

CLOSE-UP

Grapefruit



Cherry imports: European market
still restrained

Citrus and exotics:
monthly review

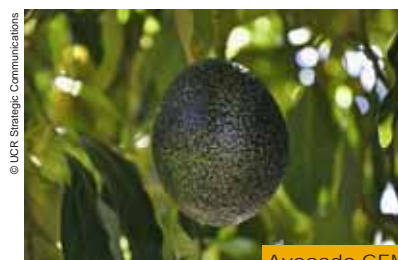
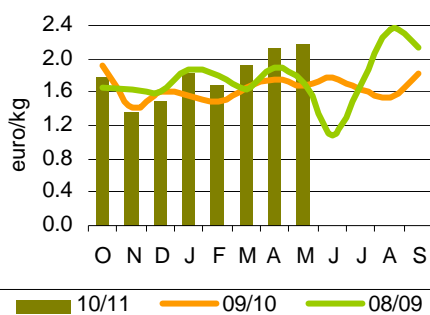
<http://passionfruit.cirad.fr>

Avocado

May 2011

The 'Hass' market was still exceptional at the beginning of May and then worsened. Prices remained very high during the first half of the month as supply remained limited with the decrease in shipments from winter sources and still very moderate volumes from South Africa and Peru. The market began to change direction in mid-month. First, demand slowed because of high retail prices and the early increase in the supply of seasonal fruits. Second, supply broadened with volumes from Peru returning to an average level and less of a deficit in fruits from South Africa. Prices decreased, especially for large fruits. The market for green varieties was difficult. Supply was at a good level, especially in France with the arrival of Kenyan shipments, and demand was somewhat sluggish.

Avocado - France - Import price



Avocado GEM

■ **First licence to grow 'GEM'** avocado outside California. The South African company Westfalia has obtained the first international licence to plant and propagate the variety developed by Grey E. Martin at University of California Riverside. 'GEM' differs from its parent 'Hass' in that it has a slightly later production calendar, pulp that oxidises more slowly and is less subject to alternate bearing. Westfalia will target quality retailers for sales of fruit in the 'ready to eat' segment. The South African company also plans to distribute germplasm in the Mediterranean, South America, Oceania and sub-Saharan Africa in order to lengthen the sales calendar.

Source: University of California Riverside

lion Kenyan shillings (about 70 million dollars).

Source: Reefer Trends

■ **Israel: Granot changes hands.** The change in the alliance of 'Avocado Granot' shuffles the cards in the downstream part of the avocado sector in Israel. The cooperative, which handles about 30% of avocado production in Israel, has put an end to a 50-year partnership with the state company Agrexco and will now work with Mehadrin. This private group that is already the leader in citrus has now become the leading exporter of avocado in Israel with a market share estimated at 50%.

Source: Freshplaza



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■ **South Africa lifts ban on imports of Kenyan avocado.** A sanitary protocol has been designed and aimed in particular at preventing the introduction of fruit flies. It should allow the resumption of Kenyan exports to South Africa by the end of the year. According to the Kenyan authorities, the South African embargo has resulted in lost sales worth 6 bil-

PRICE	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Green	4.00-4.50	- 10%
	Hass	9.00-10.00	+ 33%

VOLUMES	Varieties	Comparison	
		previous month	last 2 years average
	Green	↘	+ 6%
	Hass	↗	+ 3%

VOLUMES	Source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Israel	↘↘	- 15%	Very last limited volumes at the beginning of the month	+ 18%
	Peru	↗	- 13%	Very gradual start of the 'Hass' season with short volumes except at the end of the month (awaiting the opening of the US market). Large volumes of green varieties.	- 13%
	Spain	↘↘	+ 240%	Last volumes of 'Hass', distinctly larger than average, at the beginning of the month.	+ 15%
	South Africa	↗	- 52%	Very marked shortage of supply of 'Hass' and green varieties, improving at the end of the month.	- 36%
	Kenya	↗	+ 17%	Peak season, with distinctly larger than normal supply of green varieties and above all of 'Hass'.	+ 7%

Pineapple

May 2011

The situation worsened steadily in May. The first fortnight was marked by a pronounced weakness in the supply of 'Sweet' when everybody thought that it would increase. Demand was sluggish and hardly sufficed to take the few fruits sold, allowing a slight increase in prices at the end of the fortnight.

