

June 2009 - No. 168

FR *ui* TROP

English version

CLOSE-UP:
GRAPEFRUIT

Mediterranean citrus:
HLB, a new threat

Sea freight: reefer market
heads for the rocks

<http://passionfruit.cirad.fr>



Indicators

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Strawberry	11	21
	Apple	26	21
	Orange	17	12

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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APRIL 2009

Strawberry

The market has been relatively satisfactory. There were large volumes of Spanish strawberries as the season was late and the crop was concentrated in April. However, the Easter period was good for promotion operations and sales were brisk. Prices were low at the beginning of the month and then soon returned to an average level. The first French fruits reached the market in the second half of April.

April 09 / April 08

Price	↘	Vol.	↗
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Apple

The market for bicolour apples benefited from a sudden unexpected improvement. The late crops in the southern hemisphere led to more steady and rapid sales of 'Royal Gala' and, to a lesser degree, of 'Braeburn'. In contrast, the situation was still very difficult for the other varieties. 'Golden Delicious' continued to suffer from Italian competition. The situation remained very difficult for 'Granny Smith' for lack of a Russian export outlet.

April 09 / April 08

Price	↘	Vol.	=↘
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Orange

The situation remained very difficult. Sales were affected by warm weather and the limited size of Spanish fruits. In addition, the large volumes of 'Navelate' to be sold kept the market under pressure. Prices remained very low.

April 09 / April 08

Price	↘	Vol.	↘
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Sea freight

After a disappointing first quarter of 2009 the charter market returned the worst April TCE average in a decade and possibly ever. All the market conditions that were running in its favour last year turned against it this year: fewer bananas were shipped, more fruit from South America was containerised, the Russian market absorbed less and less poultry was shipped from the US.

April 09 / April 08

large reefers	↘	small reefers	↘
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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.



Avocado

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The market was fairly satisfactory during this busy month for avocado. Supply of 'Hass' was particularly limited. The northern hemisphere seasons came to an early end, with the last shipments from Mexico and Israel arriving in mid-month. Spanish supply was moderate. Shipments from the southern hemisphere remained modest in spite of the early start of the season in South Africa and above all Peru, where numerous problems of inadequate ripeness were noted. As a result, the prices of the variety increased continuously, reaching a very high level at the end of the month.

As supplies of 'Hass' were short, demand was focused on green varieties. Supply was large. Arrivals of 'Fuerte' from Peru were larger than average while those from South Africa got under way early and were very large. Larger than average volumes from Kenya completed supplies. However, demand was very brisk at the beginning of the month for supplying the seasonal Easter promotion operations. Prices therefore held at a good level for fruits of all sources. Small fruits were particularly sought after.

Monthly and annual comparisons

Volumes

Price

April 2009 / March 2009

= ↗ + 2%

↗ + 16%

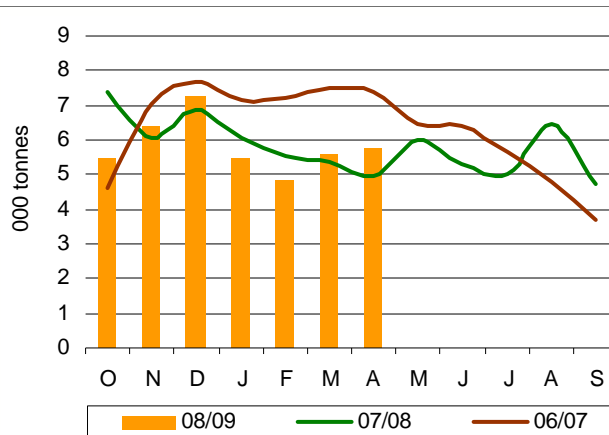
April 2009 / April 2008

↗ + 16%

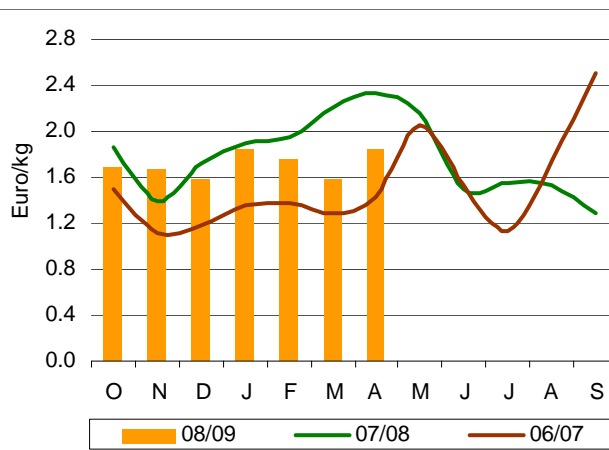
↘ - 21%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	April 2009	Comparisons (%)		Total season 2008/2009	Season comparisons (%)	
		2009/2008	2009/2007		08-09/07-08	08-09/06-07
Peru	1 367	+ 93	+ 1 903	2 181	+ 74	+ 3 097
Mexico	425	+ 137	+ 50	8 192	+ 3	0
Spain	1 507	- 38	- 42	10 435	- 33	- 16
Israel	203	+ 154	- 94	11 984	+ 27	- 44
Kenya	990	+ 31	+ 2	2 156	+ 53	+ 3
South Africa	1 262	+ 51	- 100	1 262	+ 51	+ 375
Total	5 754	+ 5	- 22	36 210	- 1	- 23



