

December 2010 - No. 184

FR *ui* TROP

English edition

CLOSE-UP: SEA FREIGHT

Counter-season grapes:
potential there
but fierce world competition!

Citrus and exotics:
monthly reviews

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Mea culpa, and even mea maxima culpa. I must admit to having aired excess scepticism exactly a year ago with regard to the FAO project for the reform of the social and environmental practices in the banana sector (FruiTrop 173, December 2010, pages 13 to 15). It was not at all my intention to question the legitimate claims of the most fragile groups in this sector, that is to say the workers on commercial plantations and small growers. Nor did I doubt that negotiation between all the players was the only pathway for social and environmental improvement of a sector accustomed to excesses. In fact, I had doubts about the ability of sector stakeholders to succeed in such an ambition. With the regard to the distribution of value (Working Group 2*), the conclusions of the meeting in November in Machala (Ecuador) show the extent to which mentalities have changed. Mention can be made for example of the setting up of pilot projects in three countries that will make it possible to understand and intervene in the distribution of value throughout the chain, and mention can be made of the methodological work on 'living' or 'decent' wages. But the most important feature is the involvement of the strongest partners in the chain. By these I mean retail distribution and in particular a European distributor that could succeed in making the project for better distribution of value become a reality. This is obviously not the only link in the chain that should be mobilised but it is the most important one as the final buyer can ensure that his decision alone is the catalyst required for the evolution of this sector.

This undertaking is also a guarantee that the other partners join this exemplary approach. The best of luck to this initiative that is on the point of showing that a different sector is possible.

Denis Loeillet

* <http://www.fao.org/economic/worldbananaforum/wbf-working-groups/en/>



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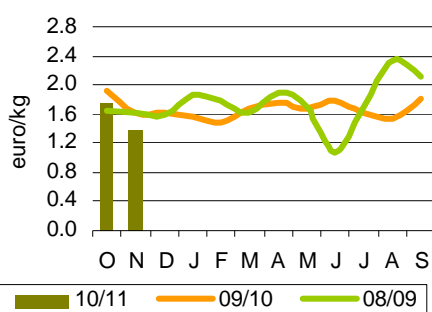
Cover photograph: Denis Loeillet

Avocado

November 2010

The market was fairly sluggish in spite of only average supply of the two varietal groups. Arrivals of 'Hass' from Mexico were very limited but those from Chile were slightly larger than average in spite of a production deficit. The Israeli and Spanish seasons started earlier than in the preceding year. Prices were very strong at the beginning of the month and then fell steadily but to no lower than an average level. The situation was more difficult for the green varieties even though supply was only average there again. The large number of suppliers and slow demand resulted in a marked fall in prices. The average monthly price was distinctly lower than average.

Avocado - France - Import price



PRICE	Varieties	Average monthly price euro/box	Comparison with the last 2 years
	Green	4.50-4.70	- 10%
	Hass	7.50-8.00	- 2%

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

VOLUMES	Source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Chile	↗	+ 5%	Peak season. Shipments smaller than the preceding season but larger than average, especially during the first half of the month.	- 20%
	Israel	↗	+ 7%	Peak season for 'Ettinger'. Volumes slightly larger than average.	+ 14%
	Spain	↗↗	+ 7%	Volumes of 'Hass' and green varieties ('Bacon' and then 'Fuerte') larger than average in spite of dips in supply caused by rain.	+ 8%
	Mexico	=↗	- 44%	Peak season for 'Hass' but only limited volumes were shipped to Europe (attractive US market).	- 29%



■ Avocado variety of the month: 'Pinkerton'.

This is a recent variety bred in California by John Pinkerton and registered in 1975. It is probably the result of a cross between 'Hass' and 'Rincon'. The tree is very vigorous and tolerant of temperatures ranging from -1/-2°C to 30°C. Production is good and alternate bearing little marked. The fruits may display apical narrowing (neck) if the tree is subjected to conditions of stress. Its organoleptic qualities are excellent (nutty taste) and the pulp is smooth, melting and fibre-free.

Source: CIRAD

■ Promotion of Peruvian

'Hass' ready to go in the USA. Peruvian avocado has taken a step forwards in its strategy for deployment on the US market with the official recognition of the Peruvian Avocado Commission by USDA on 12 November 2010. The commission's aim is the promotion of 'Hass' avocado from Peru on the United States market. Like its counterparts in Mexico (MHAIA, Mexican Hass Avocado Importers Association), Chile (CAIA, Chilean Avocado Importers Association) and California (CAC, California Avocado Commission) it can levy a 5 US cents tax per kg sold in US territory to supply a fund managed by the HAB (Hass Avocado Board) to develop sales of 'Hass'.

Source: Andina

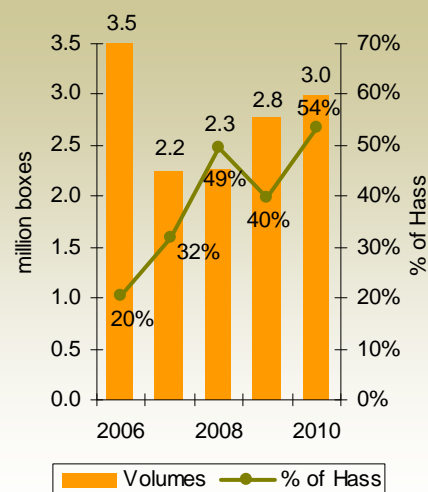
■ Kenya: 'Hass' doing nicely in 2010. According to professional sources, Kenyan avocado exports reached 3 million boxes in 2010 in comparison with 2.2 to 2.8 million in preceding seasons. In addition to the substantial volumes, the change in variety should also be noted. 'Hass' exports are reported to have totalled about 1.6 million boxes, overtaking 'Fuerte' for the first time. 'Fuerte' formed practically the whole of avocado exports less than 10 years ago.

Sources: professional, CIRAD



photos © Guy Bréhinier

Avocado - Kenya - Exports



Professional sources

Banana

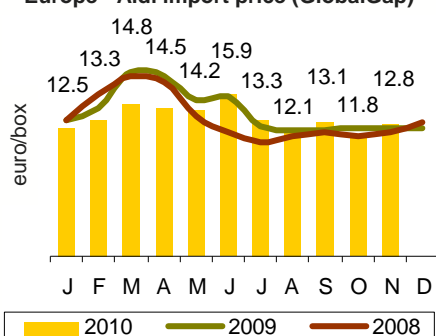
November 2010

The maintaining of comparatively moderate supply allowed the continuation of the upward price trend that started in mid-October on most European markets. Arrivals from the French West Indies were average, with the large volumes received during the first half of the month masking the significant deficit in the second half caused by production losses in Martinique after the passage of hurricane Tomas. However supplies from Africa remained stable and moderate. The scale of imports from Ghana did not make up for the continued deficit of shipments from Cameroon and those from Côte d'Ivoire remained merely moderate. Finally, supplies of dollar bananas were small, especially during the second half of the month. However, deliveries from Colombia were substantial even though they were smaller than in October. Costa Rican exports continued to be concentrated on the United States market. Arrivals from Ecuador were medium in northern Europe but very short in southern Europe as unusually cold weather had affected production. In this context, the upward movement of prices continued on all the European markets, especially during the second half of the month. Prices were markedly higher than average at the end of the month. The Spanish market was the only exception as shipments from the Canary Islands were still very large in spite of withdrawals and a few shipments to destinations outside the EU. Elsewhere, the situation was very satisfactory in Russia with fairly brisk demand able to handle substantial supply, but this was concentrated among the main operators.

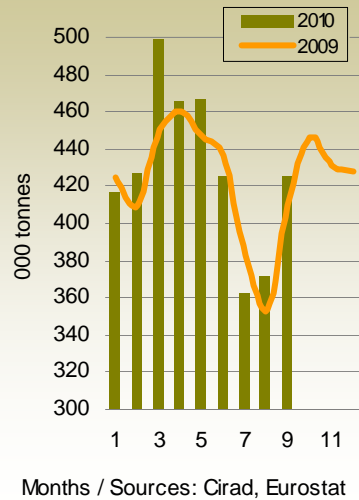
EUROPE — ALDI IMPORT PRICE

November 2010 euro/box	Comparison	
	previous month	average for last 2 years
12.80	+ 8%	+ 5%

Europe - Aldi import price (GlobalGap)



Banana - EU Estimated supply



■ Banana: EU supply slightly up during a 9-month period. CIRAD's estimate of banana supply to the European market (EU 27) indicates that releases to the market in August and September 2010 increased by 5% and 4% respectively. The increase for the first nine months of the year was only 2%, with a total of 3 863 000 tonnes. It is estimated for 2010 as a whole that the market will reach 5.2 million tonnes in comparison with less than 5.1 million in 2009. This is a long way from the record consumption of 5 441 000 tonnes in 2008. Market shares for the first nine months were 68% from MFN (dollar) sources, 20% from ACP sources and 12% from community production sources (excluding sales in the production zones). These figures are fairly stable from one month to the next with a slight

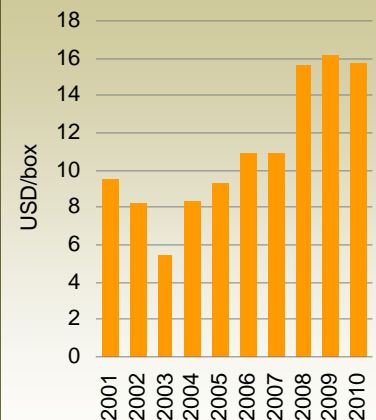
upward trend for dollar bananas in the first four months of 2010.

Source: CIRAD

■ Record for banana in the United States in 2010. The excellent trend is confirmed month after month and 2010 will be a bumper year for the American banana market as regards both the volumes sold (+ 23% during the first nine months of the year) and the prices fetched. The records set in 2000 and 2007 will be broken this year as the market will doubtless exceed 4 million tonnes. As regards prices, the spot import price is down by 2.5% (provisional figure for data up to Week 47 of 2010) in comparison with 2009 but in absolute terms (USD15.7 per box) is much higher than the USD8 to 11 per box observed before 2008.

