

December 2014 - No 228

FR*ui*TROP

English edition

Close-up Pineapple

www.fruitrop.com

**Peruvian
asparagus**

**Showing its true
colours through
the storm**

Banana

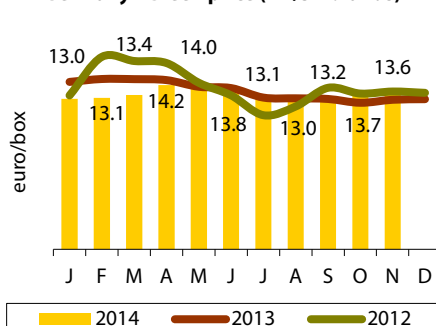
November 2014

The banana market, after weakening through October, was left swaying in November. However, volumes from all sources started to fall from the production peaks of the previous month. Volumes from the French West Indies and Africa decreased, while maintaining average levels for the season. The dollar banana supply remained slightly above average (+ 7 %), despite the end of the Costa Rican production peak, the slight downturn from Ecuador and the Colombian shortfall, still in place though less pronounced. However, demand started to show more significant signs of weakness on the various markets, due to lower promotional intensity for the banana and the stronger presence of seasonal fruits (clementine and apple) at competitive prices. Above all, the East European markets began to run out of steam because of the growing pressure from supplies at competitive prices (stocks from Western Europe and volumes transferred from the Russian market). Hence green banana prices, after several months of high levels, returned to average for the season in week 47, and there were stocks available on most of the markets. In Russia, the market continued to sink into crisis because of a historically slow demand, despite the fall in banana imports. In Spain, the Canaries platano supply rose further, returning to a seasonal level toward the end of the month, and prices remained stable and high throughout the period.

NORTHERN EUROPE — IMPORT PRICE

November 2014 euro/box	Comparison	
	previous month	average for last 2 years
13.64	- 1 %	+ 2 %

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



■ **European banana market: should we fear the apple?** 2013 showed more than ever the importance of consumption transfer phenomena in the world of fruits and vegetables, when the scarcity of the European apple led to soaring retail prices. This loss of competitiveness of the number one fruit by consumption in France benefitted sales of the other fruit section staples, such as the banana and orange. Should we fear a reverse phenomenon this season? Analysis of retail prices charged on the French market between October and November is rather worrying, and shows that apple prices are actually much more aggressive than in 2012 and 2013 (15 eurocents per kilo less than in 2013, and more than 30 eurocents less than in 2012). Furthermore, while the competitiveness gap has remained the same as last year for the orange, since its retail prices have also fallen, this is not the case for the banana, whose prices have remained stable or even increased. Will the supermarket sector play the banana's game over the coming months, by

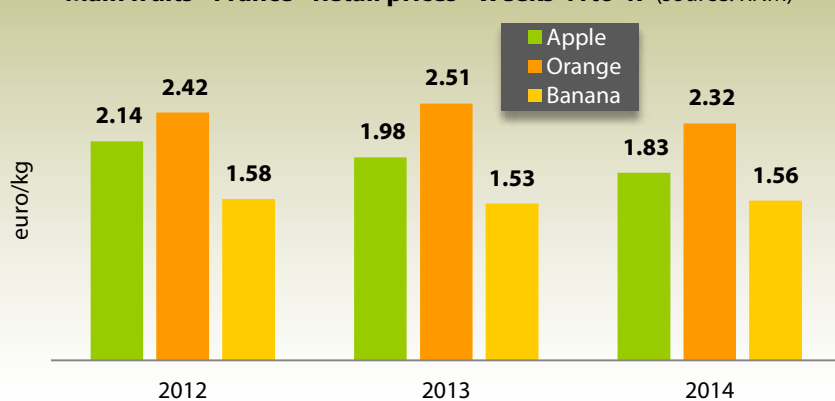
shaving off its margins? We already know the answer. In this context banana operators could be left having to choose between cutting off their own leg or arm: see sales probably fall, or charge more aggressive prices.

Sources: CIRAD, RNM

■ **Ecuadorian banana: a small step for producers... but too big a leap for exporters?** The decision by the Ecuadorian government to raise the minimum price (6.55 USD/box) paid to producers by 33 USD cents has not gone down well with the exporters. AEBE and Acorbanec have entered the fray, advocating the increase in world production expected in 2015, the difficulties of the Russian market which is of vital importance for Ecuador, the rising transport and input costs, and the need for improved competitiveness to develop the country's market share in China. The Agriculture Minister overseeing the affair has left the door open for negotiation, though firmly maintaining his stance.