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Banana

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The market displayed its seasonal downward movement. First, the overall supply of the European market recovered distinctly, returning to what was probably a slightly larger total than average. Dollar banana volumes were fairly large. The Costa Rican deficit remained very significant but lessened. Deliveries from Colombia gained ground, returning to an average level whereas those from Ecuador remained very large. In parallel, the deficit in arrivals from the French West Indies lessened and African volumes remained large. The seasonal slowing of demand resulting from school holidays in particular was very marked, especially in northern Europe. Retail sales in Germany were 10 to 15% smaller than average. Retail prices were high as a result of the level attained at the quay stage and probably had a negative impact on sales in the context of a market better supplied with competing fruits (especially Spanish strawberries). In addition, the unusually warm weather for most of the month seem to have affected consumption.

The average monthly price thus fell by about 20% in comparison with March but was still distinctly higher than average.

Monthly and annual comparisons

Volumes* EU reference price**

April 2009 / March 2009

↗ + 26%

↘ - 18%

April 2009 / April 2008

↘ - 5%

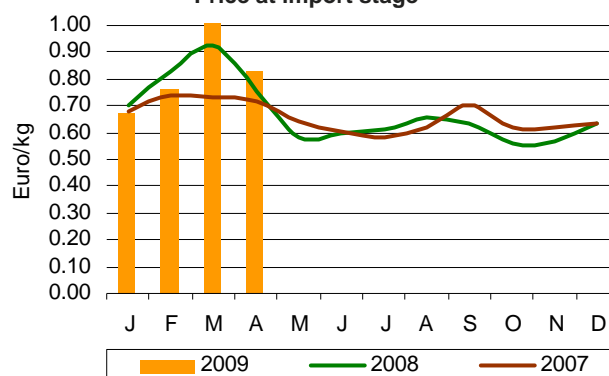
↘ - 10%

* Arrivals from Africa/West Indies

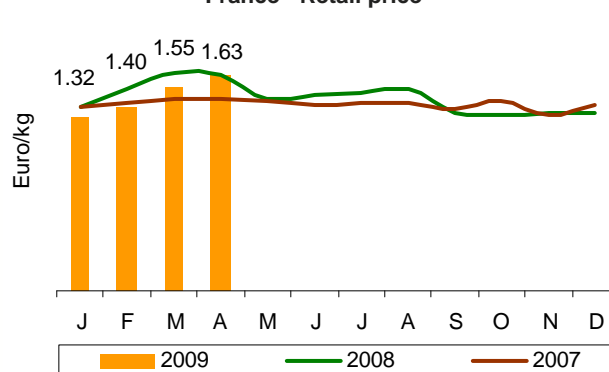
** Green price in Germany (GlobalGap)