In the second fortnight, the fruits awaited so eagerly finally arrived. Initially, supply did not seem to be as large as announced. Operators managed to shift their stocks thanks to numerous promotion operations. Unfortunately, this was at the expense of prices, which fell steadily. Demand remained very small whereas supply continued to increase. As the weeks went by operators had increasing difficulty in finishing their stocks and this exerted increasing pressure on sales of all sizes of fruits. The prices of fruits of established brands seemed to have decreased less.

'Smooth Cayenne' was available on the market again at the end of the first fortnight. Unfortunately, the fruits received were very fragile and difficult to sell. Quality was uneven even though supply was very small.

The situation on the air pineapple market was fairly difficult. Demand for pineapple decreased gradually as interest switched to seasonal fruits. Operators tried to reduce imports in the hope of re-launching demand. But this was not enough and prices soon fell. Only specialised retailers seemed interested but they sought practically perfect fruits that were difficult to find. Sales of 'Sugarloaf' pineapples were also slower although prices remained fairly stable at EUR 1.90-2.00 per kg.

Operators gradually lost interest in 'Victoria' pineapple when seasonal fruits appeared and although supply was limited overall sales became increasingly difficult as the month went by.

■ Pineapple: juice prices in Europe in March 2011.

Type of juice	Price (USD/t)	Origin	Observations
Frozen concentrate, 60° Brix, 'Smooth Cayenne'	2 250-2 300 fca Holland df	Thailand	Supply from Thailand should be limited until the autumn. Traces of nitrates in Thai juice slowed sales to Europe. However, prices continued to climb thanks to demand outside the EU, especially in Eastern Europe.
Aseptic concentrate, 60° Brix, 'Smooth Cayenne'	2 200-2 250 fca Holland df		
Single juice, 12° Brix, in bulk, 'MD-2'	800-815 fca Holland	Costa Rica	
Aseptic concentrate, 60° Brix, in bulk, 'MD-2'	2 100-2 150 fca Holland		
Frozen concentrate, 60° Brix, 'Perola'	2 100 fob Santos	Brazil	

Note: fca: free carrier / df: duty free / fob: free on board / Source: MNS-ITC Geneva

■ Fruits: juice and pulp prices in Europe in March 2011.

Type of juice	Price (USD/t)	Origin	Observations
Acerola	Frozen single juice, 6-8° Brix 1 450-1 500 fob Santos	Brazil	Demand strong, peak season. Prices higher than in preceding seasons.
	Frozen concen- trate, 65° Brix, clear 14 300 fob Santos		
Passion fruit	Frozen concen- trate, 50° Brix 4 200-4 250 cfr Rotterdam	Ecuador	Demand remained sluggish even though prices were low. This could discourage some growers who may switch to other crops. In Brazil, where most of production is sold on the domestic market, demand was fairly strong but prices were too high, especially in comparison with competing products from Peru and Ecuador.
	Clarified juice, 50° Brix 6 000 cfr Rotterdam		
	NFC, 11° Brix 1 700 cfr Rotterdam		
	Frozen concen- trate, 50° Brix 4 500-5 000 fob Santos	Brazil	
	NFC, 12-14° Brix 1 500-2 100 fob Santos		
Guava	Aseptic single pulp, 9° Brix, pink 675-775 fca Holland in transit	South Africa	Supply and demand at normal levels. Brazilian production was too expensive to be competitive on the export market.
	Aseptic single pulp, 9-12° Brix, pink 650-700 fob Brazil	Brazil	
	Aseptic concen- trated pulp, 14-16° Brix, pink 950 fob Brazil		
	Aseptic concen- trated pulp, 18-20° Brix, pink 1 000-1 140 fob Brazil		
Pome- granate	Aseptic concen- trated clarified juice, 66° Brix 4 350-4 650 euro/t fca Rotterdam	Turkey	The harvests in Iran and Turkey were smaller than expected. Demand growing.
Papaya	Aseptic concen- trate, 25° Brix, red 1 100-1 150 fob Brazil	Brazil	Market normal but demand fairly small .

Note: fob: free on board / cfr: cost and freight / fca: free carrier / Source: MNS-ITC Geneva

PINEAPPLE — IMPORT PRICE

Weeks 18 to 21	Min	Max
By air (euro/kg)		
Smooth Cayenne	1.70	1.90
Victoria	3.00	4.00
By sea (euro/box)		
Smooth Cayenne	6.00	7.00
Sweet	5.00	9.00

