

June 2012 - No. 201

FRUITROP

English edition

Close-up

Easy peelers from the Southern hemisphere

<http://passionfruit.cirad.fr>

Sea freight: outlook brightens
for reefer operators

Banana logistics: Maersk Line's
loss is Star Reefers' gain



Agropolis International is an association created in 1986 by French research and higher education institutions in Montpellier and Languedoc-Roussillon region that are totally or partly focused on **agriculture, food, biodiversity** and **environmental** issues.

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RIO+200: discussions at a standstill! 'The ship on which the discussions are held because of the rise in the water level has been going round and round on the sea for 200 years without any decision being taken on the reduction of the negative effects of human activities on the environment'.

A nightmare vision of our future? The learned gathering in Brazil assembled for RIO+20 may well be a flop or nothing at all. It is clearly an environmental nervous breakdown triggered by a few fat cat states and utopian pressure groups convinced that the whole world is ready to listen to the voice of environmental foolishness. But that is without allowing for the right to development for the emerging states, all in the South, and hence the right to have an impact on the environment. This is a very pessimistic vision of development examined solely through the deforming, simplistic glass of negative impacts on the environment, without allowing for the beneficial effects on populations such as potable water supply, sufficient food, health, leisure, freedom to travel, etc. The deep ecology approach is totally opposed to the postulate whereby development means that humans can improve their ability to care for themselves, can live longer and in better health, can have amusement, can make personal choices, etc. Of course we can warn against development without awareness and impose the idea that sustainable development should be preferred to just development, full stop. It is already seen that ecological and climatic imbalances can slow or even wipe out the progress made. So there is just a Plan A. But it is still true that for development to be sustainable there must be development. In Rio as elsewhere, it is a message from the emerging countries to the decadent countries! Nothing more.

Denis Loeillet



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Printed by
Impact Imprimerie
n°483 ZAC des Vautes
34980 Saint Gély du Fesc, France

Separate French and English editions

ISSN
French: 1256-544X / English: 1256-5458

CPPAP
Fr.: 0711 E 88281 / Eng.: 0711 R 88282

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Subscription rate
EUR 220 / 11 issues per year

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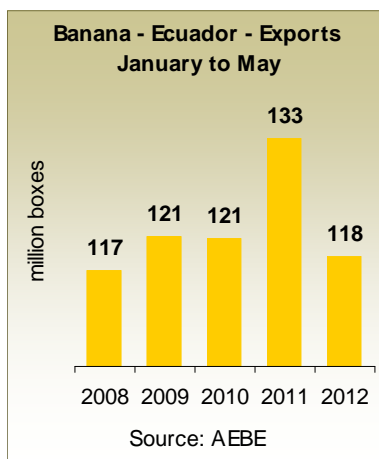
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Cover photograph: Eric Imbert

Banana

May 2012

May was another very favourable month for bananas. Nonetheless, supply from the French West Indies continued to increase to more than 25% above the three-year average and shipments from Surinam peaked (+ 44%). In spite of a slight dip in comparison with April, supply from Africa was also very large. Nevertheless, competition from dollar bananas remained moderate as the shortfall continued, but was less marked than in the preceding months. Total supply from Ecuador was still short but shipments to the EU recovered to a level close to that of 2011. Shipments from Colombia remained average and the shortfall from Costa Rica continued. Furthermore, in spite of the short trading weeks, the period was marked by a weak presence of the season's fruits and continued bad weather that favoured sales of bananas. Promotion operations also helped to maintain dynamic retail sales in both France and Germany. Thus although the market dipped in comparison with April, green prices still displayed a good trend and remained higher than the average for the season in France (+ 5%), Germany (+ 6%), Italy (+ 10%) and even in Eastern Europe (+ 6%). The market in Russia also behaved well thanks to comparatively stable arrivals.



The reference price of bananas in the heart of the Ecuadorean election campaign. According to the Minister of Agriculture, Javier Ponce, the project for a state export company has advanced considerably. One of its main objectives is reported to be that of finding an outlet for the excess volumes from May to September when the world market is slow. While awaiting the possible setting up of this umpteenth project, growers are sharply criticising the fact that the most emblematic of the previous measures is not working. It is held that the minimum price—now USD 5.50 per box—is not always respected by a fair number of exporters in spite of all the procedures set up, the most recent of which is a system for the obligatory online registration of transactions. In a context of shrinking world demand (exports from January to April are at their lowest level since 2008) and the upcoming presidential elections (first round in February 2013), the subject is acquiring a very political flavour. Alvaro Noboa, presidential candidate for the

fourth time, has condemned the ineffectiveness of the measures taken by the President Correa that endanger the Ecuadorean banana industry.

Source: Reefer Trends

Canary island bananas: the fall will be all the harder. Catastrophic! is unfortunately the term used to describe the situation in the Canary Island banana industry in mid-June after fairly satisfactory performance since the beginning of the year in spite of the damping effect of the economic downturn on consumption. The official price hit a very low EUR 0.60 per kg and this is not even respected by most middlemen. The reason for this is that arrivals became too large for the season with no regulation measures.

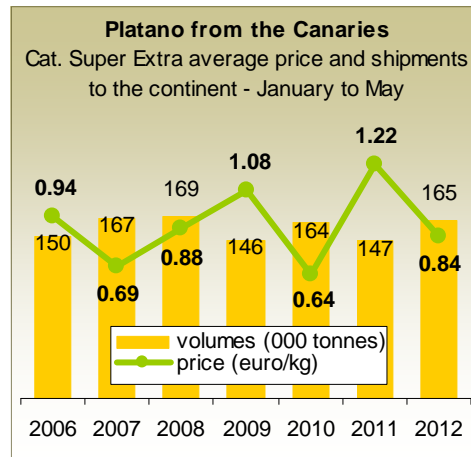
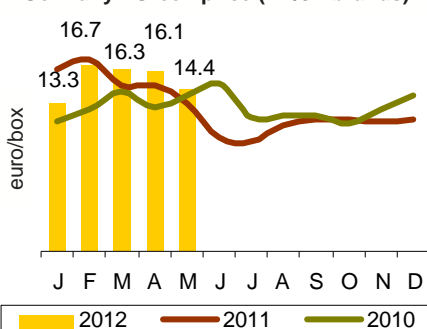
Sources: ASPROCAN, CIRAD



NORTHERN EUROPE — IMPORT PRICE

May 2012 euro/box	Comparison	
	previous month	average for last 2 years
14.40	- 11%	+ 6%

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



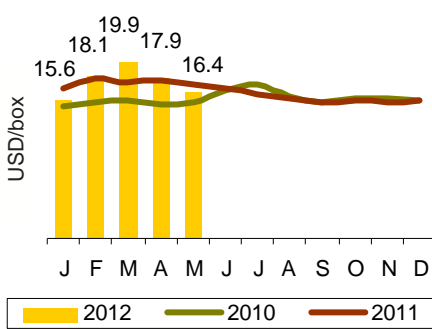
EUROPE — RETAIL PRICE

Country	type	May 2012		
		euro/kg	April 2012	average for last 2 years
France	normal	1.60	0%	+ 6%
	special offer	1.32	- 3%	+ 1%
Germany	normal	1.31	- 4%	+ 4%
	discount	1.20	- 4%	+ 10%
UK (£/kg)	packed	1.22	- 2%	- 1%
	loose	0.71	0%	- 18%
Spain	plátano	1.78	+ 2%	- 6%
	banano	1.38	0%	- 4%

Banana

UNITED STATES

USA - Green price (spot)

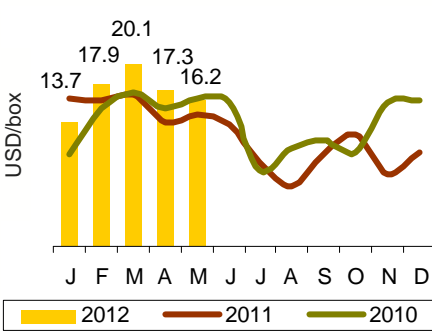


USA — IMPORT PRICE

May 2012 USD/box	Comparison	
	previous month	average for last 2 years
16.40	- 8%	+ 1%

RUSSIA

Russia - Green price

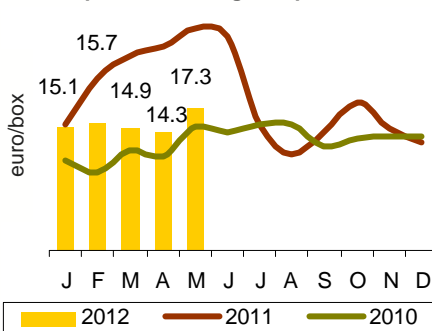


RUSSIA — IMPORT PRICE

May 2012 USD/box	Comparison	
	previous month	average for last 2 years
16.20	- 7%	+ 5%

CANARIES

Spain - Platano green price*



CANARIES — IMPORT PRICE*

May 2012 euro/box	Comparison	
	previous month	average for last 2 years
17.30	+ 21%	- 18%

* 18.5 kg box equivalent

European banana market: fewer bananas and above all less competition. It has been reported month after month in FruiTrop that banana prices at the import stage in Europe have been good or even very good. The green price in France set an absolute record in April with EUR 0.74 per kg, a level never seen at this time of year except in 2005 before the switch to the tariff-only system. This rise in prices is explained by a decrease in the supply of bananas. This was indeed the case in March. EU-27 imports were 4% down in comparison with 2011 and European production did not fully make up for the shortfall. Net supply was down by 3%. The import deficit in April was eased by the arrival of a certain quantity of dollar bananas (- 7%), and also fruits from ACP sources (Côte d'Ivoire, Dominican Republic and Belize) that partially compensated the shortage from Ecuador and Costa Rica that has lasted for months. With very dynamic European production in April (+ 21%), the supply shortage was only 2%. The explanation of the high prices is therefore found in the banana sector but it will be understood that the scale of the price rises also have external causes. The very cold weather on the European markets throughout the spring and mod-

est competing supply did the rest. Prices in France in mid-June were a third higher than they were a year ago. The trend is good but the period is one of high risks. Supply of summer fruits will finally arrive. This key period is always very difficult to handle for operators who at least have the satisfaction of having had an excellent first quarter. Consumption on the US market regained vigour with an excellent performance in the first four months of the year: + 5% in volume and an average Spot price of USD 17.5 per box!

Source: CIRAD



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Banana - January to April 2012 (provisional)

	tonnes	2010	2011	2012	Variation 2012/2011
EU-27 — Total supply		1 818 588	1 772 331	1 782 854	+ 1%
Total import, of which		1 608 661	1 587 440	1 571 747	- 1%
MFN	1 262 442	1 278 158	1 259 025	- 1%	
ACP Africa	197 021	167 003	160 917	- 4%	
ACP others	149 198	142 279	151 805	+ 7%	
Total EU, of which		209 927	184 891	211 108	+ 14%
Martinique	62 859	43 636	56 370	+ 29%	
Guadeloupe	8 576	13 907	17 979	+ 29%	
Canaries	132 422	120 333	129 744	+ 8%	
USA — Imports		1 366 346	1 390 946	1 441 846	+ 4%
Re-exports	168 423	173 451	165 621	- 5%	
Net supply	1 197 923	1 217 495	1 276 226	+ 5%	

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

EUROPE — IMPORTED VOLUMES — MAY 2012

Origin	Comparison		
	April 2012	Mai 2011	cumulated total 2012 compared to 2011
French West Indies	↗	+ 11%	+ 24%
Cameroon/Ghana	↘	+ 27%	+ 26%
Surinam	↗	+ 12%	+ 34%
Canaries	↗	+ 34%	+ 13%
Dollar:			
Ecuador	↗	- 3%	- 5%
Colombia*	↘	+ 6%	+ 4%
Costa Rica	↗	na	na

Estimated thanks to professional sources / * total all destinations

Avocado

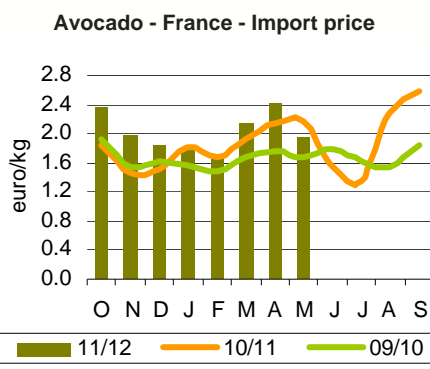
May 2012

Market conditions deteriorated from the end of April and worsened further in May. On the one hand, demand was quieter as a result of the series of short trading weeks. On the other, supply of Hass was much stronger, with increasingly large arrivals from Peru, substantial volumes from South Africa, fruits from Spain available until mid-May, a few batches from Israel and Kenya still on the market. As a result, pressure on the market increased rapidly in mid-month with the forming of large stocks and prices falling distinctly. The decrease in the supply of green varieties from mid-April continued in May and volumes became light again (decrease in arrivals from South Africa and stable, moderate shipments from Peru and Kenya). Prices remained very low but a slight improvement was observed towards the end of the month.

■ The good health of the Spanish avocado sector confirmed in 2011-12. The performance was satisfactory according to B. Fauli, the sector specialist at ASAJA Malaga. However, the harvest was about 40% down on the preceding season as a result of alternate bearing and losses caused during an exceedingly cold winter. But at 30 000 t, the volumes available for the international market were larger than average. Turnover was more than 25% up on 2009-10 even though volumes were similar, bringing producers EUR 0.85 per kg for green varieties and EU 1.45 per kg for 'Hass'. As regards the market, the EU still takes the lion's share with about 28 000 t, nearly 80% of which is 'Hass'.



Source: ASAJA Malaga



PRICE	Comparison		
	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Green	4.04	- 9%
	Hass	8.42	- 9%

VOLUMES	Comparison		
	Varieties	previous month	average for last 2 years
	Green	↘	- 37%
	Hass	↗	+ 37%



© Eric Imbert

■ More and more ambition in Peru! According to Prohass, sales by the export avocado sector should reach USD 500 million in five years time, triple the 2011 figure! To achieve this, planting should continue at more than 1 000 ha per year, with areas also increasing in currently little-developed zones like the Arequipa region which has the earliest production calendar. Downstream, the aim is to increase exports to other South American countries (Argentina, Colombia, Chile and Mexico) and to Asia (Japan, China and India, where imports have just been permitted).

