

September 2014 - No.225

FR*ui*TROP

English edition

Close-up Avocado

**EU apples
& pears**

**Pips in focus
in 2014**

**Banana
market**

**Summer
round-up**

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Banana

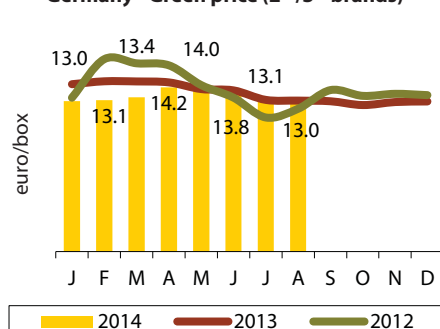
July-August 2014

The dollar banana supply, restricted in early July thanks to the summer programmes of North European importers, remained moderate before reaching shortfall towards the end of the period. Indeed while Costa Rica and Ecuador shipped above-average volumes in July, Colombia saw its shortfall, ongoing since the spring, consolidated from the second half of July, and widen until late August, due to weather problems. Similarly, the seasonal fall in imports from Africa and the French West Indies continued, gathering pace from late July with the wane in volumes from Côte d'Ivoire (losses in the production zones because of bad weather). Temporary logistical problems aggravated the scarcity of the supply during the summer. On the demand side, sales rapidly adopted a slow summer tempo in Southern Europe due to the strong competition from seasonal fruits (certain harvests coming early) and to the summer holidays. Export sales to Eastern Europe also proved difficult and competitive. Hence the markets swelled in July. However, they held up better in Northern Europe, thanks to a restricted supply. In this context green banana prices were stable, and started to strengthen from mid-August, when the fall in imports became more perceptible. In Russia, the smaller supply enabled the market to remain balanced in July. However, the big downturn in demand in August (heat waves) rocked the market. In Spain, the market recovered some degree of balance thanks to the smaller Canaries platano imports during the summer, with volumes reaching shortfall from August (- 14 %).

NORTHERN EUROPE — IMPORT PRICE

August 2014 euro/box	Comparison	
	previous month	average for last 2 years
13.01	- 1 %	+ 2 %

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



■ Banana: purée price in Europe for July 2014.

Type	Price (USD/t)	Source	Comments
ss aseptic, 22°Brix	600-750 fca Holland df	Ecuador	Balanced market.

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

■ **Banana: concern about Panama race 4 disease.** At a recent workshop on Panama FOC tropical race 4 disease (TR4), held in Brisbane (Australia) during the IHC-ProMusa symposium on 20 August, various experts debated the magnitude of the threat of the disease spreading into the world's various banana zones, and the precautionary measures to be taken with the sanitary authorities of the countries concerned, as well as the scale of the resources to allocate to research, in order to limit, or even cut back and eliminate this spread. Furthermore, the African and Latin American banana sectors are concerned at the appearance of the disease in Mozambique, where it was officially detected in early 2013 in the country's recently established sole export plantation (approximately 1 600 ha near Namialo, a dry zone free from "rural" banana trees in the vicinity). Indeed, it seems that despite the transparency and control & eradication measures on the contaminated sites taken by the private Mozambican company (Matanuska), the situation is tough to control, and there are several disease sources growing within the plantation. In this particular context, it seems to be difficult to uphold strict application of control measures, aimed in particular at local personnel (contaminated soil).

Source: CIRAD

■ **European customs duty unchanged for the Ecuadorian banana in 2014, and doubtless in 2015 too.** Contrary to fantasies and rumours, the Ecuador-EU agreement sealed in July will not take effect before the entire ratification process is finished. The Ecuadorian banana will continue to be subject to a customs duty of 132 euros/tonne in 2014, while the agreement stipulates 118 euros/t. Although the uncertainty regarding 2015 persists, most observers are leaning towards a full and comprehensive entry into force of the text in 2016; when the specified rate will be 104 euros/t. Meanwhile, the major competing dollar sources will be subject to a duty of 117 euros in 2014, followed by 110 in 2015 and then 103 in 2016.