Source: CIRAD

Banana - USA Spot import price



Note: until week 47
Source: Sopisco

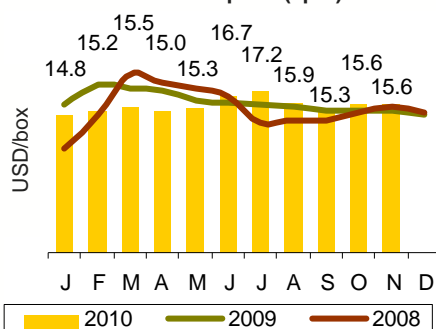
EUROPE — RETAIL PRICE

Country	type	November 2010		
		euro/kg	November 2009	average for last 3 years
France	normal	1.38	+ 9%	+ 5%
	special offer	1.13	- 1%	- 3%
Germany	normal	1.09	+ 2%	0%
	discount	0.92	+ 1%	- 1%
UK (£/kg)	packed	1.14	- 2%	+ 3%
	loose	0.68	0%	- 10%
Spain	plátano	1.69	+ 1%	- 17%
	banano	1.33	- 2%	- 8%

Banana

UNITED STATES

USA - Green price (spot)

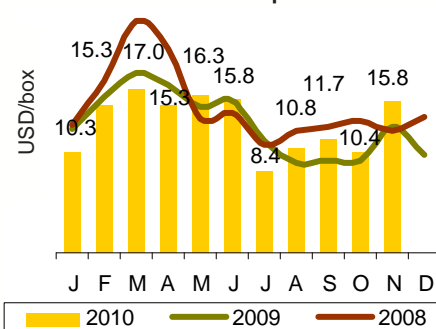


USA — IMPORT PRICE

November 2010 USD/box	Comparison	
	previous month	average for last 2 years
14.20	- 9%	- 7%

RUSSIA

Russia - Green price

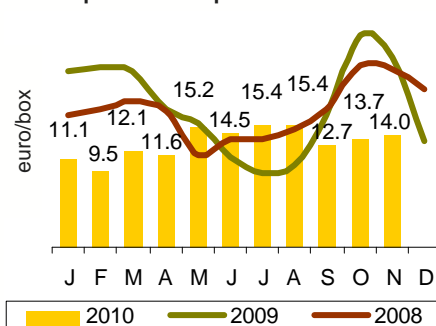


RUSSIA — IMPORT PRICE

November 2010 USD/box	Comparison	
	previous month	average for last 2 years
12.60	+ 52%	+ 24%

CANARIES

Spain - Green price - Platano*



CANARIES — IMPORT PRICE*

November 2010 euro/box	Comparison	
	previous month	average for last 2 years
14.00	+ 3%	- 39%

* 18.5 kg box equivalent

■ Banana and the environment in the French West Indies. Reduction of the use of pesticides is continuing in the French West Indies, strengthening their position as the best student in the class—except for organic crops—among producer countries.

In 2009, the banana pesticides market in Martinique totalled only 131 tonnes of commercial products—126 tonnes if post-harvest fungicides are excluded. In terms of active substance, consumption decreased from 160 tonnes in 1996 to 29 tonnes in 2009. Improvements in control practices resulting directly from several years of research go a long way to explaining the decrease:

- control of nematodes and especially *Radopholus similis*: soil cleansing by means of fallows or rotation with a non-host crop,

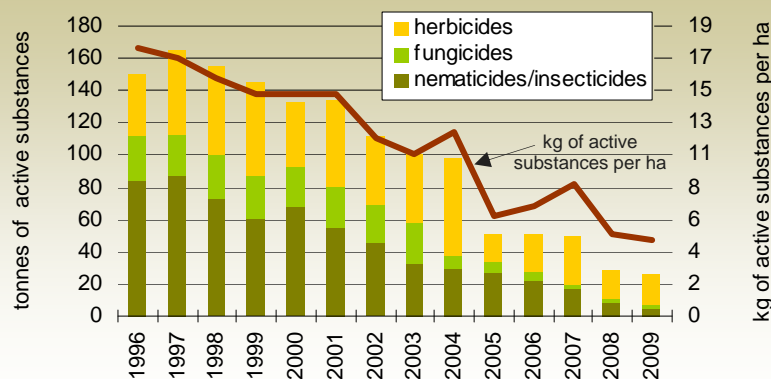
generalised use of tissue culture plants and surface water management (network of appropriate drainage channels). It is thus possible to keep plantations free of nematodes for several years;

- control of the banana borer weevil *Cosmopolites sordidus*: generalised use of now more effective pheromone traps combined with better knowledge of the dynamics of borer populations for the siting, timing and density of traps.

Farmers have thus been able to handle the gradual withdrawal from the local market of the main nematocides and insecticides previously used. Scope for improvement as regards herbicides is becoming visible with the development of innovative farming systems using cover plants.

Source: CIRAD

Movement of pesticide sales tonnages for Martinique banana plantations



Source: C. Chabrier (Cirad) and P. Quénéhervé (IRD)

EUROPE — IMPORTED VOLUMES — NOVEMBER 2010

Origine	Comparison		
	October 2010	November 2009	cumulated total 2010 compared to 2009
French West Indies	↘	+ 4%	+ 7%
Cameroon/Ghana	=	- 9%	+ 6%
Surinam	⇒	+ 30%	+ 31%
Canaries	↗	+ 31%	+ 13%
Dollar:			
Ecuador	=	+ 7%	+ 3%
Colombia*	↘	+ 10%	+ 2%
Costa Rica		na	na

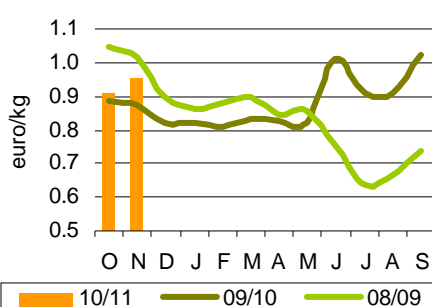
* total all destinations

Grapefruit

November 2010

The market remained very difficult for fruits from Mediterranean sources even though arrivals decreased to smaller than average volumes. Demand was fairly slow and stocks carried over from preceding weeks and the prolonging of supplies of inter-season fruits from Cuba and Mexico weighed on the market. Prices continued to fall and were distinctly lower than average at the end of the month. In this context, the market for fruits from Florida was fairly sluggish. The average monthly price was hardly higher than the average for this source even though arrivals were very limited.

Grapefruit - France - Import price



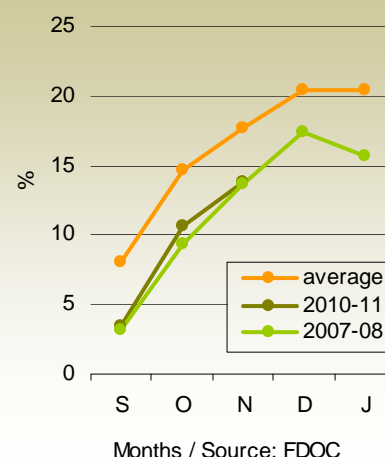
■ Turkey: a thousand million dollar export target! The Turkish Citrus Promotion Group (CPG) has stated its ambitions. Its co-chairman recently stated its aim of attaining the thousand million dollar mark in exports in comparison with a little more than USD800 in 2009-10. For this, the group is to base promotion on the quality of Turkish citrus, with campaigns in Russia and, this season for the first time, Ukraine and Azerbaijan. Tarkan, a Turkish pop star, will beam the same message to the domestic market. Estimated to be 2.8 million tonnes in 2010-11, Turkish citrus production has increased by a million tonnes in ten years and provides a livelihood for nearly 5 million people. Exports are mainly to Eastern European countries and have exceeded a million tonnes in the last two seasons.

Sources: Today's Zaman, Hürriyet Daily News, Fruitrop

■ Late grapefruit season in Florida. With cumulated shipments 25% down on last season's, the Florida season is getting off to a very slow start in the EU. It's Mother Nature's fault as both fruit maturity and growth are markedly late. The quantities released to the domestic market are also down by about 25%. Only the very lucrative Japanese market seems to be spared by the trend: arrivals are even twice as large as they were last season. Will the season display the 2007-08 pattern when arrivals were prolonged after just as timid a start?

Sources: FDOC, South East AG net, CIRAD

Grapefruit - Florida - Evolution of grade 40 share



PRICE	Type	Average monthly price euro/box 17 kg box eq.	Comparison with average for last 2 years
	Tropical	18.00-18.50	+ 4%
	Mediterranean	12.00-12.50	+ 5%

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Tropical	↗	- 30 %
	Mediterranean	↘	- 12 %

VOLUMES	Source	Comparison	
		previous month	average for last 2 years
	Florida	↗↗	- 30%
	Israel	↘↘	- 3%
	Turkey	⇒↘	- 17%
	Mexico, Cuba	↘↘	⇒↗

Grapefruit — Florida — Marketed volumes to the end of November

000 box*	2010-11	2009-10	Variation 2010-11/2009-10
Total, of which	2 791	3 238	- 14%
United States	918	1 195	- 23%
Canada	252	293	- 14%
Europe	708	931	- 24%
Japan	839	767	+ 9%

* 4/5 bushel - 42.5 pounds / Source: FDOC

Observations	Cumulated total / cumulated average for last 2 years
Gradual increase in volumes, displaying in particular a limited range of fruit sizes. Cumulated volume distinctly smaller than average.	- 33%
Return to average arrivals after the very large volumes received at the beginning of the season.	+ 31%
Average volumes and then a dip at the end of the month (national holidays in Turkey).	+ 14%
Arrivals finished but significant stocks still available.	⇒↘

Orange

November 2010

The orange market became increasingly sluggish with the Spanish 'Naveline' season returning to an average level. Arrivals of this variety increased strongly at the beginning of the month and were larger than average. Supply was completed at the beginning of November by the last batches of 'Valencia' from the southern hemisphere and the first shipments of 'Salustiana' from Spain in the second half of the month. Demand was comparatively slow. Prices sank in the middle of the month to a much lower level than average at the end of the period.

■ Prevention of greening: an affair of state in Australia! The Riverina Citrus Committee has alerted the Australian parliament about the threat formed by the introduction of greening in Australia. The committee represents growers in the main citrus growing zone in Australia and would like the government to take stricter prevention measures, especially as regards the introduction of germ-plasm.



Source: Riverina Citrus



© Eric Imbert

■ The United Kingdom is no longer a must for South African citrus. The Citrus Growers Association (CGA) in South Africa holds that the price war in Britain and the multiplication of private standards have made other export markets more attractive. In spite of a record export season in South Africa, the volumes of lemons, easy peelers and oranges shipped to the UK fell by 18.2% in comparison with 2008, the last record season. The CGA insists that exporters are not complaining about retailers' requirements in the UK but

are switching to markets with easier access and that generate better returns.

