

Close-up

COCONUT



<http://passionfruit.cirad.fr>

Winter tomato: an early 2011-2012 season

The world banana market:
a crisis more structural than conjunctural

Litchi from Madagascar: progress!

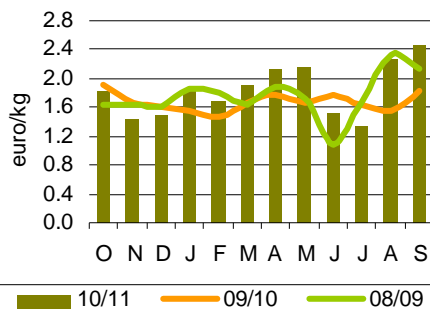
The European papaya market:
unfulfilled promise

Avocado

September 2011

The market remained extremely tense, justifying the maintaining of exceptionally high prices. Average volumes of 'Hass' were received in September, with the large quantities from Peru making up for the very early end of the South African season. However, there were no stocks at the beginning of the month and arrivals of green varieties were extremely small. Prices therefore continued to rise, reaching a record level in mid-month. Waning demand caused by dissuasive retail prices resulted in a fall in prices in the second half of the month even though arrivals were very limited. However, the average monthly price is one of the highest observed at this time of year. In particular, prices of green varieties on the northern European markets reached a historic level, running higher than those of 'Hass'.

Avocado - France - Import price



■ Towards better control of alternate bearing of avocado? The physiology of the avocado tree displays a strong imbalance between strong production of flowers and the small number of fruits that it can bring to maturity because of the poor photosynthetic efficiency of its leaves. In years of large production, the plant devotes a large proportion of its carbon reserves to the growth of fruits at the expense of shoot and the next flowering. Yield can thus double from one season to the next. Professor Carol Lovatt of University of California, Riverside, has developed a trunk injection treatment that limits the phenomenon and increases yields. Before possible marketing, an international consortium has been set up to test this promising technique in the major producer countries.

Source: freshfruitportal.com



© Eric Imbert

California, which celebrated the centenary of its avocado industry this year, were also candidates. The event held in Cairns in September drew 850 professionals from all over the world. More than 200 presentations were given on subjects ranging from agricultural techniques to trade. Most of them can be found on the website of the congress:

<http://www.worldavocadocongress2011.com/>

Source: World Avocado Congress

■ World Avocado Congress: from one side of the Pacific to the other. After Chile in 2007 and Australia this year, Peru will organise the 8th World Avocado Congress in 2015. Colombia and Cali-

■ New Zealand avocado exporters want to profit from the booming Japanese market. The two main companies that are active on this market are Avanza, which controls most of the vol-

umes, and Seeka, more known for kiwis. They plan to increase their shipment five-fold in 2011-12. After stagnating at 25 000-30 000 t per year until 2008-09, Japanese avocado imports have increased by 10 000 t in the last two years.

Source: Reefer Trends



© nzavocado.co.nz

PRICE	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Green	6.00-8.00	+ 30%
	Hass	10.00-10.50	+ 25%

VOLUMES	Varieties	Comparison	
		previous month	last 2 years average
	Green	↘	- 27%
	Hass	↘	- 3%

VOLUMES	Source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Peru	=↘	+ 148%	Very large volumes of 'Hass' at the beginning of July, subsequently decreasing until the end of August but remaining distinctly larger than average.	+ 27%
	South Africa	↘↘	- 36%	Season extended in Europe. Very large arrivals, especially of 'Hass', until the end of the month.	- 35%
	Kenya	↘	- 2%	Limited import flow consisting mainly of 'Hass' until the end of the month.	- 5%

Banana

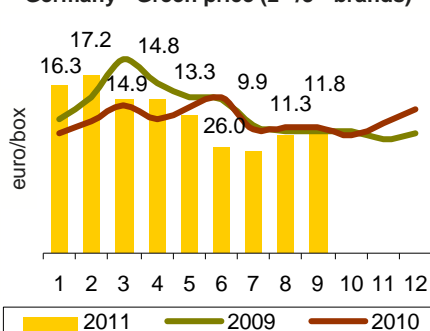
September 2011

Recovery seems to have been more laborious than in past years. Nevertheless, supply was slightly short, with cumulated shipments from dollar sources only average. The large volumes of fruits from Ecuador were compensated by the small arrivals from Costa Rica, with deliveries from Colombia being normal for the season. Supply from Africa remained stable and moderate and not compensated by volumes from the West Indies that were nonetheless larger than average. But demand was very sluggish. Hotter weather than usual for the season affected banana consumption throughout Europe. Competing fruits were also strongly present at aggressive prices: the table grape seasons in Italy and France were early and collided and the apple crops were very present in certain Eastern European countries. Sales were particularly slow in Eastern Europe where the weakness of the local currencies weighed retail prices. In this context, prices firmed only a little in comparison with those of August, with the monthly average ranging from normal in Germany to 5 to 10% lower than average in Eastern Europe, France and Italy. However, the Spanish and Russian markets started to recover after a difficult summer.