Source: Reefer Trends

Main fruits - France - Retail prices - Weeks 41 to 47 (source: RNM)

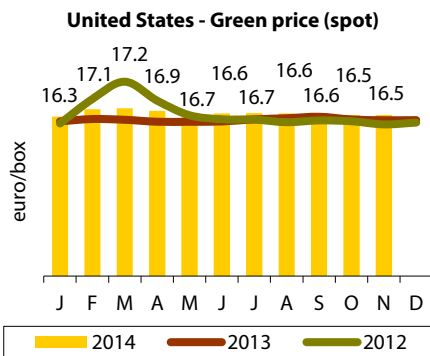


EUROPE - RETAIL PRICE

Country	November 2014		Comparison	
	type	euro/kg	October 2014	average for last 3 years
France	normal	1.57	+ 3 %	+ 5 %
	special offer	1.37	+ 10 %	+ 8 %
Germany	normal	1.26	- 1 %	+ 3 %
	discount	1.13	0 %	+ 3 %
UK (£/kg)	packed	1.18	+ 3 %	+ 1 %
	loose	0.72	- 1 %	+ 8 %
Spain	platano	2.23	+ 5 %	+ 11 %
	banano	1.27	- 1 %	- 4 %

Banana

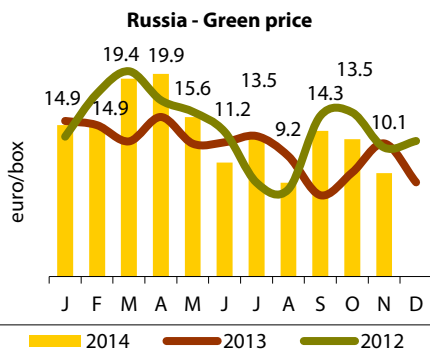
UNITED STATES



UNITED STATES - IMPORT PRICE

November 2014 USD/box	Comparison	
	previous month	average for last 2 years
16.50	0 %	+ 5 %

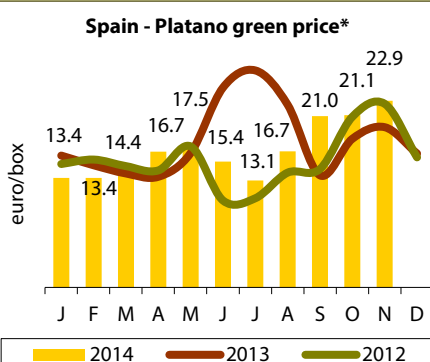
RUSSIA



RUSSIA - IMPORT PRICE

November 2014 USD/box	Comparison	
	previous month	average for last 2 years
10.10	- 25 %	- 21 %

CANARIES



CANARIES - IMPORT PRICE*

November 2014 euro/box	Comparison	
	previous month	average for last 2 years
22.90	+ 8 %	+ 9 %

* 18.5-kg box equivalent

■ **European and US banana consumption once again on the up in October 2014.** In the European Union, consumption was slightly in excess of 500 000 tonnes, which is a record for the month of October. In any event, it was 8 % up on October 2013, and 15 % better than in October 2012. From the beginning of the year (ten months), consumption increased by 5 % to reach 4.7 million tonnes. All the big sources saw a rise in 2014, except for Colombia, Surinam and Brazil, which reduced their imports. The three biggest dollar sources registered two-figure growth, each of 11 %! For the ACP, growth was not as fast, though it was still steep for both the Dominican Republic (+ 7 %) and Côte d'Ivoire (+ 5 %), and particularly Ghana (+ 35 %). Cameroon was also on the rise, though with a very slight + 1 %. European production also exhibited a very positive trend, with a steep rise for Martinique and Guadeloupe (14 to 15 %), as well as the Canaries (+ 3 %). Over the past

twelve months (November 2013 to October 2014), the market was estimated at 5.6 million tonnes, i.e. 300 000 t better than over the previous twelve months.

The powerful surge in dollar volumes to Europe did not equate to ebbing flows to the US market. Indeed, the rise, though not as quick as for the EU, was still in place. Demand was up 1 %, to nearly 3.7 million tonnes, from January 2014. Only Honduras and Colombia reduced their imports. In the case of Colombia, this was down to the figures reflecting the serious climate damage from the summer (tornado).

Source: CIRAD



Banana - January to October 2014 (provisional)

000 tonnes	2012	2013	2014	Difference 2014/2013
EU-27 — Supply	4 285	4 478	4 718	+ 5 %
Total import, of which	3 766	3 996	4 202	+ 5 %
MFN	2 955	3 126	3 303	+ 6 %
ACP Africa	392	446	464	+ 4 %
ACP others	419	424	435	+ 3 %
Total EU, of which	519	481	516	+ 7 %
Martinique	157	138	158	+ 3 %
Guadeloupe	55	59	61	+ 14 %
Canaries	289	273	280	+ 3 %
USA — Import	3 895	4 079	4 140	+ 1 %
Re-exports	420	447	460	+ 3 %
Net supply	3 474	3 631	3 680	+ 1 %

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

EUROPE - IMPORTED VOLUMES — NOVEMBER 2014

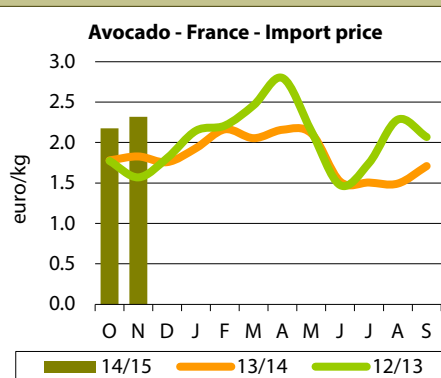
Source	Comparison		
	October 2014	November 2013	2014 cumulative total compared to 2013
French West Indies	↘	+ 49 %	+ 14 %
Cameroon/Ghana/Côte d'Ivoire	↘	- 3 %	+ 1 %
Surinam	↘	- 28 %	- 10 %
Canaries	↘	- 7 %	+ 2 %
Dollar:			
Ecuador	↘	+ 2 %	+ 32 %
Colombia*	↘	- 3 %	- 17 %
Costa Rica	↘	+ 60 %	+ 74 %