PINEAPPLE — IMPORT PRICE IN FRANCE — MAIN ORIGINS

Weeks 2011	18	19	20	21
By air (euro/kg)				
Smooth Cayenne	Benin	1.80-1.90	1.70-1.90	1.80-1.90
	Cameroon	1.80-1.90	1.70-1.90	1.80-1.90
	Ghana	1.75-1.80	1.75-1.80	1.80-1.85
Victoria	Côte d'Ivoire	-	-	-
	Réunion	3.50-4.00	3.50-4.00	3.80-4.00
	Mauritius	3.00-3.50	3.00-3.50	3.50
	South Africa	3.00-3.50	3.00-3.50	3.00
By sea (euro/box)				
Smooth Cayenne	Côte d'Ivoire	-	-	6.00-7.00
Sweet	Côte d'Ivoire	6.50-9.00	6.50-9.00	6.00-8.00
	Cameroon	6.50-9.00	6.50-9.00	6.00-8.00
	Ghana	6.50-9.00	6.50-9.00	6.00-8.00
	Costa Rica	5.50-7.00	6.50-8.00	6.00-7.00

Banana

May 2011

The market was still very satisfactory at the beginning of the month and then worsened during the second half. First, supply from most sources increased distinctly. Volumes of dollar bananas returned to higher than average from mid-May with the return to normal of shipments from Colombia and the still very strong presence of Ecuador making up for the Costa Rican deficit. The situation was similar for imports from the French West Indies where production displayed a seasonal peak. Finally, shipments from Africa increased to a higher level than average, with average volumes from Ghana but large quantities from Cameroon and the end of the April dip in Côte d'Ivoire following the political problems in the country. Second, demand slowed distinctly under the combined influence of unusually hot weather and an early increase in supplies of summer fruits. The market held up fairly well during the first fortnight, especially thanks to re-exports to the very open southern European markets (marked shortage of arrivals of Canary Island bananas in Spain and a historically high price for these fruits). The situation worsened more noticeably at the beginning of the second half of the month with prices falling to below average at the end of the month. Outside the European Union, the Russian market was very satisfactory even though arriving volumes were large.

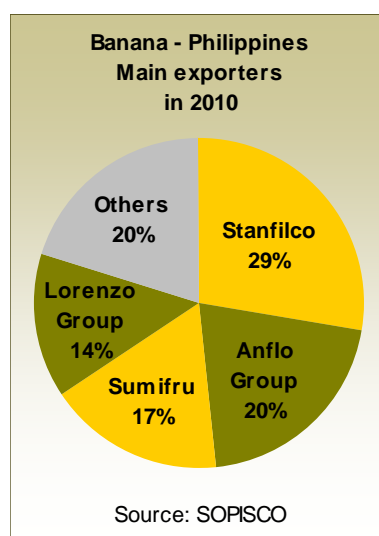
■ All going bananas! Three large international groups have recently announced their intention to increase their banana production capacity in the south island of Mindanao. Stanfilco will probably invest in Surigao del Sur. This subsidiary of Dole already has some 11 400 ha of plantations in the country and confirmed its leading position in 2010 by exporting about 43 million 13-kg boxes (28% of the national total). Sumitomo Fruit Corporation has also expressed its intention to invest in Surigao. Sumitomo is a Japanese importer specialising in the fruit and vegetables

sector and exported nearly 27 million boxes in 2010. Finally, Unifrutti, which already has about 1 000 ha, has said that it wishes to invest 20 million dollars to double its production capacity. This means that the Asian and Middle Eastern markets that took the 2 million tonnes bananas exported from the Philippines in 2010 are becoming a popular target!

Source: Reefer Trends

■ Minimum price for Panamanian banana growers soon? According to whispers in ministry corridors, a decree is being drafted under pressure from growers who are feeling the pinch. A study of production costs is reported to have been commissioned from the Technology University in Panama. It is reminded that the minimum price is USD 5.50 per box in Ecuador and an average of USD 7.70 in Costa Rica.

Source: Reefer Trends



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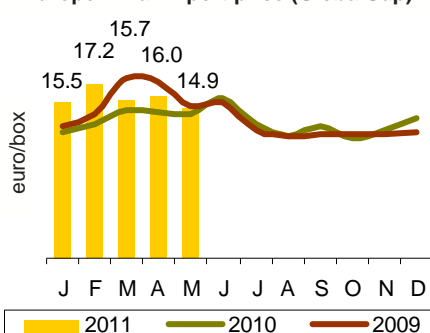
EUROPE — ALDI IMPORT PRICE

May 2011 euro/box	Comparison	
	previous month	average for last 2 years
14.90	- 7%	+ 2%

Banana — Philippines — Exports			
	2008	2009	2010
Japan	812 309	909 011	828 480
Middle East	588 495	549 058	514 500
South Korea	199 173	205 241	271 487
China	209 535	226 389	242 199
Others	117 918	134 840	146 182
Total	1 927 430	2 024 539	2 002 848