GERMANY — GREEN PRICE

September 2011 euro/box	Comparison	
	previous month	average for last 2 years
11.80	+ 4%	- 2%

Germany - Green price (2nd/3rd brands)



■ **Panama: end of the banana plantations on the Pacific coast?** The crisis experienced by the Panama banana industry has resulted in halving of the cultivated area in ten years. The plantations on the Pacific coast have been hardest hit: at the end of 2010, only 700 ha of banana plantations remained in this part of the country, while the national total was still 7 400. Thus producers in this zone have practically disappeared from the list of international market suppliers: their exports were close to 14 million boxes in 2001 but only a million boxes were shipped in the first seven months of 2011. The rise in cost price and the absence of a guaranteed minimum price as applied in neighbouring countries might sink the remaining plantations.

Source: Reefer Trends

■ **Containerisation: the boom continued in Ecuador in 2010.** The number of containers shipped by banana operators increased for the fourth year running, reaching a record 68 500 in 2010. The total was less than 19 000 in 2006. The record should be beaten for the fifth time in 2011 as 28 000 containers were exported in the first quarter alone!

Source: Reefer Trends

■ **Start of the banana war in the United Kingdom!** As in October every year, the retail prices of bananas started to fall, just like the leaves falling from the trees. Tesco has launched the offensive this year and was obviously followed by ASDA a few days later. Will prices fall to £0.55 per kg as in November 2010? We shall see. But there is no

doubt that this supermarket war seems to be a sacrificial rite for the producers who suffer every year.

Source: Reefer Trends

■ **The average per-hectare yield of banana plantations in Ecuador is still 30% less than in Colombia or Costa Rica.** At the second World Banana Congress in Guayaquil (Ecuador), the delegates present learned that the two main problems of the Ecuadorean banana industry are low average productivity in comparison with its main competitors and the lack of a research centre. The banana yield in Ecuador is 1 716 boxes per ha in comparison with 2 500 boxes per ha in Costa Rica and Colombia, and the figure is even higher in Guatemala. If Ecuador were to increase productivity to the level of that of its competitors, its export potential would be well in excess of 340 million boxes per year (6.8 million tonnes). In the first eight months of 2011, the value of Ecuadorean exports totalled some 1.54 billion US dollars!

Source: Reefer Trends



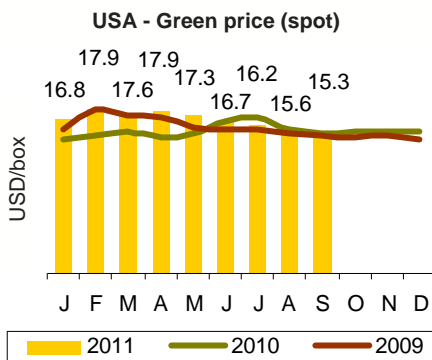
© Denis Loeillet

EUROPE — RETAIL PRICE

Country	type	September 2011		Comparison	
		euro/kg	August 2011	average for last 3 years	
France	normal	1.46	0%	- 1%	
	special offer	1.03	- 21%	- 23%	
Germany	normal	1.08	0%	- 3%	
	discount	0.96	+ 2%	+ 3%	
UK (£/kg)	packed	1.25	+ 2%	+ 7%	
	loose	0.70	- 2%	- 17%	
Spain	plátano	1.88	- 10%	+ 10%	
	banano	1.28	- 2%	- 12%	

Banana

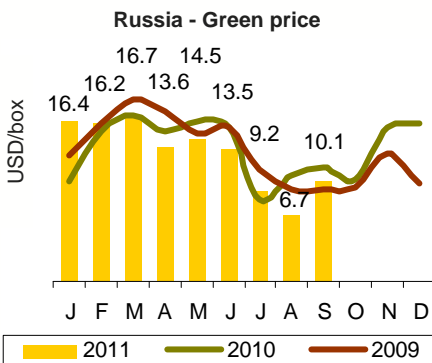
UNITED STATES



USA — IMPORT PRICE

September 2011 USD/box	Comparison	
	previous month	average for last 2 years
15.30	- 2%	+ 1%