Source: CIRAD

Panama disease

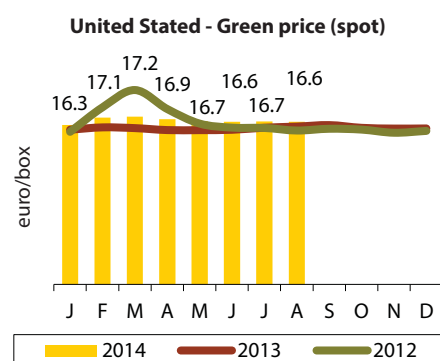


EUROPE - RETAIL PRICE

Country	August 2014		Comparison	
	type	euro/kg	July 2014	average for last 3 years
France	normal	1.56	- 1 %	- 2 %
	special offer	1.31	- 9 %	- 10 %
Germany	normal	1.29	- 2 %	+ 8 %
	discount	1.16	- 2 %	+ 9 %
UK (£/kg)	packed	1.15	0%	- 4 %
	loose	0.75	- 1 %	+ 5 %
Spain	platano	1.87	+ 2 %	- 5 %
	banano	1.24	+ 1 %	- 7 %

Banana

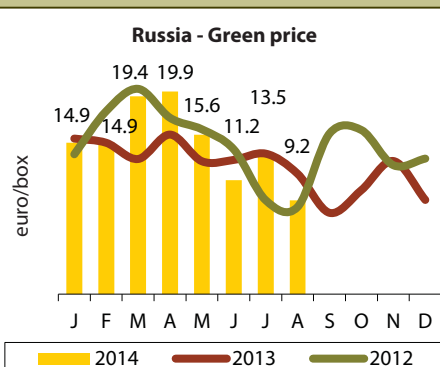
UNITED STATES



UNITED STATES - IMPORT PRICE

August 2014 USD/box	Comparison	
	previous month	average for last 2 years
16.60	0 %	+ 4 %

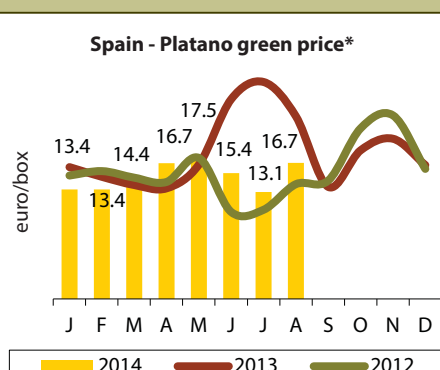
RUSSIA



RUSSIA - IMPORT PRICE

August 2014 USD/box	Comparison	
	previous month	average for last 2 years
9.20	- 32 %	- 10 %

CANARIES



CANARIES - IMPORT PRICE*

August 2014 euro/box	Comparison	
	previous month	average for last 2 years
16.70	+ 27 %	- 9 %

■ **Banana consumption set fair.** European banana imports rose in July 2014 (+ 4 %). Since the beginning of the year, they took a downturn only in May, and then by just 1 %. Over the first seven months, imports were up 5 %. On the dollar side, Ecuador, Costa Rica and Panama were well up, while Colombia has been in freefall since April. As for the ACP, Cameroon is balanced, while Côte d'Ivoire was up (+ 19 %), though with the initial effects of the floods in Niéky expressed in the July figures. The Dominican Republic was up 6 % for the year. The European banana supply increased as rapidly as imports: + 5 %. Guadeloupe is leading the pack (+ 17 %), ahead of the Canaries (+ 4 %), while Martinique is stable. If we add European banana production to imports, we can evaluate the net consumption of the EU-28. Over the first twelve months (August 2013-July 2014), it appears to have climbed 270 000 t to achieve a record figure of 5.5 million tonnes.

In France, the situation is completely different. The downturn in the net supply was confirmed in July 2014, for the fourth consecutive

month. Over the first seven months, consumption amounted to 332 000 t, i.e. 4 % below the level observed over the same period in 2013, yet still 3 % above the average for the past three years. Over the first seven months of the year compared to the same period of 2013, French production was down slightly, while the dollar sources ebbed considerably, as did incoming flows (from unspecified sources) via other Member States. Conversely, the African ACP sources saw a very considerable rise. Furthermore, we saw a strong surge in re-exports (to the EU or to third countries).

So over the last twelve months (August 2013-July 2014), the net supply ebbed back below 560 000 t (to 557 735 t to be precise), i.e. exactly the same level as for the previous twelve months (2012-13).

The trend in the United States is for stability. Consumption was up 1 % over the first seven months of the year, to 2.4 million tonnes. All the sources rose, except for Honduras (- 3 %), Colombia (- 17 %) and Mexico (- 3 %), going against the general trend.