Sources: Reefer Trends, La Republica, www.agro.pe

VOLUMES	Comparison			Observations	Cumulated total / cumulated average for last 2 years
	Source	previous month	average for last 2 years		
	Israel	↘	- 33%	End of the season in Week 20. Last arrivals towards the middle of the month.	- 3%
	Peru	↗↗	- 1%	Strong increase in arrivals of 'Hass'. Very large quantities from the beginning of the month. Shortfall in arrivals of 'Fuerte'.	+ 6%
	Spain	↘	+ 16%	Slowing of the Spanish 'Hass' season. Last significant volumes in Week 19.	+ 41%
	South Africa	↗	+ 53%	Increase in arrivals of 'Hass'; large volumes. Gradual decrease in deliveries of 'Fuerte' after a plethoric month of April. Deficit in Week 19.	+ 74%
	Kenya	↘	- 48%	Very moderate volumes of 'Fuerte' and 'Hass'.	- 13%

Pineapple

May 2012

Demand was strongly affected by a large number of public holidays in May. However, prices of 'Sweet' remained fairly stable, especially thanks to various promotion operations. In the first half of the month, the operators involved in these were thus able to shift the fruits in their possession more easily. The volumes reported (natural flowering) were much smaller than in preceding seasons. Pressure was strong on wholesale markets in the second half of the month and operators found it a little more difficult to sell their produce. The limited presence of seasonal fruits, that were still very expensive at the end of the month, and the announcement of a reduction in arrivals of 'Sweet' from Week 24 onwards allowed operators to remain optimistic with regard to the development of the pineapple market in June.

The situation was a little more difficult on the 'Smooth Cayenne' market. Although supply was reduced, it was difficult to find takers as the fruits lacked colour. This caused prices to fall slightly.

The situation was fairly good overall on the air pineapple market. Supply—especially from Benin—was small throughout the month. There were also some concerns about quality following rain in production regions. The practically total absence of fruits from Benin benefited fruits from other sources, which gained in price. The situation was identical for 'Sugarloaf' pineapples; the few boxes available sold fairly well throughout the month at between EUR 1.95 and 2.10 per kg depending on their quality.

Supply of 'Victoria' pineapple, in particular from Réunion, was small throughout the month. Larger quantities of fruits from Mauritius were available but sold no better as the quality was considered to be too uneven.

PINEAPPLE — IMPORT PRICE

Weeks 18 to 22	Min	Max
By air (euro/kg)		
Smooth Cayenne	1.70	1.95
Victoria	3.00	3.50
By sea (euro/box)		
Smooth Cayenne	5.50	7.00
Sweet	6.00	8.50

Mango

May 2012

The sea mango market was difficult in May. The many sources and uneven produce quality caused prices to lose ground gradually. Arrivals were ample throughout the month and stocks accumulated as demand was slow. The market was also troubled by residual batches of Peruvian fruits of mediocre quality. Most of the supply was from West Africa and especially from Côte d'Ivoire. Complementary deliveries from Brazil, Costa Rica and Puerto Rico made the market conditions more sluggish. The main Ivorian export structures suspended shipments in the second half of the month because of the arrival of the rains in the production zones; this generally affects fruits quality. However, inertia in transport times meant that the quantities available on the markets did not change until the very end of the month. Although the increase in quantities of seasonal fruits was limited, they drew part of the clientele. A succession of public holidays in France also reduced the number of shopping days.

The sea mango market was not very different, with massive deliveries from Côte d'Ivoire amplified by further ship-

ments from Mali and Burkina Faso. Storage resulted in produce at an advanced stage of ripeness and operators had to make price concessions or even hold clearance sales. Exports from Mali were strongly disturbed by closures of the airport resulting from the political events in the country. These problems often resulted in delayed shipment and consequently a worsening of fruit quality. The few batches from Costa Rica that were available in the first half of the month sold with difficulty because of the strong competition from African produce.

MANGO — ARRIVALS (estimates) Tonnes

Weeks 2012	18	19	20	21	22
By air					
Peru	10	-	-	-	-
Mali	20	50	25	25	-
Burkina Faso	20	20	10	10	-
Côte d'Ivoire	100	120	100	100	-
Costa Rica	5	3	-	-	-
By sea					
Brazil	1 520	1 300	1 140	1 170	880
Peru	220	110	-	-	-
Côte d'Ivoire	1 760	1 760	2 200	2 200	1 100

MANGO — IMPORT PRICE ON THE FRENCH MARKET — Euro

Weeks 2012	18	19	20	21	22	Average May 2012	Average May 2011
By air (kg)							
Peru	Kent	4.00	-	-	-	4.00	-
Mali	Amélie	2.80	-	2.60-2.80	-	2.70-2.80	2.50
Mali	Valencia	2.00-3.00	-	-	-	2.00-3.00	2.50-2.80
Mali	Kent	2.50-3.80	2.00-3.50	2.00-3.50	2.50-3.00	2.30-3.35	2.10-3.10
Burkina Faso	Kent	2.80-3.50	2.80-3.50	2.80-3.30	2.80-3.20	2.80-3.35	2.10-2.60
Costa Rica	Cavallini	4.00	3.50-4.00	-	-	3.75-4.00	nd
Côte d'Ivoire	Kent	3.80-4.20	3.00-4.00	3.50	3.00-4.00	3.35-3.90	3.10-3.75
By sea (box)							
Peru	Kent	4.00-5.00	3.00-4.00	2.50-4.00	-	3.15-4.30	5.00-5.50
Côte d'Ivoire	Kent	5.00-5.50	4.00-5.00	3.50-4.50	3.50-4.50	4.00-4.80	5.35-6.10
Mali	Kent	-	-	3.50-4.50	3.50-4.50	3.50-4.50	nd
Burkina Faso	Kent	-	-	-	3.50-4.50	3.50-4.50	nd
Puerto Rico	Keitt	5.00	4.00-5.00	4.00	3.50-4.50	3.50-4.50	4.75-5.10

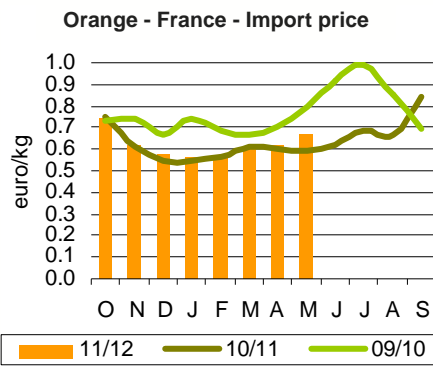
PINEAPPLE — IMPORT PRICE IN FRANCE — MAIN ORIGINS

Weeks 2012	18	19	20	21	22	
By air (euro/kg)						
Smooth Cayenne	Benin	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90	-
	Cameroon	1.70-1.90	1.70-1.90	1.70-1.90	1.75-1.90	1.70-1.95
	Ghana	1.80-1.85	1.80-1.85	1.80-1.90	1.80-1.90	1.80-1.90
Victoria	Réunion	3.50	3.50	3.30-3.50	3.30-3.50	3.30-3.50
	Mauritius	3.00-3.30	3.00-3.40	3.00-3.40	3.00-3.30	3.00-3.30
By sea (euro/box)						
Smooth Cayenne	Côte d'Ivoire	5.50-6.50	6.00-7.00	6.00-7.00	6.00-7.00	6.00-7.00
Sweet	Côte d'Ivoire	6.50-8.50	6.50-8.50	6.50-8.00	6.50-8.00	6.50-8.00
	Cameroon	6.50-8.50	6.50-8.50	6.50-8.00	6.50-8.00	6.50-8.00
	Ghana	6.50-8.50	6.50-8.50	6.50-8.00	6.50-8.00	6.50-8.00
	Côte d'Ivoire	6.50-8.50	6.50-8.50	6.50-8.00	6.50-8.00	6.50-8.00
	Costa Rica	6.00-7.00	6.00-7.50	6.50-7.50	7.00-8.00	7.00-8.00

Orange

May 2012

Sales of oranges were quiet because of short trading weeks and the start of the stone fruit season. 'Maroc late' was little present as the market was not very profitable and this variety was sold mainly on the domestic and Russian markets. The quantities of 'Navelate' from Spain had started to decrease at the end of April; the trend continued and the lower than average prices increased for the best brands. Arrivals of 'Valencia late' from Spain increased, reaching full season in Week 18 with medium volumes and low prices for the season. Prices started to firm in about Week 21 with the end of the 'Navelate' season, an absence of 'Maroc late' and also the slow start of 'Navel' from South Africa, the first arrivals of which were limited and consisted mainly of small fruits with colour defects.



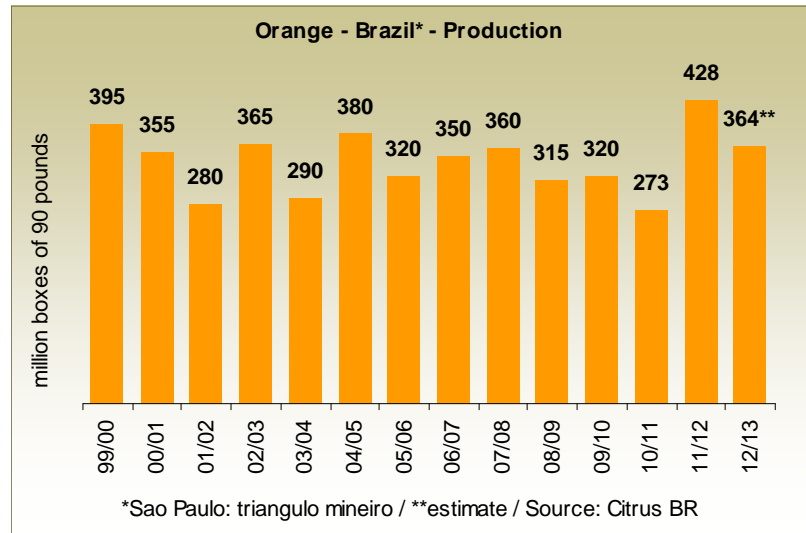
■ Concentrated orange juice: prices down in spite of the medium term trends in world production. After riding a wave since mid-2010, the concentrated orange juice market is showing signs of weakness. Prices (USD 2 400 per t CIF Rotterdam in mid-June according to FoodNews) are still high but have fallen by about USD 350 per t since the beginning of May. First, consumption is still decreasing distinctly in the United States, as is shown by the 10% fall in sales from October 2011 to May 2012 in comparison with the previous period for the same dates. Even though the effects of the carbendazim crisis seem to have faded, interest in orange juice is dwindling, in particular because of the high retail price. Some analysts also consider that the European and Japanese markets are less dynamic, even if figures to prove this are lacking. Second, the coming Brazilian harvest, estimated at 364 million boxes according to Citrus BR, should be larger than average

in spite of a substantial decrease in comparison with last year's very large crop. Stocks, which should be about 50% larger than last year at the end of June, also play a role even if this should be seen in relative terms as they are 30% smaller than in 2008-09 and 2010-11. Nevertheless, the medium-term effects of greening on production in Florida and Brazil and on the cost structure are serious brakes for sudden downward movements. One analyst summarised the situation by saying that it is the moment to constitute stocks—while there are still oranges.

Sources: FoodNews, Citrus BR, Esalq



© Régis Domergue



PRICE	Type	Average monthly price euro/box 15 kg	Comparison with average for last 2 years
	Dessert oranges	0.72	- 4%
Juice oranges	0.66	- 5%	

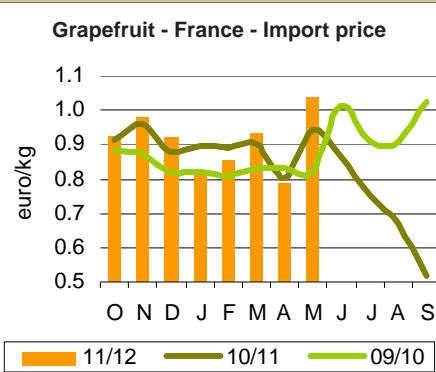
SEASON	Type	Comparison	
		previous month	average for last 2 years
Dessert oranges	↗	+ 37%	
Juice oranges	↗	- 5%	

SEASON	Varieties by source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Valencia Late from Morocco	↗	- 55%	Deliveries increasing and similar to last year's. Deficit in levels.	- 44%
	Navelate from Spain	↘	+ 37%	Season becoming slower but prolonged. Volumes larger than in other years.	+ 5%
	Valencia Late from Spain	↗	- 4%	Peak season. Volumes close to the average of the last two years.	- 65%

Grapefruit

May 2012

Under-supply became more marked in May and the transition between the two hemispheres was smooth. On the one hand, the early end to the Florida season was in April. On the other, Mediterranean supply continued to decrease in May. The last significant arrivals from Israel were in Week 19 and the last moderate batches from Corsica, Spain, Israel and Turkey were available until Weeks 20 and 21. The southern hemisphere seasons started late. Argentina was practically totally absent until the end of the month and South Africa started in Week 19 with large volumes from week 21 onwards. The end-of-season prices of fruits from Mediterranean sources remained 23% higher than average and South Africa started with very high prices and then quickly returned to a typical level for the season in Week 21.



■ The world market is increasingly open to citrus from South Africa. Two more markets for South Africa! The Thai and South Korean authorities have just given their approval for the entry of citrus from South Africa, on condition that a sanitary protocol is respected. The Korean authorisation is limited to lemons and grapefruit.

Source: CGA

■ Who knows about pink lemons? The variegated lemon 'Eureka' has several seductive features. Discovered in a garden in Burbank, California, in 1931, the peel is yellow and green. And the pulp, with a very individual flavour, is pink! Commercial production is being developed in California by Limoneira on some 20 hectares. This may prove to be a new seam of pink gold in the American West?

Source: The Packer

■ Smaller grapefruit export potential than forecast in South Africa and good prospects for Mexico. The CGA has reduced its grapefruit export potential forecast for the 2012 season. A larger proportion of production than forecast will be too small for export for reasons of lack of rain and will be processed. This is currently a very profitable market (USD 2 750 USD per tonne of concentrated white grapefruit juice CIF Rotterdam according to Food-News). At 11.8 million 15 kg boxes, the new estimate is the lowest of the past three years and about 20% down on the 2010-2011 average. This is good news for Mexican exporters who should benefit from a very open market at the beginning of the season.