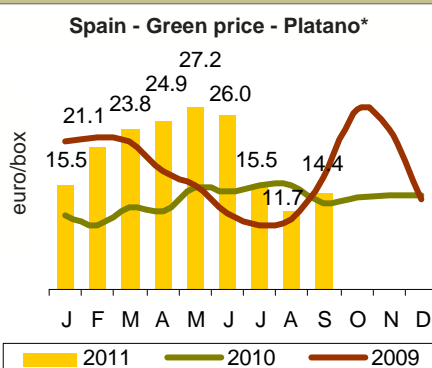
RUSSIA



RUSSIA — IMPORT PRICE

September 2011 USD/box	Comparison	
	previous month	average for last 2 years
10.10	+ 52%	- 4%

CANARIES



CANARIES — IMPORT PRICE*

September 2011 euro/box	Comparison	
	previous month	average for last 2 years
14.40	+ 23%	- 2%

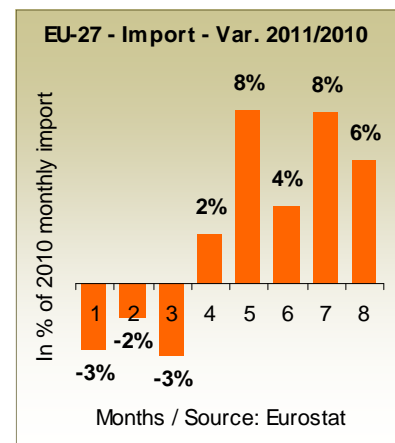
* 18.5 kg box equivalent

■ EU banana supply: + 6% in August. European banana imports increased for the fifth month running. After increasing by 8% in July (in comparison with 2010), August ended at + 6% (provisional figure). In five months (April to August), an extra 100 000 tonnes was released on the market. The extra volumes totalled 68 000 tonnes in the first eight months as there was a distinct dip in the first quarter as a result of weather damage in production zones at the end of 2010. Ecuador and Costa Rica are leading the attack with growth rates of 10 and 6% respectively in 2011. The opposite trend is seen in Colombia and Panama (- 2 and - 15%). The ACP group displays a 3% dip with enormous disparities as the Dominican Republic has scored a 10% increase. Cameroon, Ghana and Côte d'Ivoire are having a pretty bad year with decreases of 9, 7 and 3% respectively. Supply from EU production zones is down by 6% overall, with marked dips in the Canaries (- 13%) and Martinique (- 7%). Only Guadeloupe is doing better, with an exceptional increase of some 83% in eight months with more than 37 000 tonnes sold.

There has not been a higher figure than this since 2004.

The United States market has performed well in terms of both volume and value. Net supply increased by 2% (+ 48 000 tonnes). Guatemalan exports to the United States display a record 13% increase, placing this source firmly in the position of leading supplier; it is deserting the EU market. Ecuadorean exports to the US are down by 9%, confirming the country's choice of the European market. Costa Rica, as in the EU, is re-establishing its former position in the US with a 10% increase.

Source: CIRAD



Banana - January to August 2011 (provisional)

	2009	2010	2011	Variation 2011/2010
000 tonnes				
EU-27 — Total supply	3 364	3 445	3 490	+ 1%
Total import, of which	2 996	3 046	3 114	+ 2%
MFN	2 373	2 363	2 453	+ 4%
ACP Africa	334	359	337	- 6%
ACP others	289	324	324	0%
Total EU, of which	368	399	377	- 6%
Martinique	107	126	117	- 7%
Guadeloupe	31	20	37	+ 83%
Canaries	216	240	208	- 13%
Madeira, Greece, Crete	13	12	14	+ 16%
USA — Imports	2 405	2 763	2 822	+ 2%
Re-exports	369	338	349	+ 3%
Supply	2 036	2 425	2 473	+ 2%

EU sources: CIRAD, EUROSTAT (excl. EU domestic production) / USA source: US customs

EUROPE — IMPORTED VOLUMES — SEPTEMBER 2011

Origin	Comparison		
	August 2011	September 2010	cumulated total 2011 compared to 2010
French West Indies	↘	- 1%	+ 5%
Cameroon/Ghana	↗	- 27%	- 15%
Surinam	↗	+ 11%	+ 15%
Canaries	↗	0%	- 13%
Dollar:			
Ecuador	↘	+ 4%	+ 19%
Colombia*	↗	- 5%	- 3%
Costa Rica	=	- 2%	- 8%

* total all destinations

Orange

September 2011

The market rose for most of the month. First, demand became slightly brisker when schools opened again. Second, the marked supply deficit continued. The Spanish 'Valencia' season finally came to an end and southern hemisphere supplies (South Africa and Argentina) remained short. Prices thus firmed to 10% above average at the end of the month. The market for small fruits was particularly tense.