Source: Sopisco

Europe - Aldi import price (GlobalGap)



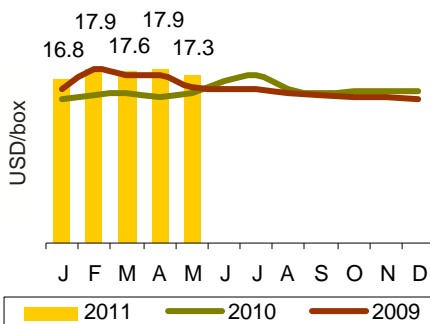
EUROPE — RETAIL PRICE

Country	May 2011		Comparison	
	type	euro/kg	April 2011	average for last 2 years
France	normal	1.55	- 3%	+ 5%
	special offer	1.31	- 1%	+ 1%
Germany	normal	1.29	- 1%	+ 2%
	discount	1.13	0%	+ 3%
UK (£/kg)	packed	1.19	0%	0%
	loose	0.73	+ 1%	- 18%
Spain	plátano	2.13	+ 7%	+ 20%
	banano	1.40	- 2%	- 5%

Banana

UNITED STATES

USA - Green price (spot)

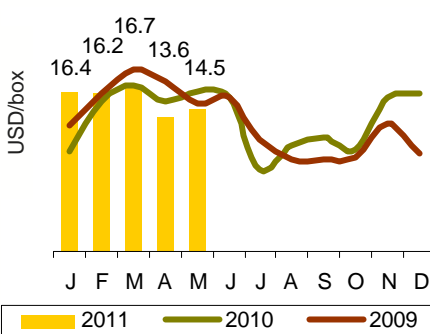


USA — IMPORT PRICE

May 2011 USD/box	Comparison	
	previous month	average for last 2 years
17.30	- 3%	+ 10%

RUSSIA

Russia - Green price

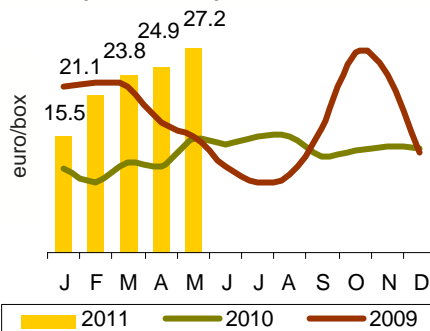


RUSSIA — IMPORT PRICE

May 2011 USD/box	Comparison	
	previous month	average for last 2 years
14.50	+ 2%	- 8%

CANARIES

Spain - Green price - Platano*



CANARIES — IMPORT PRICE*

May 2011 euro/box	Comparison	
	previous month	average for last 2 years
27.20	+ 9%	+ 78%

* 18.5 kg box equivalent

■ Banana: purée prices in Europe in March 2011.

Type of juice	Price (USD/t)	Origin	Observations
Aseptic purée, 22° Brix	650-720 fca Holland duty zero-rated	Ecuador	Prices increased slightly. Demand was still strong for both fresh fruits and purée.
Organic ss aseptic, 22° Brix	1 280 fca Holland df		

Note: fca: free carrier / df: duty free / Source: MNS-ITC Geneva

■ 87.5% of Spaniards prefer 'Platano de Canarias'! This was shown by an opinion poll conducted by GFK at the request of the Canary banana promotion collective. Slightly more than 10% of the persons questioned had no opinion and less than 3% said that they preferred the other types of banana. The president of ASPROCAN justified the preference by mentioning the unique taste of 'platano' that results from a longer production cycle and a later cutting time allowed by the very short duration of transport from the Canaries to Spain. And you don't count the cost when you like something, as is shown by retail prices at the record level of over EUR 2.20 per kg in early June in comparison with less than EUR 1.40 per kg for other bananas.

Sources: ASPROCAN, CIRAD



© Charles de Wulf

that is to say nearly EUR 15! And the situation is unlikely to change before August when the first fruits from replantings should arrive on the market. Payment by cheque or bank card is accepted for two fingers or more...