Source: Reefer Trends

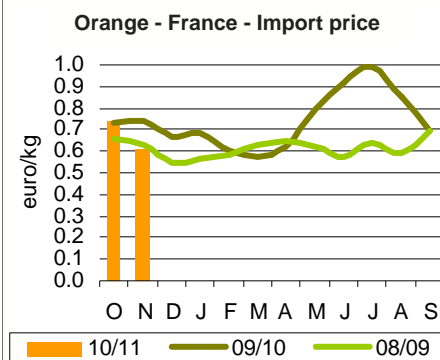
■ Citrus growers in the Community of Valencia: small but tough! More than 90% of the holdings in the Community of Valencia (Spain) are smaller than 5 hectares. This is the conclusion of the latest survey of farm structures published by Levante agricola. These

'minifundios' represent nearly 50% of the cultivated area in the region, estimated at approximately 173 500 ha. Holdings with an area of less than 2 hectares form nearly two-thirds of the total number of holdings and about 10% of the area.

Source: Levante Agrícola



© Eric Imbert



PRICE	Type	Average monthly price euro/box 15 kg	Comparison with average for last 2 years
	Dessert oranges	9.00-9.30	- 8%
	Juice oranges	9.00	na

VOLUMES	Type	Comparison	
		previous month	average for last 2 years
	Dessert oranges	↗	+ 24%
	Juice oranges	↗	+ 4%

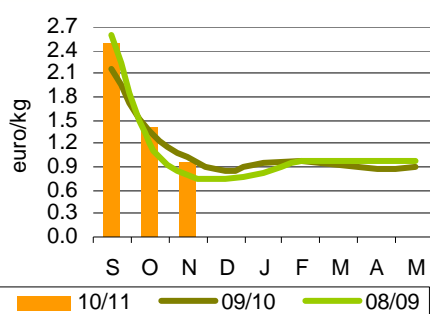
VOLUMES	Varieties by source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Naveline from Spain	↗↗	+ 24%	Peak season from the beginning of the month. Volumes greater than average, especially during the first half of the month.	+ 22%
	Salustiana from Spain	↗↗	+ 4%	The season started in mid-month. Volumes very limited and average.	+ 4%

Easy peelers

November 2010

The easy peeler market was sluggish and under pressure for the entire month as unseasonal warm weather was unfavourable for consumption and large supply. Supply from Spain increased strongly with the start and rapid development of shipments of 'Clemenules', with greater potential than in preceding years. The 'Clemenvilla' season also got under way. The Moroccan season continued to gain momentum but with limited volumes available in France. The Corsican season started but with a deficit resulting from problems at the production stage. As a result, after being higher than usual, prices fell gradually to below average levels for Spanish fruits. Demand improved in the last week of the month as the weather suddenly turned cold.

Easy peelers - France - Import price



■ 'Kinnow' from Pakistan: continued export growth forecast in 2010-11! The decrease of some 10 to 15% of the 'Kinnow' harvest in Pakistan should not prevent continued growth of exports. The target mentioned by the Pakistan Horticulture Development and Export Company (PHDEC) for the 2010-11 season (December to March) is 300 000 t in comparison with 250 000 t in 2009-10. Better sizing and better sanitary quality should make up for the decrease in production. However, the collapse of exports to Iran as a result of the tripling of customs dues in 2009 is still a subject for major concern. The Iranian market took nearly a third of total exports in 2008! If the PHDEC's objective is attained, Pakistan would be practically neck and neck with Turkey and Morocco, respectively the third and fourth largest exporters in the world after Spain and China (see FruiTrop 183). A fine performance for a source that was still little-known on the international market at the end of the 1990s.

Source: PHDEC

■ Berkane clementine, a new Moroccan PGI. The Protected Geographical Indication 'Berkane clementine' was recognised officially in summer 2010. To use the name, the fruits must be grown in one of the seven places in the Molouya irrigated perimeter in south-east Morocco (Boughriba, Schouihya, Zegzel, Aghbal, Laâtamna, Fezouane and Madagh). They must also meet specific quality criteria such as a 40% minimum juice content. Some 220 000 t of citrus is grown on 14 000 ha in the Berkane region. Clementine is the main export in the region (approximately 50 000 t in 2009-10) forming more than half of the citrus crop.

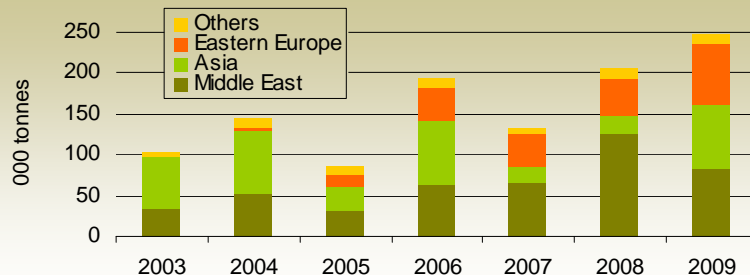
Sources: Al Bayane, Fellah Trade

■ 'Nour' - variety of the month. It is a true clementine resulting from a mutation of 'Cadoux' found at Ouled Teima in the Souss. The fruit is medium-sized and often displays a small characteristic collar. The strongly orange peel is rough and fairly thick but is easy to remove. It is sweeter and less acid than a 'Fine' type clementine.



Source: CIRAD

Kinnow - Pakistan - Evolution of exports



Source: COMTRADE

PRICE	Varieties	Average monthly price euro/kg	Comparison with average for last 2 years
	Clementine	0.95	+ 3%
	Other easy peelers	0.94	- 1%

VOLUMES	Varieties	Comparison	
		previous month	average for last 2 years
	Clementine	↗↗↗	+ 31%
	Other easy peelers	↗↗↗	+ 18%

VOLUMES	Varieties by source	Comparison		Observations	Cumulated total / cumulated average for last 2 years
		previous month	average for last 2 years		
	Clementine from Spain	↗↗↗	+ 44%	Heart of the season, with large volumes of 'Clemenules'. Good weather in Spain favoured continuous harvesting.	+ 28%
	Clemenvilla from Spain	↗↗↗	+ 18%	Rapid development of the season. Volumes larger than usual.	+ 18%
	Clementine from Corsica	↗	- 10%	Increase in volumes and the start of supermarket chain operations. Volumes still limited because of small production.	- 15%
	Clementine from Morocco	↗	- 34%	Slowing of deliveries, volumes smaller than in 2009 and shipped mainly to northern European markets.	- 24%

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Mango

November 2010

The upward swing in prices that started in mid-October as a result of the drastic reduction in shipments from Brazil continued in the first half of November, with prices never seen before at this time of the year. The decrease in shipments is reported to have been caused by several factors: a strong decrease in selling prices in Europe in September-October, the financial difficulties of Brazilian export companies, re-evaluation of the real against the US dollar, a dynamic domestic market, etc. Exports to the north American markets ceased in mid-November and shipments from Brazil were concentrated on Europe. Prices were stable at first and then gradually lost ground in mid-month. The decrease first affected 'Tommy Atkins', the variety forming the greater part of Brazilian supply. Prices of 'Keitt' and 'Kent' also lost ground but more slowly. The fall became all the more marked as the quantities from Brazil increased rapidly and were added to the first deliveries from Ecuador and Peru—that were modest at the beginning of the season. In addition, the four or five weeks of high prices on the European market slowed demand, especially in supermarkets.

Mangoes from Spain benefited from the general shortage of produce at the beginning of the period, while the volumes available decreased markedly. The last batches of 'Osteen' were sold in the second week of November and at the end of the month the last, marginal volumes of 'Keitt' sold at stable, high prices.

Brazil remained the main source of mangoes shipped by air, with batches consisting mainly of 'Kent', completed by a few batches of 'Palmer' and 'Haden'. Broad price ranges were observed for 'Kent' as fruit quality was irregular (insufficient colour and uneven ripeness). A few batches of 'Kent' from Peru appeared at the end of the month; prices were high as the quantities were marginal.

MANGO — ARRIVAL ESTIMATES Tonnes

Weeks 2010	44	45	46	47	48
By air					
Brazil	50-60	60-80	80-100	80-120	100-120
Peru	-	5	1	-	-
By sea					
Brazil	2 310	2 160	3 400	3 230	3 740
Ecuador	-	-	180	70	180
Peru	90	-	130	350	790

Litchi

November 2010

Weather conditions in the Indian Ocean production zones have been poor for litchi this year. Shortage of rainfall during the fruit formation period resulted in a markedly late start of picking. The sales season started 10 to 15 days late for the second year running. The first batches available on the European markets in Week 45 were from South Africa. In addition to a late start, this general weather phenomenon in the various sources has led to the practically simultaneous arrival of fruits from South Africa, Mauritius, Madagascar and Reunion. The market was not yet particularly receptive towards litchi and demand has been light, especially as the first batches were sold at high prices. The convergence of arrivals from the various Indian Ocean sources in Week 47 caused prices to fall quickly, a feature confirmed and accentuated during the subsequent week. The prices seen at the end of the month—especially for fruits from Madagascar—called into question the profitability of exports, given the high freight costs for this producer. South Africa has smaller approach costs and is becoming more competitive. Falls in price were observed on all the European

markets. The sale of litchis on the branch from Mauritius and Reunion is also a dwindling feature. Demand for these remained weak, in particular because of high retail prices. A few batches of satisfactory quality fresh litchis from South Africa should be noted. However, this source has not shipped for this market segment before and sales were difficult.

The 'air' litchi season will continue until the arrival of the first fruits by sea. Those from Madagascar are expected to reach Europe on 16 or 17 December, leaving little time for sales before Christmas. This year's poor production conditions may well lead to the sale of small fruits.