■ 'Greening' still spreading towards northern Mexico. Infected orange trees have been detected near La Paz in the south of the state of Baja California Sur. The disease is now only a thousand kilometres for the frontier of the United States and the southernmost citrus groves in California.

Source: SAGARPA

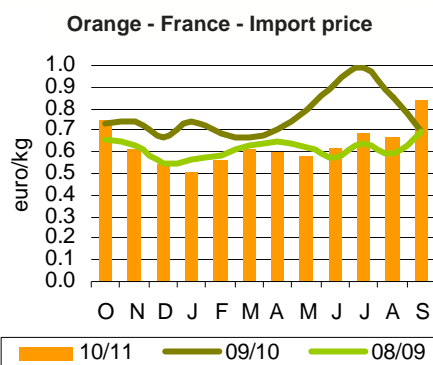
■ A hymenoptera to help in Brazilian orange groves. Scientists at ESALQ (Sao Paulo, Brazil) are about to perform the first field releases of *Tamarixia radiata*. Laboratory trials have shown that this insect is effective in the biological control of greening. It reduces the population of *Diaphorina citri*, the vector of the disease, by eating the larvae. If the results of field trials are conclusive, *Tamarixia radiata* multiplication centres may be set up. However, the research team running the trials stresses that this control method will only be a supplementary tool in control of the disease and not an eradication method.

Source: FoodNews

million field boxes forecast would be a 2% increase on the last season but 9% lower than the average. An important point to be stressed for grapefruit is that fruit size will increase from distinctly smaller than average in 2010-11 to distinctly higher than the average in 2011-12.

The last census of Florida citrus growing is fairly encouraging for grapefruit. Although area are still decreasing quite fast, the number of trees seems to be practically stable at 5.3-5.4 million since 2010. But orange is still decreasing markedly. Even if the collapse of 2004 to 2008 is over, slightly more than a million trees have been lost each year since 2009, that is to say about 2% of the total.

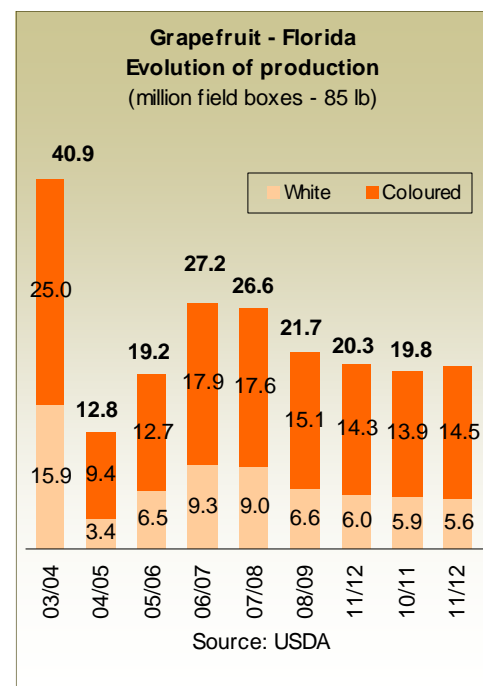
Source: USDA



PRICE	Type	Average monthly price euro/box 15 kg	Comparison with average for last 2 years
	Dessert oranges	na	na
	Juice oranges	11.50-12.00	+ 6%

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Dessert oranges	↗	- 11%
	Juice oranges	↘	- 11%

VOLUMES	Varieties by source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Valencia from Argentina	↗	+ 42%	Peak season. Large shipments concentrated on the EU.	- 5%
	Valencia from S. Africa	↗	- 21%	Peak season but volumes limited as a result of production losses and the saturation of the European market at the beginning of the season.	- 23%
	Navel from S. Africa	↘↘	- 12%	Last limited volumes.	- 11%



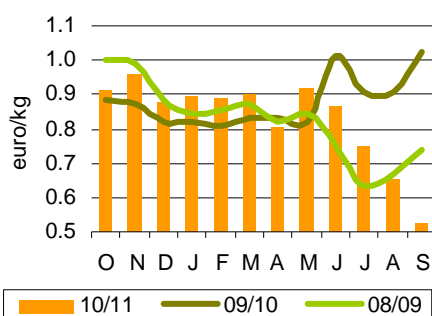
Source: USDA

Grapefruit

September 2011

'Catastrophic' is the best word to describe the market in September. Even though arrivals from South Africa were very moderate, practically nothing was shipped from Argentina and the large volumes carried over from August weighed on the market, especially as the quality of some batches was not excellent. Only promotion operations were able to generate a little demand during the slow summer period. The average monthly price reached hitherto unplumbed depths. In this context, arrivals from Mexico found it very difficult to gain a position on the market and the prices had to match the very low prices of fruits from other sources.

