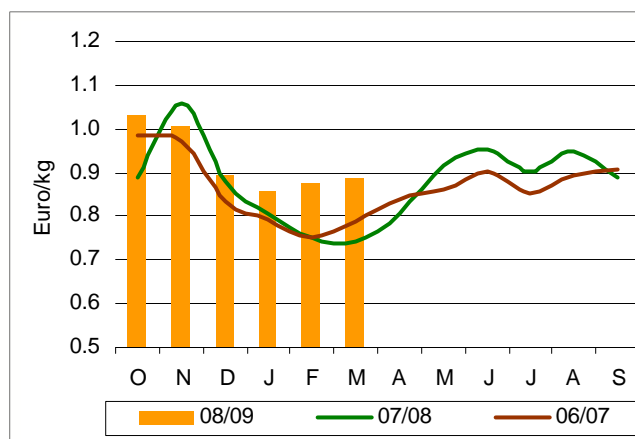
↗ + 20%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	March 2009	Comparisons (%)		Total season 2008/2009	Season comparisons (%)	
		2009/2008	2009/2007		08-09/07-08	08-09/06-07
Florida	5 050	- 23	- 4	25 686	- 10	+ 6
Israel	1 071	+ 43	- 33	5 371	+ 10	+ 2
Turkey	375	- 12	+ 20	1 913	- 37	- 49
Total	6 496	- 15	- 10	32 970	- 9	- 1



Mango

MARCH 2009

Market conditions changed gradually in March. Europe had been supplied mainly by Peru but the falling quantities were gradually compensated by more substantial deliveries from Brazil. The month was also marked by the serious worsening of the quality of Peruvian fruits. However, prices remained high for good quality fruits with the increase in demand at the end of the month at the approach to Easter (12 April).

Market physiognomy changed in March. The high prices asked for fruits from Peru for several weeks—resulting from a marked decrease in production—affected demand. Many retail distributors reduced their orders or even stopped buying because of the decrease in profitability of retail sales. This resulted in an overall dip in demand resulting in a new balance with regard to the deficit from Peru. The sudden worsening of the quality of fruits from Peru (poor keeping quality and fungal spotting) intensified the trend. Only fruits of satisfactory quality sold at good prices, while those of poor quality were sold rapidly on a clearance basis. Brazilian mangoes ('Tommy Atkins' and, to a lesser degree, 'Keitt') benefited from the situation, achieving higher prices or rates similar to those of Peruvian fruits. The deficit in exports from Peru also encouraged sources with fruits available

to ship them to the European markets. The unforeseen mobilisation of sources that are not usually well represented at this time of year resulted in a increase in the number of sources and varieties on the European market, and also in greater qualitative disparity. Production sources were less strict in the selection of export fruits in order to try to respond to European demand.

The announcement of the late starting of the season in West Africa accentuated under-supply and contributed to the multiplication of arrivals of very varied origins, varieties and quality. The features tended to disappear in the second half of the month in the run-up to Easter. Variations in quality and differences in variety became less important than the prime need to supply the market. This resulted in an increase in the price of quality mangoes. Given the shortage of goods on the

market, West African exporters, and especially those in Côte d'Ivoire, started shipping 'Amélie'. This variety is usually difficult to shift as it is green and does not keep well, but it was an alternative to the other—unavailable—varieties.

The market for mango shipped by air remained stable throughout the month. Supplied mainly by Peru, this trade sector was disturbed in mid-March by the worsening of fruit quality. Although high, the price ranges broadened in the second half of the month. The first batches of 'Amélie' from Burkina Faso and Mali benefited from good market conditions and sold steadily. They were soon joined by the arrival of batches of coloured fruits ('Valencia', 'Kent', 'Smith', 'Haden', etc.). A few complementary batches of well-coloured 'Haden' and 'Irwin' from Costa Rica were more difficult to sell.