LITCHI — ARRIVAL ESTIMATES Tonnes

Weeks 2010	45	46	47	48
By air				
South Africa	5-10	5-10	20-30	35-45
Mauritius	-	3-5	15-20	20-25
Madagascar	-	-	150	150
Réunion	-	-	5-6	5-10

LITCHI — IMPORT PRICE ON THE FRENCH MARKET — euro/kg

Weeks 2010		45	46	47	48	November 2010 average	November 2009 average
By air							
South Africa	s	-	8.00-9.00	5.75-8.00	4.00-5.00	5.90-7.30	5.75-6.50
Mauritius	s	-	9.00	7.50-8.50	4.50-5.00	7.00-7.50	7.25-8.50
Mauritius	br	-	12.00	9.00-12.00	6.00-10.00	9.00-11.30	9.50-10.15
Madagascar	s	-	-	5.50-6.00	4.00-5.00	4.75-5.50	6.25-7.00
Réunion	br	-	-	11.00-13.00	8.50-10.00	9.75-11.50	10.00-11.50

br: on the branch / s: sulphur treated

MANGO — IMPORT PRICE ON THE FRENCH MARKET — Euro

Weeks 2010		44	45	46	47	48	Nov. 2010 average	Nov. 2009 average
By air (kg)								
Brazil	Haden	3.70-4.00	-	4.00-4.20	4.00	3.70-4.00	3.85-4.05	3.05-3.30
Brazil	Kent	3.00-4.00	3.50-4.00	3.50-4.00	3.50-4.00	3.00-4.00	3.30-4.00	3.05-3.90
Peru		-	-	-	-	5.00	5.00	-
By sea (box)								
Brazil	Tommy Atkins	6.00-7.50	6.00-8.00	5.50-6.00	5.00	4.00-4.50	5.30-6.20	2.25-3.35
Brazil	Keitt	6.00-8.00	6.00-8.00	-	6.00-6.50	-	6.00-7.50	-
Brazil	Kent	6.00-8.00	6.00-8.00	6.50-7.00	5.00	5.00-6.00	5.70-6.80	4.00-4.80
Peru	Kent	-	-	-	-	5.00-6.50	5.00-6.50	-
By road								
Spain	Osteen (box)	8.00-9.00	8.00	-	-	-	8.00-8.50	6.00-7.00
Spain	Keitt (kg)	2.80-3.00	2.80-3.00	2.50-2.80	2.50-2.80	2.50-2.80	2.60-2.90	1.50-1.65

Pineapple

November 2010

Supply of 'Sweet' was very small throughout the month. Operators thus expected a rise in prices, after their difficulties in the first fortnight in finding sizes 8 and 9 for which promotion operations had been planned well before. Prices firmed during the period, especially for sales that were not part of promotion operations. However, demand was sluggish and the batches released to the market were difficult to shift. Demand dwindled further during the second half of the month and 'Sweet' prices decreased. In this context, it was difficult to stabilise the prices of small brands and to ensure a degree of stock fluidity, while the prices of the major brands increased steadily, especially for sizes 6 and 7 available in limited quantities and sought-after in the southern European markets.

Sales of 'Smooth Cayenne' were difficult throughout the month. The quality of supply was fairly irregular, with more than 70% of the fruits displaying colour defects. It was therefore very difficult to clear batches, especially in the first half of the month when good quality 'Sweet' fruits were available at very low prices.

Sales were fluid on the 'air' market in the first half of the month even though fruit quality was irregular. Fruits often lacked colour as a result of heavy rainfall in the production zones. In contrast, sales were more difficult in the second half of the month and several batches were sold on a price after sale basis. Sales of 'Sugarloaf' pineapple from Benin seem to have been more steady, generally changing hands at EUR1.80 to 2.00 per kg.

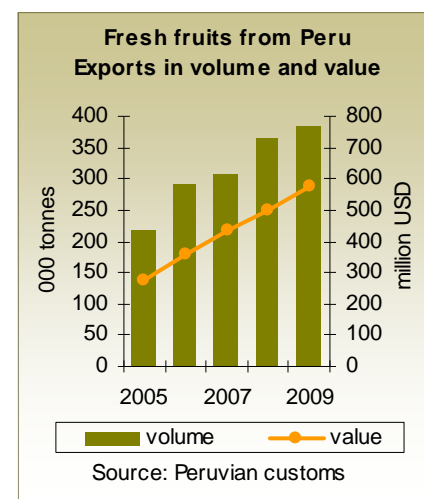
Supply of 'Victoria' increased throughout the month while demand remained stagnant. Sales were slower in the first half of the month because of the national holidays on 1 and 11 November. Prices remained stable overall even though they lost a little ground at the end of the month.



■ Exports of Peruvian produce have rocketed in recent years... and the trend does not seem to be stopping. José Chlimer, managing director of the agri-export group Corporacion Drokasa SA, announced the sector's ambition to triple export sales in ten years to reach USD10 thousand million. To continue to develop production and attain this objective, professionals count on the large irrigated perimeters developed in the north of the country in recent years. Ollmos, north-east of Chiclayo, currently has 38 000 hec-

tares available for investors, following 75 000 ha at Chavimochic (south-east of Trujillo). Fresh fruit and vegetables are well-placed in the list of the main agricultural produce exported from Peru. In 2009, exports of these were worth some USD600 million, similar to the value of exports of coffee, the main agricultural product exported. Exports of asparagus, grapes, mango, avocado, banana and easy peelers have increased by more than 75% in volume and have more than doubled in value in the last five years.

Sources: Reefer Trends, CIRAD



Fruits from Peru — Exports					
tonnes	2005	2006	2007	2008	2009
Asparagus	80 021	92 580	96 303	109 638	122 131
Banana	42 852	57 095	65 475	78 162	82 390
Mango	57 618	82 594	82 153	82 651	69 189
Grapes	18 977	27 593	25 877	43 640	60 523
Avocado	18 670	31 717	37 525	51 286	48 345
Mandarin	29 241	33 898	37 223	50 187	41 338
Total	218 138	291 579	307 333	365 377	382 578

Source: Peruvian customs

PINEAPPLE — IMPORT PRICE

Weeks 44 to 47	Min	Max
By air (euro/kg)		
Smooth Cayenne	1.70	1.90
Victoria	2.80	3.50
By sea (euro/box)		
Smooth Cayenne	6.00	8.00
Sweet	6.00	9.00

PINEAPPLE — IMPORT PRICE IN FRANCE — MAIN ORIGINS

Weeks 2010		44	45	46	47
By air (euro/kg)					
Smooth Cayenne	Benin	1.80-1.90	1.80-1.90	1.80-1.90	1.80-1.90
	Cameroon	1.75-1.85	1.75-1.85	1.70-1.90	1.70-1.90
	Ghana	1.75-1.85	1.75-1.85	1.75-1.85	1.75-1.80
Victoria	Réunion	3.00-3.50	3.00-3.40	3.00-3.40	3.00-3.50
	Mauritius	2.80-3.20	2.80-3.00	2.80-3.00	2.80-3.00
	South Africa	-	-	2.90-3.20	2.90-3.20
By sea (euro/box)					
Smooth Cayenne	Côte d'Ivoire	6.00-7.00	6.00-8.00	6.00-8.00	6.00-8.00
Sweet	Côte d'Ivoire	6.00-8.75	6.50-9.00	6.50-9.00	7.00-9.00
	Cameroon	6.00-8.75	6.50-9.00	6.50-9.00	7.00-9.00
	Ghana	6.00-8.75	6.50-9.00	6.50-9.00	7.00-9.00
	Costa Rica	6.50-8.50	7.50-9.00	7.00-8.50	6.00-8.00

Sea freight

November 2010

The continuing shortage of Ecuadorian bananas kept a lid on reefer operators' rate ambitions despite an increase in the volume of poultry shipped from the US to Russia. Operators took the opportunity of positioning units for the start of the Chilean stonefruit and grape seasons – the knock-on impact reduced the number of Open vessels at the Canal, which did allow for a moderate increase in the voyage box rate. The banana markets in the Med, which have been under sustained pricing pressure all year, finally started to strengthen as traders sought to pass on the additional costs at source. Despite a rise in the benchmark Aldi price to the highest November levels in five years charterers such as Del Monte preferred to ship excess fruit into the Eastern Med, such was the strength of the rebound. Elsewhere the small and handysize segment, which also has been under pressure for the past 24 months saw a healthy rise in demand driven by citrus orders from Morocco, poultry from the US Gulf, potato shippers and fish from Norway. Towards the end of the month Egyptian citrus began in earnest while the Mauretania fish industry also belatedly came to the party. As December began supply and demand were in equilibrium and rates were on a rising trend. In corporate news Norwegian reefer owner/operator Green Reefers saw its pre-tax loss widen to USD 11.4m in the third quarter of 2010 from USD 9.9m a year earlier, as revenue declined. Gross operating income dropped to USD 28m in July to September 2010 from USD 41.1m in the same period of 2009, as the gross freight income plunged to USD 13.7m from USD 33m over the period. The company said that although market improvements in 2010 had not yet materialised it intends to further pursue its cost-cutting strategy and believes that market conditions will gradually improve. Finally NYK Logistics 3PL reefer service subsidiary LauritzenCool Logistics (LCL) was acquired by its management with backing from a group of English, Danish and Chilean investors. The Group was bought by Sociedad de Inversiones y Logística Técnica S.A: the transaction involves the purchase of its subsidiaries in Chile, Peru, Ecuador, Panama, Costa Rica, South Africa and the USA.

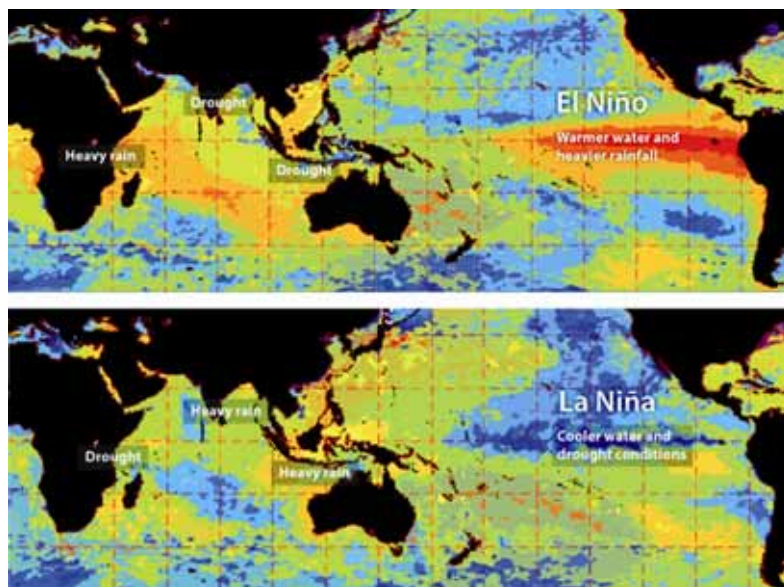
■ La Niña is having serious impacts on agricultural production and on fruit and vegetables in particular. While New Zealand is suffering serious drought, the Australian fruit sector has been drenched with rain. A quarter of the year's 12 000 tonne cherry crop has been lost. Cold weather in Ecuador is slowing the vegetative cycle of banana and supply is moderate. Unusual weather is also affecting Colombia, with weeks of rain. The Colombian Ministry of Agriculture reports that the 200 000 ha of crops hit by tremendous rainfall includes 9 000 ha of flooded banana and plantain. Meteorologists expect the phenomenon to last until January.

