



MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

June 9, 2008

Welcome to the first edition of the International Market report for the 2008 season. The season is off to a great start with many markets carrying California peaches, plums and nectarines (PPN) and reporting positive feedback on quality and flavor. As a result of the optimal winter and spring growing conditions, the 2008 crop is expected to be similar in size, with timing only a few days later than 2007. In addition, this year's crop has already shown better sizing, and an increase in plum production is anticipated. Temperatures will stay fairly consistent in the 90's throughout this reporting period. Plum packout will begin to increase over the next week as key varieties come into production, including Blackamber.

This report is produced every two weeks throughout the season and will include current news relative to international markets, updates on current market conditions in 18 different countries, in-market promotions, and current pricing in each market. If you have any suggestions or comments, please feel free to contact Gordon Smith at gsmith@caltreefruit.com or Sarah Alvernaz at salvernaz@caltreefruit.com.

Current News

New website launched: www.CaliforniaTaoLee.com

To provide consumers and the trade in Taiwan, Hong Kong and mainland China, easy access to information and resources to promote California PPN, the new website www.CaliforniaTaoLee.com has been launched. The eye-catching site features CTFA photography, information on peaches, plums and nectarines, and hosts a download center for access to point of sale material and other promotional materials—complete with country representative contact information and navigation back to Eatcaliforniafruit.com. Visit the site throughout the season for new additions.

Market access to Australia for California stone fruit inches closer

Since Biosecurity Australia released the draft Import Risk Assessment for public comment in early May, industry representatives have been working with US quarantine officials to develop comments on pests of concern and possible mitigation requirements. Based on feedback from Australian officials, the market will not likely be open in 2009. Industry is hoping to receive an accelerated timetable from Biosecurity Australia based on work completed since the Australian officials visited the San Joaquin Valley in July 2006.

Market Reports

Mexico

California peaches and some nectarines have arrived in Mexico, with volumes expected to increase over the next week. Low volumes of California peaches and nectarines with good quality can be found at some supermarket chains, with one large chain receiving their first supplies this past weekend. At the traditional market, California peaches and nectarines are also available but in low volumes and with only one box displayed on average. Competition includes local peaches from Zacatecas and low volumes from Sonora as their season finishes. Other competition includes, low volumes of Chilean plums and moderate volumes of good quality California apricots.

Hong Kong

Low volumes of air shipped California peaches, donut peaches, and nectarines can be found in gourmet stores, fruit stores and supermarkets in Hong Kong, not yet making their way into wholesale and wet markets. Additional shipments are expected in the next couple weeks. Chilean plums are available in the market and the first supplies of Chinese peaches are expected to arrive by mid June. Other competition includes tropical fruits, apples, cherries, and heavily promoted kiwifruits.

Taiwan

The expectation of a quick rebound in the local economy due to the opposition KMT party victory in March has subsided slightly and consumers continue to be relatively conservative in their purchases. The modest appreciation of the NT dollar against the US dollar should be positive for US exports to Taiwan. Early season varieties of California Tao Lee, primarily white-flesh peaches, have arrived in the market by air and sea freight, with positive feedback received on both quality and size. In terms of competition, locally grown summer fruits, including pineapples, watermelons, mangos and litchis are popular amongst consumers along with imported kiwi and durians. The Taiwan peach season is just getting started, with small volumes available in the market, along with Japanese peaches and the last supplies of Chilean plums.

China

To date, California plums have not arrived in any of the target cities in China. Chinese cherries are currently the most widespread fruit offered throughout the market. Limited supplies of Chilean red and black plums are available, but in diminishing quality. Chinese stone fruits can also be found in most markets, with increased volumes expected in the next couple of weeks as their season gets underway.

Singapore

Volumes of California white-flesh, donut and traditional peaches are available in the market at most major retail chains. Weekly air shipments of peaches are expected to continue, along with white-flesh nectarines in the next couple of weeks. Chilean plums are available in select wholesale and wet market outlets, with supplies expected to be available until the end of June. Other competition includes, grapes, persimmons from New Zealand and Israel, and popular local fruits such as, durians, longan, lychees, and melons.

Malaysia

California stone fruits are off to a positive start in Malaysia, as quality is good and demand is encouraging. Peaches and nectarines shipped by air make up the majority of the volumes in the market, but unlike previous seasons, air shipped plums are available in select supermarkets. Despite the higher early season prices, sales turnover has been positive, leaving the trade anxious for arrivals. In terms of competition, Chilean plums are available at most supermarkets and fresh fruit retailers. Chinese peaches have not made their way into the market yet. Similar to Singapore, other competition includes, grapes, persimmons from New Zealand and Israel, and popular local fruits such as, durians, longan, lychees, and melons.