Estimated thanks to professional sources / * total all destinations

Avocado

November 2014

Hass prices saw a boom in November! The supply, though still similar in level to the last few years (- 2 %), remained insufficient. The supply waned because of the shortfall from Chile, which was more marked, despite of the early start from the Mediterranean sources toward mid-November (Israel, Spain) and Mexico's progress. Hence prices continued to soar, reaching historic levels for this period. However, the market started to slow down toward the end of the month, with consumption held back by the increase in rates observed at the import and retail stages. The progress of the Israeli Ettinger and Spanish Bacon seasons picked up, with volumes becoming high. Faced with growing competition between sources, prices returned to a seasonal level.



PRICE	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Green	5.30	0 %
	Hass	11.10	+ 31 %

VOLUMES	Varieties	Comparison	
		previous month	average for last 2 years
	Green	↗	+ 21 %
	Hass	↘	- 2 %

VOLUMES	Source	Comparison	
		previous month	average for last 2 years
	Chile	↘	- 16 %
	Israel	↗	+ 52 %
	Mexico	↗	+ 190 %
	Spain	↘	- 2 %



■ Avocado variety of the month: 'Hass'.

'Hass' has replaced 'Fuerte' as the sector standard. It is currently the most commonly planted avocado in the world. It was selected by Rudolph Hass in California in the early 1920s and registered in 1935. The tree is vigorous and highly productive. The fruits vary in shape in some production regions, ranging from pyriform to ovoid. Average fruit size is fairly small in hot regions. Good preservability on the tree. The skin turns from dark green to purplish brown at maturity. It is easy to remove from the pulp, and has excellent organoleptic qualities. Rich flavour (nutty taste) and buttery nonfibrous pulp.

Source: CIRAD

■ Mexican avocado: more still!

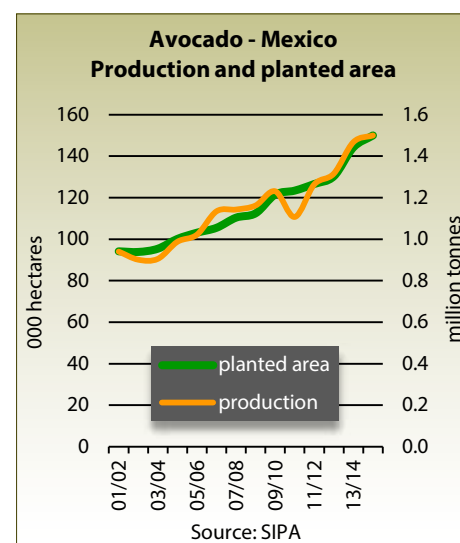
The latest USDA report shows that the green gold rush in Mexico has not finished yet. Surface areas reportedly expanded by another 7 000 ha between 2013-14 and 2014-15, i.e. the equivalent of the Israeli cultivation area. They are now at an all-time high of 175 000 ha. Despite relatively high production costs (from 3 700 USD/ha to 5 150 USD/ha, depending on the technological level), the crop remains highly profitable, thanks

to an ever growing appetite on the international market, to the point of drying up the local market, where consumption is tending to wane. Mexican production, which this season should reach a level comparable to last season, i.e. 1.5 million tonnes, has kept on rising, with surface areas expanding by more than 40 000 ha in four years!

Source: USDA

■ **Avocado: the autumn champion.** Autumn 2014 will long abide in the memory of European avocado professionals. Hass prices fluctuated above the 10 euros/box mark for 8 consecutive weeks, from mid-October to early December, as we are writing these lines. A performance only equalled once in the past, in early 2013, and in the particular supply context of a transition between the winter and summer season.

Source: CIRAD



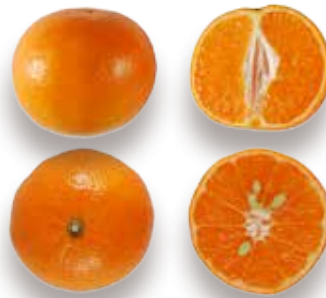
Source: SIPA

Observations	Cumulative total / cumulative average for last 2 years	
Hass imports still irregular, falling and below normal.		- 12 %
Ettinger volumes up to high levels. Early start to the Hass season in mid-November, with bigger volumes than in previous years, though supply still moderate.		+ 17 %
Hass imports rising steeply compared to previous years.		+ 74 %
Spanish Bacon shipments slumping due to a slightly more difficult market. Early start to the Hass season (mid-November), volumes limited.		+ 18 %

Easy peelers

November 2014

After a decent start to the season for Clemenu Ruby, the market became difficult. However, Spanish Nules started ten days late, with volumes remaining below normal because of sorting rejects (problems of coloration, small sizes, advanced maturity and rain at the end of the month). Despite this smaller supply, stocks built up due to the very slow demand (mild temperatures, competition from other fruits, heterogeneous quality of the Spanish supply). The Moroccan season also registered a slight delay because of coloration problems. Prices were under pressure, especially for the small sizes. Hence Clemenuville sales reached a better level thanks to the improved size range and coloration, while Corsican volumes grew rapidly because of lively demand.