© Jorma Koskinen

Sources: CGA, douanes mexicaines

PRICE	Type	Average monthly price euro/box 17 kg box eq.	Comparison with average for last 2 years
	S. hemisphere	16.50	+ 5%
Mediterranean	10.44-11.60	+ 23%	

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
S. hemisphere	-		+ 29%
Mediterranean	↘		+ 43%

tonnes	2003	2004	2005	2006	2007	2008	2009	2010	2011
N. America	739	4 049	2 358	2 259	2 426	634	546	1 397	680
EU-27	5 857	6 769	6 512	10 648	8 872	12 998	9 220	14 665	12 782
Russia	-	-	0	0	133	674	869	2 399	2 573
Others	23	287	0	16	243	33	21	236	974
Total	6 619	11 105	8 870	12 923	11 674	14 338	10 656	18 697	17 009

Source: Mexican customs

SEASONS	Source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
Israel	↘		+ 35%	End of the season. Volumes decreasing gradually but the season was prolonged.	- 11%
Turkey	↘		+ 233%	End of the season. Volumes decreasing gradually but the season lasted for longer than in other years.	+ 8%
South Africa	↗		+ 96%	Start of the season in Week 19; volumes very large in comparison with the average.	+ 96%

Sea freight

May 2012

Although it cannot be said that the Spot market was particularly active during the course of the month, the increase in the May TCE rate over April resulted from tonnage supply levels that were lighter than was demand. With May averaging 49c/cbft TCE, the TCE average for the first five months of 2012 of just under 40c/cbft is very similar to the TCE average for the whole of 2011. If the banana box and Timecharter rates remain at similar levels for the rest of the year and bunker costs remain constant, the annual average will calculate out at 45c/cbft. Although owners would argue that the figure is not great, it is at least close to covering operational expenses and also higher than the annual average for the past three years. Despite the outwardly more optimistic scenario, owners have continued to demolish fuel-inefficient tonnage: they will have most likely drawn the conclusion that even if the cost of bunkers takes a considerable tumble, the competitive environment has reached a point where it is irredeemably and irreversibly hostile. Is this the case? It may also be true that a point has been reached beyond which the container lines can expand no further – or at least where the diminishing returns of securing greater market share of the reefer trades do not make commercial sense, certainly in the short term. Either way, the reduction in tonnage coupled with improved market knowledge and greater discipline mean that reefer owners and operators can legitimately start to believe that the light at the end of the tunnel really isn't a train coming in the opposite direction. The decision to scrap has been supported by a fairly dramatic shortfall of Spot banana volumes in Ecuador: in the first three months of 2012 banana exports fell by 10.5m boxes if compared to 2011 – the April and May figures have yet to be confirmed but there is little to suggest any increase in volume. The ongoing relative lack of fruit will also have contributed to the unlikely slot-purchase alliance between the Maersk Line and bitter rival MSC, whereby MSC

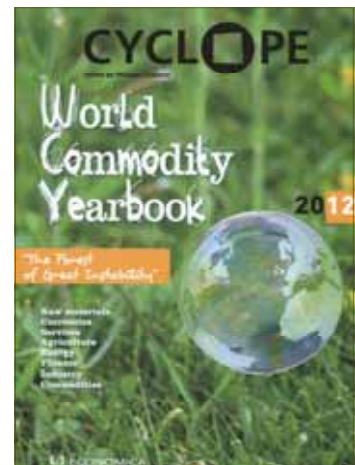
will load its customers' fruit on Maersk's direct Ecumed service into the Black Sea. Although both will flatly deny this, neither Maersk nor MSC will have made any money on their previously competitive services. The new grouping means Maersk has a better chance of capacity optimisation while MSC will at least stop haemorrhaging cash. They will only start making money when the rates they charge customers reflect the costs the services incur! It remains to be seen whether this is an expedient 'low-season' arrangement or something a little more permanent. The answer will to some extent depend on a return to normality for the Ecuadorian banana industry and to some extent on when the respective political and nuclear situations in Syria and Iran are resolved. Add the doubt over the future of Russia's largest banana trading entity JFC to the mix and the lines must surely be questioning the wisdom of the timing of their assault on the reefer services into Russia and the Med. In the short term it appears that the Russian distributor will be able to continue trading – however with a total debt of RUR 15.8bn (USD 483m) and the company so dependent on increasingly volatile banana markets, its future must be in serious doubt. Elsewhere there is no sign that the trade disputes between the Philippines and China, and Brazil and Argentina will be resolved soon. Both could result in more business for the reefers with the Philippines needing alternative markets for the 750K MT of Class II bananas shipped annually into Chinese ports and Argentina obliged to ship the apples to the US, Europe or Russia it would ordinarily have trucked across the Brazilian border.

■ European litchi market in May 2012. The Thai litchi season has continued, mainly in the Netherlands and Belgium. Prices have weakened considerably in comparison with those observed in April.

Source: Pierre Gerbaud

Litchi from Thailand by air Netherlands — Import price					
weeks 2012	18	19	20	21	22
euro/kg	8.00-8.50	7.00-7.50	6.75	6.75	6.75

■ Cyclope, the reference work on commodities, has just been published. This joint volume edited by Philippe Chalmin sheds light on the details of the functioning of world markets. Cyclope is now available in French, English and Chinese. 706 pages, 139 euros, Editions Economica.



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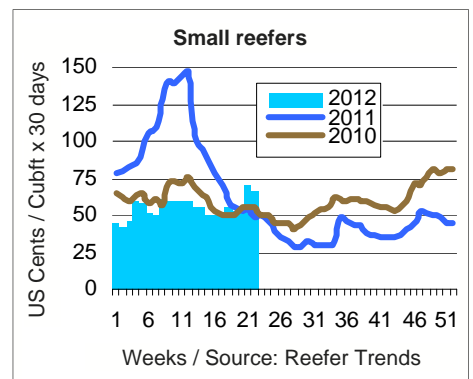
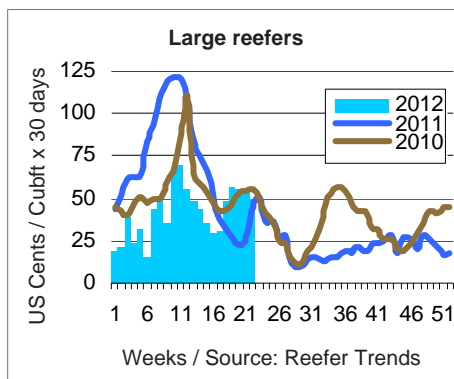
reefer trends

The independent news and information service for the reefer and reefer logistics businesses

REEFER

MONTHLY SPOT AVERAGE

US\$cents/cubic foot x 30 days	Large reefers	Small reefers
May 2012	49	60
May 2011	30	48
May 2010	51	55



Sea freight

Outlook brightens for reefer operators

After three painful years characterised by the combination of an oversupply of reefer capacity and heavy, price-based competition from the container lines the sector is on the verge of stabilisation and recovery.

Is it tempting fate to state that after three long miserable years the corner for reefer owners and operators has finally been turned? On the one hand it certainly appears that by the end of May this year the demand and supply for specialized reefer capacity has reached an equilibrium of sorts: and on the other, the threat posed by the container lines shows signs of diminishing — the lines are not only having to cannibalise strings, compromise customer service and rationalize reefer slot capacity but also demand rate increases as heavy losses threaten to mount on the back of bleak economic forecasts.

Meanwhile the medicine that the reefer business has been forced to swallow has started to take effect: reefer operators have wisely resisted the impulse to ballast units across the Atlantic on speculation for Spot banana cargoes. The focus instead has been on the development of capacity utilization rather than on rate optimisation — major operators Seatrade, Star and NYKCool vessels have been slotted into liner trades or Contracts Of Affreightments (COAs) with charterers, which has had a knock-on benefit of reducing the amount of open tonnage on the Spot market.

Reefer operators realise that the only way to increase earnings on their more lucrative longer-term seasonal and Period contracts is to deprive the Spot market of tonnage. It is not hard to see the logic: a tighter and therefore firmer Spot market can have nothing but a constructive impact on term deals.

The two alternatives to tying up tonnage in liner schedules are lay-up and demolition. Despite the modest resurgence in Time Charter Equivalent earnings in May, operators have thus far resisted the temptation to bring

vessels out of cold (long-term) lay-up. Historically the 'off-season' period between May and September is characterized by a significant reduction of Spot activity — reactivating only a small number of units would upset the delicate equilibrium that they have had to work hard to create.

After a busy first quarter, which saw an estimated 30-35 reefers heading for demolition on the beaches of the Indian sub-continent, scrap activity came to something of a standstill by mid-May. This was caused partly by a sharp fall in the price of scrap metal, for which the price for steel fell from close to USD 600 to less than USD 400 per light deadweight.

Of equal importance however was the simultaneous recovery of the Spot market and the fall in the price of bunker fuel. It was not a sudden increase in demand for reefer capacity that underpinned the recovery in rates:



© Seatrade



© Pierre Gerbaud

although there was a modest recovery in demand led by the Med banana traders with a little assistance from poultry charterers in the US, it was the dramatic reduction in availability of reefer vessels from all operators that was primarily responsible for surprising jump in TCE returns.

The absence of a peak season for the first time coupled with ongoing price-led encroachment into their core banana business by the container lines led some reefer operators to finally decide that perhaps now was the time to throw in the towel and admit defeat. The mood across the sector was downbeat and defensive as ships with an age of less than 20 years were sent for scrap; the industry accepted lifespan for a reefer is 26 years.

However it soon became clear that the action taken by owners was enough to re-balance supply with the structural change in demand. Better news for operators was to follow: with the price of oil falling from USD 125 per barrel to less than USD 100 per barrel in a month on concerns over the global economic outlook, a USD 6 per box banana fixture from Ecuador into the Mediterranean suddenly covered operating expenses — for voyage fixtures, reefer operators cover the cost of fuel: for timecharter

voyages the fuel cost is covered by the charterer.

Unfortunately the uplift did not come soon enough for Norwegian reefer owner and operator Green Reefers, which announced in mid-May it was to wind down its business and delist from the Oslo stock exchange. The company is to sell its fleet to a business controlled by its Chairman Kristian Eidesvik. Caiano AS is to buy 100% of the shipowning subsidiaries Green Shipping AS, Green Shipping 2 AS and Green Shipping 3 AS (Seatrade pool, Greensea and Silvergreen), as well as other companies involved in operational activities. Green Reefers lists 31 vessels in its current fleet.

In explaining the reasons for its decision the company said that the reefer market had been at historically low levels since end of 2011. "Combined with a non-existing high season this year, the majority of the Company's vessels have as a consequence been and still are trading at levels below operating expenses." In order for operations to continue Green said it was dependent on further working capital.

Green said it had entered negotiations with its banks regarding such financing, but without success. Green said it had also explored financing options in the equity market, but with its negative market outlook concluded that the prospects of succeeding in achieving financing at viable conditions were 'unlikely'. The sale of vessels, a vehicle previously used to raise finance, had been considered but with purchase prices at scrap levels and well below outstanding loans any such transactions would not have provided the required capital.

Green Reefers CEO Toril Eidesvik said the biggest obstacle to the recovery of the small reefer segment was neither the growth of containerization nor the fuel price per se, but the encroachment of the larger units into the markets traditionally dominated by the small reefers, particularly fish and, to some extent, poultry. The historically weak market for large vessels over the past 12 months, she said, had forced operators of large vessels to fight for every cargo, often just to make a contribution to a ballast voyage.

It is certainly ironic to think that one of the greatest threats to the survival of the Green Reefers/Seatrade Greensea operation is actually Green Reefers' Joint Venture partner Seatrade! The past six months has clearly demonstrated to what extent a recovery in the market for the smaller segment is dependent on a recovery in the market for larger units ■

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Banana logistics

Maersk Line's loss is Star Reefers' gain

In what should be considered the most significant development of 2012 in the reefer business to date, Russian banana charterer the Banex Group switched its allegiance away from the Maersk line and to Star Reefers to ship its weekly 5,500-pallet banana volume from Ecuador to St Petersburg. The modal shift is partly attributed to the changes made

by Maersk to its transatlantic schedule into St Petersburg: the merging of its Andean service into its direct Guayaquil to St Petersburg Ecubex service increased the duration of the voyage to a point whereby the Banex Group was being disadvantaged against its principal competitors.

The Banex Group's bananas had formed the backbone of the Maersk Line service, since its in February 2009, loading up to 300 reefer containers per week, approximately half the total service slot capacity. However with Maersk adding a vessel and consolidating its Andean string into Ecubex, the new rotation added both time and port calls in Santa Marta (Colombia), from where it collects Fyffes' bananas, Rotterdam and Hamburg.

While the service merger has a minimal impact on its Caribbean/Atlantic-side customers it adds 4 days to the total transatlantic voyage and cuts slot capacity to Ecuadorian cargo interests, including Banex. In announcing the merger Maersk said it had changed the service partly to counter rising fuel costs and partly because of weak freight rates. By exiting its arrangement Banex reacted against a simultaneous demand for a higher price at a time when the level of the service was being reduced.

Some would argue that Maersk's behaviour is that of an example of a trade facilitator transitioning into a position of a supply chain stake-

holder that is sufficiently powerful to determine the prospects of other supply chain stakeholders based on its own priorities. One can imagine the displeasure of certain Ecuadorian banana exporters who, having been promised one service, have ended up with another.

On the other hand the switch is a major victory in the battle for market share of reefer product in general and bananas in particular. The Banex deal is the world's largest contract in freight terms, worth upwards of USD 75m over the course of the next 12 months. It is also an important coup and very good news for Star Reefers, which has had a torrid 2-3 years, suffering a string of contract losses and a protracted chartering dispute with Russian multi-national fruit distributor JFC.

After impairment charges of USD 99.1m relating to its less efficient vessels and scrap candidates, Star reported a net loss of USD 124m for 2011. The company said that 2011, to-

The decision by Russia's Banex Group to terminate its contract with Maersk Line in favour of Star Reefers proves that a modal switch away from the specialised reefer is reversible.



© Denis Loeillet



© Denis Lohier

gether with 2010, represented one of the poorest periods in the reefer industry's history with continuing low rates, high costs and the full impact of aggressive competition from container lines.

Star is more exposed than its two major rivals Seatrade and NYKCool, which have developed a different business model than that of simple tonnage provision favoured by Star. Unlike Star Reefers, Seatrade and NYKCool have representative offices on the east and west coasts of Latin America, Central America, South Africa and New Zealand, which allow them to develop customer-based 'liner' programmes into which they can provide ships. Star has no such infrastructure, preferring instead to contract direct with major charterers.

The other benefit to Star is in terms of fleet utilization – in order to fulfill the contract Star will have to use seven of its units. Not only will it have to reactivate four units currently incur-

ring costs in cold lay-up in Poland, but it will have to withdraw three further units that it currently uses for trading on the Spot market. This, in turn, will result in the withdrawal of more capacity from the market and leave Seatrade in the powerful position of being the only Spot operator in town.

With Maersk Line seemingly prepared to sacrifice customer loyalty by both altering services and demanding rate increases for its convenience there could be an even more significant development around the corner. While reefer analysts agree that there may have been good commercial grounds behind the Ecubex service, not least because the string could take on 40% cheaper bunkers in St Petersburg, the commercial rationale behind its sister Ecumed service into the eastern Mediterranean and Black Sea has always been questionable, not least because there is no bunker benefit.

Maersk Line has taken action to improve its corporate performance by appointing a new Chief Financial Officer and publicly stating the need for rate increases specifically from its Latin American customers as it attempts to recover from a disastrous Q1. If the line is prepared to dispense with a marginally profitable Ecubex service, logic would dictate that it should also be prepared to ditch its loss-making Ecumed.