Source: Sapisco



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EUROPE — IMPORTED VOLUMES — MAY 2011

Origin	Comparison		
	April 2011	May 2010	cumulated total 2011 compared to 2010
French West Indies	↗	+ 15%	- 12%
Cameroon/Ghana	↗	- 4%	- 19%
Surinam	↗	+ 37%	- 2%
Canaries	=↘	- 17%	- 11%
Dollar:			
Ecuador	=↘	+ 27%	+ 22%
Colombia*	↗	- 2%	- 6%
Costa Rica	↘	- 10%	- 4%

* total all destinations

Mango

May 2011

Benefiting from the late, complex start of shipments from West African sources (as a result of the political events in Côte d'Ivoire), Peruvian shipments of small quantities continued until mid-May. Sales were increasingly difficult as retail distributors dereferenced this source, favouring countries that were starting their shipments. In addition, the uneven quality of the last batches caused a gradual worsening of prices.

In parallel, Brazil returned to the leading position of supplier of the European market with moderate quantities that dipped during the month. Brazilian supply was dominated by 'Tommy Atkins', completed by smaller batches of 'Keitt' and 'Palmer'. These fruits were sold mainly on the northern European markets at falling prices (EUR 6.00 to 4.50 per box) because of problems of quality and fading demand.

It is difficult to estimate the volumes shipped from West Africa but they increased throughout the month in spite of the logistic problems experienced by exporters in Côte d'Ivoire, Mali and Burkina Faso. 'Kent' from these sources sold well, especially during the first half of the month when volumes were small. Prices then weakened because of fierce competition from seasonal fruits (strawberries, cherries, melons, stone fruits, etc.) that were available in large quantities at very attractive prices.

Complementary batches of 'Keitt' from Puerto Rico counter-balanced the dip resulting from uncertainties in West African shipments. The Dominican Republic started its season in the second half of the month with 'Keitt', with prices more or less matching competing fruits.

On the air shipment market, arrivals from Côte d'Ivoire were particularly large, making up from time to time for

shortages of goods shipped from the same source by sea. These arrivals caused the gradual saturation of the market, with prices falling at the end of the month. The multiplication of deliveries from Côte d'Ivoire also affected demand for fruits from Mali and Burkina Faso whose quality was more uneven and demand for these fruits collapsed. The sale of varieties other than 'Kent' became particularly difficult and even impossible, causing the halt of shipments in mid-month.



© Denis Lohliet

■ Mango: juice and purée prices in Europe in March 2011.

Type of juice	Price (USD/t)	Origin	Observations
Aseptic concentrate, 28° Brix, 'Totapuri'	1 600-1 700 fca Rotterdam	India	The high prices of the last harvest affected sales to the point at which Indian producers had to sell off their stocks at low prices to make room for the new harvest. Economic problems in the Middle East, where the countries are generally good customers, put sales of purée and concentrate of Indian varieties under pressure. According to preliminary information, the 'Alphonso' and 'Totapuri' harvest should be good but late. Demand is still excellent in Europe and North America.
Aseptic purée, 14-16° Brix, 'Totapuri '	1 075-1 100 cfr Rotterdam		
Aseptic purée, 17° Brix, 'Alphonso'	1 600-1 700 fca Rotterdam		
Aseptic concentrate, 28-30° Brix, 'Palmer'	1 380-1 400 fob Santos	Brazil	
Aseptic concentrate, organic, 28-30° Brix, 'Palmer'	2 100 fob Santos		
Aseptic concentrate, 28-30° Brix, 'Tommy Atkins'	1 350-1 400 fob Santos		
ss aseptic, 14-16° Brix, 'Tommy Atkins'	925-950 fob Santos		
Aseptic concentrate, 28° Brix, in bulk, 'Tommy Atkins'	1 500-1 550 fca Holland	Mexico	
ss frozen, 14-16° Brix, 'Chato d'Ica'	1 100 cfr Rotterdam	Peru	
Aseptic concentrate, 28° Brix, 'Maaddalena'	1 475 cfr Europe	Colombia	

Note: fca: free carrier / cfr: cost and freight / fob: free on board / Source: MNS-ITC Geneva

MANGO — ARRIVALS (ESTIMATES) Tonnes

Weeks 2011	18	19	20	21
By air				
Mali	80	80	60	30
Burkina Faso	15	20	20	30
Côte d'Ivoire	100	150	110	100
By sea				
Brazil	1 540	1 100	950	770
Peru	840	-	22	-
Côte d'Ivoire	220	440	660	880

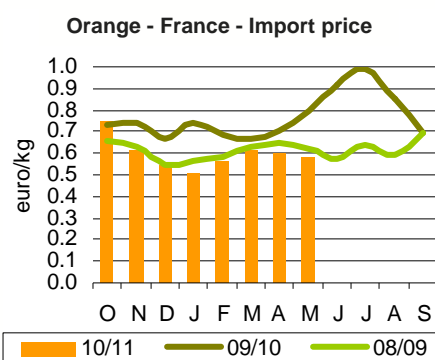
MANGO — IMPORT PRICE ON THE FRENCH MARKET — Euro