Source: CIRAD

Banana - January to July 2014 (provisional)

000 tonnes	2012	2013	2014	Difference 2014/2013
EU-27 — Supply	3 081	3 196	3 359	+ 5 %
Total import, of which	2 712	2 839	2 986	+ 5 %
MFN	2 136	2 239	2 354	+ 5 %
ACP Africa	282	309	338	+ 9 %
ACP others	295	291	294	+ 1 %
Total EU, of which	368	357	373	+ 5 %
Martinique	107	112	112	0 %
Guadeloupe	35	35	41	+ 17 %
Canaries	214	201	209	+ 4 %
USA — Import	2 554	2 681	2 727	+ 2 %
Re-exports	298	315	327	+ 4 %
Net supply	2 256	2 366	2 400	+ 1 %

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

EUROPE - IMPORTED VOLUMES — AUGUST 2014

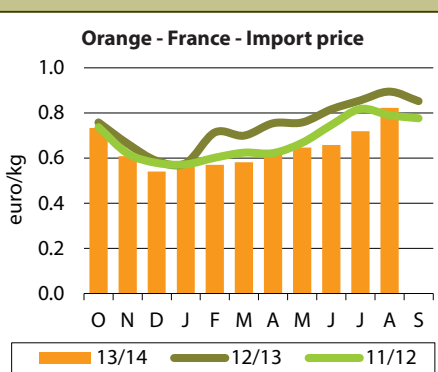
Source	Comparison		
	July 2014	August 2013	2014 cumulative total compared to 2013
French West Indies	↗	+ 29 %	+ 4 %
Cameroon/Ghana/Côte d'Ivoire	↘	- 18 %	+ 5 %
Surinam	↘	- 20 %	- 5 %
Canaries	↘	- 2 %	+ 3 %
Dollar:			
Ecuador	↗	+ 34 %	+ 38 %
Colombia*	↘	- 36 %	- 15 %
Costa Rica	↗	+ 49 %	+ 73 %

Estimated thanks to professional sources / * total all destinations

Orange

July-August 2014

The orange market maintained a good balance this summer. Indeed, while sales adopted a slow summer tempo because of intense competition from seasonal fruits, they matched the scarcity of the supply. As for the table orange, the transition between the Spanish Navelate (historically long season) and South African Navel came late, toward mid-July. However, South African volumes remained in shortfall (-24 % in July), and stocks were limited due to smaller shipments from the start of the season. For the juice orange, Valencia late imports from Spain subsided until mid-August, with the switchover to the South African source in France not occurring until then, with limited volumes. Hence prices strengthened during the summer, before returning to an average level in August.



PRICE

Source	Average monthly price euro/15-kg box	Comparison with average for last 2 years
Spain	12.45	- 24 %
South Africa	12.30	+ 1 %

VOLUMES

Source	Comparison	
	previous month	average for last 2 years
Spain	↘	+ 61 %
South Africa	↗	- 13 %

VOLUMES

Varieties by source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
	previous month	average for last 2 years		
Spanish Valencia late	↘	+ 61 %	End of the season. Some batches still in place with certain operators toward late August.	- 32 %
South African Valencia late and Navel	↗	- 13 %	Growth in Valencia late imports, though levels still below average. Navel season subsiding.	- 20 %

■ Orange: juice prices in Europe for July 2014.

	Type	Price (USD/t)	Source	Comments
Orange	FCOJ, Pera, 66°Brix, in bulk, ratio 14-16	2 050-2 100 fca Holland	Brazil	The drought in Brazil and the low availability of high-ratio juice are causing fears of under-supply for this category. Hence Mexico, a big purveyor of high-ratio juice, has practically sold out its stock. Demand is flat, especially in the USA, where it is even declining.
	FCOJ, low pulp, 66°Brix, ratio 22<	2 350-2 450 fca Benelux		
	NFC	2 250-2 300 ddp Tilbury		
	FCOJ, Valencia, 66°Brix, ratio 22<	2 350-2 450 fca Benelux	Mexico	
	FCOJ, blood, 55°Brix	2 700-2 900 EUR/t exw Italy	Italy	

Note: fca: free carrier / ddp: delivered duty paid / exw: ex-works / Source: MNS-ITC Geneva

■ **Orange juice facing production on the slide.** The combined production of the world's two main orange processors, namely Brazil and Florida, should be even smaller than in 2013-14, and reach a basement level never previously seen. Despite surface areas still falling (-3 % from last season), the abundance of the flowering period at the end of 2013 appears to have helped Brazilian production register a slightly higher level, though it is nevertheless among the lowest ever recorded. Unsurprisingly, Florida, faced with an increasingly severe greening problem, has registered another falling harvest forecast. Pending the official

USDA figures in early October, the estimates by Elizabeth Steger and Louis-Dreyfus Citrus are even predicting the smallest harvest for 50 years, with figures ranging from 89 to 97 million boxes; though we should be aware that the discrepancies between the initial and final forecasts have been in excess of 20 million boxes in recent seasons, because of the extent of physiological dropping. Despite these prospects, concentrated juice rates fell again in late August to reach 2 000 USD/tonne into Rotterdam, with the cumulative fall since the beginning of the year reaching 400 USD.