Although the switch by Banex to Star is a re-establishment of faith in the mode, there is no guarantee that the change made will be permanent. Indeed in the long term unless specialized reefer owners and operators start to invest in newbuildings the modal change away from the reefer will be automatic by default ■

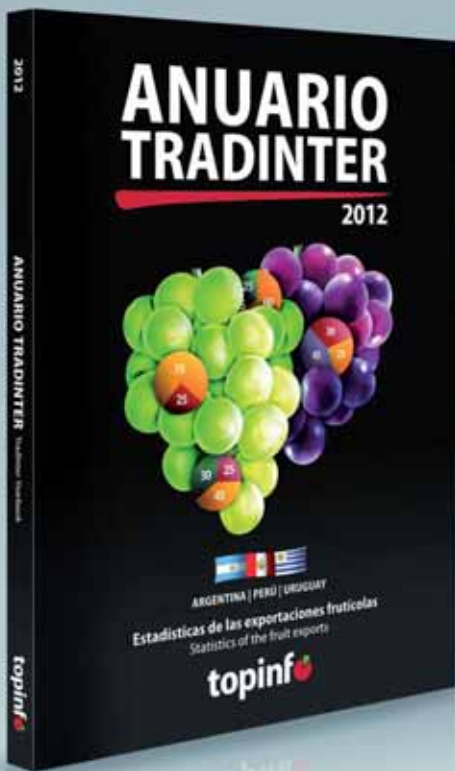
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Ecuador — Independent liner shipping lines banana loading

Forty foot equivalent containers (FFE)	2006		2007		2008		2009		2010		2011	
	FFE	Share	FFE	Share	FFE	Share	FFE	Share	FFE	Share	FFE	Share
Maersk Line	8 019	43%	10 707	43%	13 984	44%	22 146	48%	29 153	43%	44 652	40%
MSC	5	0%	-	0%	-	0%	2 492	5%	11 782	17%	35 095	32%
CSAV	4 777	26%	6 307	25%	7 377	23%	6 618	14%	9 670	14%	9 228	8%
Hamburg Sud	1 842	10%	2 831	11%	2 477	8%	3 804	8%	4 410	6%	5 353	5%
CMA CGM	-	0%	68	0%	14	0%	1 367	3%	2 659	4%	4 132	4%
APL	1 132	6%	573	2%	1 497	5%	2 391	5%	3 303	5%	3 503	3%
CCNI	1 534	8%	2 127	8%	2 463	8%	2 544	6%	3 151	5%	3 417	3%
Hapag Lloyd	238	1%	504	2%	520	2%	1 229	3%	1 698	2%	1 899	2%
NYK	649	3%	1 122	4%	1 936	6%	2 457	5%	1 583	2%	1 177	1%
Others	483	3%	841	3%	1 262	4%	814	2%	1 044	2%	2 568	2%
Total	18 678	100%	25 080	100%	31 530	100%	45 862	100%	68 453	100%	111 024	100%

Ecuador — Destination countries for banana containers

Forty foot equivalent containers (FFE)	2006		2007		2008		2009		2010		2011	
	FFE	Share	FFE	Share	FFE	Share	FFE	Share	FFE	Share	FFE	Share
Russia	1 018	2%	1 640	3%	4 238	7%	12 403	14%	26 170	24%	43 457	31%
United States	26 796	55%	21 159	37%	20 589	33%	32 775	37%	34 394	31%	30 432	22%
Chile	6 678	14%	7 344	13%	7 067	11%	7 884	9%	8 289	8%	12 314	9%
Argentina	2 921	6%	6 658	12%	8 439	13%	8 075	9%	8 892	8%	7 388	5%
Turkey		0%	1	0%		0%	33	0%	977	1%	6 647	5%
Netherlands	789	2%	2 335	4%	2 858	5%	5 299	6%	4 947	5%	5 539	4%
Italy	2 627	5%	5 291	9%	5 690	9%	5 668	6%	3 858	4%	4 784	3%
Germany	1 570	3%	2 707	5%	1 623	3%	2 516	3%	2 414	2%	4 516	3%
Belgium	2 691	5%	3 606	6%	5 045	8%	3 251	4%	2 309	2%	3 607	3%
United Kingdom	265	1%	345	1%	168	0%	2 724	3%	3 160	3%	3 258	2%
Japan	376	1%	2 742	5%	2 652	4%	3 153	4%	2 339	2%	1 853	1%
Ukraine	1	0%		0%		0%		0%	1	0%	1 822	1%
Slovenia		0%		0%	1	0%	36	0%	442	0%	1 716	1%
Saudi Arabia		0%	66	0%		0%	88	0%	1 256	1%	1 517	1%
Greece		0%	30	0%	1	0%	204	0%	415	0%	1 392	1%
Lithuania		0%		0%	230	0%	452	1%	1 044	1%	1 265	1%
Norway	109	0%	197	0%	234	0%	529	1%	743	1%	1 256	1%
New Zealand	1 752	4%	1 620	3%	1 521	2%	1 371	2%	1 349	1%	1 221	1%
Sweden	61	0%	102	0%	300	0%	145	0%	215	0%	1 136	1%
Portugal		0%		0%	94	0%	459	1%	1 170	1%	1 021	1%
Albania		0%		0%		0%		0%	341	0%	948	1%
Jordan		0%		0%		0%	27	0%	327	0%	683	0%
Azerbaijan		0%		0%		0%		0%	402	0%	663	0%
Spain	855	2%	493	1%	968	2%	647	1%	308	0%	649	0%
Georgia		0%	1	0%		0%		0%	142	0%	590	0%
China	2	0%	20	0%	233	0%	48	0%	106	0%	526	0%
Syria		0%		0%		0%	179	0%	317	0%	515	0%
Egypt		0%		0%		0%	16	0%	66	0%	503	0%
Others	535	1%	1 403	2%	1 226	2%	1 788	2%	3 355	3%	2 493	2%
Total	49 045	100%	57 760	100%	63 177	100%	89 770	100%	109 748	100%	141 218	100%



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A report prepared by
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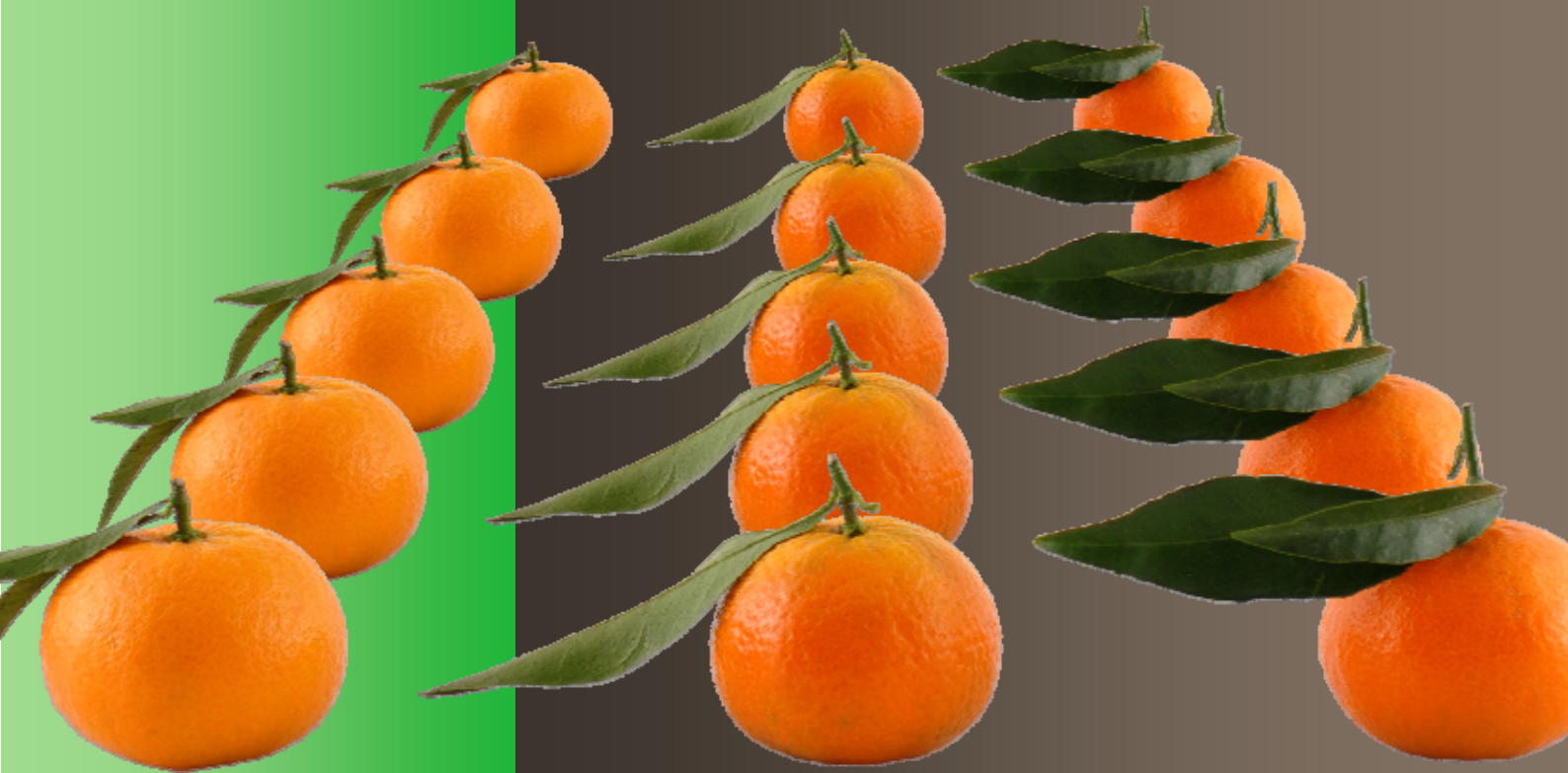
Easy peelers

from the s. hemisphere

Contents

- p. 16 The world market for easy peelers from the southern hemisphere: true potential for growth!
- p. 25 Trends in the main easy peeler source countries: partially mastered growth

The summer easy peeler market is in Olympic form, to use the terminology of the season. It is a potential gold medal winner in the category of fruits for which world trade has developed most in recent years. Furthermore, marked under-consumption on the main world markets indicates that it should keep its gold medal in the coming years. But although the competition is very open, some sources seem to be in better condition than others for the event. FruiTrop reviews the situation. Ready, set, go!





The world market for easy peelers from the southern hemisphere

True potential for growth!



© Eric Imbert

The summer easy peeler market is not a big deal for people in Southern Europe. Hidden behind plethora quantities of seasonal fruits, boxes of clementines and hybrids from the southern hemisphere are extremely discreet in summer fruit displays. But appearances can be misleading: the Southern European markets give a deformed impression of a strongly growing world trade. The figures speak for themselves: international transactions increased from some 230 000 t at the beginning of the 2000s to more than 400 000 t in 2011. This 6% annual growth should be noted for both its scale and its regularity, as it has not weakened in recent seasons in spite of the world economic downturn. It is practically a unique case in the citrus trade where most markets have reached maturity or are even in recession like grapefruit and oranges. The volume performance is made even finer by the fairly good economic aspect, as seems to be shown by the practically stable customs values on the three main world markets. Will this fine dynamics continue in the coming years? FruiTrop reviews the trends in the world's main consumption centres.

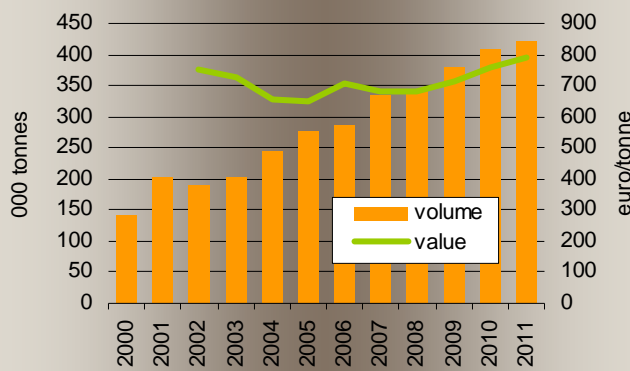
The Russians adore easy peelers, whatever the season

In recent seasons, world exporters have sought growth everywhere except in the European Union. Although Europe has maintained its position as the world's largest market, ac-



© Eric Imbert

Easy peelers from the southern hemisphere
World trade in volume and value*



* Estimate based on EU, USA, Russia
Sources: customs Comtrade

counting for about 40% of world trade in easy peelers, imports have been stable at some 175 000 t since 2008. The increase in world trade results more from the North American and Eastern European markets.

We already knew that Russian consumers love northern hemisphere easy peelers. It is not an exaggeration to say that market enthusiasm for this category of citrus fruits accounts for most of Mediterranean production growth in recent years, with imports tripling from 2004 to 2011, when the total reached 750 000 t. Customs statistics show that Russian interest in southern hemisphere easy peelers has been just as marked in the past decade, with imports increasing from less than 2 000 t in 2000 to more than 70 000 t in 2011.

However, importers are more circumspect with regard to the prospects for the years to come and consider that the market is reaching maturity. Might this feeling be linked to the fact that there is a growing tendency among retail distributors to source supply directly? It is a hypothesis but it should also be remembered that seasonal fruits (especially plums and berries) are competitive. But above all, summer easy peeler consumption on the Russian market is about 500 g per person per year. This is one of the highest levels in the world—far behind the United Kingdom but well ahead of the other EU-15 states and the United States, where the standard of living is distinctly higher. However that may be, growth of the Russian market was explosive until 2008 and then quietened considerably, with practically no growth since 2010.

Easy peelers from the southern hemisphere — Russian imports

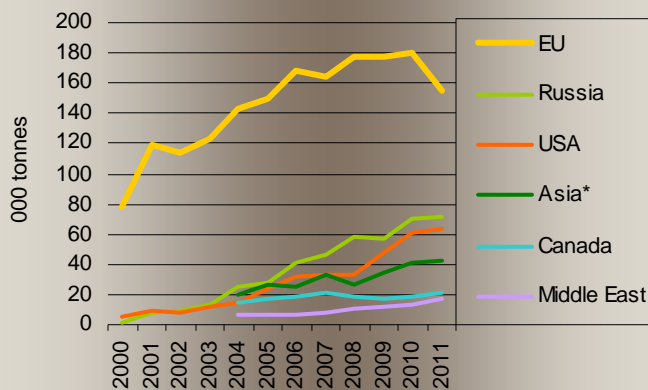
tonnes	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Argentina	1 213	4 203	5 998	6 735	13 287	18 077	26 607	33 071	37 792	40 568	46 492	48 148
Austral Africa	226	1 436	2 399	4 345	8 671	5 575	7 577	7 282	12 405	11 146	14 130	13 224
Uruguay	292	2 829	1 208	2 280	1 528	3 331	4 180	3 782	3 450	3 219	5 809	5 629
Peru	56	5	36	64	383	487	2 070	442	2 685	971	3 225	3 862
Australia	-	-	-	11	-	96	181	369	734	648	869	957
Brazil	1	15	59	408	640	829	615	745	1 056	125	14	46
Chile	2	-	3	7	52	20	141	295	221	3	19	32
Total	1 790	8 487	9 703	13 848	24 561	28 415	41 371	45 987	58 343	56 680	70 558	71 898

Source: Comtrade



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**Easy peelers from the southern hemisphere
Major world markets imports**



* Main importing countries / Sources: customs, Comtrade

The United States —a market with strong potential

Like Russia, the United States market started at a very low point. Imports could not even be counted in tens of thousands of tonnes at the end of the 1990s but growth was then extremely strong in the 2000s. Enhanced by what became regular listing and the broadening of the range of countries allowed to enter the market, volumes rapidly increased and have totalled more than 60 000 t since 2010. However, this is only a third of the level seen on the European market and even slightly smaller than the Russian market where the population is smaller and the standard of living much lower. This comparison seems to confirm the feelings of American professionals who consider that the growth period is far from over and that an annual increase of 10 to 15% in the years to come is not at all utopian.

