



MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

September 10, 2007

With the season drawing to a close, promotions for California PPN are still going strong to capitalize on the many late season opportunities that remain through the end of October. Packout activity will begin to slow down considerably, as nectarines and peaches just last week hit their pre-season packout estimates. Angeleno plums are approximately 60% through their pre-season packout estimate and Autumn Flames and Sweet September peaches are currently being harvested with Summerwhite Snow Fall finishing out the season for white flesh peaches. This past week temperatures started in the 100's and ended in the mid 90's. Mid to low 90's can be expected for the week.

Thank you for your interest in the International market developments for fresh California PPN. 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

CTFA Exhibits at Asia Fruit Logistica in Bangkok

CTFA Asia representatives, along with CTFA President Sheri Mierau and Manager of International Marketing Programs Gordon Smith represented the fresh California peach, plum, and nectarine industry while exhibiting at the international trade fair, Asia Fruit Logistica in Bangkok, Thailand on September 5-7. "The Asia Pacific Rim is a vital region for our industry," said Ms. Mierau. "ASIA FRUIT LOGISTICA was a great opportunity to network with regional leaders and promote California peaches, plums and nectarines in the fastest growing markets in the world." Of the U.S. presence, CTFA was accompanied by The California Table Grape Commission and Pear Bureau Northwest among others.

New Export Opportunities

The spectacular growth of Macau (population: 500,000) is creating new export opportunities for U.S. foods and beverages. Macau, a small city adjacent to Hong Kong in the southern part of China has experienced exponential growth over the past five years due to the opening of gaming and a boost in tourism. U.S. exports of consumer-oriented agricultural products to Macau reached a record high of US\$8.3 million in 2006, up 635% over 2005. As the demand for food imports grows, Macau importers that used to buy indirectly via Hong Kong distributors are seeking to buy directly from U.S. suppliers. As this market continues to develop, there will be growing opportunities for U.S. exporters of a wide variety of high quality U.S. foods and beverages. *Source: USDA Foreign Agricultural Service, GAIN Report HK6027*

Almost Organic

Stemilt Growers Inc., in Wenatchee, Washington will convert 100 percent of its stone fruit trees to organic farming practices, but they are not waiting to capitalize on the switch. Most growers experience a thirty percent increase in production cost in the transition period to organic yet still receive conventional prices, however Stemilt has created a new label to achieve a premium for their transitional product. The new label "Artisan Naturals" will market the product as naturally farmed in an effort to capitalize on the changeover. According to a Washington State University study, organic tree fruit acreage in the state is expected to increase by 54 percent by 2008. *Source: THE ASSOCIATED PRESS*

Market Reports

Mexico

Positive results continue in the Mexico market as consumer demand is strong and the trade remains pleased with the quality of the fruit. Peaches lead the three fruits in availability and demand with reports of California peaches making their way into warehouses that typically only sell local peaches. White flesh nectarines are receiving high marks from the trade commenting on the good quality. Still local peaches, mainly from Chihuahua are the primary competition though supplies are low and quality is less than average due to bad weather.

Hong Kong

Supplies of California peaches, nectarines, plums, and prunes were available at both the supermarket and wholesale level, and feedback from the trade indicates quality has improved during the past two weeks. Some importers report an increase in the quantity of fruit now in the market that appears to have been transshipped, most likely from Taiwan. This has affected their confidence in future shipments. Still two major supermarket chains were promoting California Tao Lee through advertising campaigns to help boost sales. Peaches from China present the direct competition as they are priced very low. Indirect competition includes grapes, apples, oranges, bananas and watermelons.

Taiwan

As predicted the market demand for fresh fruits was strong during Ghost Festival. Since local fruits were in short supply due to recent typhoons, the trade turned to imported fruits making California Tao Lee the best selling and most welcomed fruit according to the trade. In fact most inventories were cleared out as a result of Ghost worshipping day. Additional supplies are expected to arrive to meet demand for the remainder of Ghost month and in preparation of Moon Festival on September 25. In terms of competition, imported fruits such as California table grapes, New Zealand kiwi, Korean melons and small quantities of Washington peaches were found in the market.

China

California plums could only be found in limited quantities in Shanghai, Beijing, and Guangzhou this past week. Supplies have been inconsistent through the beginning of September, and have been mainly concentrated in Guangzhou. Other major cities source their supplies from the Guangzhou wholesale market therefore movement is heavily relied on Guangzhou's supplies of California plums. Many of the shipments to date have been originating in Taiwan or Hong Kong. CTFA is aggressively promoting California plums to the trade, including retailers, to source more consistent supplies to maximize exposure to consumers during in-store promotions.

Singapore

Overall movement of California PPN has been good for the season, with regular shipments arriving weekly and more planned for the coming Moon Festival at the end of September. Ghost Festival on August 27 presented a boost in demand and multiple varieties of California PPN are available in most supermarkets, hypermarkets, fruit boutiques and traditional markets. White flesh peaches from China and donut varieties from Washington are the direct competition at the moment, as well as Malaysian tropical fruits which are being heavily promoted by retail.