Grapefruit - France - Import price



■ **Brazilian orange juice exports: NFC overtakes concentrate!** Brazilian single juice exports have overtaken those of concentrated juice for the first time with shipments totalling 382 000 t from January to May in comparison with 362 000 t. This change in the Brazilian industry to the advantages of NFC has taken less than ten years as the first significant exports of NFC did not start until 2002. This change also demonstrates the upward movement in quality of the European market, the main export destination.

Source: FoodNews

■ **Moroccan citrus: record production in 2011-12.** The coming harvest should total a record 1.9 million tonnes. Rainfall has been quite ample and weather conditions were favourable during the key physiological stages of flowering and setting. The growth dynamics of citrus planting is now emerging. However, the 570 000 t planned for export is only about 8% more than last season's figure and still slightly less than the volumes shipped in 2006-07 and 2007-08. The still-growing domestic market should take a fair proportion of the production increase, especially oranges, especially as Ramadan at the beginning of the summer should boost domestic sales of 'Maroc Late'. Easy peeler exports should be stable at about 350 000 tonnes. The very small increase expected for clementines (about 220 000 t in comparison with 216 000 t in 2010-11) and 'Nadorcott' (about 40 000 t in comparison with a little more than 38 000 t in 2010-11) should be counter-balanced by a decrease in 'Nour' (73 000 t against 79 000 t) and other varieties of small fruits.

Source: l'Economiste



■ **A compound in grapefruit effective in the treatment of Alzheimer's disease?** According to a study conducted by an Indian team and published in a Japanese scientific journal, naringin can have a positive effect in the treatment of Alzheimer's disease. This flavonoid is found above all in grapefruit. The treatment is reported not to address the symptoms but to have an effect on the causes of the disease, with no secondary effects.

Source: Hindustantimes.com

PRICES	Type	Average monthly price euro/box 17 kg box eq.	Comparison with average for last 2 years
	Tropical	8.50- 9.00	- 41%

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Tropical	↓↓↓	- 29%

VOLUMES	Source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Argentina	↓↓↓	na	Last marginal shipments.	- 53%
	Mexico	↓	na	Arrivals distinctly larger from mid-September onwards and larger than those of the preceding season.	na
	South Africa	↓↓↓	- 29%	Last limited arrivals with volumes smaller than average but very large stocks were available at the beginning of the month.	+ 12%

Pineapple

September 2011

September was a particularly difficult month for pineapple sales. Supply of 'Sweet' remained fairly small throughout the month but this did not prevent a fall in prices, caused mainly by lack of interest in this fruit. Demand was very slow throughout the month.

Poor sales followed by the forming of stocks occurred on several occasions. These batches were gradually put back on the market and this often aggravated poor sales as there were both good quality and poorer quality fruits. Supply of 'Sweet' was very unbalanced throughout the month, with large quantities of large fruits for which there was little demand. In spite of an attempt to set up promotion operations, sales remained very small. Buyers sought fruits of sizes 8 and 9, supply of which was small. At the beginning of the second half of the month, the late arrival of ships re-stimulated demand. However, this was very short as demand soon decreased, accentuating the fall in prices. Fine weather and the availability of seasonal fruits until the end of the month weighed on sales of 'Sweet'.

'Smooth Cayenne' was almost completely absent throughout the month. The arrival of 4 or 5 palettes was reported here and there but it was difficult to assess supply on the basis of such small quantities.

The situation was fairly good on the air pineapple market. Relatively limited supplies sold well at fairly firm prices. Fruits from Benin were slightly more sought-after for their quality and colour. Supply of 'Sugarloaf' pineapple sold fairly amply throughout the month at EUR 1.80 to 2.00 per kg.

Supply of 'Victoria' increased slowly but surely and it was possible to gradually place fruits with wholesalers and specialised shops.

