

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

July 7, 2008

Between the fireworks and other US Independence Day festivities on the 4th of July, the industry was busy as usual picking and packing fresh California peaches, plums and nectarines. Fortunately, weather in the Central Valley stayed favorable throughout the holiday weekend. Summer is in full swing now and temperatures are expected to reach 108 to 110 degrees by mid week. As a result of the high temps we may see packouts slow slightly, but not to worry as there is plenty of PPN to get through the typical heat spell. Some of the white-flesh varieties you can expect to find this reporting period include: Snow Blaze, Summer Sweet, Grand Pearl™ and Ruby Pearl™ among others. Some of the plum varieties include: Blackamber, Hiromi Red, and the start of Owen T and Catalina.

Volumes of California PPN increased over the past two weeks throughout international markets. Feedback from the trade continues to be good, receiving positive comments on taste, size and overall quality.

Current News

Taiwan Inflation Rises

As food and fuel cost rise so does Taiwan's inflation rate. According to Bloomberg.com fruit prices climbed 27 percent and overall food prices rose 11.89 percent compared to a year ago. Other categories that are experiencing an increase include meat, transportation, fuel and housing, along with import prices that increased by six percent. The article quotes Cheng Cheng-Mount the chief economist at Citibank Taiwan Ltd in Taipei, saying that the central bank will raise rates again in September to tame inflation and possibly increase reserve requirements.

Taiwan is not alone in the struggle against inflation. India's inflation rate rose to its highest in more than 13 years as of late June and many other countries are facing a similar issue. In fact the G-8 (Group of eight leaders including US, Canada, France, Italy, Japan, Britain, Germany, and Russia) said rising oil and food costs pose a "serious challenge" to the global economy, indicating inflation has become their primary concern.

Market Reports

Mexico

California peaches continue to gain market share in Mexico, reaching 90% over the past two weeks. Although peaches continue to be the category leader, volumes of nectarines are expected to increase in the coming weeks, along with plums as harvest progresses into mid-season varieties. Currently red and black plums are available. Overall quality reviews continue to be positive although some mixed reviews on the relatively small sizes on the first plum varieties. The last supplies of Sonora peaches were spotted during the past two weeks, and the first volumes of Chihuahua peaches could be found.

Hong Kong

Bad weather in Hong Kong, including the insistent rain and recent typhoon continues to impact sales for all fresh fruits. However the first ocean container of California stone fruit arrived increasing availability at all market levels, with multiple varieties and a range of sizes available. Below average Chinese peaches, small red plums and nectarines were found in the market, along with unexpected supplies of peaches, plums and nectarines from France and Italy (available in gourmet stores). Other popular fruits include Washington cherries, apples, oranges, and watermelons.

Taiwan

Volumes of California stone fruit have increased over the past two weeks as more air and ocean shipments arrived, including the first major supplies of plums. The recent rains and hot weather slowed sales movement for all fruits and vegetables. Quality of California stone fruit is receiving good reviews from the trade, including the improved quality of ocean shipped peaches this season. Local summer fruit supplies including watermelons, pineapple and lychees rebounded after rains subsided in Southern Taiwan. The local peach season started on June 23, and the overall crop size is expected to be 20 percent larger than last year. Small volumes of local plums were available along with imported Japanese peaches. Other imported competition includes kiwis and apples.

China

Chinese stone fruits continue to dominate the market, though volume levels vary widely from Beijing and Dalian in the north, down to Shanghai, and even in to Guangzhou in the south. Feedback on quality of these local stone fruits also varies but is generally good for peaches and average to below average for plums. Some remaining Chilean plums were found but in diminishing quality.

Singapore

Additional air and sea shipments have increased the availability of California peaches, plums and nectarines over the past two weeks. As a result, major retail chains are carrying four or more varieties of California PPN and allocating more display space to the fruits. The increase in supplies has also improved the availability throughout the market including high-end fruit shops, wet markets and retail outlets. In terms of competition, small volumes of yellow peaches from Israel were available at select retailers and wet market stalls, an unexpected find. Other competition includes US apricots, California grapes, Washington cherries, US strawberries, New Zealand kiwis and Malaysian durians.

