

March 2014 - No. 220

# FR*ui*TROP

English edition

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## Banana

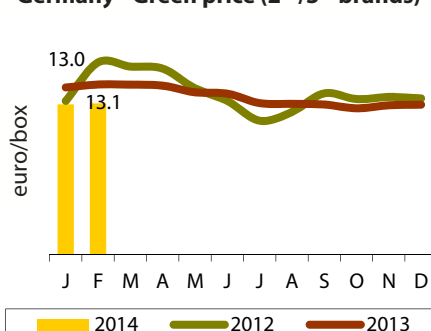
### February 2014

In February, the difficult banana market started to recover a better balance. The seasonal increase in volumes from the French West Indies and Africa continued, with combined imports 23 % above average. The dollar banana supply, very high in January, registered a considerable fall, returning to a seasonal level. Furthermore, quality problems on some of the Colombian volumes led to merchandise rejections, and storms in the Atlantic disrupted the logistics, temporarily intensifying the supply dips. Hence a shortage of fruits began to be felt on the North European markets. Sales picked up considerably in February, on both local and export markets, because of the waning small citrus season (fall in volumes, less competitive prices) and very mild temperatures for the season. In addition, promotions at the yellow and retail stages also helped maintain a good sales dynamic. Hence green banana prices strengthened slightly from mid-February. Conversely, levels in France remained short of the average (- 16 %). In Germany, rates remained unchanged at below-average levels for the season (- 16 %), due to the contracts set in January, though they began to strengthen on the free market. Russia maintained a good balance thanks to smaller dollar banana volumes, due to the rise in FOB prices in Ecuador and a distinct fall in the rouble/dollar exchange rate. Finally, only the Spanish market started to sway, because of the seasonal rise in volumes from the Canaries, which registered above-average levels (+ 6 %).

#### NORTHERN EUROPE — IMPORT PRICE

February 2014 euro/box	Comparison	
	previous month	average for last 2 years
13.14	+ 1 %	- 16 %

#### Germany - Green price (2<sup>nd</sup>/3<sup>rd</sup> brands)



### ■ Climate forecasts in South America for the period March to May 2014.

Statistical analysis by 380 meteorological service stations of nine South American countries shows an increased probability of above-normal rainfall, especially in the following regions:

- Colombia: Caribbean and Andean regions;
- Ecuador: central and northern Andean regions;
- Peru: central and southern Andean regions.

The rainfall could be below normal in the central coastal region of Ecuador.

Above-normal maximum temperatures could occur in Colombia (Caribbean and Andean regions) and in Ecuador (Andean and central coastal regions). Conversely, below-normal temperatures are predicted in northern Ecuador (Andean region) as well as Peru (central and southern coast of the country).

For the moment, it would be very premature to talk about a climate phenomenon such as El Niño.

Source: CIIFEN

### ■ And the winner is... Fyffes!

The news has gone well beyond the boundaries of the fresh fruits and vegetables sector. All the big press agencies, i.e. all the media as a whole, have picked up on this item. Two giants of the sector, Chiquita and Fyffes, have officially announced their engagement, which will be consummated by the end of 2014 if the competition authorities give the green light. The merged entity would have a total turnover of some 4.6

billion USD, practically exclusively in the banana, pineapple and snacking products. The post-merger governance will apparently be slightly in favour of Chiquita, whose shareholders hold 50.7 % of voting rights. Yet we should recall that Chiquita in fact provides two-thirds of the turnover. For its part, Fyffes will hold 49.3 % of the merged entity, though it contributes only one third of the revenue to the couple's basket. True, it also provides the opportunity of generating margins and profits, which Chiquita now does only very rarely. It is also a marriage between relatives, since Fyffes belonged to Chiquita until 1986. Finally, it is a logical match, since both entities complement each other well, particularly on the markets under their control. Chiquita contributes the highly enclosed North American market, and Fyffes the highly fragmented European market. The analysis should also take into account Fyffes' commercial links with its offshoot Total Produce, created in 2006 following the separation and stock market floatation of the Irish company's more downstream (spin-off) activities. Although it is an independent entity, we can imagine that certain good relations will have lasted, and be maintained under the new merged entity.

Hence without Total Produce, the new group would hold a banana market share of 30 %, at world or European level, a production base (own or under contract), transport capacities (own or under contract), a network of ripening centres, etc. FruiTrop will come back to this merger at length in its banana dossier of April 2014, based on the analyses proposed by some experts from the sector.