■ **Easy peelers variety of the month: Clemenuville.** Present on markets from mid-November to January, this medium-sized fruit is the result of a cross between common clementine and Tangelo. It has useful qualities: marked skin colour, a deep orange tender juicy seedless pulp, and sweet flavour with low acidity. The fruits must nevertheless be picked rapidly to prevent swelling of the peel. It is widely grown in Spain (Clemenuville), Israel (Suntina) and Morocco.

Source: CIRAD

■ **Red label for the Corsican clementine.** In an ever more competitive market context, you need to stand out to survive. Corsican producers have just pressed home their advantage further. Following on from the IGP obtained in 2007, the clementine from the Isle of Beauty has now earned the Red Label. 15 to 20 % of Fine production should be entitled to this sign of quality, which requires a higher rate of selection and particular care, especially in terms of packing. This should further strengthen an industry which has been able to establish itself on an original and profitable niche market. Now it has to face a new challenge: the lack of young people wanting to invest in

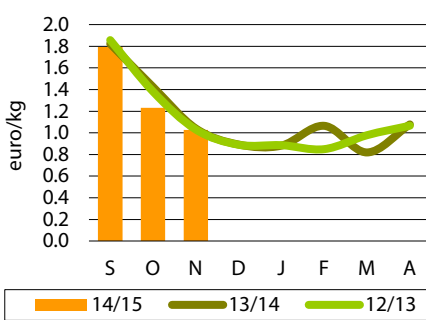
citrus growing, particularly because of the very high real estate costs (20 000 to 30 000 euros per hectare of orchard), while one in every two farm managers is over 50.

Source: France 3

■ **Tang Gold, different from Nadorcott and Californian in origin.** Following the example of the Spanish Ministry of Agriculture, the CPVO (Community Plant Variety Office) has entered the variety Tang Gold in its catalogue, and granted its protection to University of California, Riverside which developed it under the name Tango. With this decision, the variety has now been officially recognised as different from Nadorcott, because of its natural seedlessness. The Spanish courts have yet to rule on one point of dispute, as to whether Tango is essentially derived from Nadorcott. In any event, Tang Gold plantations should quickly take off in Europe.

Sources: OCVV, Nadorcott Protection, Eurosemillas

Easy peelers - France - Import price

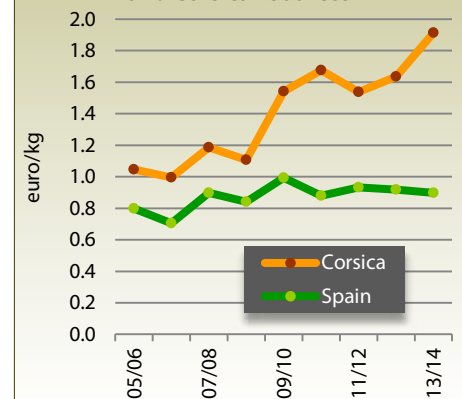


PRICE	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Clementine	1.03	- 1 %
	Hybrids	1.00	+ 1 %

VOLUMES	Varieties	Comparison	
		previous month	average for last 2 years
	Clementine	↗	- 12 %
	Hybrids	↗	- 2 %

VOLUMES	Varieties by source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	Spanish Clementine	↗	- 18 %	Late progress from Nules volumes, with a below-average level due to sorting rejects (insufficient coloration, small sizes, ripe fruits and rains delaying picking).	- 4 %
	Spanish Clemenuville	↗	- 2 %	Normal progress from the Clemenuville supply. Sale facilitated by better size range and coloration than Nules.	- 2 %
	Corsican Clementine	↗	+ 22 %	Volumes very high, and rapidly rising due to the good potential and very good demand.	+ 25 %
	Moroccan Clementine	↗	0 %	Late start to the season because of insufficient coloration.	0 %

Clementine - France - Price comparison between Spanish and Corsican sources

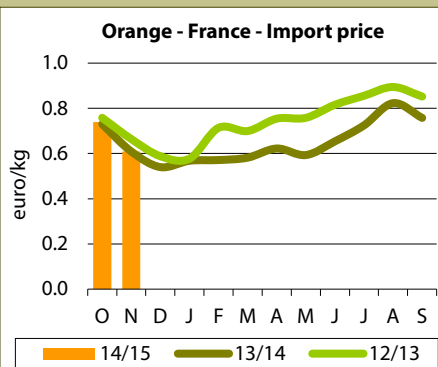


Source: CIRAD

Orange

November 2014

The orange market remained slow. Despite lines switching to the Spanish Naveline, and rapid growth in volumes during the first half of the month, sales remained listless, due to the temperatures remaining mild for the season, and the presence of other fruits sold at competitive prices (clementine, apple). In addition, stocks from South Africa were present at very low prices until mid-November, contributing to making the market competitive. Finally, quality (coloration) problems once again affected the Spanish supply, due to production zone temperatures remaining high. Hence Naveline prices continued to shrink, following the levels from previous years. A slowdown in imports was noted toward late November because of the build-up of stocks.