■ Litchis from Madagascar: a responsible sector. The experience of the 2010-2011 season has been beneficial. It will be remembered that the German market was closed to litchis from Madagascar when a large retail distributor found a few batches of fruits whose sulphur content exceeded the maximum residue limits allowed by the European Union. The market was then lastingly disturbed, with disastrous financial results.

Profiting from the inter-season period, the litchi sector has structured itself in such a way as to prevent a reoccurrence of last year's problems. The *Groupe des Exportateurs de Litchis de Madagascar* (GEL) is benefiting in the 2011-2012 season from powers delegated by the Madagascar authorities in order to organise exports with the aim of improving fruit quality and respecting European regulations. Combining the expertise of *Centre Technique Horticole de Tamatave* (CTHT) and with support from Coleacp/PIP, the GEL has applied a series of measures to that formally involve all the operators who wish to export litchis to the European Union.

In order to be certain that the sulphur treatment procedure developed more than 20 years ago by CIRAD (France) is still valid and that no new technique is available today, the GEL has produced a *Guide sectoriel d'autocontrôle* (Sectoral self-monitoring guide) that will enable operators to master the various stages from harvesting to shipping. The guide proposes HACCP type hazard analysis and the actions to be performed to keep risks within the framework of the regulations in force.

The Madagascar litchi sector is

also training the staffs of sulphur treatment and packing stations. This is accompanied by the technical upgrading of treatment installations. The size of the fumigation chambers and the apparatus for the extraction of residual sulphur after treatment are inspected and changed if necessary.

It is obligatory for each of the 25 stations to receive approval from a competent technical committee before the start of the season. If approval is not given, the station in question will be forbidden to operate.

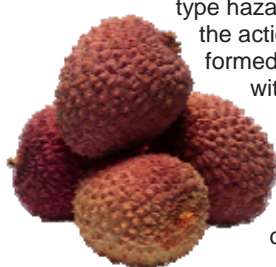
In parallel, the control capacity of CTHT has been strengthened considerably by the purchase of additional laboratory equipment. Capacity for analysis has been doubled.

This plan is combined at the downstream end of the chain with the strengthening of controls on arrival in Europe. Importers are improving their approach radically by speeding up the sulphur analysis process. The results of the analyses will be available a few hours after the unloading of the produce and ready to be handed to distributors.

This broad-based plan assembling the skills of numerous participants should restore the confidence of all the stakeholders in the Madagascar litchi sector: consumers, distributors, importers and exporters.

The sector has been taken in hand. All operators have learned from last year's lesson. This is extremely important as the production aspect of the season is a source of income for tens of thousands of families in Madagascar.

Source: GEL



PINEAPPLE — IMPORT PRICE

Weeks 36 to 39	Min	Max
By air (euro/kg)		
Smooth Cayenne	1.80	1.95
Victoria	3.00	3.80
By sea (euro/box)		
Sweet	6.00	9.00

PINEAPPLE — IMPORT PRICE IN FRANCE — MAIN ORIGINS

Weeks 2011		36	37	38	39
By air (euro/kg)					
Smooth Cayenne	Benin	1.85-1.90	1.80-1.95	1.80-1.95	1.80-1.90
	Cameroon	1.85-1.90	1.80-1.90	1.80-1.90	1.80-1.90
	Ghana	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90
Victoria	Réunion	3.30-3.60	3.30-3.80	3.30-3.80	3.30-3.60
	Mauritius	3.00-3.30	3.30-3.50	3.30-3.50	3.00-3.30
By sea (euro/box)					
Sweet	Côte d'Ivoire	6.50-9.00	6.00-9.00	6.00-8.50	6.00-8.50
	Cameroon	6.50-9.00	6.00-9.00	6.00-8.50	6.00-8.50
	Ghana	6.50-9.00	6.00-9.00	6.00-8.50	6.00-8.50
	Costa Rica	6.50-9.00	6.00-8.50	6.00-8.00	6.00-7.00

Mango

September 2011

The shortage of fruits on the European market at the beginning of the month contributed to maintaining high, firm prices for the fruits from Brazil, Israel and Puerto Rico that formed the bulk of supply. From the second week of the month, the fairly high prices caused a decrease in demand, especially from supermarket chains. While supply remained stable, a weakening of the price of sea mangoes affected 'Tommy Atkins' from Brazil in particular. The prices of the other varieties held up better, and the downward trend did not become perceptible until the end of the month.