Source: CIRAD

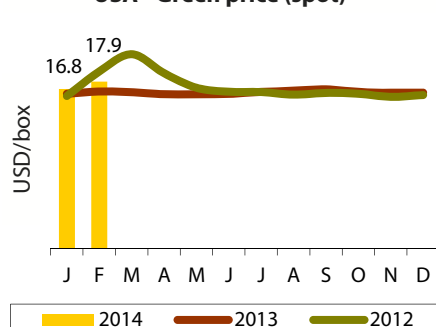
#### EUROPE — RETAIL PRICE

Country	type	February 2014			Comparison	
		euro/kg	January 2014		January 2014	average for last 3 years
France	normal	1.56	+ 1 %		- 2 %	
	special offer	1.37	0 %		+ 1 %	
Germany	normal	1.27	- 2 %		- 7 %	
	discount	1.18	0 %		- 1 %	
UK (£/kg)	packed	1.15	- 1 %		- 7 %	
	loose	0.73	- 4 %		- 6 %	
Spain	plátano	1.98	- 3 %		+ 9 %	
	banano	1.34	- 2 %		- 2 %	

## Banana

UNITED STATES

USA - Green price (spot)

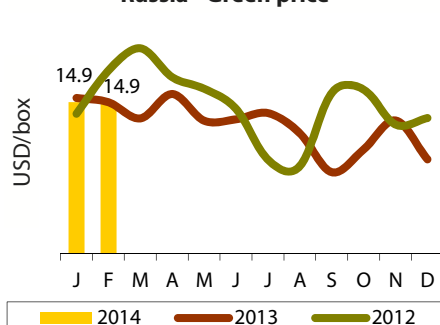


USA — IMPORT PRICE

February 2014 USD/box	Comparison	
	previous month	average for last 2 years
17.10	+ 5 %	0 %

RUSSIA

Russia - Green price

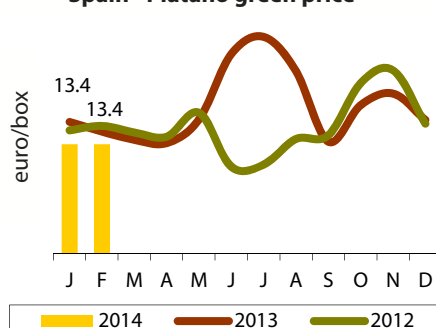


RUSSIA — IMPORT PRICE

February 2014 USD/box	Comparison	
	previous month	average for last 2 years
14.90	0 %	- 9 %

CANARIES

Spain - Platano green price\*



CANARIES — IMPORT PRICE\*

February 2014 euro/box	Comparison	
	previous month	average for last 2 years
13.40	0 %	- 13 %

\* 18.5-kg box equivalent

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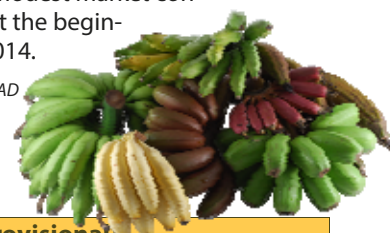
## ■ US and EU banana supply: an upside-down world in January 2014.

The EU continued on its 2013 trajectory. It imported 6 % more bananas than in January 2013, and 11 % more than the 2011-2012-2013 average. In absolute terms imports were up 22 000 t for a total of 424 000 t, an all-new record. With the exception of Cameroon, all the Extra-Community suppliers contributed to the market growth. Both proportionally and in absolute value, the Dominican Republic scored best with a 31 % gain from January 2013, for a volume of 5 800 t. Africa has stagnated, with Côte d'Ivoire rising steeply (+ 3 000 t), but Cameroon falling steeply (- 3 000 t). The ACP suppliers have been doing excellent business, with a historically high volume brought to market for a January. As for the dollar sources, only Peru has cut its supply, by approximately 7 %. However, we should beware the data about this source. Indeed, some utterly staggering statistics were provided by European statistics (Eurostat) for November and December 2013. If we add national

production to imports, we can confirm the positive trend of the market in terms of volume. European production is up 2 % to 47 000 t (excluding sales in the production regions). Compared to January 2013, Martinique is down again 4 %, with the Canaries holding up (+ 1 %) and Guadeloupe confirming its great shape (+ 23 %).

For once, the situation for the United States is very different. There the market is falling; but no need to panic. The fall is only 1 %, i.e. slightly more than 3 000 t. There is still a comfortable "surplus" above the 2011-2012-2013 three-year average: 14 400 t. Ecuador, Colombia, Mexico and Honduras are driving down the market, whereas Costa Rica is having a field day: + 12 122 t, i.e. + 17 % from January 2013! Re-exports to Canada are rising vigorously (+ 7 %), which also explains the very modest market contraction at the beginning of 2014.