Mango — Weekly arrivals — Estimates in tonnes				
weeks 2009	10	11	12	13
By air				
Peru	100	100	110	120
Mali	-	-	10	30
Burkina Faso	20	20	30	20
By sea				
Brazil	1 120	590	1 580	1 760
Peru	2 200	1 540	1 540	1 320
Côte d'Ivoire	-	-	220	330

Mango — Import prices on the French market — Euros

Weeks 2009		10	11	12	13	March 2009 average	March 2008 average
By air (kg)							
Peru	Kent	4.50-4.80	4.50-4.80	4.20-5.00	4.00-5.00	4.30-4.90	4.00-4.65
Mali	Amélie	-	-	2.80-3.00	2.80-3.00	2.80-3.00	2.80-3.05
Mali	Valencia	-	-	-	3.50	3.50	-
Burkina Faso	Amélie	-	3.00	2.80-3.00	2.80-3.00	2.85-3.00	2.80-3.05
Burkina Faso	Kent	-	-	-	3.00	3.00	-
By sea (box)							
Brazil	Tommy Atkins	5.00-5.50	4.50-5.50	5.00-5.50	5.00-5.50	4.85-5.50	4.30-4.60
Peru	Kent	4.50-6.00	4.00-5.50	5.00-6.00	5.00-6.00	4.60-5.85	3.35-4.60
Côte d'Ivoire	Amélie	-	-	-	5.00-6.00	5.00-6.00	-



Pineapple

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Pineapple — Import price		
Euros	Min	Max
By air (kg)		
Smooth Cayenne	1.65	1.90
Victoria	2.50	4.00
By sea (box)		
Smooth Cayenne	5.00	8.00
Sweet	5.50	8.50

MARCH 2009

Pineapple supply was fairly small overall in March, even at the approach to Easter. Sales of air pineapple were brisker. However, the quality problems that affected fruits in certain supplier countries had an effect on demand and on the sales of the more 'fragile' sources. In contrast, the 'Victoria' pineapple market was more hard hit, with very small supply and difficult sales.

Supply from Latin America was small throughout the month with the exception of the first week when the volumes of 'Sweet' were satisfactory but no more. Some operators attributed the dip to the poor weather conditions that seemed to affect production zones, especially in Costa Rica. However, demand on the European markets was so small that it failed to match the few fruits available on the market. In addition, the supply of 'Sweet' was still unbalanced by the high proportion of small fruits for which there was little demand. Operators therefore set prices fairly low in the hopes of preventing the accumulation of stocks and avoiding the clogging of markets, especially as Easter approached. Thanks to the promotion operations organised, sales were generally better on domestic markets than in re-exports as very cheap pineapples could be found everywhere. The situation was hardly any better for 'Smooth Cayenne'. Supply in-

creased throughout the month with a view to the Easter market but demand remained very small or even non-existent. The markets in the eastern European countries where there is usually demand were all closed. The worst was avoided thanks to a number of promotion operations set up on the French market. However, the availability of low-priced batches of 'Sweet'—mainly small fruits—did nothing to enhance sales of 'Smooth Cayenne', even on the French market.

The air pineapple market was very busy in the first half of the month. Supply was not very large and demand quite brisk. Prices did not increase but sales were smooth and substantial. The quality of fruits from Benin and Ghana was not as regular as that of those from Cameroon and Guinea. The second half of the month was marked by an inflow of batches from all sources and a significant

decrease in demand. Sales of fruits from Benin and Ghana were even poorer, with clients afraid of receiving fruits of erratic and even very poor quality. The market became more sluggish and operators were fairly worried about the evolution of the situation with Easter two weeks away. In contrast, demand was good throughout the month for 'Sugarloaf' pineapple, with prices remaining stable at EUR 1.90 to 2.00 per kg.

The supply of 'Victoria' pineapple was disturbed at the beginning of the month by strikes in Réunion. This source was practically absent from the market for the first three weeks. Recovery to normal volumes was difficult and air supply was limited throughout the month. Most of supply therefore consisted of fruits shipped by sea, mainly from South Africa and Côte d'Ivoire.

Pineapple — Import prices on the French market — Main origins — Euros					
Weeks 2009		10	11	12	13
By air (kg)					
Smooth Cayenne	Benin	1.80-1.85	1.80-1.85	1.80-1.85	1.80-1.85
	Cameroon	1.65-1.85	1.70-1.90	1.70-1.90	1.70-1.85
	Ghana	1.65-1.75	1.65-1.75	1.65-1.75	1.65-1.80
	Côte d'Ivoire	1.70-1.75	1.75-1.85	1.75-1.85	1.70-1.75
	Guinea	1.85-1.90	1.85-1.90	1.85-1.90	1.85-1.90
Victoria	Côte d'Ivoire	2.50	2.50	2.50	2.50
	Réunion	-	-	-	3.80-4.00
	Mauritius	-	3.00-3.30	3.20-3.30	3.00-3.30
By sea (box)					
Smooth Cayenne	Côte d'Ivoire	5.00-8.00	5.50-7.50	5.50-7.50	5.00-8.00
Sweet	Côte d'Ivoire	7.00-8.50	6.00-8.00	6.00-8.00	6.00-8.00
	Cameroon	7.00-8.50	6.00-8.00	6.00-8.00	6.00-8.00
	Ghana	7.00-8.50	6.00-8.00	6.00-8.00	6.00-8.00
	Costa Rica	5.50-8.50	5.50-7.50	5.50-7.50	6.00-8.00