Malaysia

Sales continue to be strong for California PPN as more consumers are making more repeat purchases this year, as quality has been exceptional. As a result the trade is looking forward to good sales during the coming Moon Festival and are committed to carrying California PPN until the end of the season. Chinese plums continue to be the main competitor but their distribution is limited. In fact, their distribution may be limited even further as the Malaysian Health Minister announced that all food products from China must be tested before entering the country. The products must pass inspection to be allowed into the country otherwise they will be returned or destroyed. Other competition includes grapes, kiwi, mangoes and pears.

Thailand

Similar to the other Southeast Asian countries sales were strong during the Ghost Festival at the end of August, with the trade continually pleased with the quality and movement of California PPN. Multiple sizes and varieties of California peaches, plums and nectarines can be found in almost all levels of the market with plums being the sales leader. Chinese peaches and plums are the main competition but their quality and appearance is receiving mixed reviews. Other popular imported fruits include strawberries, cherries, kiwis and other tropical fruits like lychee and longan.

Indonesia

Over the past two weeks there has been an increase in the number of retailers carrying California PPN, especially plums. White flesh varieties were the majority of what high-end supermarkets and fruit boutiques were offering, with more yellow flesh varieties being offered at traditional markets. Competition includes strawberries, cherries, grapes, mangoes and tropical fruits such as durian, mangosteen, and papaya.

United Kingdom

California peaches, plums and nectarines are making their way back into the U.K. market as the quality and quantity of European stone fruit begins to tail off. Additional supplies of California PPN are expected to arrive as retailers are turning to California to make up for the lack of quality and varieties in European stone fruit supplies. In other competition, Irish strawberries and raspberries are proving popular, as well as cherries and Spanish watermelons.

New Zealand

Good volumes of California peaches, plums and nectarines can be found throughout the market, with the trade commenting on the strong movement which has allowed for optimum rotation. However, the fluctuation in the New Zealand dollar has the trade anticipating movement to slow in the next few weeks. Large volumes of Australian citrus continue to be heavily promoted along with California table grapes. Other competition includes bananas, pineapples and mangoes.

Central America Region

California peaches, plums and nectarines continue to do well in the region, especially as local supplies from Guatemala decreased significantly. As quality of California PPN remains good the trade has commented on consumer satisfaction of the fruit and the strong sales movement. In other news, the presidential election in Guatemala was set to take place on September 9. This election is believed to be one of the most politically dangerous; therefore police and army were in full force to execute the election.

South America

Only two Venezuelan importers are currently importing California peaches, plums and nectarines at the moment as "U.S. Dollars" have not yet been granted. Other importers are turning to Spanish and local Venezuelan stone fruit to fill demand. In Colombia, California PPN is moving very well throughout retail and wholesale markets as quality remains good. Spanish stone fruits are also being imported into Colombia and are competitively priced. In Ecuador, California peaches and nectarines are selling well but supplies of plums are currently sold out. Additional supplies were expected to be received this past weekend. Peruvian peaches continue to be the main direct competition in Ecuador and imported grapes are presenting indirect competition in all three countries.

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 be available upon request.

Mexico

In addition to in-store promotions throughout August, three cooking workshops were conducted in three major retail chains in Mexico. Each cooking demonstration consisted of five fifteen minute lessons which featured a recipe while explaining the nutrition, characteristics and proper storage of California peaches, plums and nectarines. The participants received recipes and small consumer incentives.

Taiwan

To boost sales of California Tao Lee for Moon Festival at the end of September, another wave of TV advertisement has been scheduled. The TV advertising will run from September 17 through 24, prior to Moon Festival on September 25. Additional consumer promotions will run through September 25, along with in-store demonstrations.

Singapore

To increase consumer awareness of California PPN and to highlight the health benefits a series of color newspaper ads were ran in leading English and Chinese newspapers in August. Also in August were eight school sampling programs which reached over 8500 students, teachers and parents. The sampling program gave participants the opportunity to taste fresh California peaches, plums and nectarines, as well as learn about the differences between the fruits and their nutritional benefits.

Malaysia

In addition to the ongoing display contest between two leading retail chains a consumer advertising campaign kicked off with color ads in many major newspapers throughout Malaysia. Upcoming promotions include joint activities with various hypermarkets and supermarkets throughout East and West Malaysia, including over 50 in-store samplings that will take place through the end of September.

Thailand

CTFA representatives exhibited at the Asia Fruit Logistica in Bangkok, Thailand on September 5-7. The three day convention and exposition was held at the Queen Sirikit National Convention Center and hosted more than 1500 produce professionals from around the globe.