PRICE	Type	Average monthly price euro/15-kg box	Comparison with average for last 2 years
	Dessert orange	9.15	+ 1 %
	Juice orange	7.95	-

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Dessert orange	↗	+ 10 %
	Juice orange	↘	-

VOLUMES	Varieties by source	Comparison	
		previous month	average for last 2 years
	Spanish Navel	↗	+ 10 %
	South African Valencia	↘	- 15 %



■ **Orange variety of the month: salustiana.** Very popular in Spain, this blonde juice orange is medium-sized to large. The peel is of medium thickness with fine granulation. The flesh is delicate and sweet with a very pleasant taste. It is also seedless.

Source: CIRAD

■ A massive new investment in Floridian citrus growing.

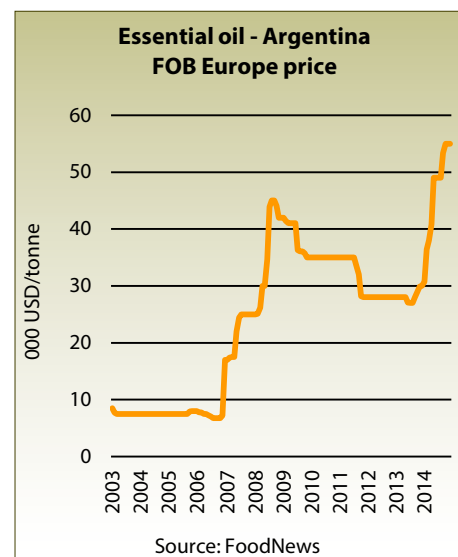
No, we should not rush to bury Floridian citrus growing too soon, despite it facing since 2005 its worst ever crisis with the invasion of deadly greening. Following the example of Coca Cola (see **Fruitrop 227**), Alico Incorporated has now made a massive investment in the Sunshine State's citrus growing sector. The group, which already held nearly 50 000 ha of agricultural land dedicated to citrus, sugar cane and livestock farming, spent more than 360 million USD to purchase three of the State's big producers (Orange Co LP, Citrus Holding LCC and Gator Grove), i.e. more than 11 000 ha of citrus plantations. With this acquisition, Alico

Inc. has become Florida's number one producer, controlling approximately 10 % of the State's orange production. This is a powerful positive signal, which shows that big investors still believe in the future of Floridian citrus growing.

Source: Ultimate Citrus

■ **Lemon essential oil: still on the rise.** Another first! Lemon essential oil rates have peaked since mid-September at 55 000 USD per tonne: a record level equating to more than double the level at the same time last year. The blame lies with the production shortfall of the world's leading processor, i.e. Argentina. The harvest of the country's main production centre, the Tucuman region, was halved in 2014 due to frost. Prices should maintain these levels until next spring, when the new Argentinean season starts.

Source: FoodNews



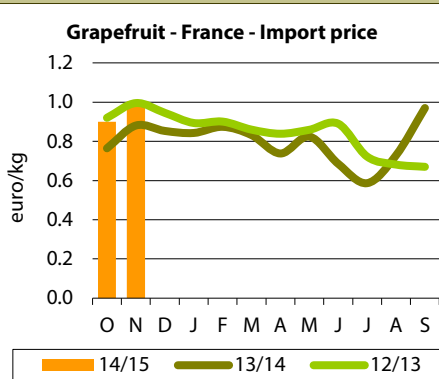
Source: FoodNews

Observations	Comparison		Cumulative total / cumulative average for last 2 years
	previous month	average for last 2 years	
Volumes progressing to higher levels than in previous years. Persistent coloration problems, with the market competitive.	↗	+ 10 %	+ 8 %
Stocks available in France until mid-November, and in Northern Europe (end of month) at highly competitive prices.	↘	- 15 %	- 15 %

Grapefruit

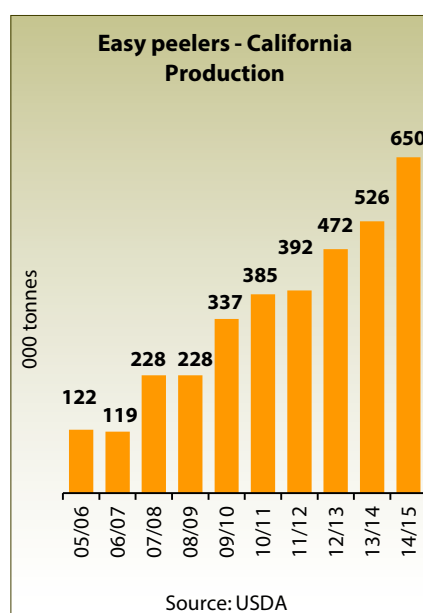
November 2014

The grapefruit market remained balanced and satisfactory, despite the seasonal fall in observed especially in the second half of the month. Indeed, for the tropical grapefruit, an under-supply was observed from mid-November, with the last stocks from Mexico ending and Floridian imports remaining in shortfall (- 41 %), while all the lines rapidly switched to this source. Thanks to this, prices maintained high levels. Conversely, Mediterranean grapefruit sales remained slow. The Spanish supply continued its progress. Volumes from Turkey remained stable and greater than in previous years. However, incoming Israeli shipments rapidly decreased, thereby preventing the build-up of stocks, and contributing to maintaining prices at higher levels than in previous years.