Sources: IEA, Louis-Dreyfus, Elizabeth Steger

Orange — Production in Florida and Brazil

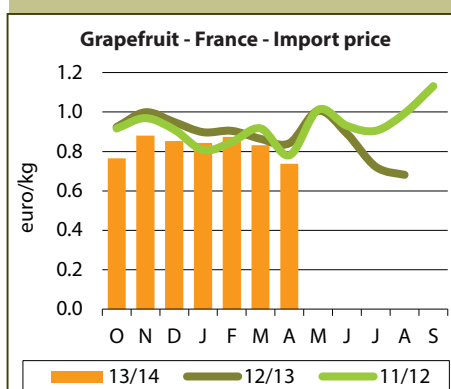
40.8-kg million boxes	2014-15	2013-14	Average for last 4 years	Comparison 2014-15 with	
				2013-14	average
Florida	93	104	131	-11%	-29%
Brazil	295	290	345	2%	-14%
Cumulative total	388	394	476	-2%	-19%

Sources: IEA, USDA, E. Steger, Louis-Dreyfus

Grapefruit

July-August 2014

The summer was very sluggish for the grapefruit. Indeed sales remained at a standstill because of the intense competition from summer fruits and a widespread lack of interest for the product. Although the South African supply started to fall from early July, with levels 13 % below average in July and 18 % below average in August, large stocks accumulated early in the season were available because of poor sales. Hence rates fell in July (prices 24 % lower than in previous years). A semblance of improvement was noted toward mid-August because of the early approach of the end of the South African season, the distinct reduction of stocks and less competition from summer fruits. Finally, prices were able to strengthen, returning to a level 5 % below average for the season.



■ Grapefruit and lemon: juice prices in Europe for July 2014.

	Type	Price (USD/t)	Source	Comments
Grapefruit	Frozen concentrate, 58°Brix, red, ratio 9.5<	1 250-1 350 cfr Holland	Florida	Limited supply level of white grapefruit juice due to a reduction in planted surface areas. Prices have dropped for red and pink grapefruit juices. Demand is subsiding quicker than quantities available, though they are on the slide.
	Frozen concentrate, 58°Brix, pink, ratio 9.5<	1 250-1 350 cfr Rotterdam		
	Frozen concentrate, 58°Brix, white, ratio 9.5<	1 650-1 750 cfr Rotterdam		
Lemon	Frozen concentrate, cloudy, 400 gpl	6 000 cfr main European ports	Argentina	Supply very limited due to the big decrease in the harvest (50 %). The prices quoted are for the spot market.
	Frozen concentrate, cloudy, 500 gpl	3 500-4 000 cfr Rotterdam		
	Frozen concentrate, clear, 500 gpl	9 000 cfr Rotterdam		
	Frozen concentrate, cloudy, 400 gpl	2 570-2 600 EUR/t cip Europe	Greece	Last quantities.

Note: cfr: cost and freight / cip: carriage and insurance paid / Source: MNS-ITC Geneva

■ Spanish citrus: initial info on the 2014-15 season.

According to the AVA-ASAJA union, Spanish citrus production is to register a very slight fall of 2 % in 2014-15 from the previous season. This near-stability conceals a considerable fall of 11 % in small citruses (due to a drop in the yield of early and mid-season varieties) and a 6 % rise in the orange harvest, already more than abundant in 2013-14. As for the lemon, the interprofessional association AILIMPO predicts a practically stable production level, at approximately 970 000 tonnes (4 % below the four-year average).

Sources: AVA-ASAJA, AILIMPO



PRICE	Source	Average monthly price euro/ 17-kg box equivalent	Comparison with average for last 2 years
	South Africa	12.41	- 5 %

VOLUMES	Source	Comparison	
		previous month	average for last 2 years
	South Africa	↘	- 18 %

VOLUMES	Source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	South Africa	↘↘	- 18 %	Season continuing to subside. Volumes lower than in previous years, though stocks still available.	+ 6 %

Pineapple

July-August 2014

The situation on the pineapple market was tight throughout July and August. On the back of June, demand was completely absorbed by the seasonal fruit supply available in large quantities and offered at very low prices. While in early July the disappearance of the stored batches hinted at an improvement in the market conditions, the spark of hope did not last long. Indeed, although limited, the supply of Sweet remained well above demand. The poor sales phenomenon observed in July was aggravated by the abundance of small sizes (9 and 10), which nobody wanted. In August, the fall in the supply continued, though without demand managing to absorb what volumes were on the market. Still unbalanced by too many small-size fruits, the Sweet supply had great difficulty selling. However, the operators managed to sell off a good part of the fruits to the East European markets (particularly Russia), though at derisory prices. These sales were almost compromised when Russia placed an embargo on European agricultural products. Ultimately, it had no effect on the pineapple market, since the exports to Russia were re-exports of non-European production. At the end of the month, demand for large-size fruits grew stronger. This situation benefited the established brands most of all, with their prices managing to rise for these large fruits.