Sea freight

MARCH 2009

A review of March or indeed the first quarter of 2009 is contingent on the context of perspective from which it is viewed. Certainly relative to last year, indeed the past five years, the TCE average is desperately disappointing especially given that bunker prices were almost 100% higher 12 months ago. More worrying though is that chartering activity levels fell back to almost nothing, which is unusual for mid September let alone mid March.

On previous occasions in previous recessions the specialised reefer sector has escaped largely unscathed. With more vessels demolished last year than in the previous three years combined expectations for the peak season this year were tempered only slightly by the potential impact of the economic downturn. However the sheer scale and breadth of the recession has taken everyone by surprise. What has made the impact significantly worse than ever before for the specialised reefer industry is that the downturn has coincided with a) severe overcapacity in container shipping, b) the depreciation of the Russian Ruble and c) a general reduction in demand from the poultry, fish and Moroccan citrus trades as well as a shortfall in Latin American banana volumes. The combination has increased total supply of a significantly more flexible capacity to meet lower demand. The container lines have been able to add vessels to strings and increase the number of port calls and even services on the one hand and simultaneously

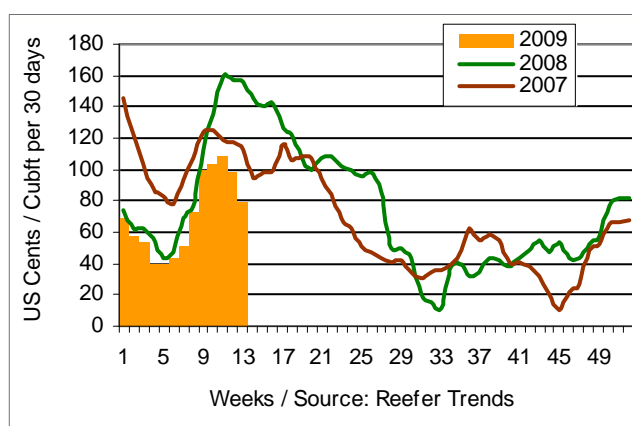
compete aggressively on price on the other. Even when the global economic recovery starts to gather momentum overcapacity issues will remain, presenting owners and operators especially of ageing specialised reefer tonnage with a choice of whether to demolish or lay up to wait for better times - and hope that the above analysis is either incorrect or at best, too pessimistic. Better times will come but almost certainly not now in 2009. How the charter market performs in 2010 depends largely on how many vessels are scrapped this year and how quickly Russia, a hugely important market for the specialised reefer, regains confidence. The lines face an even tougher time. Until the backlog of laid-up vessels is comprehensively cleared further investment in new reefer equipment will be hard to justify, particularly if the return on investment is compromised by low yields on existing units. Production of reefer boxes needs to be maintained at 100K units per year or reefer box capacity will start to shrink as older units are phased out.

Monthly spot average

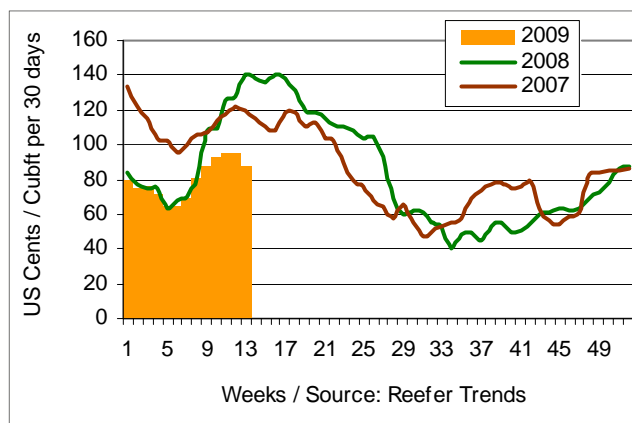
US\$/cents/cubic foot x 30 days	Large reefers	Small reefers
March 2009	95	94
March 2008	146	126
March 2007	118	119

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



Web: www.reefer trends.com
 Tel: +44 (0) 1494 875550
 Email: info@reefer trends.com

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