The Spanish season that had started slowly in the second half of August speeded up with mainly 'Osteen' and batches often consisting of large fruits that were difficult to sell on a market where demand was for medium-sized mangoes. The prices fell throughout the month as deliveries were stepped up. The price ranges broadened because of sizes that were sometimes unsuitable for demand but also according to quality (varying stage of ripeness) and the trade channels used. A few batches of 'Tommy Atkins' and 'Irwin' were also shipped from Spain and were sold at around EUR 7.00 per box and from EUR 5.00 to 5.50 per kg respectively. In the second week of September, Morocco, a new source for the mango market, supplied 'Osteen', thus positioning itself in the same section of the market as Spain. The prices of these fruits soon matched those of Spanish produce.

The air market was supplied mainly by Israel. Prices of 'Kent' were fairly stable in spite of a slight dip in the second half of the month. In contrast, for want of buyers the price of other varieties such as 'Omer' and 'Kasturi' lost considerable ground in the second half of the month. Meanwhile, deliveries of 'Kent' from Brazil got under way and although modest soon made the market heavy. With little colour and only just ripe, these mangoes hit competition from Israeli and Spanish fruits. Supply from Brazil was completed by a few batches of 'Haden', with better colour. Batches of 'Kent' were shipped from Egypt and fetched EUR 3.50 – 4.00 per kg.

Litchi

September 2011

The European litchi market was scantily supplied in September. The season for sales of 'Mauritius' litchi from Israel ended in the first half of the month. The price fell from EUR 3.50 to 3.00 per kg in mid-month, mainly on the Belgian and Dutch markets. The weakening of prices was caused by small demand and also by a worsening of the quality of the last batches to arrive. On the French market, the Israeli season continued until the end of September with the variety 'Yellow Red'. The price of these fruits was steady at EUR 5.00 to 5.50 per kg, falling to EUR 4.50-5.00 at the end of the month. More spherical than 'Mauritius', this variety displayed satisfactory colour overall and good taste qualities. In contrast, they did not keep for long and needed to be sold quickly on a market that was not very interested in this produce or its high price in comparison with competition from other, cheaper fruits. Volumes of 'Yellow Red' exports were limited to a few pallets per week. Several batches of litchis from Spain were also available on the French market but the quantities concerned were very small.

■ Japan opens the door to Pakistani mangoes. Exporters should be able to start shipping mangoes to Japan in 2012. The fruits must first receive steam heat treatment to ensure that they are free of fruit flies. Japan imports 10 000 to 12 000 tonnes of mango per year, mainly from Mexico and the Philippines, minor suppliers of the EU.

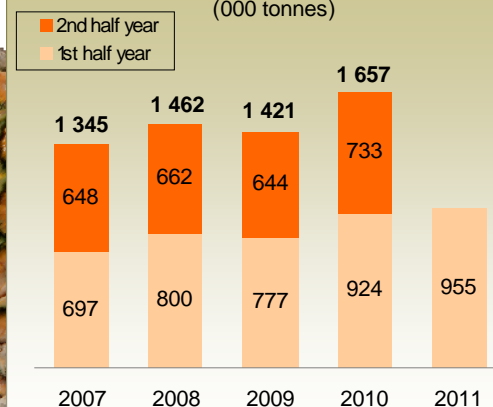
Source: Reefer Trends

■ Pineapple outweighs banana in Costa Rica. It is reported that the area under pineapple is 46 000 ha against 43 000 ha for banana. Costa Rica controls nearly 70% of the world pineapple trade with more than 1.6 million tonnes in 2010. Nearly 80% of the area is in the Huetar zone in the north of the country.

Sources: Reefer Trends, CIRAD



Pineapple - Costa Rica - Exports
(000 tonnes)



Source: PROCOMER

MANGO — ARRIVALS (ESTIMATES)
Tonnes

Weeks 2011	36	37	38	39
By air				
Israel	20	20	20	20
Brazil	20	10	20	30
By sea				
Brazil	1 600	1 760	1 900	2 110

MANGO — IMPORT PRICE ON THE FRENCH MARKET — Euro

Weeks 2011	36	37	38	39	Sept. 2011 average	Sept. 2010 average
By air (kg)						
Israel Kent	3.50-4.00	3.00-3.80	3.00-3.30	3.00-3.50	3.10-3.70	3.50-4.20
Israel Other varieties	3.00-3.50	2.50-3.00	2.50-3.00	2.50	2.60-3.00	3.50-4.90
Brazil Kent	4.00-4.30	4.00	4.00	4.00	4.00-4.10	3.65-4.15
Brazil Haden	3.80-4.00	3.80-4.00	4.00-4.50	3.70-4.30	3.80-4.20	3.60-4.10
By sea (box)						
Brazil Tommy Atkins	5.50-6.50	5.50	4.00-5.00	3.00-4.00	4.50-5.25	3.60-4.40
Puerto Rico Keitt	5.50	4.50-5.00	4.50-5.00	4.00	4.60-4.90	-
Israel Kent/Keitt	5.50-6.00	5.50-6.00	5.50-6.50	5.00-5.50	5.40-6.00	4.60-6.10
By road (box)						
Spain Osteen	6.00-10.00	7.00-9.00	6.00-9.00	6.00-8.00	6.25-9.00	7.30-9.00
Morocco Osteen	-	9.00-9.50	8.50	8.00	8.50-8.65	-