Malaysia

California peaches, nectarines and some plums continue to arrive by air, and the first ocean shipment is expected to arrive in the next week. The trade is very pleased with the quality received this season and attributes the steady sales movement to the good quality. Late season Chilean Angeleno plums continue to linger in the market, but should finish up as more California plums arrive. The local durian season is in full swing, but the crop is expected to be 50 percent less this year due to inefficient farming practices, according to the State Agriculture Department. Still, the Malaysian government is strongly promoting local fruits such as the durian, pineapple, mangosteens, and dragon fruit throughout the month.

Thailand

White-flesh peaches and nectarines were found in supermarket chains and hypermarkets in Thailand over the past two weeks, receiving positive reviews on eating quality. The trade is eager for the first sea shipment to arrive mid July. Local fruits including rambutan and lychee were found in retail markets. Large volumes of US cherries and California grapes are available, along with New Zealand kiwi and Washington apples.

Indonesia

Some white and yellow-flesh peaches and nectarines, donut peaches, and a few red and black plums were found in the market. Despite the small volumes more hypermarkets and high-end supermarkets in the Central and Eastern region are carrying California stone fruit this season. Additional air shipments are expected, along with a sea shipment of plums in the next week. The major imported fruits available are Chinese apples and pears, and Thai durians and mandarins.

United Kingdom

Some California white and yellow-flesh nectarines, donut peaches and organic plums were available at high-end retailers, but stone fruits from Spain and Italy continue to lead the market in terms of volumes. Quality of European stone fruit is still varied, but improved significantly over the past two weeks, and especially since May. The first ever commercial crop of British blueberries is being harvested and is available at retail, with the season expected to last approximately six weeks during July and August. Also, peak volumes of British strawberries coincided with the amazing Wimbledon men's final over the weekend.

New Zealand

Volumes of California nectarines are available throughout the wholesale and retail market, with many retailers conducting promotions. Some plums and tray pack peaches were available but primarily at major retail chains. Quality of ocean arrivals received many positive comments on eating quality and overall appearance of the fruit. Local competition includes New Zealand apples, oranges, kiwi and mandarins. Imported fruits on promotion include Red Globe Chilean grapes and somewhat surprising, Mexican grapes.

Central America Region

Increased volumes of California peaches and nectarines are available at supermarkets, along with some moderate volumes at traditional markets. Additional supplies of California plums were expected to arrive over the weekend. Feedback on quality and sizing improved since the last report. Chilean plums continue to be in the market, and even some peaches were found in Guatemala, although quality and size were below average. Other competition includes local plums from Guatemala and Costa Rica, Chilean grapes and US oranges.

South America

California peaches, plums and nectarines are available in all key markets in the region (Colombia, Ecuador, Panama and Venezuela). In Colombia, only limited supplies of all three fruits were brought in by air, but their availability should increase with the arrival of ocean shipments currently in transit. In Ecuador, large volumes of California peaches and nectarines are available and selling well at retail. Additional supplies of California plums were expected to arrive last week, but they will still be in competition with small volumes of the remaining poor quality Chilean plums. In Panama, yellow and white-flesh peaches, nectarines and plums were found at retail, with positive feedback from the trade. In Venezuela, some California nectarines and plums arrived over the past two weeks, with the trade working to secure import permits to bring additional supplies. Competition includes Venezuelan peaches and a few Chilean plums.

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.

Mexico

In June a special in-store promotion was conducted in Mexico. The "California Stone Fruit Festival" included product samplings of many different California stone fruit varieties and cooking workshops for the participants to learn new recipe ideas for fresh California PPN.

Taiwan

The "USA Week" promotion concluded on July 8. During the campaign California stone fruits were featured in retailer TV commercials and direct mailers at a special promotion price.

China

Retail training seminars were conducted throughout the month of June. Over 190 participants from 81 stores learned proper storage, handling and merchandising techniques for California plums.

Central America

In-store promotions will kick-off this month in Central America, covering more than 50 stores throughout July. Also, starting on July 16 a CTFA radio jingle will be broadcasted three times a day on a private supermarket radio station across 78 stores in El Salvador as part of a retail cooperative promotion.