Weeks 2011		18	19	20	21	May 2011 average	May 2010 average
By air (kg)							
Mali	Amélie	2.50	2.50	-	-	2.50	2.40-2.50
Mali	Valencia	2.50-2.80	2.50-2.80	-	-	2.50-2.80	2.60-3.25
Mali	Kent	2.50-3.50	2.00-3.50	2.00-3.00	1.80-2.50	2.10-3.10	3.00-3.70
Burkina Faso	Kent	2.50-3.00	2.00-2.50	2.00-2.80	1.80-2.20	2.10-2.60	2.85-3.35
Côte d'Ivoire	Kent	3.50-4.00	3.50	3.50-4.00	2.00-3.50	3.10-3.75	3.80-4.25
By sea (box)							
Peru	Kent	5.00-6.00	5.00-5.50	5.00	-	5.00-5.50	-
Côte d'Ivoire	Kent	7.00	5.50-6.50	5.00-6.00	4.00-5.00	5.35-6.10	4.55-5.50
Puerto Rico	Keitt	5.00-5.50	5.00-5.50	5.00-5.50	4.00	4.75-5.10	nd
Dominican Rep.		-	-	5.00-5.50	5.00	5.00-5.25	nd

Orange

May 2011

The market remained difficult and prices low. Demand did not recover and the early production of seasonal fruits accentuated the sluggishness seen since the beginning of the year. In this context, the Spanish 'Navelate' season continued, especially as the uneven quality of a proportion of the supply slowed sales even more. Releases of 'Valencia Late' were also slow, with prices nearing rock bottom at the import and production stages. Given these conditions, Moroccan exporters concentrated on the busy domestic market at the approach to Ramadan. Several batches of 'Maltese' from Tunisia completed supply at the beginning of the month.



■ **Orange juice: the Garcia Carrion group has big ambitions.** The Spanish group that specialises in beverages is to invest massively to develop its own orange juice production. The sum of EUR 120 million is to be used to double the processing capacity of the Villanueva de los Castillejos plant near Huelva and a further 70 to 80 million to develop 3 000 ha of orange plantations. The group says that it wishes to be able to process nearly 1 million tonnes of oranges per year in ten years time, that is to say about 300 000 t more than the average volumes processed in Spain in recent years.

Source: diariodesevilla.es

■ **Argentina: the vector of greening, but not the disease, detected in Tucuman.** An Asian psyllid that is potentially vector of the most severe form of greening was identified at the end of May in the Tucuman region, the site of more than 80% of Argentina's enormous area under lemon. The insect was identified in an urban zone and did not carry the disease, that is nevertheless present in neighbouring Brazil.



Source: ATC

■ **Fresh lemon market: belief in the sector in Argentina.** After stagnating at about 43 000 ha since the mid-2000s, Argentinian lemon plantations should display a noticeable increase if the investments planned by two large agroindustrial groups are made. La Morajela, with a cultivated area of 30 000 ha, should double the 2000 ha currently under lemon with an investment of 50 million dollars. The Avellanada and Pablo Padilla group have decided to plant a further 3 000 ha. These investments will be made in the leading Tucuman region. The aim is the fresh fruit market as the prospect of the opening of the United States market seems to be increasingly credible.

Source: Reefer Trends



photos © Régis Demergue

■ **Oranges from Morocco: first exports to China in 2010-11.** Three containers of oranges were exported to the Chinese market that was opened officially last season on condition that a sanitary protocol is respected. The chairman of the Delassus group that made these first shipments invited the other Moroccan exporters 'to board the train before the departure'.

Source: Reefer Trends

PRICE	Type	Average monthly price euro/box 15 kg	Comparison with average for last 2 years
	Dessert oranges	9.00-9.50	- 20%
	Juice oranges	8.50-9.00	- 14%

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Dessert oranges	↘	- 16%
	Juice oranges	↗	- 30%