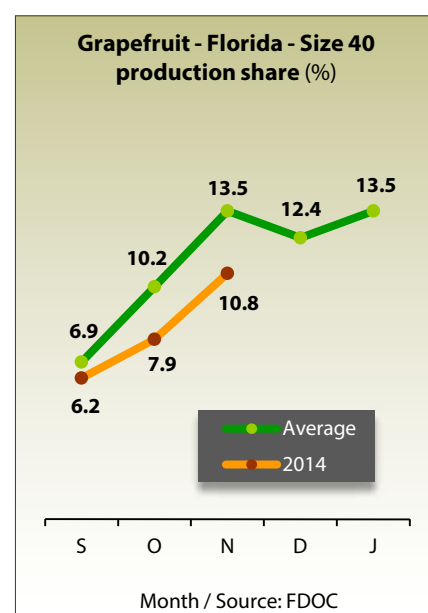
■ **Record easy peelers harvest in California.** The massive easy peeler planting campaigns carried out over the past few years are bearing fruit. Californian easy peeler production should for the first time exceed 650 000 t in 2014-15, i.e. double the level reached five years previously! Clementines and other easy peelers are increasingly popular in the United States, thanks to the massive promotion budgets invested. Paramount, the main Californian producer, will shell out 20 million USD to promote its "Halos" in 2014-15! A bet which seems to be a sure-fire winner, as the margin for consumption growth remains enormous. Annual consumption volumes per capita are barely more than 2.0 kg, as opposed to 4.7 kg in Western Europe and 6.0 kg in Russia. This growth potential is of no benefit to Mediterranean producers: easy peeler imports maintained a peak of 60 000 to 70 000 t per year during the winter season.

Sources: The Packer, USDA, CIRAD



■ **Floridian grapefruit: good news on the size range front.** The updated production forecast issued in early December by the USDA shows a considerable improvement in fruit size, back to average level. This is good news for the whole industry. The cumulative volumes imported into Europe by late November had registered their lowest ever recorded level, with less than 500 000 boxes, with a good many producers preferring to leave the fruits on the trees to bulk up. So shipments in the second part of the season should return to a higher tempo. Conversely, production volumes are still at 15 million field crates, their lowest level ever recorded.

Source: USDA



PRICE	Type	Average monthly price euro/ 17-kg box equivalent	Comparison with average for last 2 years
	Tropical	20.74	+ 11 %
	Mediterranean	11.90	+ 9 %

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Tropical	↗	- 41 %
	Mediterranean	↘	- 3 %

VOLUMES	Source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	Florida	↗	- 41 %	Supply on the rise, though with very limited volumes, less than in previous years	- 37 %
	Mexico	↘↘	na	Last stocks available during the first half of the month.	na
	Israel	↘	- 7 %	Considerable fall in imports after starting the season at normal levels, with incoming shipments reaching shortfall.	+ 2 %
	Turkey	=	+ 37 %	Stable volumes into the EU, greater than in other years.	+ 56 %

Pineapple

November 2014

In November, the overall Sweet supply was unbalanced by the excessive presence of large-sized fruits, increasingly difficult to sell. The absence of demand for these fruits led to build-up of stocks, the quality of which gradually deteriorated. While rates for small fruits, with less availability, remained strong throughout the first half-month, they later slumped, with several operators reluctant to pay more for these small fruits. Re-export sales were complicated throughout the month. Demand from the Southern and Eastern markets were low, with devaluation of the rouble impeding exports from several operators to Russia.

The Cayenne supply, although restricted, also suffered the repercussions of demand rather indifferent to the fruit.

The situation was fairly complicated on the air-freight pineapple market, during the first half month. Despite the resumption after the All Saints' holidays, demand did not manage to absorb the volumes on the market. The quality concerns over certain brands from Benin and Cameroon did not facilitate sales either. So there were several transactions at post-sale prices, though without any real improvement in the market conditions being felt. In the second half-month, the choice made by certain operators to reduce their procurement finally bore fruits, with higher demand and rates.

The high quality Sugarloaf supply sold rather well, at between 1.80 and 2.00 euros/kg, depending on volumes available.