The still restricted Cayenne supply sold more or less well depending on the quality of the batches on offer.

The air-freight pineapple market was se-date during the summer, with demand more focused on seasonal fruits. In July the supply, affected by rains in the production zones, especially in Cameroon, was very small. Those batches on sale

were of fairly irregular quality, which did not facilitate their marketing. The restricted supply from Côte d'Ivoire could not unfortunately capitalise on the market conditions to achieve better valuation, since it mainly comprised small fruits which did not interest purchasers. During August demand, though still lacking conviction, did absorb the fruits on the market more readily, since the air-freight supply was well below demand. The fall in volumes did not result in a rate increase, but rather in some degree of stability. The Sugarloaf supply sold more

or less well, depending on the volumes on the market, greater in July and more limited in August. These fruits sold for between 1.70 and 2.00 euros/kg.

The Victoria supply was very low throughout the summer. Sales were quiet, since the fruit was only of interest to a few die-hards. Purchasers' preference was for the more prized fruits from Réunion. The price level remained stable throughout the summer despite the struggling sales.

■ Mango: juice and purée prices in Europe for July 2014.

Type	Price (USD/t)	Source	Comments
Aseptic purée, 17°Brix, Alphonso variety	1 300-1 450 cfr Rotterdam	India	Prices have fallen significantly for Indian produce. Demand is flat, and the ban on importing fresh Indian mangoes into Europe has contributed to increasing availability of Alphonso.
Aseptic concentrate, 28°Brix, Totapuri variety	1 100-1 150 cfr Rotterdam		
Aseptic purée, 14-16°Brix, Totapuri variety	750-800 ddp London		
Aseptic concentrate, 28°Brix, Tommy Atkins variety	1 200-1 300 fca Holland	Mexico	

Note: cfr: cost and freight / ddp: delivered duty paid / fca: free carrier / Source: MNS-ITC Geneva

■ Pineapple: juice prices in Europe for July 2014.

Type	Price (USD/t)	Source	Comments
Frozen concentrate, 60°Brix, Smooth Cayenne	1 700-1 800 fca Holland	Thailand	Price on the rise in light of the announcement of falling production in the Philippines and Thailand. Demand still flat on the East European markets.
Aseptic concentrate, 60°Brix, Smooth Cayenne variety	1 650-1 750 cfr Rotterdam		
NFC, aseptic ss, 60°Brix, MD-2 variety	1 580 ddp London	Costa Rica	

Note: fca: free carrier / cfr: cost and freight / ddp: delivered duty paid / Source: MNS-ITC Geneva



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PINEAPPLE — IMPORT PRICE IN FRANCE — MAIN SOURCES

Weeks 2014		27	28	29	30	31	32	33	34	35
Air-freight (euro/kg)										
Smooth Cayenne	Benin	1.70-1.90	1.70-1.90	1.70-1.95	1.70-1.90	1.70-1.90	1.70-1.90	1.70-1.90	1.70-1.90	1.70-1.90
	Cameroon	1.70-1.90	1.70-1.90	-	1.70-1.90	1.70-1.90	1.70-1.90	1.70-1.90	1.70-1.90	1.70-1.90
	Ghana	1.80-1.95	1.75-1.90	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90
Victoria	Réunion	3.50-4.00	3.50	3.50-3.60	3.50-3.60	3.50-3.60	3.00-3.50	3.30-3.50	3.30-3.50	3.30-3.50
	Mauritius	3.00-3.20	3.00	3.00	3.00	3.00	3.00-3.30	3.00-3.30	3.00-3.30	3.00-3.30
Sea-freight (euro/box)										
Smooth Cayenne	Côte d'Ivoire	6.00-7.00	5.50-7.50	-	-	-	4.00-6.00	5.00-7.00	-	-
Sweet	Côte d'Ivoire	6.50-8.00	6.50-8.00	6.50-8.00	6.50-7.00	6.50-7.00	6.50-7.00	6.50-7.00	6.00-7.50	6.00-7.50
	Ghana	6.50-8.00	6.50-8.00	6.50-8.00	6.50-7.00	6.50-7.00	6.50-7.00	6.50-7.00	6.00-7.50	6.00-7.50
	Costa Rica	5.00-6.00	5.00-6.00	4.00-5.00	4.00-5.00	4.00-5.00	4.00-5.00	5.00-6.00	5.00-6.00	5.00-6.00