Source: CIRAD



Banana - January 2014 (provisional)

tonnes	2012	2013	2014	Difference 2014/2013
<b>EU-27 — Supply</b>	<b>429 809</b>	<b>445 945</b>	<b>470 529</b>	<b>+ 6 %</b>
<b>Total import, of which</b>	<b>379 319</b>	<b>400 168</b>	<b>423 644</b>	<b>+ 6 %</b>
MFN	306 204	321 194	339 223	+ 6 %
ACP Africa	40 034	48 786	48 987	0 %
ACP others	33 082	30 188	35 434	+ 17 %
<b>Total EU, of which</b>	<b>50 491</b>	<b>45 777</b>	<b>46 885</b>	<b>+ 2 %</b>
Martinique	12 547	9 968	9 555	- 4 %
Guadeloupe	5 040	5 040	6 192	+ 23 %
Canaries	31 150	29 601	29 969	+ 1 %
<b>USA — Import</b>	<b>361 009</b>	<b>378 291</b>	<b>378 226</b>	<b>0 %</b>
Re-exports	40 011	43 239	46 414	+ 7 %
Net supply	320 998	335 053	331 812	- 1 %

Sources EU: CIRAD, EUROSTAT (excl. EU domestic production) / Source USA: US Customs

EUROPE — IMPORTED VOLUMES — FEBRUARY 2014

Source	Comparison		
	January 2014	February 2013	2014 cumulative total compared to 2013
French West Indies	↗	+ 15 %	+ %
Cameroon/Ghana/Côte d'Ivoire	=	+ 15 %	+ 3 %
Surinam	=	- 2 %	- 4 %
Canaries	↗	+ 5 %	+ 3 %
Dollar:			
Ecuador	↘	+ 38 %	+ 43 %
Colombia*	=	+ 2 %	- 3 %
Costa Rica	=	+ 28 %	+ 28 %

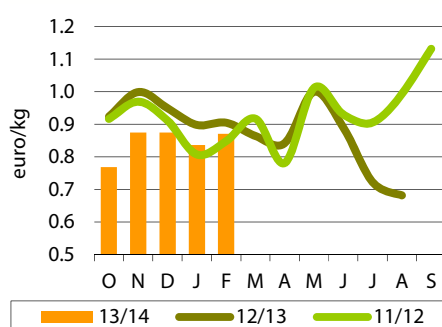
Estimated thanks to professional sources / \* total all destinations

## Grapefruit

February 2014

The market remained catastrophic for Mediterranean sources. Firstly, sales remained slow throughout the European Community. Secondly, while the overall Mediterranean supply continued to register a below-average level, the competition between sources was very lively. Turkish operators, faced with a considerable fall in Russian demand, proved particularly aggressive. The market remained barely average for Florida, both in terms of volumes sold and the sale prices.

Grapefruit - France - Import price



PRICE	Type	Average monthly price euro/box 17-kg box eq.	Comparison with average for last 2 years
	Tropical (Florida)	17.00	- 1 %
	Mediterranean	10.00	- 5 %

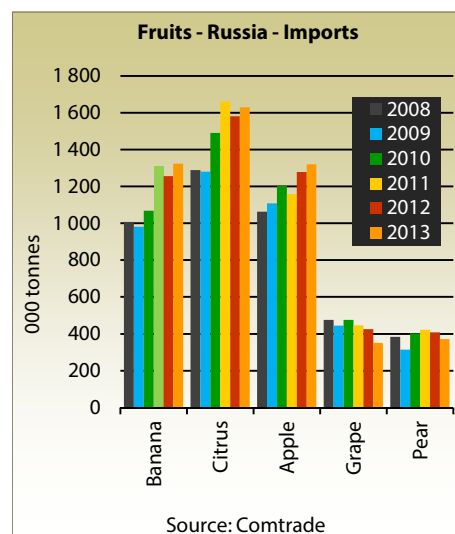
VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Tropical (Florida)	↗	+ 2 %
	Mediterranean	↘	- 12 %

VOLUMES	Sources	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	Turkey	↗	+ 31 %	Shipments to the EU still large and well above average, because of the steep downturn in Russian and Ukrainian demand.	+ 14 %
	Florida	↗	- 1 %	Average supply level maintained in Europe, despite overall exports well below normal (steep fall in shipments to Japan).	- 13 %
	Israel	↘	- 20 %	Exports to EU below average because of the very difficult market situation. Attempted diversification of outlets (Asia, etc.).	- 13 %