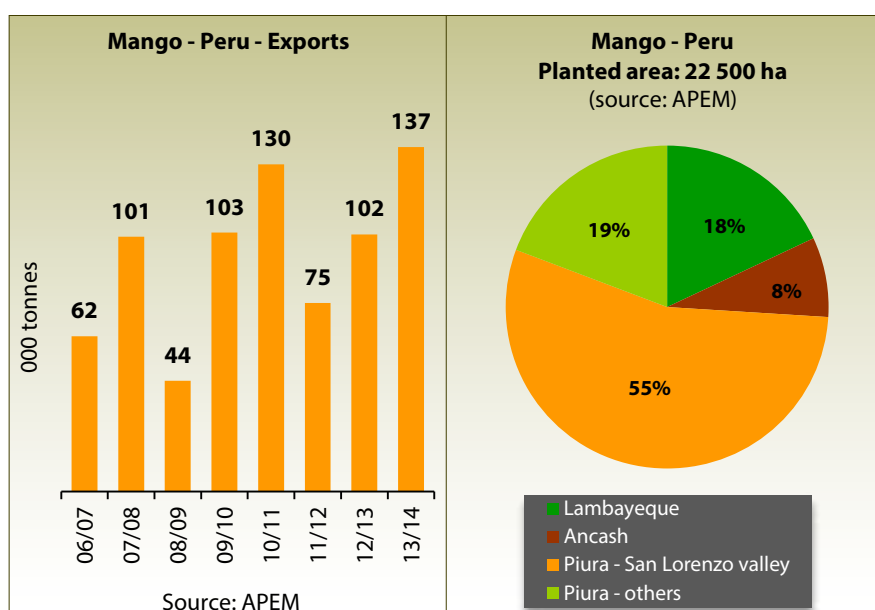
Throughout the month, the Reunion Victoria supply was unbalanced by too many size 9 and 10 fruits, whereas demand was most interested in size 6 fruit. So for this source there was a wide rates range, varying between the sizes.

■ **Peruvian mango: distinct downturn in volumes from a now mature sector.** 2013-14 was a record season for the Peruvian export industry. The country's 145 exporters shipped more than 137 000 tonnes of mango, a level never previously reached. Next season seems set to bring a very different hand. Exporters are reckoning on a downturn in volumes of approximately 30 to 40 %, which the first weeks of the season seem to have confirmed. Sea-freight volumes in November were nearly one month later than last season, with a fall due to cyclical factors, such as the cold caused by El Niño and the production swing effect. However, it also seems that the surface area expansion trend is much less strong than previously. Producers now seem to be concentrating more on quality and certification than on extending the cultivation area.

Source: APEM



Photo: Dominique



PINEAPPLE — IMPORT PRICE

Weeks 45 to 48	Min	Max
Air-freight (euro/kg)		
Smooth Cayenne	1.70	2.00
Victoria	2.50	3.80
Sea-freight (euro/box)		
Sweet	6.00	8.00

PINEAPPLE - IMPORT PRICE IN FRANCE - MAIN SOURCES

Weeks 2014		45	46	47	48
Air-freight (euro/kg)					
Smooth Cayenne	Benin	1.70-1.90	1.70-1.90	1.80-1.90	1.80-1.90
	Cameroon	1.70-1.90	1.70-1.90	1.80-1.90	1.80-1.90
	Ghana	1.85-2.00	1.85-2.00	1.85-2.00	1.85-2.00
Victoria	Réunion	2.50-3.80	2.50-3.80	2.50-3.80	2.50-3.80
	Mauritius	3.30-3.40	3.10-3.40	3.10-3.40	3.10-3.40
Sea-freight (euro/box)					
Smooth Cayenne	Côte d'Ivoire	6.00-7.00	7.00-8.00	6.00-7.50	-
Sweet	Côte d'Ivoire	7.00-9.00	7.00-9.00	7.00-9.00	7.00-9.00
	Ghana	7.00-9.00	7.00-9.00	7.00-9.00	7.00-9.00
	Costa Rica	6.00-8.00	6.00-7.50	6.00-7.50	6.00-7.00

Mango

November 2014

After an October under-supplied with mango due to the late start to the Brazilian season, November featured a marked and rapid reversal in the trend. Brazilian shipments rose steeply, and the build-up of volumes sent the market into a continuous downward slide. The rate for Tommy Atkins, less prized by European markets, dropped more rapidly than for other varieties. This variety also saw its share in Brazilian shipments decline, from 40 % to just 15 %. The deterioration of Keitt and Kent rates was slower and less intense, since they enjoyed better demand. Big price differences were recorded, depending on the sizes available. The extreme sizes (large and small fruits) found it harder to gain value than the more popular medium sizes. Besides the Brazilian volumes, Spain continued its export season with Keitts. Their relatively stable price did nonetheless dip at the end of the period. The Spanish supply, dominant in October, became marginal in November. The pressure from Brazilian volumes made sales of these products more difficult, with the vast majority of purchasers switching their orders to Brazilian fruits.

The air-freight mango market remained fairly high in November, given the moderate volumes available. Brazil increased the tempo of its shipments in the second half of the month, without causing any price falls. Nonetheless certain batches, of advanced maturity and insufficient coloration, did sell at lower prices. Some batches of Peruvian Edward topped up the supply, though they remained marginal. Shipments of this variety ended in the middle of the month to make space for the first Kents. These fine quality fruits were negotiated at high prices until the end of the month, but for limited quantities.