Mango

July-August 2014

In July and August, the European market received a steady sea-freight mango supply from Brazil, Puerto Rico, the Dominican Republic and Senegal. The final batches from Mali, received in early July, marked the end of this source's season. Curiously, there was an observed lack of Mexican produce, traditionally present at this time of year, apart from a few containers sold on the North European markets. In August, the supply was boosted with the Israeli season opening. This multiple and substantial supply very easily satisfied demand, which ebbed as the summer went on. The extended range of varieties on offer (Tommy Atkins, Keitt, Palmer, Kent) and the uneven quality of fruit on the market caused a more marked price drop in August, when demand reached its lowest level. Export restrictions by Russia, as well as the political events in the Middle East, also contributed more or less directly to poor sales, with the products restricted on the European markets already over-supplied with seasonal fruits. In late August, the decrease in incoming shipments from the Dominican Republic and Senegal was partially compensated for by the first Spanish Osteen shipments (by road).

The deterioration in the market conditions proved quicker for air-freight mangoes from the third week of July, with a large supply from Mexico, Senegal and then Israel. Prices quickly crumbled, leading to an early end to Mexican shipments, with the fruits exhibiting disparate quality. Some batches from the Dominican Republic and Egypt swelled the supply in August, while demand remained very limited. Competition from seasonal products also burdened transactions, as did rejection of Israeli products by certain purchasers. Incoming Israeli mangoes, of air-freight quality though shipped by sea, added to the already great confusion of the sales conditions.

MANGO — INCOMING SHIPMENTS (estimates in tonnes)

Weeks 2014	32	33	34	35
Air-freight				
Senegal	10	10	10	5
Sea-freight				
Brazil	1 230	1 170	790	530
Senegal	880	440	220	180

■ Mango: rising number of seizures due to the fruit fly.

The release of the European Union statistics on the number of interceptions of mango batches due to the fruit fly is a reminder, if needed, of the importance of the subject for the mango trade sector. Comparison between 2013 and 2014 of the number of interceptions from January to July is edifying. While we can welcome the substantial fall in the overall number of seizures, from 300 in 2013 to 218 in 2014, more in-depth study of the figures hardly lends itself to optimism. The fall in the number of seizures between 2013 and 2014 is primarily attributable to produce originating from Pakistan, which on its own apparently represented more than one third of interceptions in 2013. May, June and July packed in the highest number of interceptions for the first half-year, i.e. 76 % to 86 %. During this period, the European market is primarily supplied by West African sources, and to a lesser degree by

the Dominican Republic (see table below). While interceptions have decreased for Burkina Faso and stabilised for the Dominican Republic, we have seen a big increase for Mali, and in particular for Côte d'Ivoire, with equivalent quantities. The case of Côte d'Ivoire seems particularly worrying insofar as this source makes a big contribution to the market supply over the period in question. It is difficult to identify the reasons for this rise. Is it down to a cyclical increase in the parasite pressure on the production zones, a lack of means of managing fly infestations, a lack of rigour during fruit packing (a problem still difficult to detect) or a renewed surge in inspections on European Union borders? Doubtless these various factors can contribute to explaining this development, which highlights the lack of coordination and difficulty in implementing regional fruit fly management programmes.

Source: Pierre Gerbaud

Mango — European Union Number of seizures due to the fruit fly

	Years	May	June	July	Total
Burkina Faso	2013	2	2	4	8
	2014		2	1	3
Côte d'Ivoire	2013	5	10	8	23
	2014	19	42		61
Mali	2013	6	4	7	17
	2014	1	16	5	22
Dom. Republic	2013	5	2	7	14
	2014	4	5	4	13

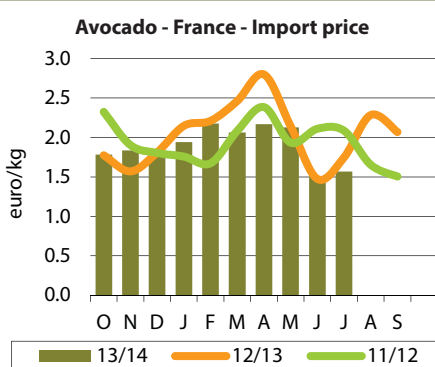
MANGO — IMPORT PRICE ON THE FRENCH MARKET