The main consequences of La Niña are:

- a northward shift of the meteorological equator;

- strengthening of the Pacific trade winds;
- changes in sea currents;
- more rainfall than usual in the Western part of the equatorial Pacific (especially towards Indonesia), South and South-East Asia, northern and north-eastern Australia, the southern part of Africa, the northern part of South America (including Brazil), Central America (including the West Indies), the Hawaiian archipelago, etc.;
- periods of serious drought in the tropical islands in the central Pacific, throughout the south of North America, northern Mexico and California, Central and East Africa, some regions in the south-east and south-west of South America, etc.

Sources: Reefer Trends, Météo France



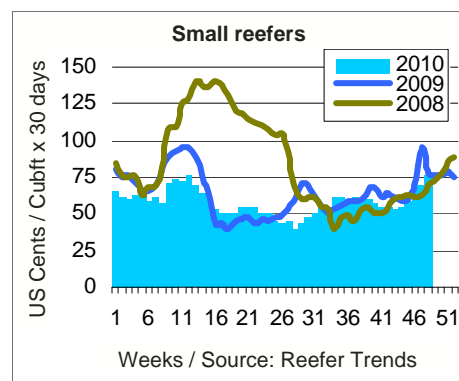
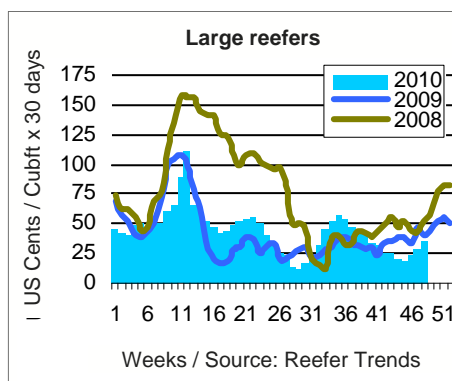
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reefer trends

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MONTHLY SPOT AVERAGE

US\$/cubic foot x 30 days	Large reefers	Small reefers
November 2010	27	71
November 2009	30	79
November 2008	36	63

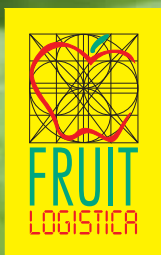


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FRUCHTHANDEL
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Counter-season grapes

Potential there but fierce world competition!

The economic downturn has seriously slowed the growth of table grape production at the end of this decade. However, recovery seems to be starting with a degree of demand from emerging countries and the development of seedless varieties in many producer countries that might give the market new life.

The market has slowed in recent years

After regular growth of some 10 to 12% per year at the beginning of the 2000s, table grape exports from the main southern hemisphere countries have marked time in recent years at about 1.2 million tonnes.

Chile is by far the world's leading producer of counter-season grapes, supplying 66% of the total. Thanks to a very varied customer base it has maintained an increasing export potential with a record 850 000 t attained in 2008-09. The last season was an exception as the crop was seriously affected by bad weather.

South Africa has succeeded in maintaining an export potential of some 240 000 t even though the exchange rate is still unfavourable, but is still strongly dependent on the European market, the destination for nearly 70% of shipments. However, it is now making a major change with the development of the production of seedless varieties.

In contrast, exports from Argentina have decreased in the last two years after peaking at nearly 73 000 t in 2005-06. Shipments to the European Union and Russia have decreased but those to Brazil have increased.

Likewise, after reaching a total of 82 000 t in 2007-08, Brazilian exports have decreased in the last two years (53 000 to 55 000 t) because of the economic

downturn and an unfavourable exchange rate and also as a result of dwindling domestic consumption.

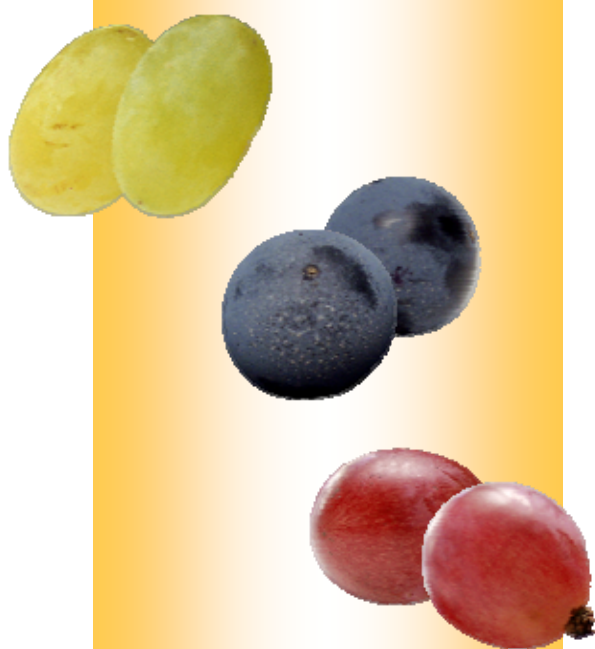
Peruvian exports have continued to increase in the last five years and, after a strong increase last year to 68 000 t from 39 000 t in the preceding season, the export potential is now considerable. This two-figure growth should continue in the coming years with a very strong increase in potential and in the customer portfolio.

Little enthusiasm for the European market?

However, although exports have been slower in recent years, shipments to the European market have been substantial. Europe is still attractive for exporters as the euro is strong against the US dollar in spite of the economic downturn and the sometimes low prices. However, the situation could change as imports were



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Grapes — EU-27 — 2009-2010 imports

	Volume		Value	
	000 tonnes	Comparison 2008-09	million euros	Comparison 2008-09
South Africa	171 680	351.69	- 4%	+ 28%
Chile	148 022	235.57	- 22%	- 19%
Brazil	37 139	71.62	- 29%	- 26%
Argentina	26 796	47.34	- 4%	+ 29%
Namibia	14 159	36.69	- 4%	+ 37%
Peru	17 151	37.99	+ 28%	+ 73%
Total	414 948	780.90	- 13%	+ 28%

Source: EUROSTAT (September to June)

already stagnant last year. The reasons are a small decrease in potential, especially in Chile, but above all the slight recovery of the dollar and of globalisation that had been slowed for a while by the slump but that now seems to be attracting produce to the emerging countries again. EU imports from the southern hemisphere thus dipped slightly in the last season, with the total reaching only 415 000 t (- 13% in comparison with 2008-09) of a total of 535 370 t (- 10%) from third countries.

However, the decrease can be blamed mainly on Chile, where last year's potential was affected by bad weather as a result of the El Niño phenomenon. Frost in September and then cold and rain until November hit early grape production ('Flame Seedless' and 'Sugraone') particularly hard. Furthermore, the earthquake on 28 February 2010 strongly disturbed logistics, storage and water and electricity supplies. But production was only 8% down on that of the preceding season (1.1 million tonnes according to USDA) and exports reached practically 800 000 t (- 6% in comparison with 2008-09). However, shipments to the European market decreased more strongly (148 000 t, i.e. 22% less than in 2008-09 and the smallest volume since the 2005-06 season) for reasons of world demand (Asia, Russia, USA) and the need for operators to find profitable outlets.

South African shipments to the EU market also decreased a little to (171 680 t, that is to say - 4%) even though production was similar to that of the preceding year (270 000 t) and good export performance overall (+ 5%).

Community imports from Argentina (- 4% at 26 700 t) and Brazil (- 29% at 37 139 t) also decreased.

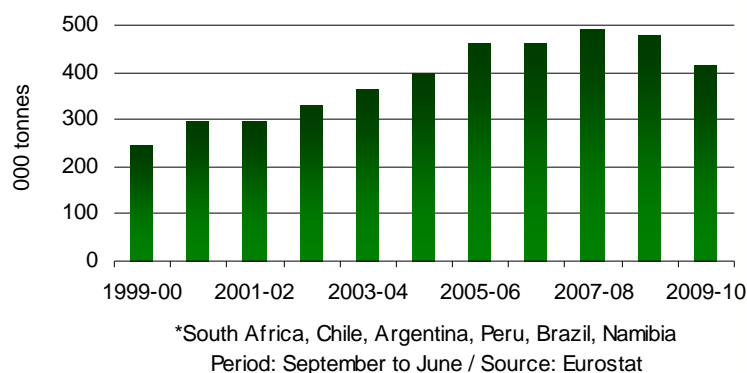
Grapes — Southern hemisphere main producer countries — Annual total exports (tonnes)

Years	Total	Chile	South Africa	Argentina	Peru	Brazil
2000	823 242	596 000	183 716	27 095	2 088	14 343
2001	783 330	545 018	186 410	26 629	4 613	20 660
2002	908 674	654 932	181 834	37 353	8 198	26 357
2003	1 002 132	706 332	207 279	39 074	11 846	37 601
2004	980 117	692 916	198 293	47 828	12 265	28 815
2005	1 079 826	738 469	237 244	52 000	16 558	35 555
2006	1 211 405	823 247	229 948	73 638	22 322	62 250
2007	1 207 864	802 691	237 394	60 000	28 698	79 081
2008	1 248 834	820 874	241 000	69 718	35 000	82 242
2009	1 213 966	849 151	224 872	46 265	39 119	54 559
2010	1 197 467	798 899	230 100	55 000	60 000	53 468

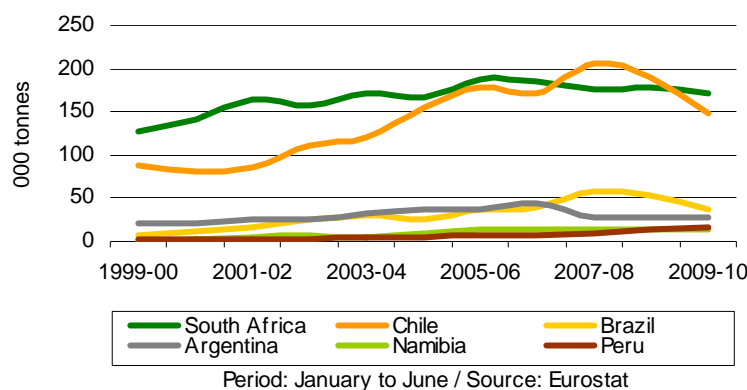
Sources: USDA, professionals — processed by Infofruit



Grapes - EU-27 - Imports from the southern hemisphere*



Grapes - EU-27 - Imports from the southern hemisphere by country



In contrast, Peruvian shipments continued to increase with total exports of more than 60 000 t, some 40% more than in 2008-09. Produce is shipped not only to Europe (17 150 t in 2009-10, + 28% in comparison with 2008-09 and 74% above the average for the last five years) but also to the United States, now taking 25 to 30% of shipments, and Asia. Peruvian grapes are well represented in Hong Kong with 12% of shipments but should gain more ground in China with a free trade agreement signed between the two countries in March 2010.