MANGO - INCOMING SHIPMENTS (estimates in tonnes)

Weeks 2014	45	46	47	48
Air-freight				
Brazil	40	40	100	100
Peru	5	10	20	20
Sea-freight				
Brazil	4 200	5 000	5 400	5 850
Ecuador	-	20	60	110

Litchi

November 2014

The 2014-15 litchi season is fairly similar to the previous one in terms of export calendar. The climate conditions were fairly favourable for the Indian Ocean countries, with a slightly smaller production than in 2013. It was Madagascar which opened the season, with already substantial shipments in week 45. Some batches from Mozambique topped up the early season supply. The supply rapidly expanded from week 46, with the launch of the season in Mauritius, Reunion and South Africa, though still with volumes. In the second half of the month, flows intensified with the rise in shipments from all Indian Ocean sources, with nearly 200 tonnes per week. Dominant for the first three weeks of November, the Madagascan supply shrank steeply in the last week of the month due to the strong competition from other sources, whose fruits proved more competitive on the European markets.

After a fine start to the season, litchi prices from various sources deteriorated as the volumes received rose. However, the general downward varied with the product type. Sulphur-treated de-seeded fruits saw a continuous, gradual drop in their prices. Fresh fruit, on the vine or trussed, saw a more marked price drop,

from a higher starting point for very limited quantities. The downward trend had the consequence of suppressing the Madagascan supply at the end of the month, because of a distinctly higher air-freight rate than those applied to other sources. After the considerable success of the beginning of the season, distributors and consumers became more cautious toward this product sold at high prices at the retail stage. However, the fall in rates helped launch the market season, which would get into its stride in the run-up to the end-of-year holidays. A new source, offering fruits of decent quality, has emerged this year: Mozambique.

LITCHI - INCOMING SHIPMENTS (estimates in tonnes)

Weeks 2014	45	46	47	48
Air-freight (euro/kg)				
Madagascar	75	80	90	10
Mauritius	-	25	40	40
Réunion	-	10	20	40
South Africa	-	10	20	80
Mozambique	5	5	10	20

LITCHI - IMPORT PRICE ON THE FRENCH MARKET

Weeks 2014	45	46	47	48	Average Nov. 2014	Average Nov. 2013
Air-freight (euro/kg)						
Madagascar s	7.50-8.00	7.00-7.50	6.00-6.50	5.00-5.80	6.35-6.95	6.10-6.85
Madagascar v	-	-	9.00-10	8.00	8.50-9.00	7.00-9.30
Mauritius s	-	-	6.50-7.00	5.50-6.00	6.00-6.50	5.65-5.80
Mauritius v	-	10-13.50	7.00-9.00	6.00-8.00	7.65-10.15	-
Réunion	-	12-15	12-13	8.00-10	10.65-12.65	8.60-9.60
South Africa	-	7.00-10	6.00-6.50	5.00-7.00	6.00-7.80	6.20-6.70
Mozambique	-	7.00-8.00	6.00-6.50	5.50	6.15-6.65	-

s: sulphur treated / v: fresh on the vine or not sulphur treated

MANGO - IMPORT PRICE ON THE FRENCH MARKET

Weeks 2014	45	46	47	48	Average Nov. 2014	Average Nov. 2013
Air-freight (euro/kg)						
Brazil Kent	4.00-5.00	4.00-5.00	4.00-5.00	4.00-5.00	4.00-5.00	3.85-4.50
Peru Edward	5.00	5.00			5.00	4.65-4.75
Peru Kent		5.00-5.50	5.00-6.00	5.00-5.50	5.00-5.65	4.75-5.50
Sea-freight (euro/box)						
Brazil T. Atkins	7.50-8.00		5.00	4.00-5.00	5.50-6.00	4.00-4.60
Brazil Keitt	9.00-11	7.50-9.00	5.00-8.00	5.00-7.00	6.60-8.75	5.10-6.50
Brazil Kent	9.00-11	7.50-9.00	5.00-8.00	5.00-7.00	6.60-8.75	5.25-6.75
Road-freight (euro/box)						
Spain Keitt	9.50-12	9.50-12	9.50-12	8.00	9.10-11	9.00-10

Sea freight

November 2014

Between the end of October and the beginning of December the charter market tightened considerably as vessels began positioning for Chile, and there was greater demand for prompt tonnage in Ecuador. There was late demand from a number of areas including Nigeria, whose government reversed a policy decision to reduce fish imports announced this April, hiking the fish import quota by 750K MT to the end of the year.

The big story however was about bunker fuel, which fell by almost 20% during the month, and which suddenly makes the specialized reefer cost competitive to the container carriers. The fall in the cost of fuel puts the loss leader services operated by the lines under some pressure. Should, as is forecast, the price of oil remain low for an extended period, the modal transfer predicted in the latest Drewry Reefer Shipping Review may need to be revisited.

Only one of the three factors that is currently determining the price of oil is related to supply and demand of the commodity – the global economy. The other two are political: it is in the interests of the US and Saudi Arabia that the price of oil remains low so that each can maintain pressure on Russia and Iran respectively. With the reefer fleet now shed of the old and inefficient units, one could be forgiven for thinking that the short term for owners and operators looks brighter than it has done for some time.



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EUROPE

MONTHLY SPOT AVERAGE

USD cents/cubic foot x 30 days	Large reefers	Small reefers
November 2014	58	89
November 2013	49	97
November 2012	32	68