South America

In June, over 130 consumers, store managers and employees participated in training seminars at six different stores. Store employees learned the proper storage, handling and merchandising of California PPN and consumers learned selection tips, nutrition info and facts about fresh California PPN. Similar in-store seminars with active participation from consumers are planned for July 7 through July 16 in Venezuela.

If you have any suggestions or comments, please contact Gordon Smith at gsmith@caltreefruit.com or Sarah Alvernaz at salvernaz@caltreefruit.com.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	64-72 vf	22.99	1.09
	Nectarines	CA	64	22.99	1.53
	Plums	CA	80	24.90	1.62
	Peaches	MX	22 lb	13.41	1.09
	Apple	WA	88-100-125-135	35.92	1.23
	Kiwifruit	CH	22 lb	29.21	1.75
	Strawberries	CA	12 lb	16.28	3.86
	Strawberries	MX	19.2 lb	8.68	1.75
	Table-grapes	MX, CH	18-21lb	20.59-26.335	1.01-1.53
	Mangoes	MX	25 kg	12.57	0.39
	Plums	MX	18Kg	11.49	0.65
	Pears	Arg	36-44 lb	10.53	0.96
	Pears	WA	70-80-90	28.73	0.96
	Apricots	CA	8,12-60	21.55	0.96
Hong Kong	SW Peach	CA	48 - 64	32.05 - 36.36	1.54 - 2.30/pc
	Peach Donut	CA	15 - 28	17.94 - 34.61	1.02 - 2.82/pc
	Peach	CA	48 - 64	30.76 - 38.46	1.26 - 2.31/pc
	SW Nectarine	CA	56 - 64	29.48 - 32.05	1.14 - 1.53/pc
	Nectarine	CA	56 - 64	25.64 - 30.76	1.26 - 1.92/pc
	Plum	CA	64 - 74	15.58 - 18.59	0.44 - 1.03/pc
	Peach	China	70 - 88	12.82 - 15.42	0.25 - 0.51/pc
	Cherry	CA	28 lbs	58.97 - 69.23	3.21 - 3.85/lb
	Lychee	China	56 lbs	32.72 - 58.18	1.28 - 1.93/lb
	Watermelon	Taiwan	2	5.37 - 7.89	0.21 - 0.34/lb
	Orange	USA	72 - 88	19.23 - 28.85	0.25 - 0.64/pc
Apples	WA, China	40 - 88	11.53 - 25.64	0.21 - 0.64/pc	
Taiwan	Donut Peach	CA	#13-#21	23.02-37.83	0.95-3.3/pc
	SW Peach	CA	#18-#24	30.25-41.12	1.51-2.74/pc
	SW Peach	CA	#16-#21	40.05-50.10	46.05-54.28/box
	Peach	TW	#20-#21		3.3/each
	Japan Peach	JP	#13-#15	72.37-75.66	6.27-6.6
	SW Nectarine	CA	#56, #72	22.37-34.54	0.44-0.7/pc
	Plum	CA	#40-#45	31.91-32.89	1.47/lb
	Plum	TW	10Kg-15kg	2.28-2.74/kg	1.24-1.49/lb
	Sugar Plum	CA	#90-120	62.5-75.66	0.63-1.0/pc
China-Shanghai	NECTARINE	China	Medium/7.5KG	3.85-3.43/BOX	0.33-0.39/500G
	PEACH	China	M 7.5-15KG	5.14-17.14/BOX	0.32-1.57/500G
	PLUM	China	Small/15KG	6-7.71/BOX	0.3-0.42/500G
	BLACK PLUM	China	Medium/5KG	3.09-5.14/BOX	0.46-1.1/500G
	RED PLUM	China	Medium/5KG	3.09-3.43/BOX	0.42-1.54/500G
	PLUOT	China	Medium/7.5KG	9.5715.71/BOX	1.07-1.26/500G
	CHERRY	China	Medium/2KG	4.11-4.34/BOX	1.63-1.76/500G
China-Guangzhou	RED PLUM	China	Big 60- 70	12-14/BOX	1.21-1.68/500G
	NECTARINES	China	Large,70-75	12.14-21.42/BOX	10.97-1.82/500G
	NECTARINES	China	Small/9KG	4/BOX	0.36-0.5/500G
	PEACH	China	Medium/Bulk	0.63-0.7/500G	1.12-2.1/500G
	ANGELENO	CH	Medium/46-58		
	PLUM	China	Small/Bulk	0.28/500G	0.40-0.5/500G
	BLACK PLUM	China	Small/Bulk	0.43/500G	0.71-0.86/500G