But potential
on the horizon!

Prospects for the 2010-11 season are positive, at least in terms of potential. Experts forecast a 12% increase in exports in comparison with those of 2009-10.

Chilean production should increase a little as the winter weather conditions were favourable, providing the need for cold even if a cool, wet spring has affected crop potential a little. The vineyard area is reported to be stable overall with a decrease in certain production zones such as the metropolitan region where farmers prefer crops like walnuts which require less labour. Replanting involves the most profitable varieties such as 'Red Globe', 'Sugraone', 'Crimson Seedless' and 'Autumn Royal' at the expense of 'Ribier' and even 'Thompson Seedless'. The former varieties give better yields, enabling growers to handle the increase in labour costs and a rising peso. This year, export potential could therefore reach 878 788 t according to DECOFRUT, that is to say 10% more than in 2009-10 and + 7% more than the 3-year average.

Good export potential is also expected in South Africa. The crop should be good as weather conditions have been fairly favourable, with a hot, dry spring, even though a slight deficit has been observed in early varieties in Namibia and the Orange River area. Export potential could reach 51 to 55 million boxes, that is to say 6 to 7% more than in 2009-10. It should also be stressed that South Africa is growing an increasing proportion of seedless varieties and coloured ones in particular that are now reported to form 9% of total red grapes and 9% of black ones.

Similarly, Argentinian export potential should also increase by 3% to 9% according to the source. But growth should be marked above all in Peru where the increase in the vineyard area and in seedless grapes ('Sugraone' and 'Flame

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Cet ouvrage a un double objectif d'éclairage pédagogique et d'aide à la décision sur les multiples aspects du système alimentaire mondial. Il présente les théories et les méthodes les plus récentes, ainsi que des analyses empiriques et historiques sur la question très actuelle de l'alimentation d'une population croissante, dans un contexte de crise environnementale, technologique, économique et sociale. L'ouvrage

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Gérard Gherzi, ingénieur agronome et docteur en sciences économiques, est professeur d'économie à l'université Paul Valéry de Montpellier et directeur de la Maison des sciences de l'homme de Montpellier. Il a dirigé le centre de recherche en économie agroalimentaire de l'université de Laval, puis l'Institut agronomique méditerranéen de Montpellier.



Seedless') could lead to a 20 to 30% increase in exports again, totalling 75 000 to nearly 80 000 t according to the source. This progress should be seen in the potential exports to all the major markets (USA, Europe and Asia). The area under table grapes in Peru is reported to have reached 9 000 ha in the last season and a further 3 000 ha is said to have been planted after last year's excellent performance (EUR 160 million in comparison with EUR 80 million in 2008-09 and EUR 200 million expected this year). The aim is to reach 20 000 ha of vineyards in five years time.

And a very good start to the season

The season started very well. Like last year, sources of early fruits such as Brazil (end of October) benefited from an early end to the season in European sources. The season ended early in Italy because of recurrent rain. This speeded up the end of the field crop and did not allow operators to put much volume in long storage, while tunnel greenhouses accelerated the ripening of the grapes. As a result, prices increased sharply to levels 20% higher than those of 2009 in October, especially as supplies from Spain, Greece and Turkey were very small at the end of the season. The 'Aledo' crop was very small this year as a result of very bad weather conditions in spring 2010 (hail) that caused losses of 70% in the Alicante area.

This situation benefited Brazil in particular even though potential is down this year as a result of rain and the decrease in vineyard area in Sao Francisco Valley. Furthermore, growers favour the domestic and nearby markets and also—especially this year—the processing industry with its increasing demand. The market should therefore remain buoyant until January. The increase in production from all the southern hemisphere sources should then result in an adjustment of prices, with increased competition because of the potential expected, even if world demand were to increase further. The American market remains uncertain as supplies of Californian grapes are still plentiful at the end of the year, with stocks 50% larger than those of November 2009. Nevertheless, the very end of the southern hemisphere season could be a little light as imports from India may be smaller because of the phytosanitary problems encountered last year and the cautious attitude of buyers. European imports of grapes from India totalled 41 000 t, that is to say 13% more than in 2008-09 ■

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MAERSK
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Sea freight

A report by
Richard Bright

The specialised reefer business has had a tough two years since the start of the global downturn: climate-related, weaker demand for reefer capacity coupled with greater competition from the container lines on core reefer trades has led to a defensive consolidation of the sector. High bunker prices have eroded earnings and led to widespread demolition. Will its fortunes change in 2011?

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Charter market

Scene set for reefer revival

After a brief flicker of optimism in August the second half of 2010 was as disappointing as previous 'off-seasons' for reefer operators.

The rise in charter market activity as a result of an agreement to end the Russian import ban of US poultry was offset by a weather-related reduction in Ecuadorian banana shipments. The historically high export volume of South African citrus had little more than a marginal impact on demand for capacity.

Meanwhile the scale of the impact containerisation is having on the reefer business was reflected in statistics released by the Panama Canal Authority (ACP). The number of specialised reefer vessels transiting the Panama Canal has fallen a remarkable 21% in two years. ACP data reveals that the number of units transiting has fallen from a 5-year high of

2,188 in 2007 to 1,718 vessels in the fiscal year ending September 2010 – a fall of an average 39 vessels a month! Cargo volume has fallen a corresponding 20%. It is the increase in the containerisation of bananas from Ecuador on Maersk's Ecubex service that is largely responsible for the decline – at full capacity the Ecubex service absorbs the same number of bananas as approximately four specialised reefers a week.

Forecast

Very early indications from the South Atlantic suggest that the squid are back in good numbers. If the numbers are confirmed this should provide a solid base to the forthcoming February to April 'peak' season. With Argentina forecast to ship 150-200K MT more apples, pears and grapes this season than last there are the makings of a recovery in the charter market, especially if the excess is shipped into Russia. If Chile is on time and heavier in volume the picture is looking brighter for reefer operators than it has for some time.

Then again, much depends on the availability of Ecuadorian bananas, the main driver of Spot market performance: and here, the picture is less clear. Since October a combination of La Niña-related cool temperatures, heavy rainfall and a lack of sunlight has affected packout percentages and constricted volumes. This has driven up the exit price payable to producers while weekly shipments have fallen well below market demand. With a severe La Niña forecast to last until March banana vol-





umes could remain well below historical averages.

The arrival of the 24-hour rule in Europe may have a negative impact on containerised shipments: the introduction of the new rule for all containers shipped into the EU comes into effect on 1 January 2011. It stipulates that all containerised maritime cargo documents must be declared to EU Customs at least 24 hours before commencement of loading in each foreign load port. However for specialised reefer breakbulk maritime cargo documents must be declared 4 hours before arrival at the first port in the customs territory of the Community. Unlike the US, which has operated the same system for the past two years the EU system generates a unique reference number for each container once it has been approved. This number must, in turn, be included in the paperwork/Bill of Lading by the container line prior to departure ■

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Change in fortunes for Star Reefers

After what has been an *annus horribilis* for Star Reefers, the owner operator had some good news in the London High Court in mid November when it secured an injunction against vertically-integrated Russian multi-national JFC, preventing the dispute over an alleged wrongful termination of a three-vessel charter being fought in Russia. JFC is a party to the dispute as it is the parent company of chartering arm Kalistad and guaranteed the performance of the charters. JFC had commenced proceedings in Russia, wanting the dispute determined under Russian law.

In terminating the charter in September Kalistad claimed that on a number of occasions it had reported cargo cranes' breakdowns, main engine failure, auxiliary engines failure and hydraulic pipes leakages. It said that the listed issues led to the deterioration of cargo quality, commercial and reputational losses for Kalistad and the cargo owners. Kalistad claims that the premium paid for the vessels justified a 'different level of service' than it had received since the charter began in 2008 on a TC rate fixed pre-global economic crisis. Finally it claimed that Star Reefers had repeatedly rejected all the attempts to settle the difficulties.

Star meanwhile said that the charterers had wrongfully terminated the charters on the basis of spurious allegations relating to the performance of the vessels set in the context of "a charter

rate which is significantly in excess of the market level for the past 1.5 years". The statement added that for several months Kalistad had failed to pay hire punctually according to the terms of the charter and had sought to engage Star in discussion regarding the level of hire payable for the balance of the charter period which is scheduled to conclude in November 2011.



© Star Reefer

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Ecuador seeks banana industry regulation

The Government of the world's largest banana exporter Ecuador has given the clearest indication yet that it intends to improve regulation of its banana industry. The country's independent banana producers have been given a December deadline to register their plantations or risk sanction. Agriculture Ministry estimates suggest almost 50% of bananas shipped by the world's largest banana exporter are produced on unregistered, 'illegal' plantations: this year Ecuador will ship a staggering 115m boxes of bananas (annual total of 250-260m boxes) from 110K hectares of plantations that have not been registered for tax purposes and are therefore illegal. Whether or not widespread registration takes place remains to be seen – all previous institutional efforts have failed!

Meanwhile a combination of the storm damage to Caribbean banana production coupled with lower La Niña-related exports from Ecuador and a dip in production from both Costa Rica and Colombia means that most EU, Russian and Mediterranean banana markets should remain robust through the end of 2010 and well into the first half of 2011. From mid October the benchmark Aldi price leapt to a five-year, corresponding-week high and appeared set to surge further northwards.