French banana market — Indicators

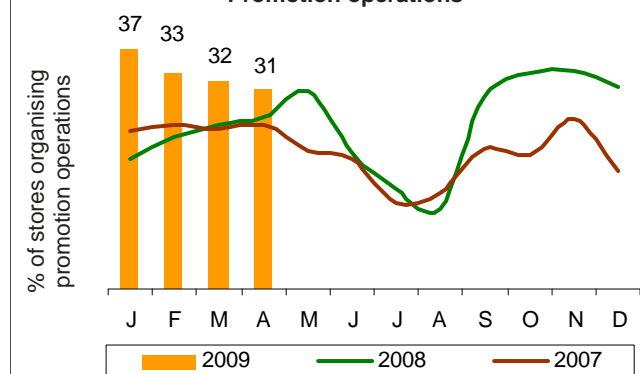
Price at import stage*



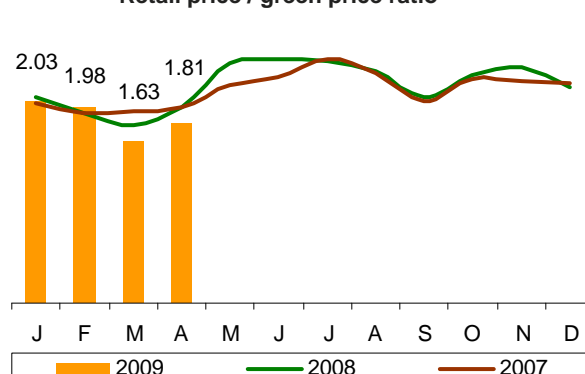
France - Retail price



Promotion operations



Retail price / green price ratio*



* African origin

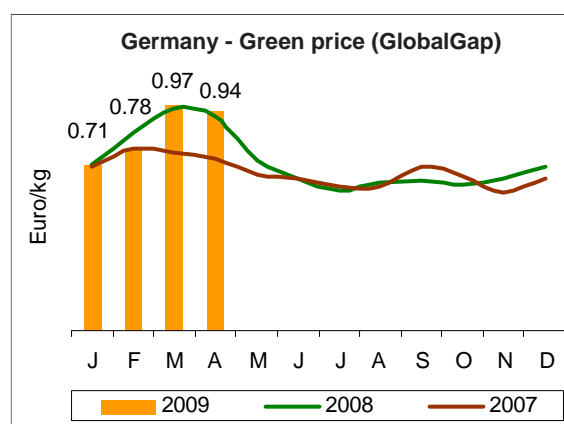
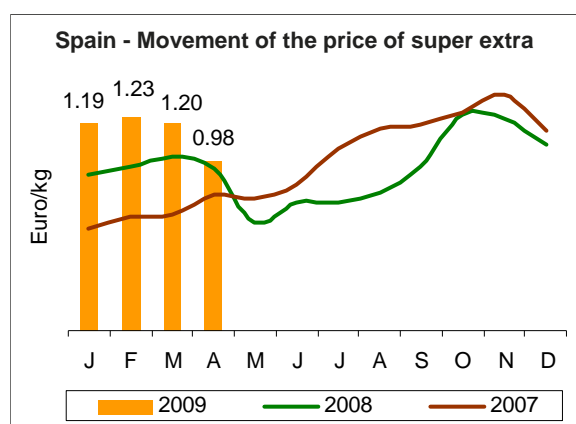
European banana market — Indicators

Main origins in Europe

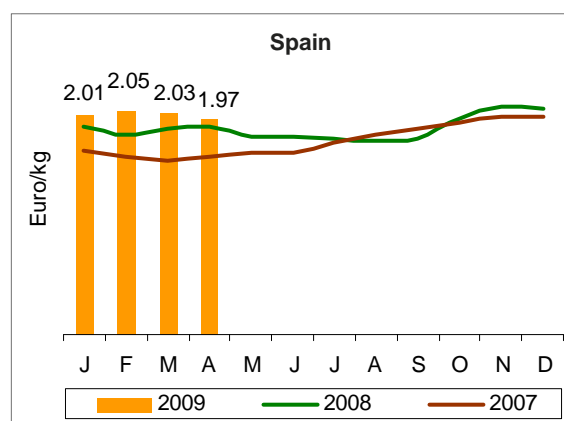
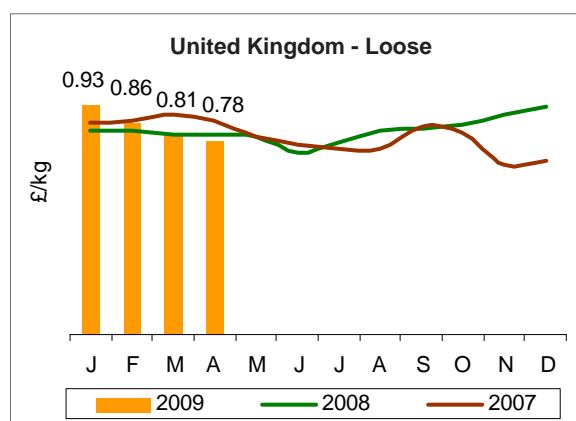
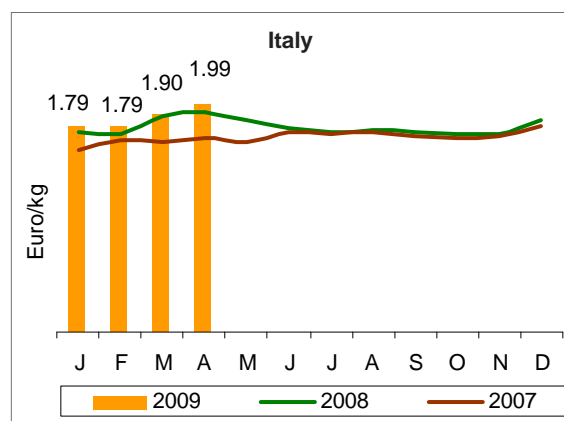
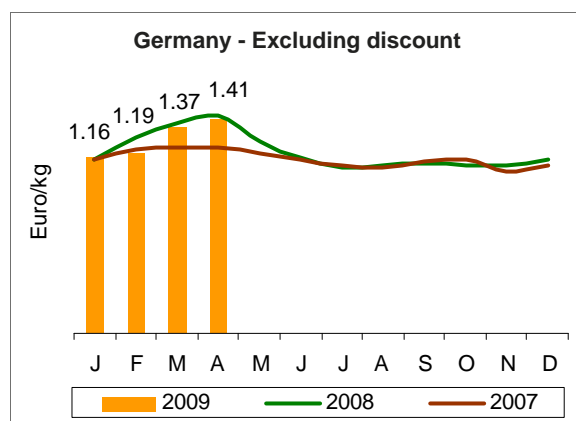
Tonnes	April 2009	Monthly comparisons (%)		Total season 2009	Season comparisons (%)	
		2009/2008	2009/2007		2009/2008	2009/2007
Martinique	14 804	- 29	- 15	48 498	+ 11 274	- 26
Guadeloupe	3 007	+ 4	- 23	14 433	+ 36	- 8
Canaries	33 504	+ 19	- 1	114 779	+ 2	- 13
Côte d'Ivoire*	16 610	+ 38	+ 18	48 579	+ 9	- 16
Cameroon	21 888	- 1	+ 37	80 137	- 16	+ 1
Ghana	2 673	- 33	+ 61	10 112	- 38	+ 8