Thailand

California white-flesh nectarines are available in high-end supermarkets, with air and sea shipments expected in the next two weeks. Quality reports are good, with the trade optimistic for the season, looking to build on the consumer demand generated last year. Australian black plums, and some peaches are available in both supermarkets and wet markets, along with imported apples from China, US, and New Zealand. Indirect competition includes peak season local fruits, such as, mangosteen, durian, rambutan and lychee.

Indonesia

Small volumes of California white-flesh peaches, nectarines and donut peaches are available in supermarkets and fruit boutiques in Indonesia. Quality, size and freshness are good. Additional arrivals are expected in the next couple of weeks. In terms of competition, Chilean plums are available at select retail outlets and most fruit boutiques in good quality. Grapes and local fruits including, durians, longan, lychees, and melons present the current indirect competition.

United Kingdom

Up-scale retailers are carrying California peaches and nectarines and even some plums in decent volumes considering the early season. Feedback from the trade indicates good quality and good color, with additional arrivals of all three fruits expected in the next two weeks. Spanish stone fruit is widely available in the market, but hail storms that hit northern Spain last month have raised concerns over this summer's crop. According to Spanish national statistics peach production is expected to be similar to last year's levels. Grapes, berries, strawberries and Spanish cherries are currently the main indirect competition to stone fruit in the market.

New Zealand

California peaches, plums and nectarines are off to a good start in New Zealand. Feedback from the trade has been positive, as they have been very pleased with the quality and flavor of the early season varieties received. Given the favorable exchange rate and available supplies from California, the trade is very optimistic towards the 2008 stone fruit season. Additional shipments are expected in the next two weeks. Chilean plums are available in the market, along with Chilean grapes, Australian grapes, local fejoas, kiwifruit, and mandarins. US citrus, US apricots and California cherries are available and being promoted heavily.

Central America Region

The first supplies of California stone fruit are starting to arrive in most Central American markets, with the trade expecting increased volumes within the week. Chilean peaches and plums are currently available in most markets, but according to the trade that will conclude the season as no additional supplies are expected. Final supplies of Mexican peaches are available in Costa Rica supermarkets, and in traditional markets throughout Central America, low volumes of Guatemalan peaches and plums are available. Indirect competition includes apples, grapes, tropical fruits, as well as pears, kiwi, and strawberries.

South America

Small volumes of California peaches and nectarines have arrived in Colombia, with volumes expected to increase in the next couple of weeks. In Ecuador, the Chilean stone fruit season is finishing up with only low volumes of below average quality plums remaining. Local plums are available in open markets, along with low volumes of Peruvian peaches. In Venezuela, import permits are difficult to acquire and import subsidies for stone fruit have not been granted yet, as a result the trade expects the first shipments of California plums and nectarines not to arrive until mid-July. Local Venezuelan peaches and low volumes of below average Chilean plums are available in the market.

Canada

For the first time since the mid-1970s, the Canadian dollar exceeded parity (\$1 Cdn = \$1 US September 2007) with the U.S. dollar in the fall of last year. As of this month, the Canadian currency continues to hover near parity, which is favorable for U.S. exporters as it makes imports less expensive for Canadians. Yellow and white-flesh peaches and nectarines are available at retail, along with some red plums. Trader feedback is positive as comments on quality have ranged from good to excellent. Popular and aggressively advertised competitive fruits include melons, berries, California cherries and the first supply of grapes from Coachella Valley in California.

Promotional Highlights

General

This section of the report highlights various promotional programs and/or events that are traditionally important for our fruits. Listed below are several brief descriptions of in-country activities. Promotional programs have begun and will continue to increase over the next month as more fruit enters the international markets.

*Be sure to visit the new International section on the PPN Network Download Center at www.eatcaliforniafruit.com. On the download center you will find downloadable POS material from many different countries. Additional file formats may also be available upon request.

Taiwan

The first retail joint promotion will be implemented June 20 to July 26 in 13 stores of a leading department store in Taiwan. Additional joint promotions with other major super/hypermarket chains are planned and will kick-off in July.

Singapore

The first in-store promotion started June 5 and will continue through June 11, across 76 stores of one retail chain. The next in-store sampling will take place in 30 stores from June 27 through July 3.

Indonesia

In-store promotions began in May and will continue through July in a retail chain across six stores. In addition, an in-store promotion will run June 6 through June 22 to promote early season supplies.

New Zealand

The first full page advertisement appeared in the June 8th edition of the Sunday Star Times, promoting California PPN. The full page advertisement will be followed by 1/2 page ads that will run throughout the season. In addition, in-store samplings and promotions will kick-off with retail starting June 23.