First, easy peelers have gained a stable position in retail displays, where they are referenced systematically by most distributors and then benefit from active marketing. Second, even if domestic fruit crops are strongly present on these markets, the market window seems to be fairly open in May and June and then in October if produce is available. Finally, the increase in Californian production could

Easy peelers from the southern hemisphere — United States imports

tonnes	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Chile	0	0	0	0	2	8 009	11 846	11 990	16 291	27 335	35 478	43 285
Peru	0	0	0	0	0	0	1 891	11 054	8 753	10 634	14 649	14 264
South Africa	3 426	4 636	4 651	8 770	10 899	11 156	13 796	4 699	4 763	5 969	7 780	4 476
Australia	2 301	4 086	2 774	3 162	4 096	4 838	4 447	5 078	3 752	4 325	3 072	2 167
New Zealand	0	0	0	0	0	0	0	581	0	0	0	0
Total	5 728	8 722	7 425	11 932	14 997	24 003	31 981	33 402	33 559	48 263	60 978	64 192

Source: US customs

Easy peelers from the southern hemisphere — Canadian imports

tonnes	2004	2005	2006	2007	2008	2009	2010	2011
Peru	1 800	3 100	3 800	5 400	6 200	4 400	6 478	8 852
South Africa	1 400	2 000	3 300	4 200	4 700	4 500	3 207	4 510
Argentina	2 000	4 100	2 100	4 300	1 700	2 600	3 134	2 975
Chile	4 300	4 400	4 300	3 000	2 100	2 400	2 709	2 353
Uruguay	900	900	1 000	2 100	1 200	1 600	1 137	1 600
Brazil	3 200	2 200	3 200	1 900	2 300	1 300	1 359	422
Total	14 000	17 000	18 000	21 000	18 000	17 000	18 024	20 712

Source: Comtrade

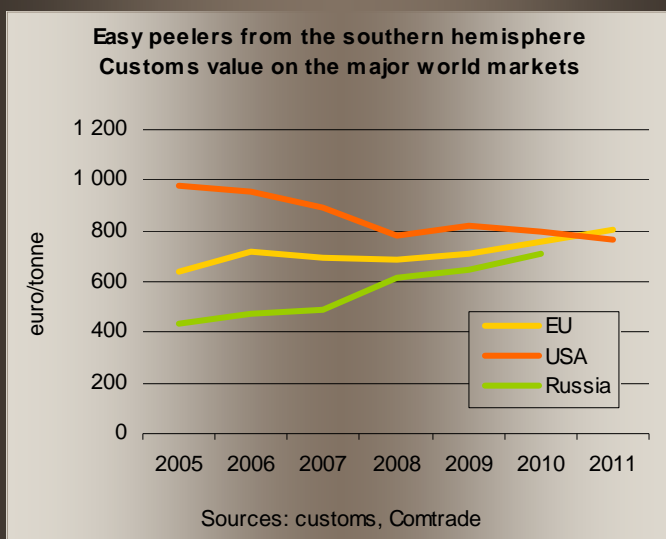


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play a stimulating role by making the easy peeler family more popular among American consumers. What is the scope for development on this market? Consumption in neighbouring Canada has been about 600 g per person per year for several years. This is three times as much as in the USA and certainly a good indicator.

The Asian and Middle Eastern markets are also very active

Other markets also seem to be developing strongly. Using customs figures from exporting and importing countries, our market news service estimates that consumption in Asian countries probably doubled from 2004 to 2011, reaching about 40 000 t. Although Japan is still a minor market, China and the ASEAN countries are experiencing strong growth. Chinese imports exceeded 10 000 t in 2011 while Indonesia alone imported 15 000 t in the same year. The same growth trend is observed on the main Middle Eastern markets. Imports to the United Arab Emirates and Saudi Arabia tripled from 2004 to 2011 and approach 20 000 t. The trend has continued to be lively in recent years in both Asia and the Middle East and so further development can be expected. This is good for the future of 'Nova' which is much liked in Asia but which should not be overestimated.



Easy peelers from the southern hemisphere — Major importing countries in Asia (estimate)

tonnes	2004	2005	2006	2007	2008	2009	2010	2011
Indonesia	5 437	5 880	5 706	8 795	7 034	7 609	13 648	15 163
China	6 315	5 152	5 607	7 969	6 537	10 463	10 560	11 125
Malaysia	2 676	3 115	3 481	3 859	2 195	3 530	3 903	3 871
Japan	2 920	2 634	1 831	2 466	2 330	1 824	1 588	3 635
Thailand	5	74	203	167	217	867	1 555	2 846
Singapore	1 962	1 813	1 936	1 945	1 952	1 916	2 512	2 728
Philippines	563	7 897	6 030	8 017	6 311	8 013	6 791	2 676
Total	19 877	26 565	24 794	33 217	26 576	34 222	40 557	42 044

Sources: Comtrade, customs of exporting countries

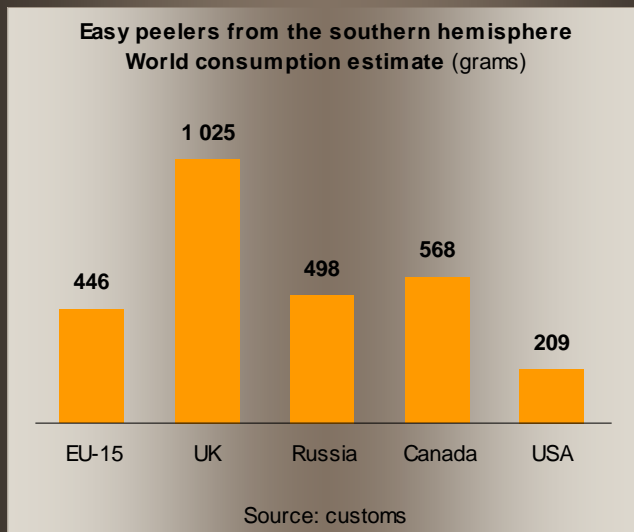
Easy peelers from the southern hemisphere — Major importing countries in the Middle East (estimate)

tonnes	2004	2005	2006	2007	2008	2009	2010	2011
United Arab Em.	2 881	4 119	3 502	5 541	6 352	9 301	8 074	12 306
Saudi Arabia	3 755	2 997	2 499	3 044	3 790	3 263	5 063	5 232
Total	6 636	7 116	6 001	8 585	10 143	12 564	13 137	17 537

Sources: Comtrade, customs of exporting countries



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A narrow, bipolar European market

What about growth prospects on the European market? Is the stability of the volumes imported the sign of maturity? It is true that constraints for development are probably stronger than on the other markets in the world. Millions of tonnes of stone fruits are grown and use a broad market window, starting with the first large volumes of cherries at the end of May and then being omnipresent from mid-June to mid-August with a peak for apricots and then for peaches and nectarines. Competition sometimes goes beyond a purely commercial framework in countries like France, where some stone fruit growers have been known to demolish the shelves of retailers who had given too generous a position to other fruits.

Supply of easy peelers from the Mediterranean is also very strong and uses an increasingly broad window. Increasing volumes of excellent late hybrids such as 'Nadorcott' from Spain or Morocco and 'Or' from Israel mean that retailers can be supplied until mid-May, while clementines such as 'Clemenruby' start to appear in the second half of September. Finally, income is a factor that slows the purchase of produce whose retail price is high for a large proportion of the population, especially in Eastern European EU member states that account for nearly a fifth of the total EU population of 500 million. Sales of easy peelers from the southern hemisphere are thus limited to a handful of markets. The United Kingdom is clearly in the lead, accounting for slightly more than 50% of European imports. With slightly over 1 kilo per person per year, it heads the world classification of consumer countries. Most of the rest is sold in Scandinavia after transiting via the Netherlands. The other northern European countries purchase little, and the southern countries even less.

Easy peelers from the southern hemisphere — EU-27 imports

tonnes	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Austral Africa	36 545	59 689	47 922	51 557	55 171	53 388	55 247	69 199	71 221	65 811	65 562	57 471
Peru	752	4 743	8 639	9 154	16 611	24 924	25 723	18 469	30 937	23 414	33 215	39 709
Argentina	16 408	20 618	27 452	22 656	32 884	26 380	38 861	32 597	36 161	47 019	39 755	30 707
Uruguay	15 203	24 594	18 562	27 089	22 432	32 411	35 748	34 241	30 975	33 947	37 177	23 348
Chile	4 305	5 102	7 389	7 825	10 925	6 770	7 369	6 703	4 641	2 249	1 352	1 539
Australia	111	23	224	778	756	456	710	652	907	2 214	452	220
Brazil	3 291	2 298	2 052	2 505	2 582	3 288	1 974	93	441	378	239	87
Total	78 615	119 068	114 242	123 568	143 365	149 623	167 637	163 960	177 292	177 041	179 762	155 091

Source: Comtrade

Emerging scope for growth for late varieties

Could these other markets grow? It seems that the first breach is appearing in the bipolar European market described above. Importers specialising in summer citrus fruits report new interest from retail distributors in France and certain northern European countries in the establishment of a line of easy peelers from mid-August on when the pressure from stone fruits starts to ease off. Another interesting trend is the growing interest in this produce from the catering industry in the first half of September when school canteens open again in most European countries. The development of the production of high-quality late varieties ('Nadorcott' and 'Or') in many southern hemisphere producer countries should enhance this interest. If this is confirmed, the emergence of these two market segments will form interesting growth potential.

Winter citrus specialists interested in summer sales too

Another factor for change on the European market is the entry of southern hemisphere easy peelers in the ranges available from an increasing number of winter citrus specialists, including certain large Spanish production entities. Range complementarity has been established in America for about a decade but this had been limited in Europe to lemon and orange and does not always receive unanimous support from all operators. It is true that although the trend seems logical to the trade, it is much less so for the production sector that sees it as putting the cat among the pigeons. But the change means growth for both northern and southern hemisphere operators as the logic of this category management goes beyond the simple rationalisation of structure costs and allows the development of real synergy between ranges. As soon as it begins, the northern hemisphere easy peeler season benefits from the active trade flow set up by southern hemisphere fruits. And southern hemisphere production benefits from the fire power of recognised, well-established commercial networks. Large Spanish producers go even further and favour top-of-the-range southern hemisphere fruits ('Or', 'Clemengold') rather than the first Spanish fruits that are much less perfect.

Get rid of idées reçues and find an appropriate variety to avoid delisting by retailers

But wouldn't it be possible to go further? The changes described above mean that easy peelers could be in European shops all the year round. Avoiding delisting in April and May would be a strong lever for all sector stakeholders, starting with the southern hemisphere producer countries. A 2010 study in the United States backs such a change. It shows that in contrast with the usual beliefs, consumer interest in citrus fruits is still lively in the spring and summer and that the effects of competition from the season's fruits or a degree of lassitude are considerably overestimated. This should be considered, even in Europe. Easy peelers are attractive for their convenience, taste and freshness and their advantages for health should not be underestimated. After all, bananas are on the shelves all the year round, in spite of their shortage of juice and freshness which does not do much for consumption in the summer. Helping the market to swing this way probably needs a variety that can bridge the gap between the excellent end-of-season Mediterranean varieties and the first clementines from the southern hemisphere. 'Satsuma', that currently uses this market window, clearly fails to generate unanimous enthusiasm. Mediterranean growers might possibly produce the missing link fairly soon with the increase in production of 'Nadorcott' and 'Or' or new late triploid varieties ■

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Trends in the main easy peeler source countries

Partially mastered growth

Argentina: a giant with feet of clay?

The countries that have fed the increase in world trade are in South America. Argentina, the traditional supplier of the market, has made a large contribution. In a decade, it has become the leading southern hemisphere exporter with shipments increasing four-fold before being stable at around 120 000 t since 2010. The harvest is one of the largest in South America, proof of Argentina's resources with regard to this category of produce.



Soil and climate conditions are favourable in the area close to the frontier with Uruguay (especially in Entre Rios province, the site of most of the orchards) and know-how goes back many years. In addition, sector specialists have succeeded in profiting from an economic context that has been difficult at the domestic level but very favourable for exports during a fair part of the 2000s. The fall of the peso against the dollar was faster than inflation and exporters could therefore set competitive prices on the international market while maintaining a good level of profitability. 'Ellendale' and 'Murcott' from Argentina soon gained a foothold, especially on very price-sensitive markets like Russia which now takes about 40% of Argentinian exports. However, this favourable situation disappeared when the economic downturn hit at the end of the last decade and the

effects of the exchange rate and domestic inflation became a considerable handicap: sales decreased and the cost of factors of production—paid mainly in pesos—rocketed. Thus after stagnating from 2009 to 2011, exports seem to be decreasing markedly this season: shipments to end of May are 40% down on those of the preceding season.

A difficult change of economic model?

In this poor economic climate, the world market leader needs to recover better profitability for exports to grow again or even stabilise. This problem is not an easy one for Argentina to solve in spite of the economic opportunities on the international market pointed out in the preceding article. The gates of the very buoyant and lucrative US market are closed to Argentina for sanitary reasons. In addition, although measures to prevent the introduction of greening—whose most aggressive form is present in neighbouring Brazil—are perfectly justified, they affect the introduction of new varieties, a key component of competitiveness. Although recent census figures are not available (the last for the Entre Rios region date back to 2004), it seems that the range is still very traditional and consists mainly of 'Ellendale', 'Murcott' and 'Okitsu', outside the very large specialised plantations of which there are very few. This is a weak point for drawing the best possible price in the face of competitors who have increasing volumes of more top-of-the-range varieties.