* Containers excepted

Green price in Europe



Retail price in Europe



Sources: CIRAD, SNM, TW Marketing Consulting



Orange

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Market physiognomy was unchanged and the situation was still very difficult. The relatively slow demand, especially during the second part of the month, resulted from warmer weather than usual and the strong, attractive presence of red fruits. In addition, large volumes of 'Navelate' from Spain remained to be cleared, keeping the market under pressure, especially as regards small fruits. Prices of the latter variety remained very low indeed. In this context, Spanish exporters delayed the start of their 'Valencia' season. Arrivals remained marginal until the middle of the month. Prices soon reached rock bottom, especially for the very small fruits (7-8-9) that form the major part of supply this season.

Similarly, Moroccan operators avoided the export market and continued to sell a large proportion of their 'Maroc Late' on the domestic market, especially as fruit quality was sometimes uneven. Finally, Tunisian exporters did not prolong their 'Maltese' season as they had in 2008 and the last batches were received in the middle of the month.

Monthly and annual comparisons

Volumes

Price

April 2009 / March 2009

↘ - 25%

↗ + 4%

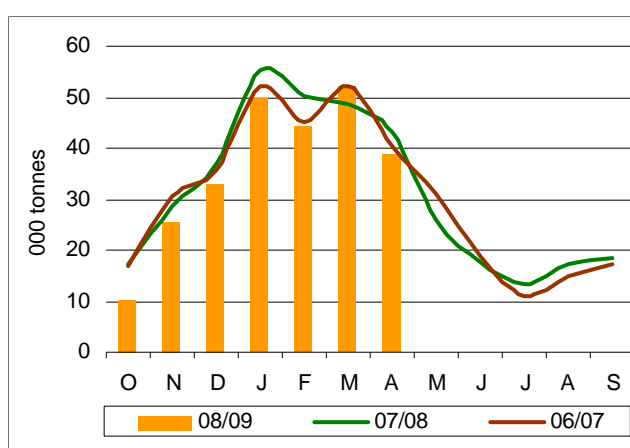
April 2009 / April 2008

↘ - 10%

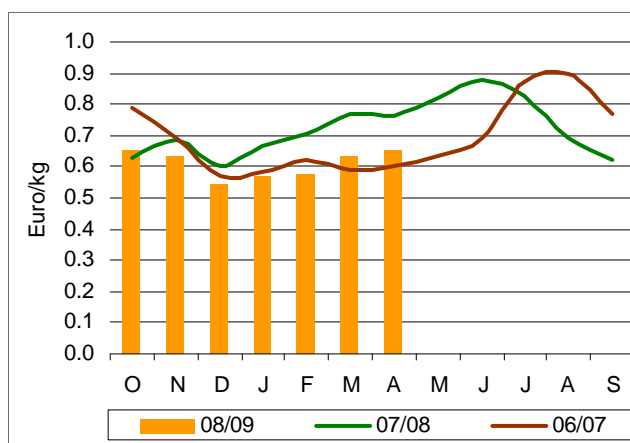
↘ - 14%

Estimated market releases in France

Volumes



Price at import stage



Estimated market releases in France by origin

Tonnes	April 2009	Comparisons (%)		Total season 2008/2009	Season comparisons (%)	
		2009/2008	2009/2007		08-09/07-08	08-09/06-07
Spain	36 324	+ 4	- 2	223 117	- 4	- 8
Morocco	2 410	- 40	+ 106	6 318	- 23	+ 68
Tunisia	158	- 96	- 92	18 373	- 26	+ 12
Total	38 892	- 10	- 4	247 808	- 7	- 6



Grapefruit

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APRIL 2009

Given the very limited volumes available, the market was disappointing. Mediterranean supply was fairly large, in spite of practically nonexistent arrivals from Turkey. Fairly substantial volumes arrived from Spain and especially from Israel. However, these volumes did not make up for the very limited level of supply from Florida. Arrivals from the latter source had already dwindled in March and were very small—the equivalent of about a third of the average volumes received in the two previous seasons. A few batches from Corsica completed French market supply.