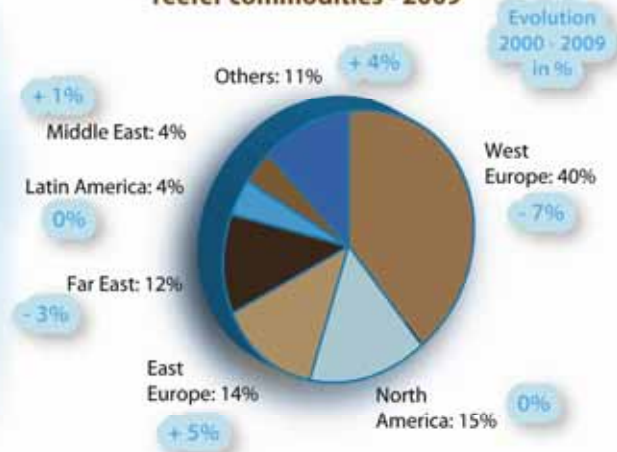
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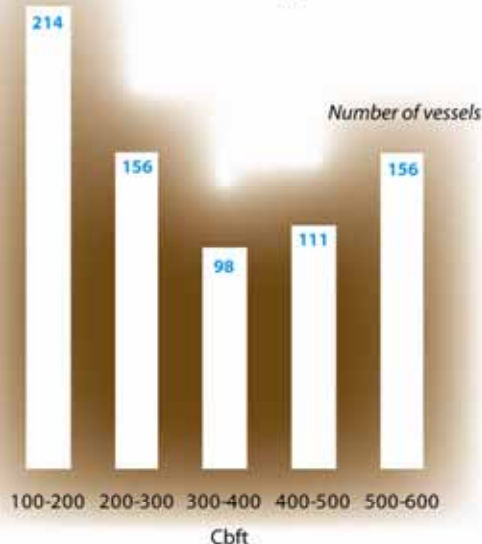
SPECIALISED REEFER FLEET

A second successive year of weak demand for reefer capacity, largely because of increased incursion into core reefer trades by the container lines, coupled with high bunker fuel prices encouraged further demolition of the reefer fleet. Even if there is a rebound in demand for capacity in 2011 demolition is likely to continue at a similar pace given the average age of the reefer fleet. After a global recession-related slump in the manufacture of reefer containers in 2009 this year saw something of a rebound. With an ever-increasing percentage of a now ageing container fleet needing to be replaced the net growth of reefer equipment capacity is more likely to be determined by the sector's profitability – this is because almost 40% of the containers manufactured are bought by reefer lessors, who have more commercially-attuned investment criteria than the container lines for the acquisition of new units.

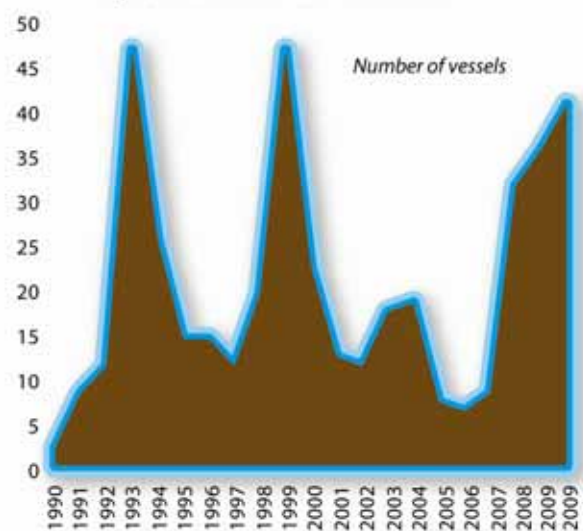
Worldwide trade of perishable reefer commodities - 2009



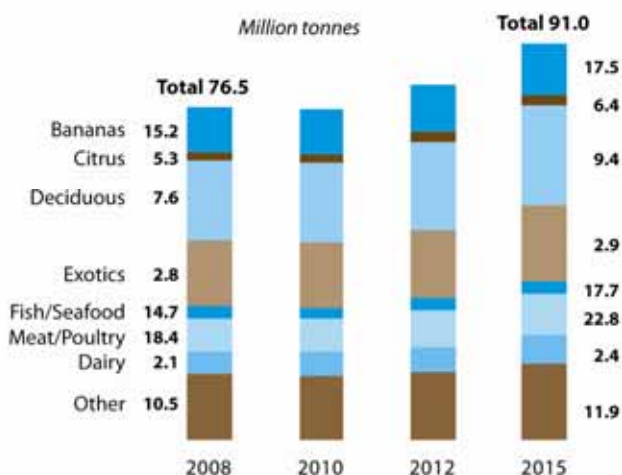
Reefer fleet profile



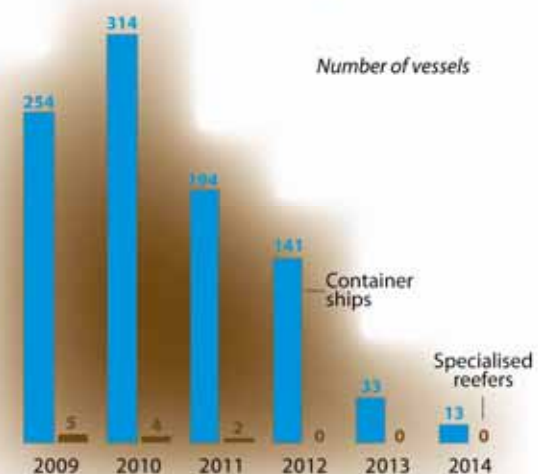
Specialised reefer demolition



Projected seaborne perishable reefer trade



Newbuildings



Source: Reefer Trends, Drewry/Sextant / Graphics: Chez Vincent - Cirad



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Moroccan citrus dilemma for reefer operators

If the South Atlantic squid predictions for 2011 are reliable then owners and operators of smaller tonnage, in particular therefore Hamburg Reefer Chartering (HRC) may have something of a strategy dilemma now that Maersk has launched an ice-class Morocco to St Petersburg service (Marus) for citrus exports. Does HRC prioritise deployment of its fleet, which can be used for both the squid and the citrus, into the Falkland Islands and follow the money? Or does it deliberately maintain a strategic presence in Morocco in order to compete with Maersk's new product, where comparable income yield will most probably be lower over the duration?

Even though the specialised reefer may be quicker than the new third party Marus liner service Maersk will be hoping that the competitive environment has changed so that customers in a fragmenting Russian market can be lured away from the traditional distribution system, which is dominated by a limited number of players at either end of the chain. Maersk is offering the 'best rates on the market' to build its business.

However there are important variables to take into consideration – factors indeed that Maersk may have underestimated when the Marus concept

was on the drawing board. Firstly the seasonal nature of citrus production for export: there is a time during the winter when there is a considerable gap in volume supply. The gap appears between the end of January and early March as the Moroccan season switches away from soft citrus and towards firstly Navels and then Maroc Lates. The gap may be as short as 2-3 weeks or as long as 5-6 weeks, as it was during last season's rain affected harvest. This seasonality is one of the reasons why operators have not experimented with an independent weekly specialised reefer liner service between Morocco and Russia.

Before Russia became such an important market for Moroccan citrus – it 2009/10 it absorbed an estimated 44% of Moroccan citrus exports - shipping companies Unireef and Navimar would charter vessels on behalf of the consolidated cargo interests. The focus has now changed: over the past two years this has involved the largest players JFC and Baltfrut buying fruit FOB and chartering vessels to sell CIF in St Petersburg.



The process of trade has been generally facilitated by charterers no longer needing Moroccan flagged vessels to call at the country's ports – although this was never a condition for Russian charterers who have consistently been allowed in without having to go through a Moroccan operator. Until 2009 the Moroccan exporters preferred to sell CIF St Petersburg – but with so many bad debts incurred over the past two seasons the trend has been reversed in order, one supposes, to lessen the risk.

Market fragmentation following the disappearance of integrated distributors Sunway and Sorus and the trend towards buying FOB will have attracted Maersk, which will have to convince potential Russian customers it can compete on both service and cost. On cost it faces another hurdle: there is for example the issue of the Customs clearance fee in St Petersburg - the per-pallet charge for breakbulk cargo is reported to be US\$13 while it is US\$40 for containerised cargo.

Most importantly however Maersk faces a battle against the country's two largest integrated fruit exporters; the Moroccan Fruit Board (MFB) and Fresh Fruits Maroc (FFM).

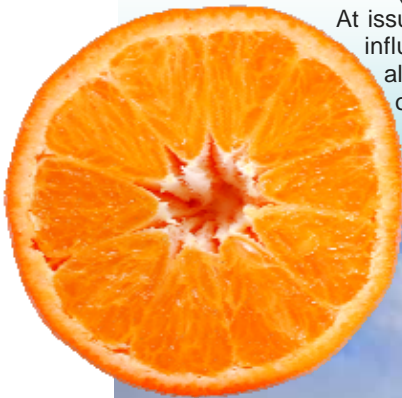
At issue are control of the supply chain and influence on the market. MFB and FFM also face something of a dilemma: while on the one hand they would welcome

what will inevitably be a more competitive cost structure with a Maersk product on offer, on the other they would not want to see their own positions undermined if Russian importers started doing deals direct with their members.

At risk is the fragmentation of the producer base and with it the ability of the customer receivers to divide and rule. The fear is that gradual fragmentation will ultimately disrupt what is a stable citrus industry with significant expansion plans - by 2018 Morocco is anticipating a total of 50K hectares of citrus groves, which will more than double both current production and exports. The production volume for 2010/11 is estimated at 1.267m MT, with exports forecast at 600K MT.