Weeks 2014		32	33	34	35	Average August 2014	Average August 2013
Air-freight (euro/kg)							
Mexico	Kent	2.00-3.00	-	-	-	2.00-3.00	3.60-3.80
Senegal	Kent	3.00-3.50	3.00-4.00	3.50-4.00	4.00	3.35-3.85	3.30-3.75
Israel	Aya/Maya	1.60-3.00	2.00-2.50	-	-	1.80-2.75	3.20-3.50
Israel	Others	1.50-2.00	1.50-2.00	2.20-2.80	2.00-2.50	1.80-2.30	-
Israel	Kent	-	-	-	3.00-4.00	3.00-4.00	3.60-4.25
Sea-freight (euro/box)							
Brazil	T. Atkins	4.00-4.50	-	-	-	4.00-4.50	4.60-5.10
Senegal	Kent	2.50-4.50	2.00-4.00	2.00-4.00	4.00-5.00	2.60-4.35	4.00-5.35
Puerto Rico	Keitt	3.00-4.50	4.50-5.00	5.00-6.00	5.00-6.00	4.35-5.35	5.25-6.00
Dom. Rep.	Keitt	3.00-4.50	4.50-6.00	5.00-6.00	-	4.15-5.50	-
Israel	Kent	-	-	-	5.00-6.00	5.00-6.00	6.00-7.00
By truck (euro/box)							
Spain	Osteen	-	-	8.00	7.00-9.00	7.50-8.00	nd

Avocado

July-August 2014

There was a summer crisis for the avocado market, which succumbed to a historic oversupply of Hass. Peruvian production reached its peak, with volumes above one million boxes throughout July. In addition, incoming shipments from South Africa and Kenya were also very large. A second wave of very big incoming shipments came in mid-August. Hence the average monthly rate was 24 % below average in July, and 28 % below average in August, and there were stocks available. Despite the supply becoming more moderate in late August, the rates did not rise. For the green varieties, the South African supply level was also historically high. The Northern markets managed to absorb the volumes in July, but in August they were swollen despite the seasonal fall in supply. The average rate remained below average throughout the period.



PRICE	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Green	5.00 - 6.50	- 17 %
	Hass	5.50 - 6.00	- 28 %

VOLUMES	Varieties	Comparison	
		previous month	average for last 2 years
	Green	↗	+ 49 %
	Hass	↘	+ 17 %

VOLUMES	Source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	South Africa	↘	+ 14 %	Growth in Hass imports similar to last year. Fuerte volumes much greater than in previous years.	+ 27 %
	Peru	↘	+ 18 %	Hass volumes very high, greater than last season. Fall after mid-August, though levels still above average.	+ 31 %
	Kenya	↗	+ 24 %	Hass imports stable in August from July, and much greater than in the previous year.	+ 3 %

■ Avocado variety of the month: Ettinger.

This variety was bred from 'Fuerte' in Kefar Malal in Israel, where it is mainly grown. The tree is very fertile and vigorous with an erect habit. The fruits are similar to those of 'Fuerte'. The skin is susceptible to problems of corky areas and tends to adhere to the pulp. The pulp is buttery and fibreless and has good organoleptic qualities.



Source: CIRAD

■ Pressure in the Antipodes for the avocado.

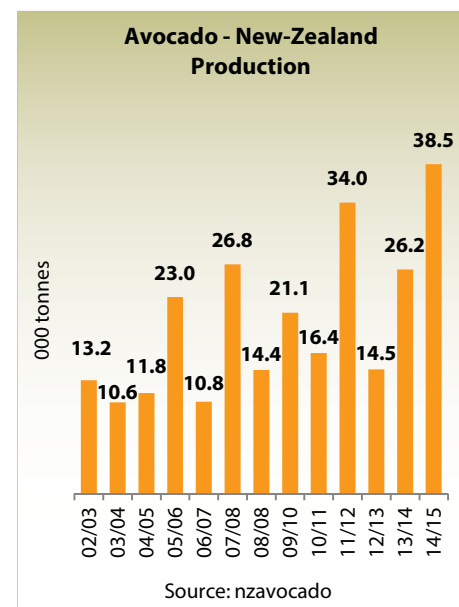
The market conditions for the coming antipodean winter season promises to be as diametrically opposed as Oceania is from the Old Continent. While tension could well prevail in Europe, it is pressure which will predominate on the other side of the world. The New Zealand harvest has registered a record level, approaching 40 000 tonnes for the first time. The export potential is estimated at more than 27 000 tonnes, also unprecedented. The problem is that the Australian market, essential for New Zealand, is set to become heavily burdened. Western Australia State, whose market window is similar to New Zealand's, should also see its production reach a historic high point. In this context New Zealand exporters should have a much bigger presence than usual on the Asian markets, and perhaps in the United States too.

Sources: Government of Western Australia, NZ avocado growers

■ Ratification of the EPAs.