### ■ Russia: an increasingly basic fruit market in 2014, as in 2013?

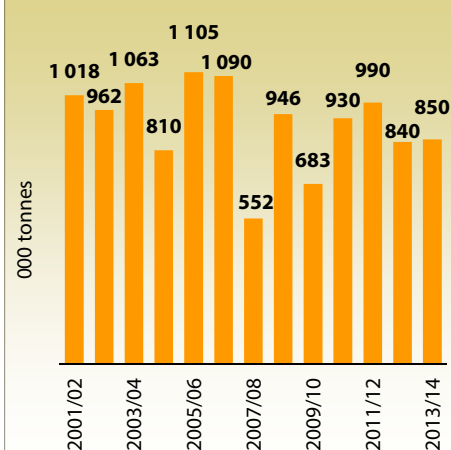
This is the conclusion emerging from the report on the fruit trade in Russia in 2013, published by Fruitnews.ru. While imports have remained stable in terms of volume from 2012, the section staples have taken on a bigger role, to the detriment of higher-range fruits. Hence imported volumes of the three section leaders (citruses, banana and apple) are up 3 to 5 %, while fruits such as the grape and pear are down by very considerable amounts. Another highlight is that the pressure on purchase prices from international suppliers has never been as high. This trend is probably associated with structural changes in the organisation of the import sector. Indeed, big supermarkets such as MAGNIT are increasingly making direct purchases, and also taking advantage of a less organised supply, due to the closure of Moscow's main wholesale market, Petrovskaya, the return of certain suppliers such as Georgia, the blowout of the supply from certain traditional suppliers, etc. This downward levelling phenomenon could extend through 2014, given the fall in the purchasing power of Russian consumers, and the collapse of the rouble, making retail prices of imported fruits more expensive.

Source: Fruitnews.ru



Source: Comtrade

Lemon - Spain - Production



Source: Ailimpo

### ■ Lemon: tension on the European market at the end of the winter season?

The Spanish inter-professional association for lemon and grapefruit (AILIMPO) revised its production forecast 50 000 t downward, with the particularly dry climate having impeded the fruit size range. At 860 000 t, the harvest is back to a level similar to



2012-13, and well below the 930 000 and 990 000 t of 2011-12 and 2012-13. So rates should remain strong in spring, and maintain a good level during the summer season, given the Argentinean shortfall (see **Fruitrop** no.218).

Source: AILIMPO

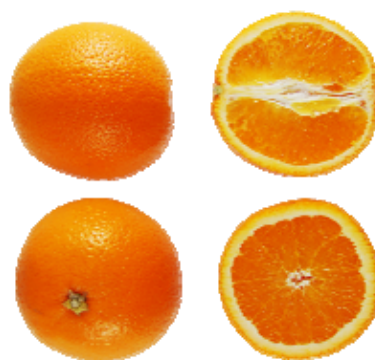
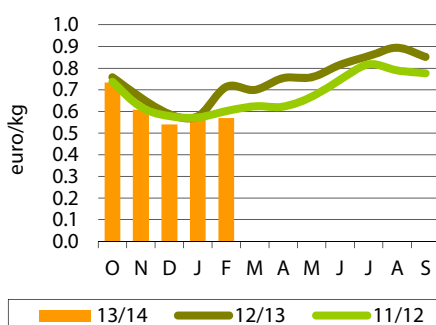


# Orange

## February 2014

The market remained extremely difficult. Demand remained slow, with temperatures very mild for the season and the sometimes heterogeneous quality level of the supply adversely affecting consumption. The Spanish Navel, with its extended season, continued to provide significant volumes for most of the month. Its prices, which remained rock-bottom, had a negative impact on the Navelate market from this same source; this variety gradually took over. Similarly, the Tunisian Maltaise was sold at barely average basic prices, despite a considerable drop in incoming shipments.

Orange - France - Import price



### Orange variety of the month:

**Valencia Late.** Originating in the Azores, Valencia is the most commonly planted variety in the world. This medium-sized variety is round and slightly oblong. The peel is thin, well-coloured and slightly grainy. The flesh is very juicy, with 2 to 4 seeds. It is also known as Maroc Late (from Morocco) and Jaffa Late (from Israel).

Source: CIRAD

### University of Florida releasing six new citrus varieties.

Half of this new range comprises grapefruits: two cultivars with an innovative non-bitter taste, and pink or red pulp, and another with red pulp which has the advantage of being harvestable over a long period. We can also find a seedless lemon in the form of Tangelo, aimed at a niche market. But without doubt, it is the rootstock "Tetrazzyg" and the industrial orange "C4-16-12" that should attract the most attention from producers. These two cultivars exhibit better greening resistance than the conventional varieties. The rapid distribution procedure approved by the University of Florida should bring down the time frame for its availability to producers to ten to fifteen years, as opposed to between fifteen and twenty years ordinarily.