However, demand was particularly slow on most European markets as a result of competition from red fruits, school holidays, and warm weather that is not favourable for the consumption of citrus fruits. Under these conditions, prices firmed slightly, remained low for Israel and were very close to cost price for Florida fruits.

Monthly and annual comparisons

Volumes

Price

April 2009 / March 2009

⬇️ - 48%

⬇️ - 5%

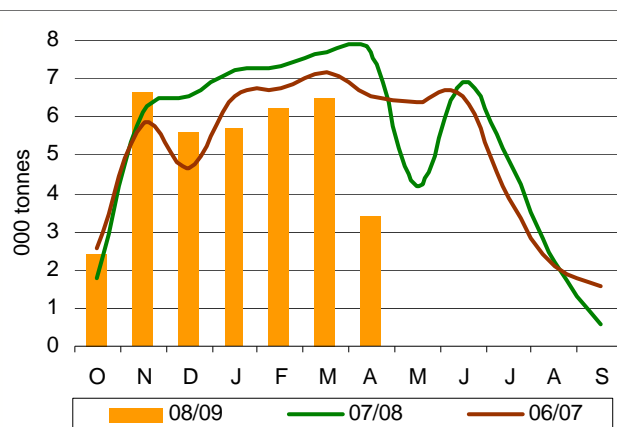
April 2009 / April 2008

⬇️ - 56%

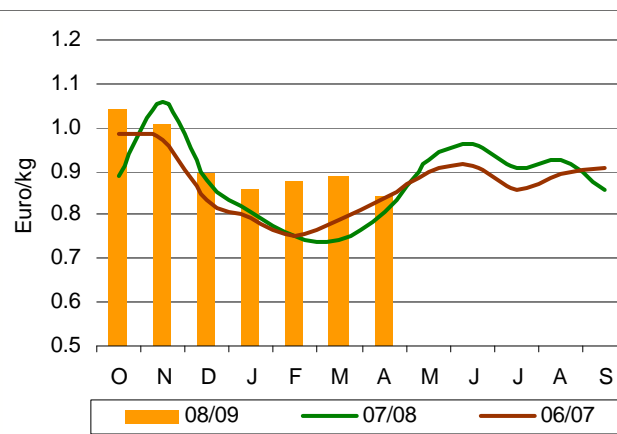
⬆️ + 5%

Estimated market releases in France

Volumes



Price at import stage

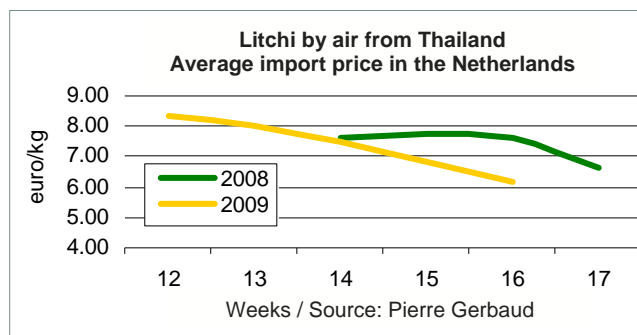


Estimated market releases in France by origin

Tonnes	April 2009	Comparisons (%)		Total season 2008/2009	Season comparisons (%)	
		2009/2008	2009/2007		08-09/07-08	08-09/06-07
Florida	1 893	- 73	- 65	27 579	- 22	- 7
Israel	1 244	+ 118	+ 34	6 615	+ 21	+ 7
Turkey	246	+ 49	+ 143	2 159	- 33	- 44
Total	3 383	- 16	- 48	36 353	- 18	- 8



Litchi



APRIL 2009

Litchi was almost totally absent from the European markets from the beginning of February to the end of March. The short Australian season that generally follows that of the Indian Ocean sources did not happen this year for lack of export quality production. In March, only a few late batches from South Africa reached the market from time to time during the first half of the month. The Thai export season started in mid-month, two weeks earlier than in preceding years.

A few remaining batches of South African litchis were sold on the French market during the first fortnight in March. They consisted of the 'Red McLean' variety and sold slowly for lack of customer interest. Small volumes changed hands from time to time at between EUR 1.50 and 1.80 per kg.