Central America

Consumer advertising activity has started, beginning with an advertisement placed in a prominent Cooking magazine in the region, *Mucho Gusto*. In addition to the advertisement, the California Plum Caprese Salad will be featured in the magazine.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	64-72 vf	20.67	1.52
	Nectarines	CA	64	22.11	1.59
	Plums	CH	22lb	25.00	1.52
	Peaches	MX	22lb	10.57	1.84
	Apple	WA,MX	100-125-135	28.36	0.96
	Kiwifruit	CH	22lb	25.96	3.36
	Strawberries	CA	12lb	15.92	1.39
	Strawberries	MX	19.2lb	6.73	0.67
	Table-grapes	MX	21lb	23.56	1.48
	Table-grapes	CH	18-20lb	22.59	1.33
	Mangoes	MX	25kg	11.06	0.54
	Plums	MX	18kg	10.57	0.83
	Pears	WA	44lb	31.73	0.96
	Pears	Arg	36-44lb	29.81	0.93
	Apricots	CA	8,12-60	22.59	1.41
	Mangoes	MX	25kg	13.46	0.26
	Hong Kong	Peach	CA	15 - 64	N/A
Plum		Chile	64 - 74	N/A	1.56 - 2.34/lb
Grape		Australia	18 - 21 lb	20.77 - 33.77	1.29 - 2.34/lb
Watermelon		Taiwan	2	5.58 - 7.79	0.25 - 0.64/lb
Apple		WA, China	40 - 88	11.04 - 24.67	0.19 - 0.46/pc
Orange		USA	56 - 72	19.48 - 31.16	0.25 - 0.52/pc
Taiwan	SW Peach	CA	#72-96, #22-24	29.51-36.07	0.33-0.49, 1.7-2.2/ea
	Peach Donut	CA	#22-#28	22.95-32.79	1.2-2.0/each
	Japanese peach	JP	#5-#6	39.34-49.18	9.0-14.5/each
	Peach	TW	catty (600grams)	0.98-1.97	0.45-0.9/each
	Plum	CH	#50-#55, #60 #65, 9Kg	22.95-29.51	0.35-0.8/each
China-Shanghai	Plum, black	Chile	Medium/9KG	22.22-24.44/BOX	1.75 - 2.14 / 500G
	Plum, red	Chile	Large/9KG	28.88-31.11/BOX	2.42-2.85/500G
	Nectarine	China	Small8KG	5.25-5.71/BOX	0.43-0.71/500G
	Peach	China	Medium/10KG	6.42-7.14/BOX	0.43-0.92/500G
	Plum	China	Small/14KG	14-16/BOX	0.5-0.78//500G
China-Guangzhou	Plum, red	China	BIG,BULK PACK	14 -16.80/BOX	1.33 - 1.68/500G
	Nectarines	China	LARGE,70/75	14 - 16.80/BOX	1.19 - 1.82/500G
	Nectarines	China	SMALL,BULK	9.80/BOX	0.58 - 0.77/500G
	Peach	China	MEDIUM,BULK	0.63-0.7/500g	1.12 - 2.1/500G
	Pluots	Chile	BIG, 36/46	30.80/29.4/BOX	2.52 - 3.08/500G
	Plum	Chile	MEDIUM, 48/68	23.80/22.40/BOX	1.68 - 2.35/500G
Singapore	SW Peach	CA	48/56 2 lyr	57.78	2.37
	Peach Donut	CA	56 2 lyr	55.48	2.37
	Peach	CA	40 lyr	56.3	2.59
	Cherry	US	10	66.67	8.07 -454g
	Strawberry	US	454g x8	28.15	5.59
	Grapes	AUS	10kg	29.62-33.33	4.37-5.85
	Plum	Chile	50	22.22	2.89
	Persimmon	NZ	28	23.7	1.48

