FISHER CAPESPAN

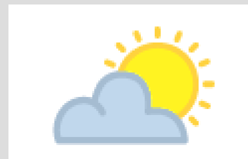
MARKET REPORT

Vol.: 2012 Week 03 | Thursday, 19 January, 2012

$1 U.S. Dollar Equal To:	
1.0114	Canadian Dollars
0.7718	Euros
0.6457	British Pounds
7.9333	South African Rands
490.48	Chilean Pesos
2.6950	Peruvian Nuevo Sols
1.7650	Brazilian Reals

WEATHER

Philadelphia, Pa.



High 4° C

Low -1° C

Table Grapes:

The table grape market on the east coast has finally found itself some momentum and stability. While promotions are still only getting started, retail chain stores have begun to focus more attention on table grapes as pricing has allowed them to put more attractive retails on the product and have finally given it some prominence in the shops.

Through Week 2, the east coast will have received 6.3 million cases of table grapes from Chile, representing a decline of 2% through the same week last year. But by Week 4, on the back of an especially strong arrival of Flames, total Chilean arrivals will rise to 8.4 million cases or a 4% cumulative increase over last season.

Chile Table Grape Loadings to USA Through 13 January

(Expressed in Metric Tons)

Season	East Coast	%	West Coast	%	Total
2012	57,090	80.3%	14,007	19.7%	71,097
2011	56,361	77.0%	16,794	23.0%	73,155

Source: Decofrut, Fruitonline

Through 13 January, 2012, Chilean exporters loaded 71 100 metric tons of table grapes to the US compared to 73 155 metric tons shipped through the same date last year for a decline of around 3%. This is likely a reflection of the fruit volume lost in the early spring snowfall in the Atacama Region. With table grapes from Coquimbo and the earliest part of the Aconcagua forming a more significant part of Chile's table grape loadings in Week 3 and onward, this deficit will be erased in short order.

It is noteworthy to point out that through 13 January, Chile directed over 80% of its grape tonnage for the US to the east coast as compared to 77% last season. The late presence of domestic fruit in the market is the likely explanation for this.

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White Seedless:

The white seedless table grape market on the east coast is firming up as a result of comparatively light Chilean arrivals. Today, Chilean white seedless grapes are selling at US$ 20-22 for X-Large (700) with some sales higher and US$ 18-20 on Large (500). We expect to see these prices hold for the next week or more. With only 400 thousand cases of Chilean white seedless grapes (all varieties combined) expected on the east coast in Week 3 and another 540 thousand cases in Week 4, prices will certainly remain firm through Week 4 and little promotional activity can be expected.

Peruvian Sugarones are also available on the east coast in light supply and they are trading at US$ 20-24 with some sales lower where quality or condition warrant.

Remarkably, Brazilian Sugarones are still available in the east, but the market is increasingly skeptical of this product and it has no real market traction in spite of the general scarcity of white grapes. Brazilian Festival Seedless are available at US$ 8 – 10. Sales are even lower for distressed and especially tired fruit.

2010-11 Chile Grape Arrivals - US East Coast

	Vessel	Approx. ETA	Perlette	Thompson	Flame	Superior	Red Sdls	Red Globe	Black	Total
Week 2 Jan 8-14										
	Parana	8-Jan	18,921	21,748	252,556	159,008			1,938	454,171
	Knud Reefer	9-Jan	102	42,630	358,934	109,499	708		5,280	517,153
	Amazonas	12-Jan	16,848	53,772	491,319	184,263	288	96	384	746,970
	Atlantic Klipper	13-Jan	8,346	17,460	349,818	119,065	3,072		192	497,953
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Total for week 2011-12			44,217	135,610	1,452,627	571,835	4,068	96	7,794	2,216,247
Year to Date 2011-12			**420,331**	**212,814**	**2,993,957**	**1,420,421**	**4,068**	**672**	**10,310**	**5,062,573**
nge from same week last year			**34%**	**-15%**	**16%**	**20%**	**-66%**	**-97%**	**-72%**	**13%**
Total for week 2010-11			32,920	159,128	1,249,446	477,189	12,035	2,976	28,128	1,961,822
Year to Date 2010-11			480,065	344,553	2,347,710	1,389,559	18,987	3,072	45,248	4,629,194
change from last year ytd			**-12%**	**-38%**	**28%**	**2%**	**-79%**	**-78%**	**-77%**	**9%**