In the absence of the Australian fruits traditionally available at this time of year, the first litchis from Thailand were finally the only ones available from mid-March onwards. Shipped to the Dutch market, the first batches were available at about EUR10.00 per kg. This high price slowed sales considerably—even for small vol-

umes. Operators then lowered prices to between EUR8.00 and 8.75 per kg to speed up the movement of fruits whose quality varied according to the shipper. Indeed, the first deliveries consisted of small fruits that often lacked the characteristic colour of litchi.

Supply from Thailand became more regular and larger in April. But the little interest shown by purchasers and the often small fruit size resulted in falling prices until the arrival of the first fruits shipped in sea containers in the second half of the month. A few containers arrived each week and this was more than enough to meet

demand at a time when exotic fruit consumption generally dips.

In Belgium, supply of Thai litchi seems to have been much more irregular in April and even limited, as a result of the weak demand for the fruit. From time to time, poor sales even led to strong price decreases to EUR4.00 per kg for fruits shipped by air.

In France, Thai litchis did not appear until the second half of April. They sold steadily at around EUR4.50 per kg. The fruits were considered small, with fairly mediocre taste qualities.

Litchi — Import price on the French market — Euros

Weeks 2008	12	13	14	15	16	17	18
By air (kg)							
Thailand	8.00-8.75	8.00	7.00-8.00	6.75-7.00	6.00-6.40	-	-
By sea (kg)							
Thailand	-	-	-	-	-	4.50-4.75	4.25-4.75



Mango

APRIL 2009

Moderate supply and increased demand for Easter resulted in strong mango prices in the first half of April. The decrease in demand in the second half of the month and the gradual increase in arrivals caused prices to fall. The dominance of small fruits, the multiplication of supply sources and uneven quality made market conditions much more complex in the second fortnight of the month.

April was a long transition period between supply from Peru and from West Africa. As the volumes from Peru were distinctly short for the Easter period and the West Africa season was late, operators used other sources. This resulted in a gradual increase in arrivals of fruits of mixed quality that were often not suited to demand. Brazil was the main supplier of the European market for a good part of the month, shipping poor quality 'Tommy Atkins', most of which were small. These were followed progressively by small, medium quality fruits from Costa Rica ('Keitt') and Guatemala ('Tommy Atkins') and a few small batches from other minor sources in Central America. This broad range was an important factor in the sales observed, not because of the accumulation of tonnage but because of uneven quality and fruit size that did not match demand. The West Africa season started in this context. Production of 'Amélie' was more normal and shipments to the European market started at the end of March/

beginning of April. These green mangoes were small, with only just enough physiological maturity. Sales were satisfactory during the first half of the month but only for lack of other varieties. The price fell markedly as alternatives became available. The arrival of the first 'Kent' from Côte d'Ivoire in Week 17 ruled out any possibility of selling the remaining 'Amélie', which were shifted at open prices in subsequent weeks. Prices of 'Kent' from Côte d'Ivoire weakened at the end of the month for reasons of slowing demand. Although the deliveries from the various sources were smaller than those during the same period of 2008, sales were much more difficult. One of the main reasons seems to have been the small Peruvian crop that resulted in lasting lack of interest from supermarket chain buyers throughout the first quarter of 2009.

Likewise, the air mango market was complicated in April. Deliveries were quite moderate at the beginning of the

month and then demand became more dynamic for Easter. This resulted in lastingly strong prices in the first fortnight even though supply was very varied as regards sources and varieties. In addition, West African mangoes were poorly coloured and not ripe enough to be eaten quickly. Supply quality was identical in the second half of the month but volumes were larger, resulting in falling prices. Inadequate volumes on the eve of Easter led operators to search for other sources of supply. This explains the sale of little-seen varieties such as 'Haden' and 'Irwin' and then 'Mora' and 'Cavallini' from Costa Rica. Batches of 'Ataulfo' from Mexico and the Dominican Republic, 'Palmer' from Brazil and 'Nam dok mai' from Thailand were also sold during this period. The varieties 'Smith', 'Palmer', 'Haden', 'Valencia' and 'Irwin' were shipped from Mali, with irregular sales results as buyers did not know them.

Mango — Weekly arrivals — Estimates in tonnes					
weeks 2009	14	15	16	17	18
By air					
Brazil	10	10	10	15	-
Peru	50	30	20	10	-
Mali	30	50	30	100	100
Burkina Faso	20	20	20	30	30
Côte d'Ivoire	15	20	10	30	80
By sea					
Brazil	1 890	1 560	1 340	1 430	1 100
Peru	440	330	220	220	170
Côte d'Ivoire	220	220	220	220	1 100