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Malaysia	Peach	CA	56-64 vf	40.0-44.0/carton	1.30-1.80/pc
	Nectarine	CA	62- 70vf	40.0-44.0/carton	1.30-1.80/pc
	SW Peach	CA	56-64/vf	40.0-44.0/carton	1.30-1.80/pc
	SW Nectarine	CA	64-88/vf	40.0-44.0/carton	1.30-1.80/pc
	Plum	CA	84/vf	40.0-44.0/carton	1.10-1.60/pc
	Table Grape	Aus, CH	9.5kg, 10kg	19.30-28.50	2.25-3.50/kg
	Table Grape	SA	4.5kg	8.10-11.79	2.20-3.20/kg
	Plum	Chile	48-78	13.85-14.52	0.22-0.35/pc
	Orange	CA, AUS	125-180	24.50-28.32	0.16-0.30/pc
	Packham Pear	SA	38-56	11.32-12.50	0.23-0.39/pc
	Gong Pear	CN	36-72	6.00-7.28	0.10-0.23/pc
	Apples	NZ, SA, WA, CN	36-180	10.30-35.00	0.15-0.60/pc
Thailand	Nectarine	CA	55-60	65.73-97.94	9.96-14.84/kg
	Peach	Aus	55-60	65.73-97.95	9.96-14.84/kg
	Plum	Aus	45-50	42.96-59.79	6.51-9.06/kg
	Cherry	US	10 kg.	145.26-154.50	24.21-25.75/kg
	Apple	US	40/2lyr	20.44-24.36	0.73-0.87/pc
	Rambutan	Thai	10 kg.	4.2-52.5	0.60-0.75/kg
	Lychee	Thai	10 kg.	14.84-17.99	2.12-2.57/kg
Indonesia	SW Peach	CA	63	67.63	10.14
	Peach Donut	CA	42	64.41	15.14
	Plum	CH	52	0	4.29
	Grapes	Aus	10 kg	25.76-30.59	3.76-4.83
	Grapes	Peru, CH	8.2 kg	23.62-25.23	3.22-3.76
United Kingdom	Nectarine	Spain	Pack of 4	12.87/per 4 kg	3.15 on offer
	Nectarine	CA	Pack of 4	N/A	5.92 on offer
	Peach	Spain	Pack of 4	11.88/per 4 kg	3.15 on offer
	SW Peach	CA	Pack of 4	N/A	5.92 on offer
	Plums	Israel	Pack of 6	N/A	7.9
	Bananas	Ivory Coast	Bunch of 7	N/A	2.16
	Grapefruit	South Africa	Pack of 3	26.24/per 15 kg	1.88
New Zealand	Nectarine	CA	60/64, 54/56	2.12-3.09	3.5
	SW Nectarine	CA	54/56 11.3kg	2.4	3.5
	Peach	CA	54/56 8.0kg	3.1	3.5
	Apricots	US	70/72 6.8kg	3.6	4.6
	Plums	CH	11.3kg		1.8
	Cherries	US	9.5/10/10.5 Row	4.5	5.99 - 6.35
	Mandarins	NZ			1.1
	Grapes	CH, Aus			1.41 - 2.11
	Kiwifruit	NZ	large		1.1
Central America	Peach	CA	64-70	30	1.57
	Nectarine	CA	70-72	28	1.77
	Peach	CH, MX	40-56-64	29	1.50-1.54
	Nectarine	CH	40		1.4
	Plum, black	CH	48-78	23	1.39
	Plum, red	CH	56-65	35.25	1.66
	Peach	GT			0.99
	Plum, red	GT	small		1
	Apples	CH,US	80-175	30.25	0.91
	Grapes	CH	18 lbs	34.61	1.69
	Pears	CH,US,Arg	100-135	32.62	1.29
	Kiwifruit	CH		29.62	1.94
	Oranges	US	56-72	29.25	1.15
	Strawberries	CR			2.38

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$	
Ecuador	Plum	CH	56-64 vf	16.00-18.00	2.07-2.35	
	Orange	US		18.00-20.00	2.31-2.80	
	Mango	EC		18.00-20.00	2.10-2.31	
	Pineapple	EC		10.00-12.00	0.45-0.60	
	Orange	EC		4.00	0.05-0.10	
	Papaya	EC		13.00-15.00	1.65-1.80	
Venezuela	Peach (Durazno)	VZ			3.10-6.51	
	Peach (Melocoton)	VZ			3.67-7.90	
	Plums	CH	44	55.81	11.62-13.95	
	Canteloupe	VZ			1.47-4.13	
	Pineapple	VZ			1.39-2.69	
	Mango	VZ			1.16-4.65	
	Watermelon	VZ			0.93-2.32	
Legend	Arq	Argentina		Mal	Malaysia	
	Aus	Australia		MX	Mexico	
	CH	Chile		NZ	New Zealand	
	CO	Colombia		NZ	New Zealand	
	CR	Costa Rica		Sp	Spain	
	CA	California		SW	Summerwhite®	
	CUG	California Utility Grade		Thai	Thailand	
	CWM	Ca Well Mature®		TW	Taiwan	
	EC	Ecuador		USM	US Mature	
	GT	Guatemala		Vf	Volume fill	
	JP	Japan		VZ	Venezuela	
	Lyr	Layer		WA	Washington	
			*Denotes Sales Price			