Although final ratification of the EPAs (Economic Partnership Agreements) for Cameroon, Ghana and Côte d'Ivoire will come only after the 1 October 2014 deadline — when the EU said that non-signatory countries would no longer enjoy preferential treatment — the threat will not be implemented. That is the least of the matter, so badly has the European crisis of authority been perceived by the ACP countries. Conversely, Kenya, a big exporter of horticultural products (green beans, flowers, etc.), is part of an economic zone (East Africa) which has not even opened negotiations with the EU. So its exports will, unsurprisingly, be hit by a very considerable rise in customs duty.

Source: CIRAD



Sea freight

July-August 2014

Although the charter market spent much of July and August deep in the summer doldrums, the majority of the reefer fleet remained occupied as vessel operators have switched their attention away from Spot trading and towards optimizing capacity utilization to counter the threat of containerization. With the lines able to provide so many more slots and so much more equipment than ever previously, in a year when less cargo was shipped, it is not a surprise that operators of large vessels have adapted their strategy. Operators were not helped by a 45% fall in Argentinean lemon exports and a persistently high price for Spot-traded bananas in Ecuador. Argentina's citrus crops were hit by a combination of severe frost last winter and an intense, long-lasting drought; Ecuador benefited from unusually strong demand from China after typhoons damaged its domestic crop and the shortfall could not be made up by traditional supply from the Philippines, as its industry too is recovering from prior storm damage. For the small segment the picture was very different: following a record-equaling squid catch in the South Atlantic between March and mid June, there was strong demand from fish charterers trading into West Africa. So short was the supply of tonnage that several larger units were able to take advantage at unit rates similar to those achieved by the smaller ships, yielding TCE returns well above the historical mid-summer average. There were two significant developments elsewhere in the reefer business, both of which should benefit reefer operators in the short to medium term. Firstly, Russian owner/operator Baltic Reefer Lines acquired NYKool for a reported US\$90m-100m, consolidating the sector into just three major players while securing its own future. The removal of a major player from the competitive environment should both remove some of the pricing volatility from the market and give operators greater control of supply side variables. Meanwhile there is every reason to believe that the Russian ban on imports of perishable

goods from the EU, US, Japan, Norway and Australia will have a positive impact on the deepsea reefer trades. Worst hit by the ban will be the EU - the European Commission estimates Russia purchased 28% of the EU's fruit exports and more than 21% of its vegetable exports in 2011, equivalent to a total of 1.8m MT of fresh produce. Of this, 790K MT were apples, 230K MT tomatoes, 201K MT pears and 165K MT peaches and nectarines. From the US, Russia is estimated to have imported about €1bn (US\$1.3bn) of fresh food in 2013. While fresh exports from Japan and Australia into Russia are not especially significant, Norway is heavily dependent on the Baltic market for its fish

exports. All of this will need to be replaced from further afield. Producers and shippers from those countries not included on the Russian black list such as Morocco, Egypt, Turkey and China as well as South Africa, Latin America and New Zealand, can expect a surge in interest from Russian fruit importers keen to supplement what they have lost. With the cost of deepsea transportation much greater than that of continental trucking services and the Russian Ruble depreciating against the US\$, there is likely to be significant cost inflation on the Russian market for the duration of the ban, currently set at 12 months.

■ Fruits: juice and pulp prices in Europe for July 2014.

	Type	Price (USD/t)	Source	Comments
Acerola	Frozen ss, 6-8°Brix	1 150-1 200 cfr Rotterdam	Brazil	Market well supplied, with prices falling.
	Frozen concentrate, 20-22°Brix, clear	3 000-3 100 fob Santos		
Passion fruit	Frozen concentrate, 52°Brix	8 000-8 950 cfr Holland	Ecuador	Supply still very limited, from both Ecuador and Peru. Prices falling and demand hard to estimate because of the extended under-supply.
	NFC, 11°Brix	2 500-2 850 cfr exw Ecuador		
	Frozen concentrate, 50°Brix	9 500-10 000 fca Holland	Peru	
Guava	ss aseptic pulp, 9°Brix, pink	700-725 cfr Holland	South Africa	Prices have fallen for South Africa, which by comparison makes Brazilian produce particularly expensive.
	Concentrate, frozen pulp, 29-30°Brix, pink	1 600-1 750 cfr Holland		
	ss aseptic pulp, 8.5-9°Brix, pink	1 200-1 300 fob Santos	Brazil	
Pomegranate	Aseptic clarified concentrate, 65°Brix	1 750-1 800 fca Rotterdam	Turkey/Iran	Abundance of volumes continuing to drive prices downward.

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

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MONTHLY SPOT AVERAGE

USD cents/cubic foot x 30 days	Large reefers	Small reefers
July-August 2014	28	93
July-August 2013	24	58
July-August 2012	38	64