Mango — Import prices on the French market — Euros

Weeks 2009		14	15	16	17	18	April 2009 average	April 2008 average
By air (kg)								
Brazil		3.50-4.00	3.50	3.50	-	-	3.50-3.65	-
Peru	Kent	4.00-4.50	4.50-5.00	4.50	4.00-4.50	4.00-4.50	4.20-4.60	3.50-4.50
Mali	Amélie	2.50-2.80	2.50-2.60	2.40-2.50	2.50-2.70	2.40-2.70	2.45-2.65	2.40-2.80
Mali	Valencia	3.20-3.50	2.70-3.00	2.80-3.00	2.50-3.00	2.50-3.20	2.75-3.15	3.00-3.40
Mali	Kent	4.00	4.00	4.00	3.50-4.00	3.50-4.00	3.80-4.00	3.00-3.80
Burkina Faso	Amélie	2.50-2.70	2.20-2.30	2.20-2.30	2.20-2.30	2.00-2.20	2.20-2.35	2.40-2.80
Burkina Faso	Kent	3.00	3.00-3.50	3.20-3.50	3.20-3.50	3.00-3.50	3.10-3.40	3.20-3.80
Côte d'Ivoire	Kent	4.00	3.50	4.00-4.50	4.00-4.50	4.00-5.00	3.90-4.30	4.15-4.75
By sea (box)								
Brazil	Tommy Atkins	4.50-5.50	4.00-5.50	4.00-5.50	3.50-4.50	3.00-5.00	3.80-5.20	5.60-6.40
Peru	Kent	5.00-6.00	5.00-6.00	4.50-5.50	4.50-5.00	5.00	4.80-5.50	5.90-6.80
Côte d'Ivoire	Amélie	4.00-5.00	4.00-5.00	3.00-5.00	3.00-4.50	3.00-4.00	3.40-4.70	5.00-5.90
Côte d'Ivoire	Kent	-	-	-	5.00-7.00	4.50-6.50	4.75-6.75	6.00-7.00



Pineapple

© Denis Loelliet

Pineapple — Import price		
Euros	Min	Max
By air (kg)		
Smooth Cayenne	1.65	1.90
Victoria	2.30	4.00
By sea (box)		
Smooth Cayenne	4.00	8.00
Sweet	6.00	9.00

APRIL 2009

Operators expected to receive much larger volumes of pineapple in April for the Easter period. However, supply of 'Sweet' only increased a little in the second week after Easter. Sales remained fluid. In contrast, demand for 'Smooth Cayenne' was very small and this strongly affected sales. The air pineapple market performed fairly well as supply was quite irregular. Sales of 'Victoria' were more difficult and the quality of these fruits was uneven throughout the month.

Sales of 'Sweet' were good for the first half of the month. The North American market was more profitable and this considerably affected supply to Europe. The fruits available were still uneven and many were small. However, various promotion operations made sales of the fruits available fairly smooth. Demand decreased after Easter and re-export sales to southern European markets were more difficult. In this situation, a stronger increase in volumes of 'Sweet' in Week 17 led operators to fear the worst. However, the fears were for nothing as the increase in volumes slowed and some markets were even slightly under-supplied. Sales were brisk at the end of the month but prices did not rise. In contrast, sales of 'Smooth Cayenne' were very difficult. Supply was steady but not large but, unfortunately, demand was never dynamic. The eastern

European markets that operators had counted on did not want the fruit. Only a few promotion operations in France made it possible to achieve sales. And sales of 'Smooth Cayenne' were not made any easier by the availability of small 'Sweet' fruits at low prices. However, a slight improvement was felt in the last week of the month; this was explained by the considerable decrease in the supply of 'Sweet' and the running of various pineapple promotion operations in supermarkets.

Supply of air pineapple increased somewhat before Easter. The quality of fruits from Cameroon and Guinea was more regular and they sold better. After Easter, supply decreased for the rest of the month. The market gained briskness and sales were easier as supply shrank. It is also reported that fruits from Benin dis-

played a certain unevenness in quality at the beginning of the month and operators regained confidence with difficulty. In contrast, batches of sugarloaf pineapples from Benin were also available in smaller quantities and continued to sell very well with a higher price range of between EUR1.95 and 2.00.

Sales of 'Victoria' pineapples were difficult throughout the month and particularly difficult for fruits from Réunion of irregular quality, often dull in appearance and little representative of pineapple shipped by air. In contrast, those from Mauritius were of more even quality and continued to sell well. Fruits shipped by sea from Côte d'Ivoire were fairly uneven in quality but available in larger volumes and were also difficult to sell.