The easy peeler sector in Argentina in 2010 (Federcitrus)

Production: 424 000 tonnes



Easy peelers — Argentina — Exports

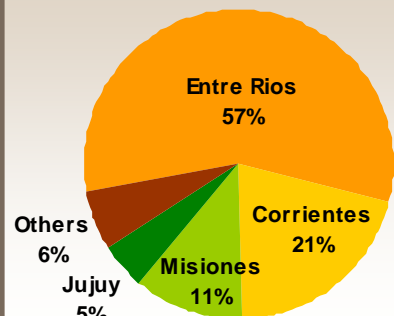
tonnes	2006	2007	2008	2009	2010	2011
Eastern Europe	29 528	36 737	42 533	42 748	47 252	49 990
EU	37 306	33 350	34 854	49 208	43 486	33 231
Asia	10 158	19 854	13 683	18 465	25 699	24 141
North America	2 391	4 672	1 669	2 658	3 144	2 610
Others	5 011	4 626	4 255	306	145	8 331
Total	84 394	99 239	96 994	113 384	119 726	118 303

Source: Tradinter - calendar year

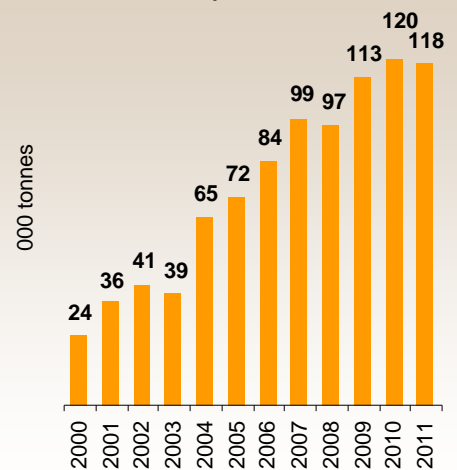


Source: Federcitrus / Graphics: Chris Weirant - Citrus Fruitrop

Easy peelers - Argentina
A total of 34 930 hectares



Easy peelers - Argentina
Exports



Source: SENASA

Easy peelers — Argentina
Main exporters

	2011
FAMA	16%
Trebol Pampa	15%
Nobel	11%
Coop Tabacalera	9%
Citricola Ayui	6%

Source: Tradinter

Easy peelers — Argentina
Distribution of areas by variety
Entre Rios figures - 2004

Ellendale	21%
Murcott	17%
Common	17%
Okitsu	12%
Dancy	9%
Nova	7%
Encore	7%

Source: FECIER

Explosive development in Peru...

After being practically unknown on the international market at the end of the 1990s, Peru expanded tremendously in the 2000s and became one of the top three exporters in the world with some 70 000 t in 2011. Peruvian professionals based their success on several features. Firstly, with an orchard area estimated to total 70 000 ha and annual production of 800 000 t, their experience in citrus growing does not have to be proved. Secondly, the soil and climate conditions of the central coastal area—the main export centre for easy peeler and 'Navel' orange exports from the Ica and Lima administrative departments—are very special but have favourable features. It is true that the soil is often sandy and average temperatures tend to be high in the north, limiting the choice of rootstocks and cultivars. However, sanitary problems are limited by the dry climate. Although fruitfly is present, no quarantine diseases are listed. Finally, production costs are very competitive especially as labour is cheap and productivity high as a result of the practically hydroponic management of the orchards.

...with no signs of stopping

The dynamics should not fail in the years to come. It seems that the plantations of 'Minneola' and 'Satsuma' that currently form the

greater proportion of exports, have stabilised, even though no statistics are available to confirm this (a general census is being carried out but the results will only be available in 2013). In contrast, the areas under 'Nadorcott' should continue to increase strongly. The present total is some 1 200 ha, of which 500 ha is registered for the European market. The variety is well-suited to the fairly individual cultural conditions in Peru: there is no shortage of isolated zones necessary for the production of seedless fruits in the desert-like coastal fringe and profitability is good. But developments other than 'Nadorcott' are to be expected in the medium term as lengthening the trade window is one of the current priorities of professionals. Tests are now being conducted on later varieties such as 'Gold' from UC Riverside to lengthen the season after the end of the 'Nadorcott' crop in early September. Another objective is that of finding an alternative to 'Minneola' among the earlier fruits. This is a challenge as it is difficult to adapt clementine to the conditions in Peru (limited size and a problem of colour because of lack of vernalisation). A solution might come from the irrigation project being designed in the Arequipa zone (Majes-Siguas) where there seem to be enough hours of cold for the production of high-quality clementines. Another challenge for Peruvian producers is that of maintaining the excellent sanitary status of the country and improving it by completing the Mediterranean fruitfly eradication programme by 2021. This might enable freer entry for Peruvian fruits to the US market that is nearby but difficult to work with because of the obligation to perform cold treatment disinsectisation.



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The easy peeler sector in Peru



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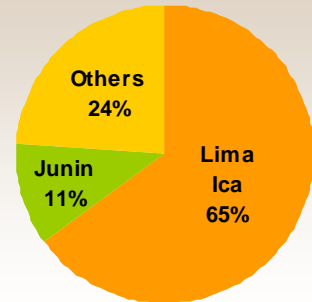


Easy peelers — Peru — Exports						
tonnes	2006	2007	2008	2009	2010	2011
North America	5 816	16 563	15 717	15 873	21 457	22 695
EU	25 871	19 182	31 123	22 495	32 995	42 258
Latin America	1 011	1 080	1 688	1 596	1 583	2 326
Asia	150	0	44	23	137	320
Others	1 052	399	1 594	1 365	2 464	1 788
Total	33 899	37 224	50 167	41 352	58 635	69 387

Source: Sunat - calendar year (code 0805209-01-02)

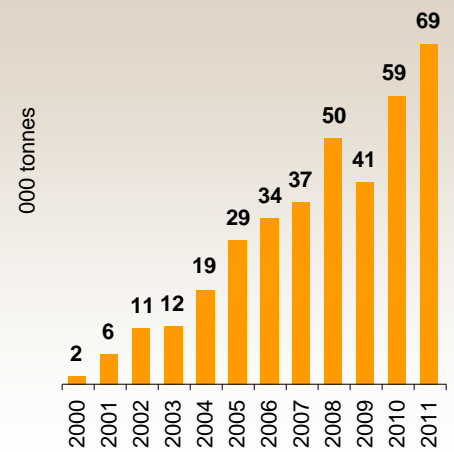


Easy peelers - Peru Distribution of production by region



Source: estimate inform@ccion 2004

Easy peelers - Peru Exports



Source: SUNAT

Easy peelers — Peru Main exporters

	2011
CPF	39%
Procesadora Laran	21%
Coexa	7%
Agricola Las Marias	5%
Huamani	5%

Estimate after Promperu (mandarin, clementine, tangelo)

Easy peelers — Peru Exports by variety

Satsuma	28%
Clementine	6%
Mandarin, of which	66%
Minneola	39%
Nadorcott	15%
Others	12%

Source: ProCitrus 2011

Chilean export success based on comparative advantages for supplying the United States

Argentina and Peru are not the only South American countries to have progressed strongly. Chile came on to the international market at the end of the 1990s and progressed strongly in the 2000s, to the point of controlling about 15% of international trade in 2011, shipping a total of nearly 50 000 t. Chilean professionals have become essential for US importers thanks to several strong points. First, the logistic aspect is fairly short and tried and tested as there was already a substantial flow of pip fruits and avocados. Second, the extensive range of easy peelers, consisting of clementines and hybrids, covers a broad market window that complements Californian production well. The associated presence of dessert oranges is also a strong point to gaining supermarket listing in the United States. Above all, Chile has a strong advantage over competitors as there are no fruit flies in the country and this quality asset means that produce can enter the US without any sanitary protocol. Chile thus accounted for more than two-thirds of US market supply in 2011, with 90% of its exports going to North America.

Development expected in the late range but at a slower rate

Growth dynamics should continue in the years to come but probably at a slower rate than in previous years. Although there is clear determination to develop the area under 'Nadorcott' from its present 1200 ha, limited land is available for growing fruits to international market standards. Scope for extension is fairly small in the south of the citrus zone where the risk of frost is not negligible. Region 4 has a more suitable climate but few areas have the low risk of cross-pollination required. Some professionals therefore consider that the area under Nadorcott should not increase to more than 2500 ha. The modest areas of the other late varieties grown today ('Nova' and 'Fortuna') should not increase greatly. As for clementines, the efforts currently being made are focused more on the rationalisation of orchards (grubbing up in zones that are too dry or where the frost risk is too great in the south of the citrus zone and replanting further north) than on large-scale extensions. As a result, the total area of some 2500 ha should only increase marginally.



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The easy peeler sector in Chile in 2011 (Comité de Cítricos)

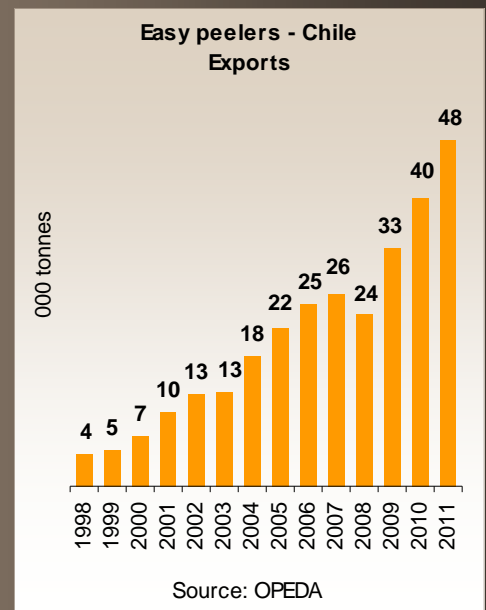
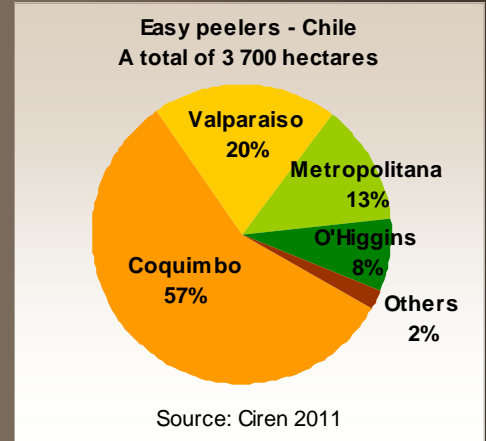
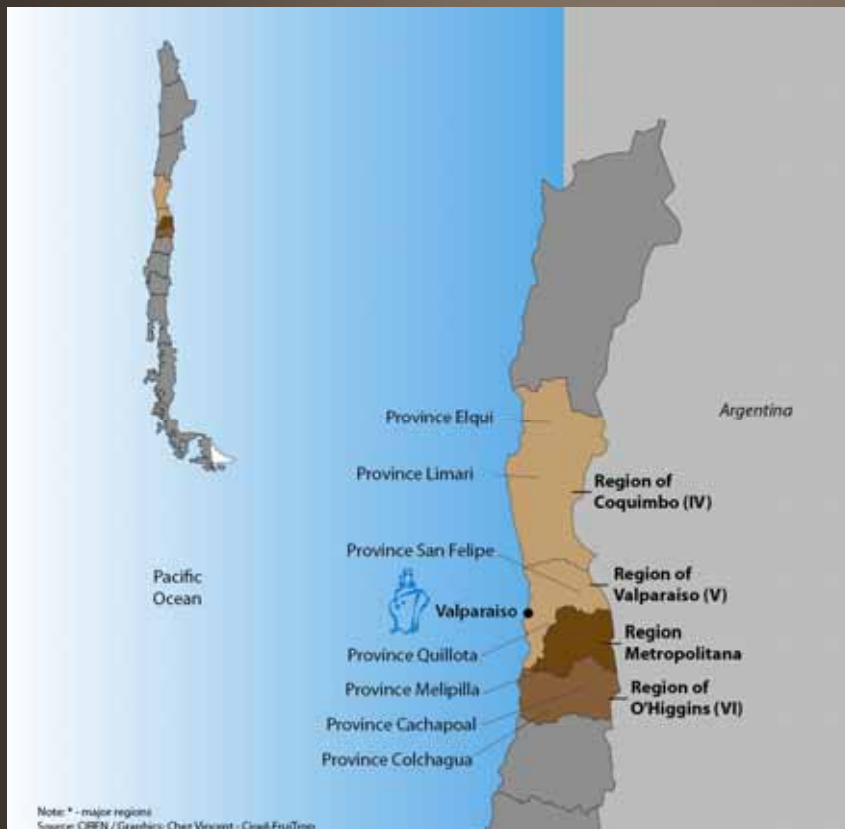


Production: 64 000 tonnes



Easy peelers — Chile — Exports						
tonnes	2006	2007	2008	2009	2010	2011
EU	7 049	6 051	4 690	2 457	1 314	1 528
North America	15 590	16 679	17 893	29 473	37 651	45 159
Asia	902	543	98	625	586	770
South America	648	2 608	937	261	170	206
Others	768	543	59	46	-	11
Total	24 957	26 424	23 677	32 861	39 722	47 674

Source: Chilean customs OPEDA - calendar year



Citrus — Chile
Main exporters

	2011
Propal	18%
Agricom	15%
Santa Cruz	10%
Rio Blanco	8%
Subsole	5%

Source: Redagricola

Easy peelers — Chile
Distribution of areas by variety

Clementine	67%
Nadorcott	30%
Others (Nova, Fortuna, etc.)	3%

Estimate / Professional sources 2011





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The 2000s— a difficult decade for Uruguay...

Uruguay is the only South American source country not to have experienced substantial export growth during the last decade. The volumes shipped oscillated between 40 000 and 50 000 t at a time when other sources saw annual two percentage point growth. The various crises that have hit citrus growing since the appearance of citrus canker in the mid-1980s (especially devaluation and a succession of droughts) weighed on profitability and hence on investment in the citrus sector. The orchards are thus ageing (nearly a third of the trees are more than 26 years old), irrigation is still very incomplete (less than 50% in the north with more than 90% of the citrus area) and many operators still have very traditional varieties ('Satsuma', 'Nova', 'Ellendale', 'Ortanique'). Thus in spite of good soil and climate conditions and the know-how of professionals, Uruguayan citrus growing has lost competitiveness in a context in which international market quality standards have been raised, especially in the EU, the destination for most of the crop.

...but with a prospect of recovery!

But there seems to be hope for the future. First, the vicious circle of lack of investment capacity resulting from lack of profitability may perhaps be halted by means of state support. Financial aid could be awarded to start up a strategic plan to relaunch the sector. Plans for this have already been studied. Second, the finalisation after several years of work of a varietal cleansing plan will be the reintroduction of plant material easier. Growers should therefore be able to have larger supplies of successful varieties and renew their germplasm more easily. Finally, negotiations for entry to the United States are at a very advanced stage. A sanitary protocol has been validated and the public inquiry procedure—the final stage before the opening of the frontiers—was started at the beginning of the year.