By 2018 these volumes will have increased to 2.9m MT and 1.3m MT respectively. The cost of investment in renewing 30K hectares of groves and planting out a further 20K hectares in order to reach this target is DH9bn (US\$1.1bn). Although the majority of the cost will be borne by the private sector the Moroccan Government has reportedly agreed to underwrite the expansion with subsidies. The State would surely not wish to see its investment in an industry of strategic national importance jeopardised ■

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Wholesale market prices in Europe

November 2010

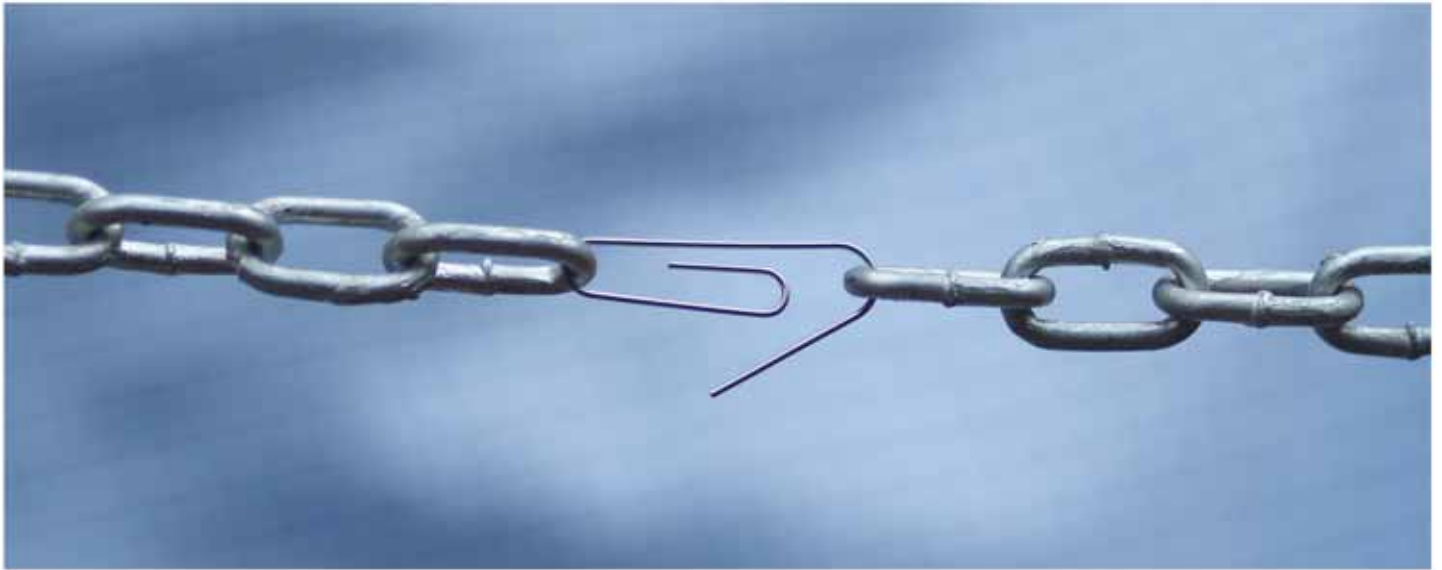
					EUROPEAN UNION — IN EUROS				
					Germany	Belgium	France	Holland	UK
AVOCADO	Air	NOT DETERMINED	BRAZIL	Box					13.65
			DOMINICAN REP.	Box				8.50	
			BRAZIL	Box			12.50		
	Sea	TROPICAL FUERTE	KENYA	Box			7.00		
			SOUTH AFRICA	Box		9.80		9.00	
			CHILE	Box	10.50		11.00		
		HASS	KENYA	Box			6.25	7.00	
			PERU	Box		11.75	9.25		
			SOUTH AFRICA	Box			9.75		
		NOT DETERMINED	ISRAEL	Box					10.41
			KENYA	Box					9.88
			SOUTH AFRICA	Box					11.66
		NABAL PINKERTON RYAN	PERU	Box	8.00				
			SOUTH AFRICA	Box				9.00	
			SOUTH AFRICA	Box	9.00	10.00	8.75		
BANANA	Air	RED SMALL	ECUADOR	kg				6.13	
			COLOMBIA	kg		6.57	5.70		
			ECUADOR	kg				5.05	
	Sea	SMALL	COLOMBIA	kg		3.67			
			ECUADOR	kg				2.13	
CARAMBOLA	Air		MALAYSIA	kg			4.78	4.13	4.09
	Sea		MALAYSIA	kg	3.14	4.67		2.86	2.87
COCONUT	Sea		COTE D'IVOIRE	Bag			6.34	6.00	
			DOMINICAN REP.	Bag		6.00	7.50	11.31	10.06
			SRI LANKA	Bag				13.50	7.90
DATE	Sea	MEDJOOL	ISRAEL	kg	6.80		7.50	8.00	6.75
			SOUTH AFRICA	kg		8.50		5.10	
		NOT DETERMINED	ISRAEL	kg		3.00	2.10	2.36	1.65
			TUNISIA	kg				1.86	1.26
EDDOE	Sea		BRAZIL	kg			1.48		
GINGER	Sea		BRAZIL	kg	0.73	1.32		2.12	2.30
			CHINA	kg		1.09		1.48	
			THAILAND	kg			1.50		1.91
GUAVA	Air		BRAZIL	kg			4.50	4.55	
			THAILAND	kg		5.50			
KUMQUAT	Air		ARGENTINA	kg		5.63	8.00	6.25	7.18
			ISRAEL	kg	4.00			8.50	
LIME	Sea		BRAZIL	kg	1.71	1.78	2.10	2.13	2.30
			ISRAEL	kg					2.23
			MEXICO	kg		1.88	3.10	2.45	
LITCHI	Air		ISRAEL	kg		4.25		3.00	
			SPAIN	kg			6.00		
			THAILAND	kg				3.00	
MANGO	Air	KENT	BRAZIL	kg			5.00		
			ISRAEL	kg			3.50	3.44	
			MEXICO	kg			4.80		
			SENEGAL	kg			3.20		
	Sea	SHELLY ATKINS	ISRAEL	kg				3.29	
			BRAZIL	kg	0.94			0.94	
			ISRAEL	kg				0.81	
			MEXICO	kg				1.07	
		HADEN KEITT	BRAZIL	kg				1.07	
			ISRAEL	kg	1.25	1.24		1.39	1.06
			PORTO RICO	kg		1.06		1.20	
			MEXICO	kg				1.02	
		KENT	SENEGAL	kg		1.25	1.50	0.88	1.26

					EUROPEAN UNION — IN EUROS				
					Germany	Belgium	France	Holland	UK
MANGO	Sea	NOT DETERMINED	BRAZIL	kg					1.15
		OSTEEN	SPAIN	kg				2.00	
	Truck	OSTEEN	SPAIN	kg			2.50		
MANGOSTEEN	Air		THAILAND	kg		6.75	9.00	5.75	
MANIOC	Sea		COSTA RICA	kg		1.00	1.05		
			ECUADOR	kg				1.03	
MELON	Sea	CANTALOUPE CHARENTAIS GALIA	BRAZIL	kg		1.50		1.40	1.25
			BRAZIL	kg				1.45	
			BRAZIL	kg		1.35			1.26
			ISRAEL	kg		1.50		1.70	
		HONEY DEW PIEL DE SAPO SEEDLESS WATER WATERMELON	BRAZIL	kg	0.65	0.75			0.79
			BRAZIL	kg					0.70
			BRAZIL	kg		0.85			
			BRAZIL	kg				0.94	0.55
PAPAYA	Air	FORMOSA NOT DETERMINED	BRAZIL	kg				2.78	
			BRAZIL	kg	1.43		3.00	2.45	
			COLOMBIA	kg					1.94
	Sea		COTE D'IVOIRE	kg			2.75		
			BRAZIL	kg	0.70	1.79		1.21	
			COTE D'IVOIRE	kg			1.29	0.85	
			ECUADOR	kg				0.93	
			MALAYSIA	kg					1.72
PASSION FRUIT	Air	PURPLE	COLOMBIA	kg			5.50		
			ISRAEL	kg		4.25	5.50		
			KENYA	kg		4.25		4.75	4.48
			SOUTH AFRICA	kg			5.50		
			ZIMBABWE	kg		4.75		4.63	
			COLOMBIA	kg		7.19	8.40	6.19	
PHYSALIS	Air	PREPACKED	COLOMBIA	kg	4.90	6.00	8.38	5.94	6.58
	Sea		COLOMBIA	kg				4.63	
PINEAPPLE	Air	SMOOTH CAYENNE	CAMEROON	kg			2.00		
			GHANA	kg		1.40	1.77		
			COTE D'IVOIRE	kg			3.05		
		VICTORIA	MAURITIUS	Box				10.50	
			REUNION	kg			3.65		
	Sea	MD-2	SOUTH AFRICA	Box	10.00	11.13		11.00	
			COSTA RICA	Box	9.63	8.00	9.75	10.50	
			COTE D'IVOIRE	Box					9.34
			ECUADOR	Box		8.00			
PITAHAYA	Air	RED	ECUADOR	kg				6.80	
			ISRAEL	kg		4.25	8.40	5.70	
			THAILAND	kg			8.40		
			VIET NAM	kg				6.40	
		YELLOW	COLOMBIA	kg				7.60	
PLANTAIN	Sea		COSTA RICA	kg				1.14	0.80
			ECUADOR	kg			1.20		
RAMBUTAN	Air		INDONESIA	kg	7.13				
			THAILAND	kg	7.75	7.25	9.00	6.55	
			VIET NAM	kg				6.50	
SWEET POTATO	Sea		EGYPT	kg			1.00		
			HONDURAS	kg				1.15	
			ISRAEL	kg	1.08		1.50	1.10	
TAMARILLO	Air		COLOMBIA	kg		5.70	8.40	4.93	
YAM	Sea		BRAZIL	kg			1.60		
			GHANA	kg			1.90		

Note: according to grade

These prices are based on monthly information from the Market News Service, International Trade Centre UNCTAD/WTO (ITC), Geneva.
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Reefer Trends is an independent news and information provider, financed exclusively by revenue from subscriptions.

First published in 2003, it provides a number of services for users along the reefer logistics chain: the Reefer Trends weekly charter market brief is the benchmark publication for the specialist reefer business – it tracks the charter market for reefer vessels, as well as fruit and banana production and market trends that influence charter market movement.

The weekly publication has close to 200 paying subscriber companies from 34 countries worldwide. The list of subscribers includes all the major reefer shipping companies and reefer box operators, the major charterers, reefer brokers, banana multi-nationals, the major banana exporters in Ecuador, Costa Rica, Panama and Colombia, terminal operators in the US and Europe, the world's leading shipping banks and broking houses

as well as trade associations, cargo interests and fruit importers on all continents. It is also circulated within the European Commission and the World Trade Organisation.

As well as the weekly Reefer Trends report it provides a separate online daily news service, covering developments in the global fruit, banana and logistics industries. The daily news is e-mailed direct to the desktops of several thousand subscribers worldwide.

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