Source: University of Florida

### State of emergency drought in California.

This decision was taken by Governor Brown in mid-January, with the recorded rainfall the lowest in the past 153 years! Furthermore, climatological studies indicate that precipitation should maintain a below-normal level until at least mid-April, while the snow-pack reserves are 20 % short of average. The reserves currently available mean that restriction measures of agricultural water do not need to be taken immediately. However, it is highly probable that they will come into effect if the situation does not improve very considerably in the medium term. California is the leading US agricultural State in terms of turnover (45 billion USD in 2012), thanks to its 80 500 farms. This State is of major importance for the US fruit growing sector, to which it contributes half the national turnover (42 % for citrus and 73 % for fruits other than citrus).

Source: California Department of Agriculture



PRICE	Type	Average monthly price euro/15-kg box	Comparison with average for last 2 years
	Dessert oranges	8.40	- 14 %
	Juice oranges	8.85	+ 2 %

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Dessert oranges	↗	+ 8 %
	Juice oranges	=↗	- 13 %

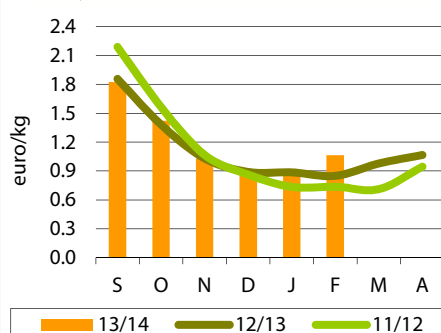
VOLUMES	Varieties by source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	Spanish Naveline	↘	+ 9 %	Season extended, because of the abundant production and poor sales in previous months. Quality often fragile, with the size range remaining on the small side.	0 %
	Spanish Navelate	↗↗	+ 7 %	Started the season on its normal calendar, with volumes slightly above average. Size range better than for Naveline.	+ 5 %
	Spanish Salustiana	=↗	- 13 %	Season in full swing, based on below-average volumes.	- 13 %
	Tunisian Maltaise	↗	- 29 %	Imports still below-average because of the very poor market context and a disappointing quality level for certain brands.	- 34 %

## Easy peelers

February 2014

The market proved relatively satisfactory, despite temperatures unfavourable for consumption. The clementine retained a bigger presence than in 2013, though relatively fragile in terms of quality. Nonetheless, the hybrids range established itself under relatively good conditions. For top-end varieties, Spanish and Moroccan Nadorcotts were sold at above-average basic prices, unlike the Israeli Or, hindered by a sometimes heterogeneous quality level and intensified competition between operators. Prices of Spanish Ortanique and Hernandine were also higher than in 2013, while the Moroccan Nour suffered from a positioning problem.

Easy peelers - France - Import price



PRICE	Varieties	Average monthly price euro/kg	Comparison with average for last 2 years
	Clementine	0.79	+ 11 %
	Hybrids	1.23	+ 26 %

VOLUMES	Varieties	Comparison	
		previous month	average for last 2 years
	Clementine	↓↓↓	+ 14 %
	Hybrids	↗	+ 2 %

VOLUMES	Varieties by source	Comparison	
		previous month	average for last 2 years
	Spanish Clementine	↘	+ 14 %
	Spanish Nadorcott	↗↗	+ 30 %
	Moroccan Nadorcott	↗↗	- 23 %
	Israeli Or	↗↗	+ 10 %

### ■ Greening in Paraguay: an additional threat to Argentinean citrus growing.

The Paraguayan phytosanitary authorities (SENAVE) confirmed in late December the presence of 63 sources of the fatal bacteriosis. This is bad news in several ways. Firstly, the disease directly threatens the 320 000 to 330 000 t production of the country's 11 000 ha of citrus orchards, primarily located in the south-east (Itapua, Alto Paraguay and Cordillera). Secondly, the vice is tightening on the big production zones in northern Argentina, already threatened to the west by the presence of the disease in Brazil (Parana). The Argentinean provinces of Corrientes and Misiones, with total cultivation areas of 17 000 and 9 000 ha respectively, border south-eastern Paraguay.