Pineapple — Import prices on the French market — Main origins — Euros						
Weeks 2009		14	15	16	17	18
By air (kg)						
Smooth Cayenne	Benin	1.80-1.85	1.80	1.75-1.80	1.75-1.80	1.80-1.90
	Cameroon	1.70-1.90	1.85	1.80-1.85	1.80-1.85	1.70-1.90
	Ghana	1.65-1.80	1.65-1.75	1.70-1.75	1.70-1.75	1.70-1.80
	Côte d'Ivoire	1.70-1.75	1.80	1.75-1.80	1.75-1.80	1.75-1.80
	Guinea	1.85-1.90	1.85-1.90	1.85-1.90	1.85-1.90	1.85-1.90
Victoria	Côte d'Ivoire	2.50	2.30-2.50	2.30-2.50	2.30-2.50	2.50
	Réunion	3.50-4.00	3.50-3.60	3.30-3.50	3.00-3.40	3.20-3.50
	Mauritius	3.00-3.30	3.00-3.30	3.00-3.30	3.00-3.30	3.00-3.30
By sea (box)						
Smooth Cayenne	Côte d'Ivoire	5.50-7.50	5.00-8.00	4.50-7.50	4.00-7.00	5.50-7.50
Sweet	Côte d'Ivoire	7.50-9.00	6.50-9.00	6.50-9.00	6.50-8.50	6.50-8.50
	Cameroon	7.50-9.00	6.50-9.00	6.50-9.00	6.50-8.50	6.50-9.00
	Ghana	7.50-9.00	6.50-9.00	6.50-9.00	6.50-8.50	6.50-9.00
	Costa Rica	7.00-8.50	7.50-8.50	6.50-8.00	6.00-8.00	6.00-8.00



Sea freight

APRIL 2009

After a disappointing first quarter of 2009 the charter market returned the worst April TCE average in a decade and possibly ever. All the market conditions that were running in its favour last year turned against it this year: fewer bananas were shipped, more fruit from South America was containerised, the Russian market absorbed less and less poultry was shipped from the US.

Arguably the most important factor in the decline was that the squid catch in the South Atlantic was markedly down from last season's record volume. The reduction from an estimated 450K MT in 2008 to a provisional 150-160K MT combined with a change in logistical arrangements – fewer high seas transshipments and more lower-cost containerised services from Montevideo – meant that less tonnage was absorbed and for a shorter time. In short, the perfect storm forecast for the reefer market last year was delayed by 12 months.

Will there be a repeat performance next year between February and May? Theoretically no – on the one hand banana, fruit, poultry and squid volumes should recover while a large chunk of specialised reefer capacity must surely be demolished over the course of this year on the other. Demand and supply should be in closer equilibrium, even if the container lines throw a greater number of

competitive services into the mix.

Certainly this is what owners and operators of top end tonnage must be hoping: if not and if the market shows few signs of change then rates for the most desirable units will inevitably come under pressure. The lower average box rate values for Ecuadorian bananas this year will have hurt those charterers such as CoMaCo, which extended modern vessels on high-value Time Charters. It would be no surprise to see some reaction to this scenario.

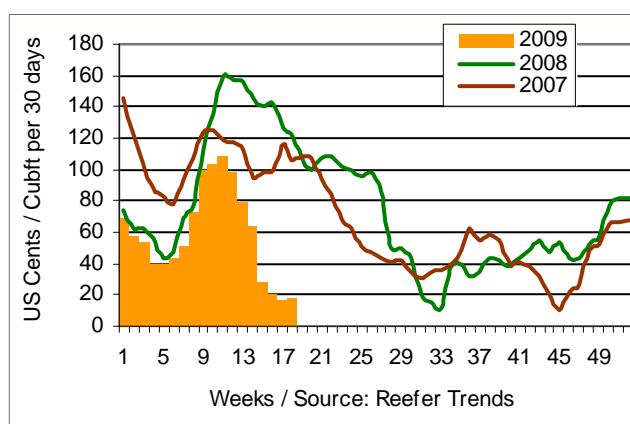
It will also be interesting to see how Del Monte plans to replace the five Winter Class vessels that will be demolished this summer. Although it chose not to renew the charter on the two container ships it picked up cheaply earlier this year the weak container market gives it a compelling rationale to switch modes if it can find a critical mass of spare reefer boxes to hire.

Monthly spot average

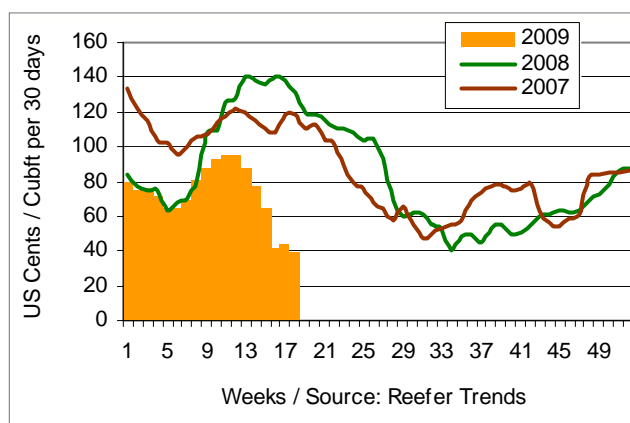
US\$cents/cubic foot x 30 days	Large reefers	Small reefers
April 2009	30	44
April 2008	133	139
April 2007	103	114

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



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