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Singapore	SW Peach	CA	48/56 2lyr	51.85	1.69
	Peach	CA	56 2lyr	50.76	1.34
	Donut Peach	CA	56 2lyr	53.33	1.48 / *0.74
	Nectarine	CA	56 lyr	49.23	1.34
	SW Nectarine	CA	56/64 v/f	35.38-57.78	0.76-1.48
	Prune	CA	90	82.3	7.69 kg
	Plum	CA	60	53.84	6.15 kg
	Apricot	CA	36- 10 kg	32.92-60.00	2.23-4.81
	Cherry	CA	10	66.67	8.07 -454g
	Strawberry	US	454g x8	28.15	5.59
	Grapes	CA	8.2 kg	33.84-35.39	5.77 kg
	Grapes	AUS	10kg	29.62-33.33	4.37-5.85
	Persimmon	NZ	28	23.7	1.33
	Kiwi	NZ	6-10 kg	37.78	0.56-1.11 pc
	Durian	Mal	m		5.93 kg
Malaysia	Peaches	CA	40-44 vf	55.0-62.0/carton	1.60-1.90/pc
	Nectarines	CA	40-44 vf	55.0-62.0/carton	1.60-1.90/pc
	SW Peach	CA	40-44 vf	55.0-62.0/carton	1.60-1.90/pc
	SW Nectarine	CA	40-44 vf	55.0-62.0/carton	1.60-1.90/pc
	Plums	CA	30-35/vf	55.0-62.0/carton	1.60-1.90/pc
	Strawberries	CA	4.5kg	40.0-50.0	5.00-6.00/pkt
	Cherries	US	5kg	100/box	25-30/kg
	Table Grapes	CA	9.5kg	66.00-74.00	7.00-8.50/kg
	Table Grape	Aus, CH	9.5-10kg	22.20-28.50	2.25-3.50/kg
	Table Grape	SA	4.5kg	8.10-11.79	2.20-3.20/kg
	Plum	Chile	48-78	15.00-16.00	0.30-0.40/pc
	Orange	CA, AUS	125-180	23.20-28.32	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, WA, SA	60-180	24.90-35.00	0.15-0.60/pc
	Apples	CN	36-100	10.30-12.40	0.15-0.45/pc
Thailand	SW Nectarine	CA	40-55	53.79-89.76	8.15-13.6/kg
	SW Peach	CA	40-55	57.94-109.95	8.78-16.66]/kg
	Red Plum	CA	40-60	70.66-85.02	9.06-10.90/kg
	Black Plum	CA	40-60	51.94-85.02	6.66-10.90/kg
	Kiwi	NZ	15/2lyr	15.12-18.90	0.72-0.90/pc
	Apple	WA	20/2lyr	10.8-14.4	0.45/0.60/pc
	Grape	US	10/kg	39.96-70.86	6.66-11.81/kg
	Cherry	US	10/kg	90.9-145.26	15.15-24.21/kg
	Rambutan	Thai	10/kg	6.0-7.2	0.75-0.90/kg
	Lychee	Thai	10/kg	14.48-20.56	1.81-2.57/kg
Indonesia	SW Peach	CA	48	70.65	12.5
	Peach Donut	CA	44	61.41	23.91
	Peach	CA	48	70.65	11.35
	Plum	CA	45-64	73.36-86.95	8.85-11.79
	SW Nectarine	CA	48	70.65	16.29
	Nectarine	CA	48	70.65	11.46
	Peach	JAPAN			92.39
	Peach	CHINA	52	46.19	4.34