	Vessel	Approx. ETA	Perlette	Thompson	Flame	Superior	Red Sdls	Red Globe	Black	Total
Week 3 Jan 15-21										
	Hansa Stockholm	18-Jan	198	25,060	286,941	121,562	288	576	14,030	448,655
	Santa Catharina	18-Jan	102	31,887	300,257	50,828	96	1,632	13,644	398,446
	Afric Star	20-Jan	198	33,587	216,316	125,906	-	960	4,794	381,761
Total for week 2011-12			498	90,534	803,514	298,296	384	3,168	32,468	1,228,862
Year to Date 2011-12			**420,829**	**303,348**	**3,797,471**	**1,718,717**	**4,452**	**3,840**	**42,778**	**6,291,435**
nge from same week last year			**-95%**	**-60%**	**-27%**	**-20%**	**-96%**	**-6%**	**-17%**	**-30%**
Total for week 2010-11			9,492	223,918	1,104,901	374,543	8,845	3,360	38,991	1,764,050
Year to Date 2010-11			489,557	568,471	3,452,611	1,764,102	27,832	6,432	84,239	6,393,244
change from last year ytd			**-14%**	**-47%**	**10%**	**-3%**	**-84%**	**-40%**	**-49%**	**-2%**

	Vessel	Approx. ETA	Perlette	Thompson	Flame	Superior	Red Sdls	Red Globe	Black	Total
Week 4 Jan 22-28										
	Eagle Bay	23-Jan	-	90,623	185,644	92,410	768	3,456	13,572	386,473
	Swan Chacabuco	23-Jan	-	25,481	243,857	32,825	-	-	11,808	313,971
	Jorgen Reefer	25-Jan	-	45,138	352,910	61,423	-	960	17,790	478,221
	Avila Star	25-Jan	-	8,533	66,483	1,288	4,119	3,360	-	83,783
	Comoros Stream	26-Jan	-	72,964	321,744	54,802	15,748	2,869	57,236	525,363
	Atlantic Erica	26-Jan	-	31,482	239,996	35,009	8,185	288	14,100	329,060
Total for week 2011-12			-	274,221	1,410,634	277,757	28,820	10,933	114,506	2,116,871
Year to Date 2011-12			**420,829**	**577,569**	**5,208,105**	**1,996,474**	**33,272**	**14,773**	**157,284**	**8,408,306**
nge from same week last year			**--**	**14%**	**22%**	**10%**	**228%**	**90%**	**396%**	**26%**
Total for week 2010-11			480	240,458	1,154,120	252,846	8,791	5,760	23,082	1,685,537
Year to Date 2010-11			490,037	808,929	4,606,731	2,016,948	36,623	12,192	107,321	8,078,781
change from last year ytd			**-14%**	**-29%**	**13%**	**-1%**	**-9%**	**21%**	**47%**	**4%**

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Red Seedless:

The market for red seedless table grapes has certainly become more active and less challenging than in Weeks 1 and 2, but it is not as robust as the white seedless market. The increased activity in the red seedless market has come about in large measure because of more attractive pricing in the first two weeks of the year. The continued strong presence of California red seedless grapes, and the generally small caliber Flames from Chile on the spot market, forced sellers to face reality and price product to move. A lot of this backlog has been absorbed by the market.

With 2.2 million cases of Flames arriving in Weeks 2 and 3 and another 1.4 million expected in Week 4, Flame arrivals will outpace white seedless arrivals by a factor of two-to-one. The spot market reflects this as it also reflects the fact that there is still some volume of small caliber Atacama Flames that will arrive and need to be driven through the market. California red seedless are less and less a factor with each passing week. Flame promotional activity is also ramping up although more momentum will be needed as Flames from Copiapó, Coquimbo and Aconcagua will overlap in the market come Week 5.

Today, Chilean Flames are selling at US$ 18-20 for X-Large (700) and at $16-18 for Large (500) with some sales higher and some lower. As noted above, Flame arrival volumes will begin to increase substantially in Week 4. But we believe that prices will remain stable not only due to promotional activity (which will be exclusively on red seedless), but also as generally larger caliber fruit arrives in the market.

Black Seedless:

Black seedless grapes, on light arrivals, have been selling through Week 3 at prices ranging from US$ 26-28 on X-Large (700) and US$ 24-26 on Large (500). With more large caliber Flames expected next week, the black seedless prices are set to come down a notch.

Red Globes:

Red Globes from Peru are available in abundant supply and in relatively light supply from Chile. Prices for Red Globes are US$ 18-20 for X-Large (700) and US$ 16-18 for Large. The Peruvian product is exceptionally fine looking product.

Mark Greenberg