Sea freight

September 2011

Reefer owners go into negotiations for Period renewals with sand starting to shift under their feet: while the prolonged and historically weak off-season Spot market will have eroded any positive sentiment engendered by a solid February to April peak season, the real damage is being done by the container lines. Not only have Maersk and MSC undermined the historically reefer-dependent Black Sea Spot banana markets they have both started to erode the banana majors' loyalty to the specialised mode.

It emerged during September that Chiquita is to containerise (Maersk) its US west coast supply from Puerto Quetzal, while it has reorganised its transatlantic schedule in order to take advantage of a low-cost MSC service from Costa Rica into Bremerhaven. Elsewhere and after having worked to switch JFC away from reefers into the Black Sea, the Russian multi-national has itself switched allegiance from MSC to Maersk, thereby forcing MSC into tempting Noboa with a similarly cut-price deal for its Med custom.

The pressure is beginning to build: with Dole abandoning its 5 vessel service from Ecuador into the Med, Del Monte redelivering Family Class units to NYK-Cool, and Fyffes on the verge of containerising one of its two transatlantic strings, reefer operators are being battered by a number of headwinds. It is hard to escape the conclusion that unless more vintage tonnage is removed permanently and soon there will be a glut of top-end capacity with nowhere to go but a seriously compromised Spot market at the start of 2012.

It is possible in the short term that the defectors may return if the lines' performance does not match promises – however in the grand scheme of things such an occurrence would make little difference to the long term or probably

even the medium term outlook for the specialised reefer.

It is not just the massive investment in shipping (slot capacity and reefer equipment) being made by the lines that is threatening the mode: it is also the investment in reefer infrastructure at either end of the shipping leg that is carrying the case. One day all of this investment will, of course, have to be paid for – by that time the specialised reefer may be a distant memory and the lines will be able to name their own terms.

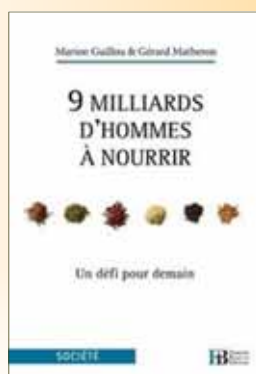
With one or two exceptions charterers and cargo interests are notoriously short-sighted: very few can see beyond the next 2 or 3 seasons, let alone have a 5 or 10 year plan. In contrast the shipping lines work in a different spatio-temporal dimension – over what time frame for example, does Maersk subsidiary APM Terminals plan to amortise its US\$1bn terminal on the Costa Rican coast?

■ **La Niña: shoot again, same player.** The US National Oceanic and Atmospheric Administration (NOAA) has announced the return of La Niña for the second year running. Surface water off Ecuador is colder than average. This is a sign of a winter that might be marked again by heavy rain in Colombia, colder and wetter weather in the north-western US, hotter, drier weather from south-west California to Florida, etc. Light rain is expected in the coastal regions of Ecuador. The heaviest rain in Peru will be in the northern region. However, meteorologists indicate that the effects of La Niña are less marked when the phenomenon occurs two years running.

Sources: NOAA, CIIFEN, Reefer Trends

■ **Are we heading for a major world food crisis?** After several carefree decades, public opinion is gradually realizing the extent of the challenges we face. Moreover, to feed at least nine million human beings satisfactorily by the year 2050, we will have to produce growing quantities of food that satisfies increasingly stringent quality requirements. We will have to respect the environment more. We will also have to allow for the fact that some of the available land will be needed to produce energy and industrial goods, or to store carbon or protect biodiversity. This will mean innovating, reducing loss and waste, cutting excessive, unbalanced food consumption, and at the same time, freeing the billion or so people who currently go hungry from the poverty trap.

Source: CIRAD



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MONTHLY SPOT AVERAGE

US\$/cubic foot x 30 days	Large reefers	Small reefers
September 2011	19	43
September 2010	47	58
September 2009	29	52