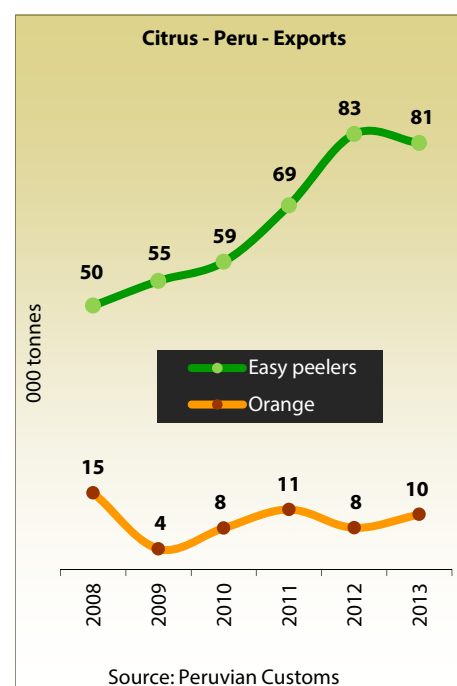
Source: abc.com.py



### ■ Peruvian citrus: planting dynamic to maintain its surge?

According to ProCitrus, Peruvian citrus exports should grow by approximately 10 %, breaking the symbolic 100 000-t mark in 2014. Big growth is expected in particular from Satsuma (+ 30 %) and W. Murcott. And Peruvian exporters are not set to stop there. According to agricultural consultant Fernando Cilloniz, the small citrus cultivation area has increased at an annual rate of between 2 000 and 2 500 ha over the past few years on the Central Coast, in the traditional growing zone situated between Huaral and Ica. The country's Plant Health Service (SENASA) is working to extend the exports approval to the United States to certain northern provinces (Libertad, Ancash) and southern provinces (Arequipa).

Sources: ProCitrus, Inform@ccion



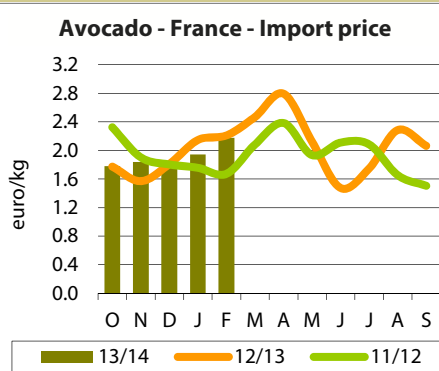
Source: Peruvian Customs

Observations	Cumulative total / cumulative average for last 2 years	
Volumes moderate from the beginning of the month, though above average. Quality sometimes heterogeneous.	+ 7 %	
Volumes high from mid-February, and well above average, because of the cultivation stock reaching its potential.	+ 48 %	
Volumes seeing late growth from mid-February. Overall imports below average.	- 23 %	
Imports rising because of the cultivation stock reaching its potential. Quality sometimes heterogeneous for certain brands.	+ 10 %	

## Avocado

### February 2014

The market remained highly buoyant, despite the abundant supply. Hass imports were already big. The Chilean season ran on, with volumes maintaining an unusually high level throughout the month. Furthermore, Spanish and above all Israeli shipments grew, peaking at a level far above average. Some batches from Mexico, Colombia and Kenya supplemented the supply. Nonetheless, the market remained balanced, at very high basic prices throughout most of the month, thanks to proper division of volumes between the various EU markets. The green avocado market took advantage of this context, with volumes sold and prices registering above-average levels.



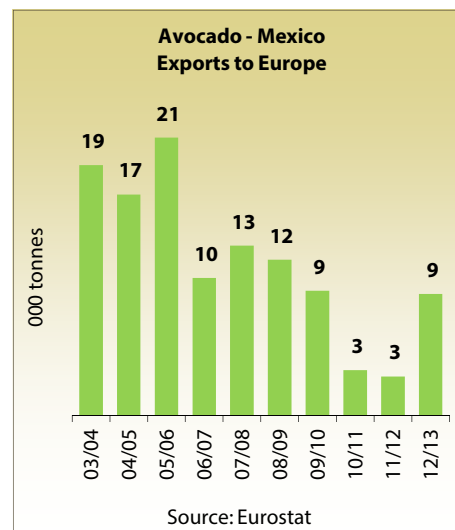
### ■ Mexican avocado: APEAM reiterating its interest in the European market... in words.

Expanding the presence of the Mexican Hass in the United States and Japan, but also Europe: this is the stated aim of the heads of APEAM (the Michoacán Association of Avocado Producers and Packers). They are even talking conquest, but without specifying the means they plan to implement in order to achieve this. While Mexico has made up some ground in Europe since 2012-13, going back over the 10 000-t mark, volumes are a long way from those seen ten years earlier, when the country was the number three supplier during the winter season, behind Israel. Nonetheless, the dizzying growth in surface areas over the past few years (see **Fruitrop** no.218) indicates that Mexican exporters will probably need medium-term diversification markets, despite the appetite of local consumers and those from the neighbouring United States.