The easy peeler sector in Uruguay in 2011

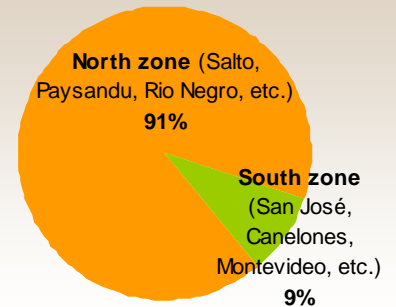
Production: 93 000 tonnes



Easy peelers — Uruguay — Exports						
tonnes	2006	2007	2008	2009	2010	2011
Eastern Europe	2 928	3 370	3 125	2 123	5 058	
EU	34 512	36 388	31 555	33 573	40 074	
Asia	1 341	1 314	975	1 620	3 376	
North America	1 564	2 538	1 300	1 676	1 244	
South America	554	1 591	580	934	2 190	
Others	70	592	145	1 673	24	
Middle East		1 129	600	511		
Total	40 969	46 922	38 280	42 110	51 966	43100

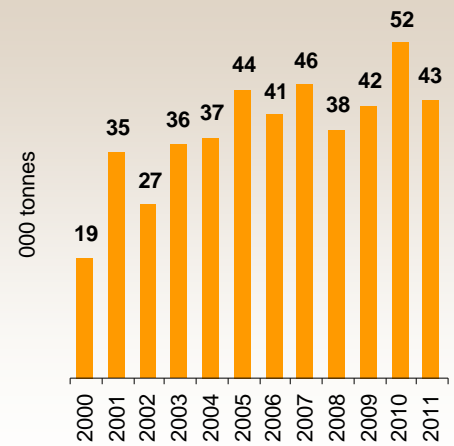
Source: Uruguay customs OPEDA - calendar year

Easy peelers - Uruguay A total of about 6 800 hectares



Source: MGAP 210

Easy peelers - Uruguay Exports



Source: Tradinter



Source: MGAP-DREA, Censo General Agropecuario
Graphics: Chet Vincent - CitrusFruitrop

Easy peelers — Uruguay Main exporters

	2010
Citricola Saltena	48%
Azucitrus	11%
Terminal Frutera	9%
Sandupay	6%
Netinor	6%
Agrisur	5%

Source: Tradinter

Easy peelers — Uruguay Distribution of areas by variety

Satsuma	24%
Clementine	10%
Mandarin, of which	66%
Ellendale	15%
Nova	13%
Common mandarin	10%
Montenegrina	9%
Ortanique	7%
Nadorcott	4%

Source: MGAP 2010



'Chi va piano va sano, chi va sano va lontano' in South Africa?

With exports practically stable at between 100 000 and 110 000 t since 2007, South Africa has not displayed the same dynamism as most of the South American sources, to such a degree that it lost its leading position to Argentina at the end of the last decade. But appearances can be deceptive and growers in the Western and Eastern Cape, where most of South African production is concentrated, are far from idle. On the one hand, markets have been diversified. Whereas the EU, with the United Kingdom in the lead, remains a natural outlet with more than 60% of shipments, destinations such as the Middle East and Russia have gained importance, each taking delivery of more than 10 000 t per year. On the other, colossal efforts have been made to gain a larger position on the lucrative US market, even though this is not seen in easy peeler exports as these have tended to decrease in recent seasons. The sanitary status of production has been optimised thanks to the generalised use of integration pest management to control the False Codling Moth (by the release of sterile males) in Elephant Valley, one of the main zones registered for exports on this market. In addition, the customer catchment area has been extended to the West Coast by the setting up of a rail link from the unloading point in Philadelphia. Source-linked marketing has also

been developed (<http://www.summercitrus.com>). The varietal range has been considerably reworked to better match demand on the leading markets and to improve profitability. The sector has thus become attractive again in recent seasons, in spite of the strong requirements in technical mastery and investment, especially since the development of club varieties.

The return of profitability and very selective extension of the planted area

Areas seem to be increasing again with clear lines of development. As in most countries, the top of the range late varieties seem to be doing very well. Although the planting of 'Or' and 'Mor' from Israel is very gradual (about 200 ha planted so far), the area under 'Nadorcott' has increased much more. The total was 700 ha in 2010, is still increasing and should finally reach 2 000 ha. 'Nova' is appreciated on Asian markets and the export potential should increase but in smaller proportions. Finally, developments should also be expected in 'Satsuma'. The United Kingdom still has a good market for this, the variety is productive and its earliness makes it interesting for packing stations that do not handle any competing produce at the time. Downward trends are observed for other cultivars, including clementines.



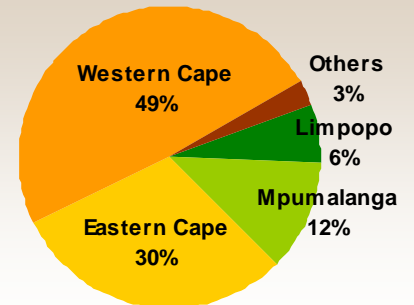
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The easy peeler sector in South Africa in 2010 (CGA)

Production: 146 000 tonnes



Easy peelers - South Africa
A total of 4 960 hectares



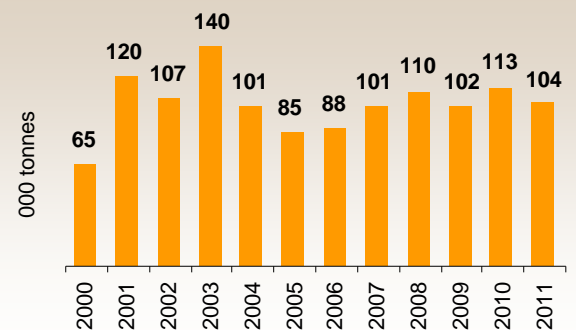
Source: CGA

Easy peelers — South Africa — Exports

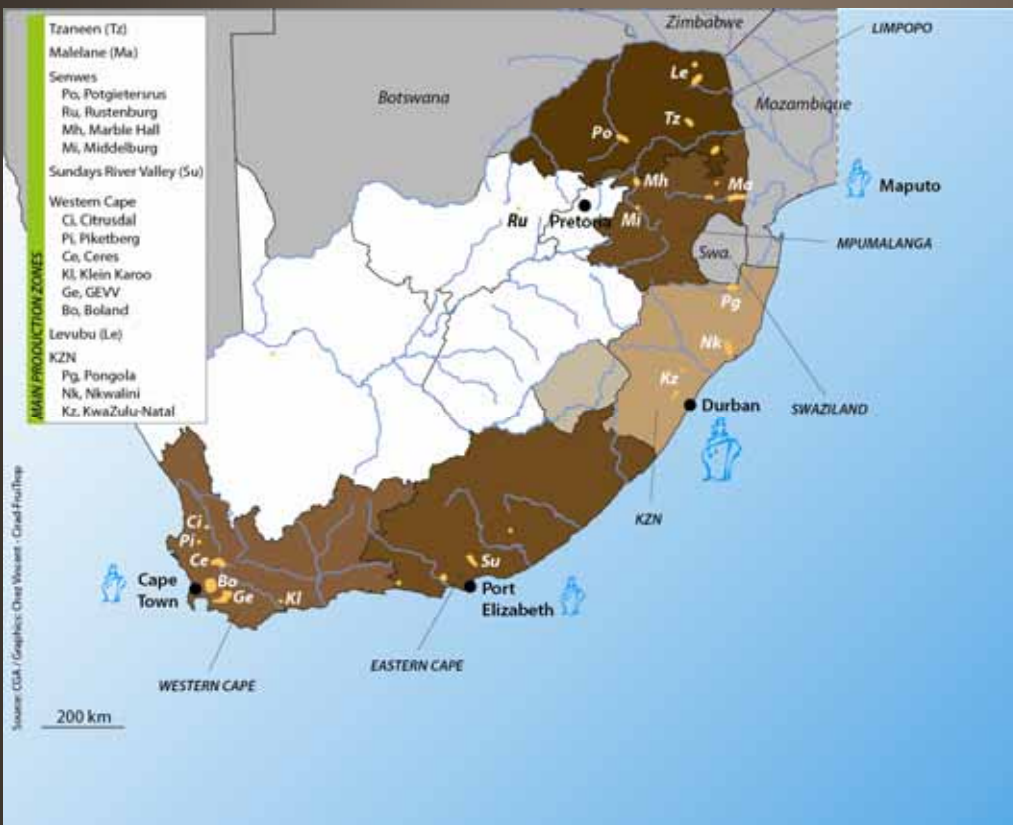
tonnes	2006	2007	2008	2009	2010	2011
EU	47 419	76 569	74 370	76 093	69 606	63 752
Eastern Europe	5 464	5 944	13 370	8 528	12 836	12 904
Middle East	4 508	5 773	7 011	8 680	10 326	9 696
North America	20 992	11 460	9 267	11 316	13 148	9 351
Asia	3 862	4 762	5 452	11 525	7 324	9 186
Others	1 490	1 939	2 484	4 013	2 388	2 895
Africa	492	655	807	386	981	1 457
Total	84 227	107 102	112 760	120 540	116 607	109 241

Source: Comtrade

Easy peelers - South Africa - Exports



Source: CGA



Easy peelers of South Africa
Distribution of areas by variety

Satsuma	24%
Clementine	10%
Mandarin, incl.	66%
Nadorcott	15%
Nova	13%
Minneola	10%
Or	9%

Source: MGAP 2010

The Australian industry faces serious problems of profitability...

As in Uruguay, the 2000s were not a decade of growth in Australia. Faced with the growth of very competitive sources on its natural markets—Asia and the United States—Australian exports remained practically stable at between 22 000 and 30 000 t. But although the country has good quality features, high labour costs weight heavily on production cost and the industry is still fragmented even though medium-sized operations are gaining ground and the smallest farms are disappearing. A shortage of water for irrigation is still a disadvantage, especially in the south-east.

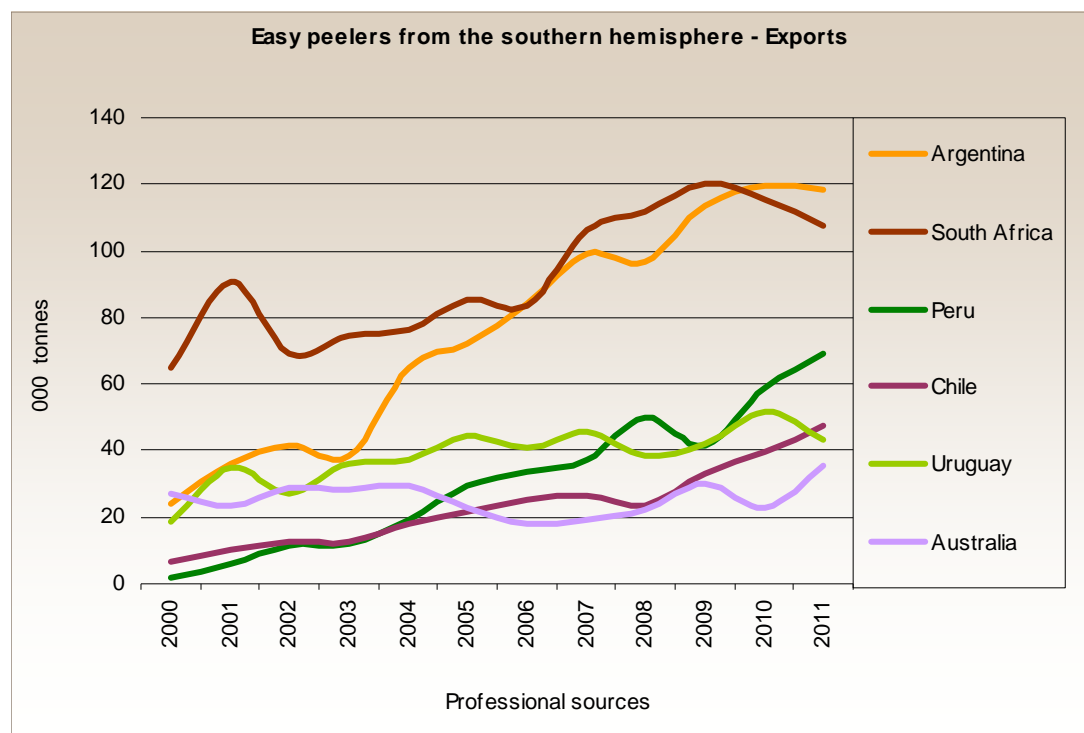
...but is coming back!

Rationalisation is the watchword in this context. The average density of groves is increasing. The planted area is tending to decrease in Queensland, which is still the main production zone but now has only 55% of the area at a little less than 2 900 ha in comparison with about 3 500 in 2003. The main targets for grubbing up are the spring varieties ('Ellendale', 'Hickson', 'Sunburst' and old 'Murcott' varieties are replaced by clones with fewer seeds). In contrast, the quality varieties that give the best value added in the citrus range are a lifeline and more are being planted. Thus about 570 ha of 'Nadorcott' was listed in 2011, mainly in the Murray Valley and Riverland

regions (286 ha and 153 ha respectively). Production should reach about 25 000 t in the medium term. 'Imperial', a traditional variety bred locally from Mediterranean mandarin, is also gaining in area but its success on the international market would seem much more uncertain than that of 'Nadorcott'.

A risk of overproduction of late varieties?

It has been seen that the efforts made on planting or reconversion that are completed or in progress in the various source countries mainly concern late varieties and especially the 'Nadorcott' variety. 'Satsuma' is continuing to develop—perhaps more for its qualities upstream than for real prospects downstream. In contrast, the areas under clementine, whose trade window coincides with the peak summer fruit production in Europe and the United States, are tending to stagnate or decrease. Might there be a risk of over-production during the late period? The example of the 'clementinisation' of Spanish production shows that this potential danger should not be taken lightly: attracted by the excellent profitability of cultivars such as 'Nules', growers over-planted and triggered a major crisis that has not yet been solved. The question is all the more important as investments are even larger for this type of club variety because of the royalties to be paid.