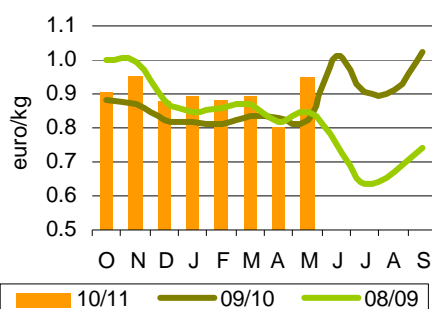
VOLUMES	Varieties by source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Valencia Late from Morocco	↘↘	- 28%	Concentration on the domestic market. Very limited volumes for the EU because of prices.	- 36%
	Navelate from Spain	↘↘	- 16%	Limited supply maintained throughout the month and often consisting of large fruits of sometimes uneven quality.	- 24%
	Valencia from Spain	↗	- 28%	Peak season. Slow sales.	- 36%
	Maltese from Tunisia	↘↘	na	Last volumes at the beginning of the month.	+ 3%

Grapefruit

May 2011

Under-supply kept prices high even though demand was very slow. Supply from the southern hemisphere was moderate. Arrivals from South Africa were larger than during the poor 2010 season but remained small, while the decline of plantations in Argentina is increasingly obvious from one year to the next. In addition, the northern hemisphere sources shipped only limited volumes (last significant shipments from Florida and Israel in April). Supply was completed by a few shipments from Spain and Corsica. This resulted in prices holding at a level significantly higher than average for fruits from all sources, but with the difference remaining considerable between Mediterranean fruits and those from Florida or South Africa.

Grapefruit - France - Import price



PRICE	Type	Average monthly price euro/box 17 kg box eq.	Comparison with average for last 2 years
	Tropical	17.00	+ 11%
	Mediterranean	11.50-12.00	+ 13%

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Tropical	↗	- 10%
	Mediterranean	↘	+ 51%

VOLUMES	Source	Comparison	
		previous month	average for last 2 years
	Florida	↘↘	na
	Israel	↘↘	+ 36%
	Argentina	↗↗	- 80%
	South Africa	↗↗	+ 24%

■ Citrus: juice prices in Europe in March 2011.

Type of juice		Price (USD/t)	Origin	Observations
Orange	FCOJ, 66° Brix,	2 600-2 700 fca Holland dup	Brazil	The NFC market seems to have recovered, with larger exports from Brazil and the USA. The European market in particular displayed good growth. Retail prices increased in Europe and the USA for all forms of orange juice. The coming Brazilian harvest should be better than the last one. The Mexican and Cuban harvests seem to have low ratios.
	FCOJ, organic, 66° Brix,	4 500 fob Santos		
	NFC	600-750 fob Santos		
	NFC	400 euro/t ex-works	Spain	
	NFC	480-500 euro/t cfr Northern Europe	Greece	
	FCOJ, 66° Brix, blood orange	2 850-3 050 euro/t ddp Holland df	Italy	
Grapefruit	Frozen concentrate, 58° Brix, red	2 450-2 550 fca Holland	Florida	Sales of concentrate and NFC seemed to show signs of recovery in the United States. Indeed, prices firmed and increased, even though they remained well below the levels observed five years ago. Cuban production was recovering strongly after hurricane damage sustained three years ago. Its outlets benefit from duty-free access to the EU but it has no access to the US market.
	Frozen concentrate, 58° Brix, pink	2 300-2 450 fca Rotterdam		
	Frozen concentrate, 58° Brix, white	2 350-2 500 fca Rotterdam		
	Frozen concentrate, 58° Brix, red	1 950-2 050 fob Cuba	Cuba	
	Frozen concentrate, 58° Brix, white	2 000-2 100 fob Cuba		
	Frozen concentrate, 58° Brix, coloured	2 150-2 200 fca Holland	Mexico	
Lemon	Frozen concentrate, cloudy, 500 gpl	4 250-4 400 fca Rotterdam	Argentina	March stock levels were practically nil. However, distinctly better supply from Argentina was hoped for and a large harvest in Spain. This should meet demand on the fresh fruit and juice markets.
	Frozen concentrate, clear, 500 gpl	5 200-5 400 cfr Rotterdam		
	Frozen concentrate, cloudy, 400 gpl	3 500 euros/t cip Europe	Greece	
Lime	Frozen concentrate, cloudy, 400 gpl, 8% pulp	2 500 fob Santos	Brazil	Demand for fresh fruits and juice was strong while supply of fresh lemon was short. Prices seemed to dip in the expectation of a good lemon harvest in Argentina.
	Frozen concentrate, clear, 400 gpl, 8% pulp	4 100 fob Santos		

Note: fca : free carrier / dup: duty unpaid / fob: free on board / cfr: cost and freight / ddp: delivered duty paid / df: duty free / cip: carriage and insurance paid to / Source: MNS-ITC Geneva