Source: USDA

### ■ Peruvian 2014 avocado season: a steep increase in production, primarily aimed at the United States.

The expected boom in production seems to be coming to pass. According to AGAP (Peruvian Agricultural Producers Trade Union), in 2014 Peru should be able to export 140 000 t of Hass in total to all destinations, as opposed to 100 000 t in 2013. Should we expect a surge on the European market? Probably not. On the one hand, the United States market seems much more open than in 2013, despite a Mexican presence which should maintain just as high a level in the first half-year. Califor-



nia, the major market player from March to October, registered a near-record production shortage after two consecutive years of big harvests (see **Fruitrop** no.219). On the other hand, the Chilean market, close at hand and a big consumer, will be accessible for the first time this season, and should receive considerable volumes. Hence according to Peruvian professionals, volumes aimed at the EU should remain similar to the 100 000 t received in 2013, for Hass alone.

Source: Reefer Trends



PRICE	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Green	6.00	+ 17 %
	Hass	9.50-10.00	+ 12 %

VOLUMES	Varieties	Comparison	
		previous month	average for last 2 years
	Green	↘	+ 11 %
	Hass	↗	+ 40 %

VOLUMES	Sources	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	Chile	↘	+ 92 %	Hass shipments to Europe still well above average, despite a dip at the beginning of the month (impact of Chilean dockers' strike).	+ 47 %
	Mexico	↘	- 34 %	Volumes very small, with the US market remaining buoyant.	+ 25 %
	Israel	↗	+ 35 %	Volumes large, especially for Hass in the latter two-thirds of the month.	+ 11 %
	Spain	↗	+ 19 %	Imports on the rise, well above-average, with the rise in Hass still compensating for the distinct downturn in the green varieties.	- 8 %



## Pineapple

### February 2014

Demand on the pineapple market in February was highly disrupted. At the beginning of the month, when the Fruit Logistica fair was held in Berlin, sales were slow, with pressure remaining high on the less popular small sizes. The temporary increase in the Costa Rican Sweet supply at the beginning of the second half-month coincided with the start of the winter holidays. Initially, sales really came to a standstill, but then they saw some degree of fluidity thanks to re-exports and the organisation of multiple promotions. Unfortunately, the stocks clearance was detrimental to prices. No change on the Cayenne market, with the supply still highly restricted, and selling more or less well on its niche market.

In February, the air-freight pineapple supply was fairly limited. At the beginning of the month, the many quality concerns had the consequence of uncertain sales, with disputes and claims. During the first half-month, the market seemed heavy, though the supply remained limited. So the numerous quality concerns forced exporters to cut their volumes. Hence the second half-month was marked by a considerable reduction in the Cayenne supply. Until the end of the month, the market was under-supplied, which contributed to strengthening rates. The reduction of the Cayenne supply benefitted Sugarloaf sales, with rates fluctuating between 1.75 and 2.10 euros/kg throughout the month.

The Victoria supply remained fairly small. The rise in volumes in the middle of the month unbalanced the supply and widened the rates range, to the detriment of small-size fruits.



## Mango

### February 2014

The European market supply in February was practically exclusively provided by Peru. Brazilian shipments continued, but at a far lower tempo, and with a varietal turnaround: Kent completely disappeared, and Keitt and Palmer were cut back, in favour of Tommy Atkins which made up the majority of the Brazilian volumes. These products, sold primarily on the North European markets, were negotiated upward between the first and second half-month (from 4.00-5.00 to 5.00-5.50 euros/box), given the scarcity of the quantities available. The large Peruvian volumes and the normal level of demand for the time of year caused prices to stagnate. However, an improvement in the market conditions from the previous month was observed. In the middle of the month, a gradual switch took place: small-size fruits, previously in the majority, became scarcer in the Peruvian supply, in favour of larger fruits. Initially, the rate for large sizes rose, but it

fell rapidly when they became predominant in the incoming shipments. The price ranges remained fairly wide throughout the month, due to the reversal of the size proportions, but also because of qualitative problems, especially on fruits that had been through more or less prolonged storage.

The air-freight mango market, always difficult at the beginning of the month, improved bit by bit. The big fall in supply levels caused by the change of harvest zone (switching from the Piura region to Casma) led in the second half-month to a sale price re-evaluation, to back above the 4.00 euros/kg threshold.