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
United Kingdom	Nectarines	Sp, Italy	4-8 pack	11.88-13.86	3.15-3.35
	Nectarines	CA	4 pack	N/A	5.87 on offer
	W/F Nectarines	Sp	4 pack	N/A	3.94 on offer
	SW Nectarines	CA	4 pack	N/A	5.87 on offer
	Peaches	Sp, Italy,MX	4 pack	9.90-10.40/4kg	3.35-3.94
	Donut Peach	CA	4 pack	N/A	7.9
	SW Peaches	CA	4 pack	N/A	5.92
	Plums	Israel, SP	6 pack	N/A	4.93-9.90
	Plums	AUS, SP, Portugal	Punnett(500/680	10.40-15.84/ 5kg	2.95-3.94
	Strawberries	UK	Punnett (454g)	1.48/per 250g	3.94 on offer
	Strawberries	USA	N/A	2.38/per 454g	N/A
	Blueberries	UK	225g	N/A	9.90 for 2 packs
New Zealand	Peach	CA	54/56 8.0kg tray	1.6	2.4
	SW Peach	CA	54/56 8.0kg tray	1.6	2.4
	Nectarine	CA	54/56,60/64 VF	0.94-1.02	1.35-2.37
	Plums	CA	12.7kg		7.0
	Apricots	US			2.4
	Cherries	US	10/10.5 Row		7.5
	Mandarins	NZ			1.4
	Grapes	CH, AUS, MX		1.00-1.61	2.37-2.41
	Mangos	MX			0.50 each
	Apples	NZ			1.0
	Navel Oranges	NZ	large		1.0
	Central America	Peaches	CA	56-72	33.81
Nectarines		CA	56-74	34.8	1.96
Plums		CA	60	30.87	1.96
Plums		CH, GT, CR	48-78	29.11	1.08-1.19
Peaches		GT			1.15
Apples		CH,USA	80-163	34.07	1.33
Grapes		CH	18 lbs	28.75	2.01
Pears		CH, USA, ARG	100-135	31.28	1.05
Kiwifruit		CH	33	28.43	2.11
Oranges		USA	44-72	28.83	1.44
Strawberries		GT, CR			1.67
Mandarins		Peru, CH	150	30.14	1.45
Persimmons		CH	24-72	17.04	3.02
Cherries		CA	10 M	58.98	2.62
Cranberries		USA			6.25
Colombia	Peach	CA	11 Kg p/Box	47	3.08 p/Lb
	Nectarine	CA	11 Kg p/Box	47	3.00 p/Lb
	Pineapple	Colombia	12 unit Box	12	0.80 p/unit
	Guava	Colombia	16 Lb Box	8	0.60 p/unit
	Mango	Colombia	35 Lb Box	15.00	0.5
Ecuador	Peach	CA		32.00-36.00	4.20-4.62
	Nectarine	CA		30.00-32.00	4.00-4.16
	Mango	Ecuador		18.00-20.00	2.10-2.31
	Pineapple	Ecuador		10.00-12.00	0.55-0.60
	Orange	Ecuador		100 u/\$4.00	0.05-0.10
	Papaya	Ecuador		13.00-15.00	1.65-1.80
	Melon	Ecuador		10.00-12.00	1.60-1.70
	Orange	US		18.00-20.00	2.31-2.80

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Panama	Nectarine	CA			0.37 - 1.87
	Peach	CA			1.77 - 1.80
	Plum	CA			1.80-1.92
Venezuela	Plum	CA			6.97-8.83
	Nectarine	CA			6.97-11.62
	Peach	Venezuela			3.10-7.90
	Plum	Chile	44	55.81	6.97-11.62
	Melon	Venezuela			1.47-4.13
	Pineapple	Venezuela			1.39-2.69
	Mango	Venezuela			1.16-4.65
	Watermelon	Venezuela			0.93-2.32
Legend	Arq	Argentina		Mal	Malaysia
	Aus	Australia		MX	Mexico
	CH	Chile		NZ	New Zealand
	CN	China		NZ	New Zealand
	CO	Colombia		SA	South Africa
	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