Observations	Comparison		Cumulated total / cumulated average for last 2 years
	previous month	average for last 2 years	
Only a few batches received in April were still available.	↘↘	na	- 16%
Last shipments limited in the first half of the month.	↘↘	+ 36%	+ 12%
Very limited arrivals (production decreasing strongly because of much grubbing up).	↗↗	- 80%	- 80%
Return to a normal arrivals calendar after a late 2010 season. Volumes distinctly larger than last season's but smaller than those of 2007, 2008 and 2009.	↗↗	+ 24%	+ 24%

Sea freight

May 2011

After a reasonably encouraging start to the year for operators May's charter market performance delivered below-breakeven returns to those owners who had gambled on one final voyage prior to lay-up: or to those who made one-way fixtures to the breakers. Given the pessimistic forecast for the mode and the endemically high cost of fuel it is perhaps surprising that fewer than 20 vessels have been fixed for recycling so far this year. While it is true that some of the smaller units have been sold into China, never therefore to return to haunt the transatlantic Spot trade, there are many more fuel-inefficient larger units that would do the market a big favour by disappearing for good. The May monthly TCE average of around 30c/cbft compares to last year's 51c/cbft corresponding average. The 40% reduction is recorded despite only a USD 0.15c year-on-year per-box fall in the average monthly box rate fixture – from approx USD 5.90 per box to USD 5.75. The difference in yield is, of course, explained by the almost 50% rise in bunker prices over the period. It appears that despite the ongoing cull in specialised reefer units there is sufficient capacity, both specialised and reefer box, to keep a lid on the charter market. With the oil price forecast to remain high on the one hand and ever more reefer equipment being manufactured on the other it is difficult to see how this post-peak scenario will improve for reefer operators. It is without doubt that it is the massive incursion into Ecuadorian banana exports by the container lines that has put the charter market under so much pressure. After a steady rise in market share since 2005 this year more bananas will be shipped in reefer boxes than on specialised reefer vessels for the first time. In 2005 a total of 49 000 reefer boxes were shipped out of Ecuador – by 2010 this figure had more than doubled to 110 000: in weekly terms, from just under 1 000 boxes per week to just over 2 000 boxes per week. If the first three months of 2011 are a reliable guide, this figure will show a further upwards leap.

And while Maersk can lay claim to pioneering the conversion of the Ecuadorian banana trade, it is arguably MSC that has done the most damage over the past 24 months: in 2008 the line didn't load a single box – the next year it shipped 2 500 FFE and in 2010 11 800. In Q1 this year it had a 35% share of box shipments, only 2 percentage points behind Maersk, which has seen its share dip below 40% of reefer box shipments for the first time. While MSC's achievement in grabbing market share is certainly impressive, it has not been without its problems. Whether the line manages to retain what it has built remains to be seen. The increase in box traffic from Ecuador has led to increases in shipments to the US, EU and most importantly Russian market, which has seen a 30% rise in imported bananas year to date, according to CIRAD data. Russia has also absorbed more Argentinean, Chilean and South African fruit than ever before at this stage of the year. The general oversupply of tonnage made life even more difficult for the smaller segment, which is already struggling because of the high fuel cost. The segment was hit by the seasonal fall in demand (end of potatoes, citrus) and reduction in the fish catch off Mauretania and poultry cargoes. On a more positive note for operators the reefer mode held its own in the seasonal trades out of Argentina and Chile: although market share of loadings may have dipped, this was due to an increase in total volumes. In absolute terms the reefers lifted a similar quantity in 2011 as they had in 2010, proving the point that there are certain trades where demand for reefers is more inelastic than in others.

■ The European litchi market in May. Supply of litchis to the European market from Thailand was steady but small in May. The fruits from this source were shipped mainly by air whereas batches were already arriving by sea at the same time in previous years. The development of sales of seasonal produce, accelerated by particularly warm weather in April, seems to have left no room for this exotic fruit. Thai litchis were sold on the Dutch and Belgian markets at EUR 8.00-8.50 per kg, weakening to EUR 7.00-7.50 per kg at the end of the month. The French market was supplied only occasionally from the Netherlands. Demand remained marginal as fruits from Thailand were sold only on a specific order basis. Supply was completed by a few batches from Mexico but the fruits were small and not very attractive and this did not encourage traders to continue to sell them. It seems that litchi sales during the European spring are responding to ever smaller demand in the face of European fruits that are more firmly fixed in consumption habits.



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Source: Pierre Gerbaud

MONTHLY SPOT AVERAGE

US\$/cents/cubic foot x 30 days	Large reefers	Small reefers
May 2011	30	48
May 2010	51	55
May 2009	29	49

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