The easy peeler sector in Australia in 2010

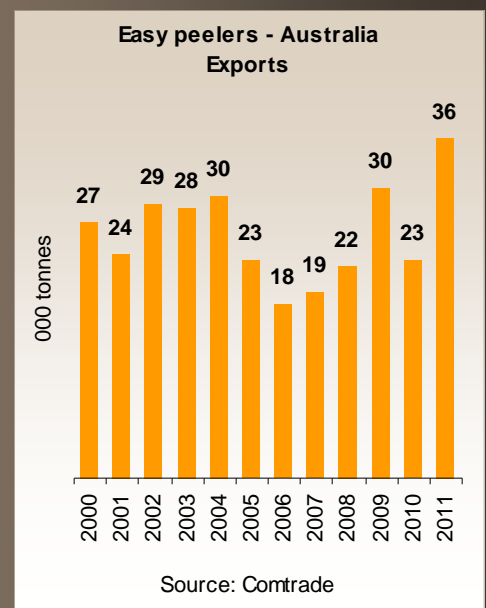
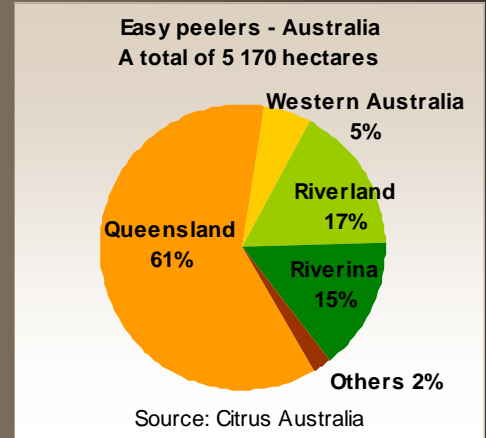
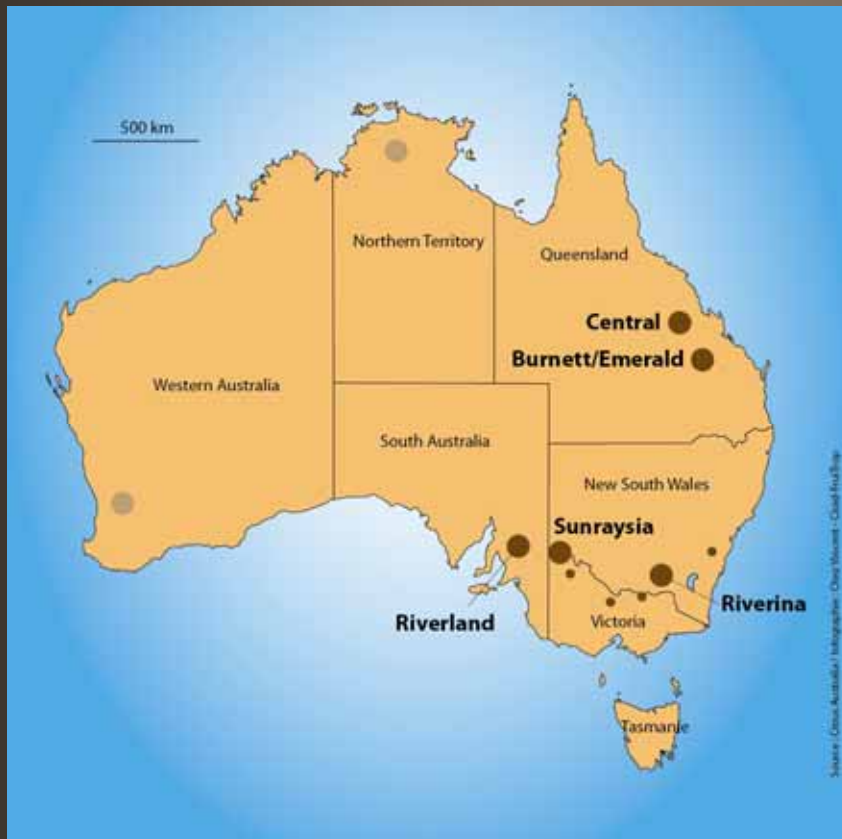
Production: 110 000 tonnes



Easy peelers — Australia — Exports

tonnes	2006	2007	2008	2009	2010	2011
Asia	9 945	9 776	10 922	16 280	12 591	21 393
Middle East	1 749	1 711	2 636	3 664	2 322	5 799
Pacific-Oceania	2 386	2 360	3 038	3 351	3 516	4 160
North America	3 021	4 604	3 901	4 275	3 023	2 997
Russia	171	328	698	597	822	1 006
EU	849	581	796	2 060	452	289
Total	18 121	19 359	21 992	30 227	22 726	35 643

Source: Comtrade



Easy peelers — Australia
Distribution of areas by variety

Imperial	34%
Murcott	29%
Nadorcott	11%
Others	26%

Source: Citrus Australia





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But seemingly serious safety barriers...

But the situation does not seem to be alarming, at least in the medium term. First, a spontaneous mutation of 'Murcott' in Morocco that is well-coloured, possesses good taste qualities and behaves well during storage and transport has true intrinsic merits. Its production calendar corresponds to a market window that probably has the strongest growth potential in both the EU and the USA. Finally, above all, the increase in the production of the variety has been partially mastered. The volumes for the EU market, the main centre for the consumption of summer citrus, must be from registered groves as the variety is protected in the European Union. Thus a total of 4 000 ha of planting rights has been awarded and distributed between the various southern hemisphere producer countries that wish to export to the EU. Propagation management is controlled by two concession-holders (NGS for Peru and Citrogold for the other southern hemisphere producer countries). Once the quota has been filled, which is not yet the case, new rights may be awarded in the light of market reactions. As it has only been possible to set up this volume management system on the EU market, might there be a risk of excessive shipments to the USA? Perhaps, but there are natural limits for the development of the variety in Chile, the main supplier of the US market. Argentina and Uruguay do not have access for the moment and the cold treatment required is a true limiting factor for Peru.

...and a sales promotion system that is still dispersed but is unique in the citrus world

Another asset in favour of the maintaining of good market conditions for the variety is that 'Nadorcott' has a true sales promotion programme, a first in Europe! Clemengold handles it for southern hemisphere production. Only fruits with a guarantee of excellent quality (in particular the practically total absence of pips) can use the brand, which has a real promotion budget fed by royalties, a mechanism that has proved its worth in other sectors such as apples. Others initiatives have been set up in the winter season for produce from Morocco ('L'authentique Afouner') and Spain ('Clemcott'). We hope that they can assemble all their forces beneath the same banner to make a greater impact.

A market with many opportunities but still competitive!

With considerable growth potential in the United States, room for development in Asia and the Middle East and a possible relaunching of the European market, world trade in southern hemisphere easy peelers certainly has fine prospects. But even if there is real room for development and the increase in production has a degree of management, the market is still competitive. Being able to deliver quality fruits to the high-potential United States market is certainly an advantage. Being competitive on the late fruit market where there is probably more room for growth is another ■

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Wholesale market prices in Europe

May 2012

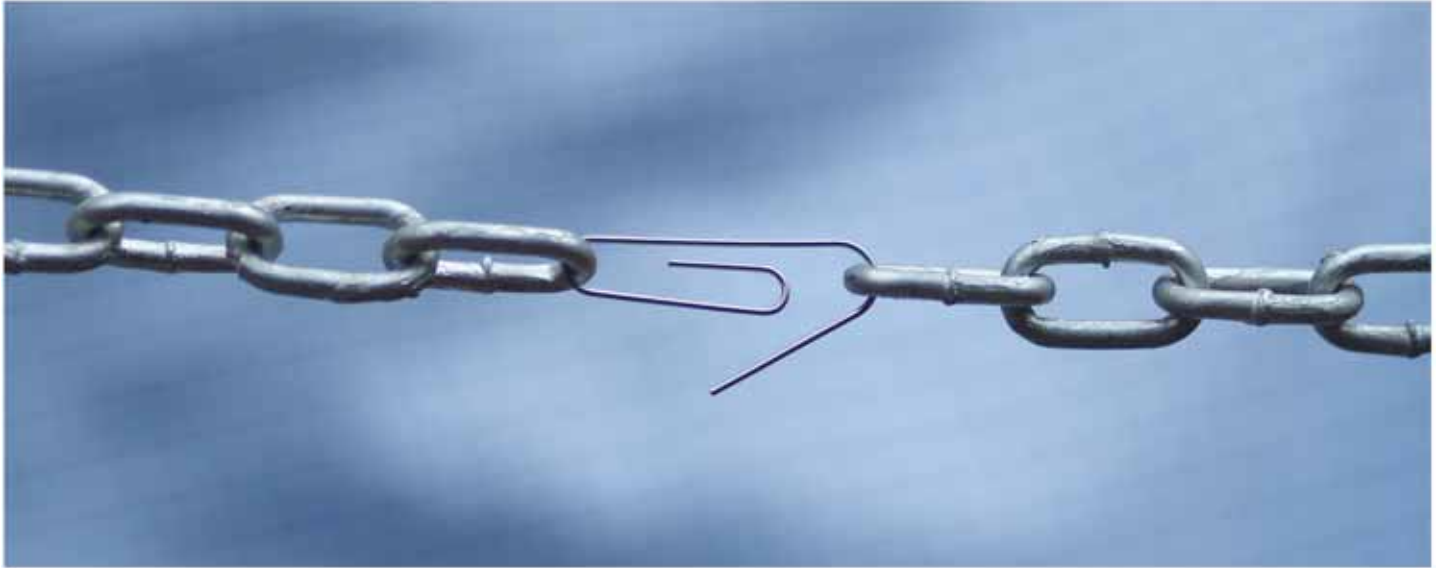
					EUROPEAN UNION — EURO					
					Germany	Belgium	France	Holland	UK	
AVOCADO	Air	TROPICAL	BRAZIL	Box			14.00	15.43		
			PERU	Box	5.75					
	Sea	ETTINGER	KENYA	Box			4.00			
			PERU	Box					4.80	
		FUERTE	SOUTH AFRICA	Box	5.75		4.25	6.60	6.19	
			HASS	Box		13.88				
		HASS	KENYA	Box			5.33			
			PERU	Box			6.20	9.00		
		NOT DETERMINED	SOUTH AFRICA	Box	6.75		6.35			
			PINKERTON	Box					6.81	
	Truck	HASS	KENYA	Box				6.07		
SOUTH AFRICA			Box	6.00		4.38	6.48			
		SPAIN	Box			10.00				
BANANA	Air	RED	ECUADOR	kg				4.88		
			SMALL	COLOMBIA	kg			6.50	5.98	
			ECUADOR	kg		5.67			5.17	
	Sea	RED	ECUADOR	kg				2.29		
			SMALL	ECUADOR	kg			1.70	2.01	
CARAMBOLA	Air		MALAYSIA	kg		4.73	4.86	5.13	3.54	
	Sea		MALAYSIA	kg				3.16		
CHAYOTE	Sea		COSTA RICA	kg			1.40	1.43		
COCONUT	Sea		COTE D'IVOIRE	Bag		10.82	12.58	10.19	13.00	
			DOMINICAN REP.	Bag				19.00		
			SRI LANKA	Bag					11.07	
DATE	Sea	MEDJOO	ISRAEL	kg			7.50	7.84		
			MEXICO	kg	9.80					
		MOZAFATI	SOUTH AFRICA	kg					7.00	
			IRAN	kg					3.13	
		NOT DETERMINED	IRAN	kg						2.48
			ISRAEL	kg						5.94
		RAVIER	TUNISIA	kg					1.88	
			TUNISIA	kg						1.74
EDDOE	Sea		BRAZIL	kg				1.11		
			CHINA	kg					1.32	
			COSTA RICA	kg			2.00	1.50		
GINGER	Sea		CHINA	kg	0.70	2.10	1.16	1.13	0.74	
			THAILAND	kg	0.92			1.03		
GUAVA	Air		BRAZIL	kg			3.67	5.82		
			THAILAND	kg				7.00		
KUMQUAT	Air		SOUTH AFRICA	kg				6.35		
LIME	Air		MEXICO	kg			3.75			
	Sea		BRAZIL	kg	1.28		1.61	1.39	1.49	
			MEXICO	kg	1.33		1.78		1.78	
LITCHI	Sea		THAILAND	kg				6.35	4.33	
MANGO	Air	ATAULFO	MEXICO	kg		5.50				
			KEITT	BRAZIL	kg				2.99	
			KENT	BURKINA FASO	kg			3.20		
				COTE D'IVOIRE	kg			4.50	3.67	
				MALI	kg			3.50		
	Sea	NAM DOK MAI	THAILAND	kg				7.00		
			PALMER	BRAZIL	kg	3.75	3.00			
			ATKINS	BRAZIL	kg				1.50	
				COSTA RICA	kg	1.00				
				BRAZIL	kg				1.20	
		KEITT	BURKINA FASO	kg		1.57				
			COTE D'IVOIRE	kg		1.57				
			DOMINICAN REP.	kg			1.07			
			GUINEA	kg		1.57				
			PORTO RICO	kg				1.07		

					EUROPEAN UNION — EURO					
					Germany	Belgium	France	Holland	UK	
MANGO	Sea	KENT	BURKINA FASO	kg			1.57			
			COTE D'IVOIRE	kg	1.13	1.57	1.23	1.39		
			GUINEA	kg		1.57				
			NOT DETERMINED	BRAZIL	kg					1.17
MANGOSTEEN	Air		INDONESIA	kg				7.00		
			THAILAND	kg				7.20		
MANIOC	Sea		COSTA RICA	kg			1.35	1.00		
MELON	Sea	CANTALOUPE	HONDURAS	kg					1.61	
			MOROCCO	kg		0.95			1.40	
			COSTA RICA	kg					1.49	
		CHARENTAIS	HONDURAS	kg						1.05
			GALIA	kg						0.84
			HONEY DEW	COSTA RICA	kg					0.84
		PIEL DE SAPO	PANAMA	kg			0.65			
			WATERMELON	COSTA RICA	kg				1.00	1.05
			COSTA RICA	kg						0.81
PANAMA	kg				0.50					
PAPAYA	Air	FORMOSA	BRAZIL	kg	3.04		3.00	3.11		
			NOT DETERMINED	BRAZIL	kg		3.57	3.45	4.18	
			THAILAND	kg				4.69		
	Sea	ECUADOR	kg				2.24			
PASSION FRUIT	Air	NOT DETERMINED	PURPLE	COLOMBIA	kg	4.38		6.50	6.50	
				ISRAEL	kg			6.50		
				KENYA	kg				5.75	4.95
			YELLOW	ZIMBABWE	kg				6.25	
				COLOMBIA	kg		8.75		8.98	
PERSIMMON	Sea		BRAZIL	kg				3.10	1.60	
			SOUTH AFRICA	kg	2.27			2.54	2.38	
PHYSALIS	Air	PREPACKED	COLOMBIA	kg			8.00	8.56	8.66	
	Sea		COLOMBIA	kg	5.11			6.53		
PINEAPPLE	Air	SMOOTH CAYENNE	BENIN	kg			2.00			
			CAMEROON	kg			2.50			
			GHANA	kg			2.50			
		VICTORIA	MAURITIUS	Box		12.50		13.48		
			MAURITIUS	kg			3.60			
			REUNION	kg			4.20			
		Sea	MD-2	SOUTH AFRICA	Box	12.00			12.10	
				COSTA RICA	Box	9.55	7.85	8.38		6.81
				COTE D'IVOIRE	Box					6.81
				COTE D'IVOIRE	kg			1.05		
				DOMINICAN REP.	Box			8.38		
				ECUADOR	Box			8.38		
				GHANA	Box			8.38		
PITAHAYA	Air	RED	THAILAND	kg				6.67		
			VIET NAM	kg		6.00	9.00	5.64		
		YELLOW	COLOMBIA	kg				9.00	9.67	
			ECUADOR	kg					8.00	
PLANTAIN	Sea		COLOMBIA	kg			1.00	0.91		
			COSTA RICA	kg					1.24	
			ECUADOR	kg			1.02	0.96		
RAMBUTAN	Air		THAILAND	kg				7.00		
			VIET NAM	kg		7.25	9.50			
SWEET POTATO	Sea		HONDURAS	kg				1.45		
			SOUTH AFRICA	kg			1.40			
TAMARILLO	Air		COLOMBIA	kg		7.10		6.88		
YAM	Sea		BRAZIL	kg			2.20		1.24	
			GHANA	kg			1.33	1.22		

Note: according to grade

These prices are based on monthly information from the Market News Service, International Trade Centre UNCTAD/WTO (ITC), Geneva.
MNS - International Trade Centre, UNCTAD/WTO (ITC), Palais des Nations, 1211 Geneva 10, Switzerland
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