#### MANGO — INCOMING SHIPMENTS (estimates in tonnes)

Weeks 2014	6	7	8	9
<b>Air-freight</b>				
Peru	100	40	50	60
<b>Sea-freight</b>				
Brazil	660	480	460	480
Peru	5 630	3 740	6 730	5 150

EUROPE

#### MANGO — IMPORT PRICE ON THE FRENCH MARKET

Weeks 2014	6	7	8	9	Average February 2014	Average February 2013
<b>Air-freight (euro/kg)</b>						
Peru Kent	3.00-4.00	3.50-4.00	3.50-4.20	4.00-4.50	3.50-4.15	3.55-4.30
<b>Sea-freight (euro/box)</b>						
Peru Kent	3.00-5.00	4.00-5.00	4.00-5.00	4.00-5.00	3.75-5.00	3.85-5.00

#### PINEAPPLE — IMPORT PRICE

Weeks 6 to 9	Min	Max
<b>Air-freight (euro/kg)</b>		
Smooth Cayenne	1.70	2.00
Victoria	2.20	4.00
<b>Sea-freight (euro/box)</b>		
Smooth Cayenne	6.00	8.00
Sweet	6.00	8.50

EUROPE

#### PINEAPPLE — IMPORT PRICE IN FRANCE — MAIN SOURCES

Weeks 2014	6	7	8	9
<b>Air-freight (euro/kg)</b>				
Smooth Cayenne	Benin	1.85-1.95	1.85-2.00	1.85-2.00
	Cameroon	1.70-1.90	1.70-2.00	1.70-2.00
	Ghana	1.85-2.00	1.85-2.00	1.85-2.00
Victoria	Réunion	3.50-3.60	3.50-3.80	2.40-4.00
	Mauritius	3.00-3.30	3.00-3.30	2.20-3.00
<b>Sea-freight (euro/box)</b>				
Smooth Cayenne Sweet	Côte d'Ivoire	6.00-8.00	6.00-8.00	6.00-8.00
	Côte d'Ivoire	7.00-8.50	7.00-8.50	7.00-8.50
	Ghana	7.00-8.50	7.00-8.50	7.00-8.50
	Costa Rica	6.50-8.50	6.00-8.00	6.00-7.50



## Sea freight

### February 2014

What appeared to be the start of a strong peak season as recently as mid-January evaporated before the eyes of reefer operators during February due to factors largely beyond their control. With the container lines reverting to aggressive pricing policies in order to re-gain the Ecuadorian banana volumes lost last year, the immediate future for those vessels that rely exclusively on the charter market looks unpromising.

Developments in Ecuador assumed a greater importance because of developments, mostly weather-related, elsewhere in South America. After a strong start to the season Chilean grape volumes from the major production regions were as low as initially forecast. There was just about enough fruit for vessels to load without incurring dead freight, but revised forecasts suggest there is little likelihood of the need for additional capacity prior to the April USDA Marketing Order deadline. Charterer CSAV redelivered vessels early while the shortage of grapes may also reduce sailings to Russia and N Cont later in the season, which will impact on the demand for both reefer and container line services.

Argentinean deciduous shippers switched the majority of their cargo into third-party liner services: during the month spot requirements were few and far between while the Star Reefers and Baltic Shipping services into St Petersburg were less regular. It is both baffling and ironic that shippers have chosen this year to 'defect' from the specialized reefer given the logistical issues the industry has in exporting to Argentina's major markets: while each and every reefer is loading without problems from San Antonio Este, containerized cargo shipped from SA Oeste encountered delays and potential quality and customer consequences as it was

obliged to re-route via Brazil and not Uruguay.

After a strong run stretching back to last September the small segment came under some rates pressure as demand tapered off, principally due to a surplus of expensive frozen fish in West African coldstores. By the end of the month it appeared as if equilibrium had been restored, partly because of a resurgence in demand in Nigeria and partly because the Lavinia fleet was being absorbed in the South Atlantic for the seasonal squid catch. If demand here for capacity is as strong as anticipated the market should at worst remain in equilibrium until mid-April. However there is significant upside potential if demand for the larger units recovers.



#### ■ Litchi: a quick end to the season.

The early start to the Madagascan litchi trading season hinted that the end would come just as early, like last season. And that is indeed what happened. The final batches were sold in early February at falling rates, of around 1.50-1.80 euro/kg for fruits of satisfactory quality. Certain merchandise was rejected from the market for quality reasons. Ageing of the fruits, alongside the lack of interest from the distribution sector, put an end to the 2013-14 season. Sales of South African litchis extended until the middle of the month, with marginal quantities. The decent quality of these last shipments enabled prices to hold up, or even increase for the big sizes (2.75-3.75 euros/kg). The moderation of volumes available, considering all sources, and their compatibility with the various trading phases from December to February, made the 2013-14 season an undeniable economic success.

Source: Pierre Gerbaud

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#### MONTHLY SPOT AVERAGE

USD cents/cubic foot x 30 days	Large reefers	Small reefers
February 2014	70	79
February 2013	89	107
February 2012	39	55