United Kingdom

Trade advertisements are currently running with a leading trade website, Freshinfo.com for the month of September. The banner advertisement rotates across four screens and highlights the benefits and opportunities of California PPN. The advert is also running on the fresh info emails that are sent out on a daily basis to the 4,000 subscribed FPJ readers. This has 5 rotating screens and is designed to raise awareness of availability of California PPN.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	50-64 vf	18.03	1.47
	Nectarines	CA		15.43	1.50
	Plums	CA		19.53	1.50
	Peaches	MX	22 lb	15.29	1.69
	Apple	WA,MX	100-125-135	28.01	1.41
	Kiwifruit	Chile	22 lb	17.55	1.59
	Strawberries	CA	12 lb	14.24	3.11
	Strawberries	MX	19.2 lb	6.62	2.19
	Table-grapes	CA	18-20 lb	16.53	1.25
	Mangoes	MX	25 kg	9.33	0.60
	Plums	MX	18Kg	9.21	0.71
	Pears	Arg	36-44 lb	23.25	1.03
Hong Kong	Peach	CA	16 - 56	23.37 - 40.26	1.03 - 2.98/pc
	Nectarine	CA	48 - 80	12.98 - 25.97	0.21 - 1.17/pc
	Plum	CA	35 - 56	15.58 - 31.16	0.21 - 1.17/pc
	Prune	CA	28 lbs	23.37 - 36.36	1.29 - 2.07/lb
	Peach	China	70 - 88	11.68 - 15.58	0.18 - 0.64/pc
	Plum	China	75	10.38 - 12.98	0.18 - 0.25/pc
	Apple	WA, China	40 - 100	15.58 - 27.27	0.19 - 0.78/pc
	Orange	USA	72 - 113	20.77 - 29.87	0.32 - 0.77/pc
Taiwan	SW Peach	CA	12-18/Lyr	21.2-36.3	2.1-3.5/each
	SW Nectarine	CA	44-72/Vf	19.7-25.8	0.3-0.5/each
	Plum	CA	30-42/Lyr	21.2-30.3	0.3-0.9/each
	Pluot	CA	30-35/Vf	24.2-27.3	0.5-0.9/each
	White Peaches	WA	12-21/Lyr	24.2-36.3	2.1-3.5/each
China-Shanghai	BLACK PLUM	CA			0.77/500G
	PLUOT	CA			0.77/500G
	PEACH	CHINA			0.53/500G
	NECTARINE	CHINA			1.01/500G
China-Guangzhou	NECTARINES	CHINA	LARGE,70/75	9.21	0.98-1.53
	PEACH	CHINA	SMALL,BULK	0.26-0.63/500G	0.65-1.17
	PEACH	CHINA	MEDIUM,BULK	0.66/500G	0.99-1.29
	PLUM	CHINA	MEDIUM-BIG	0.97/500G,12.98/5	1.62-1.95
	PLUOT	CA	35	25	1.58-2.03
Singapore	SW Peach	CA	18-40	30-43.33	1.67-2.33 pc
	SW Nectarine	CA	64 v/f	25.33	0.87 - 1.00 pc
	Peach	CA	64 v/f	42.8	0.83 pc
	Nectarine	CA	64 v/f	43.33	1.00 pc
	Plum	CA	55 - 60	19.97	0.15 - 0.20 pc
	Prune	CA	80/90	57.33	8.60 kg
	Donut Peach	WA	36	53.33	2.00 pc
	Donut Nectarine	WA	4pc x14 boxes	56.67	5.93 4pcs
	White Peach	CHA	S	1.8	2.33 / 900g punnet
	White Peach	CHA	75	19.97	0.64 pc
	Apple	SA	150	28	0.27 pc
	Cherry	USA	10 rolls	60	11.33 kg
	Persimmon	NZ	14	21.33	1.93 pc
	Grapes	USA	8.2 kg	23.33	3.67 kg
	Strawberry	USA	8 x 454g	23.33	3.67 454g

Country					
Malaysia	Peaches	CA	56-64 vf	36.0-42.0/carton	1.10-1.80/pc
	Nectarines	CA	62- 70vf	36.0-42.0/carton	1.10-1.80/pc
	SW Peach	CA	56-64/vf	38.0-44.0/carton	1.20-1.85/pc
	SW Nectarine	CA	64-88/vf	36.0-42.0/carton	1.10-1.80/pc
	Plum	CA	28lb.	1.50-1.75/lb.	1.12-1.6/lb.
	Nectarines	CHINA	900g	16.0-20.0/carton	2.30-2.60/900g
	Orange	CA	113-180	17.5-20.2/carton	0.15-0.28/pc
	Table Grape	US	4.5kg	8.10-11.79	2.20-3.20/kg
	Apples	NZ	60-163	24.35-34.50	0.16-0.57/pc
	Gong Pear	CN	36-72	6.00-7.28	0.10-0.23/pc
Thailand	Plum	CA	40-55	44.30-73.47	5.68-9.42/kg
	Green Plum	CA	45-55	100.23-122.53	12.85-15.71/kg
	Peach	CA	16-45	65.52-72.53	8.51-9.42/kg
	Nectarine	CA	55-60	50.58-72.53	6.57-9.42/kg
	Prune	CA	70-100	64.97-96.18	7.14-10.57/kg
	Peach	CHA	40-45	21.94-54.97	2.85-7.14/kg
	Black Plum	CHA	45-55	46.77-51.96	5.14-5.71/kg
	Nectarine	CHA	60-65	21.94-26.33	2.85-3.42/kg
Indonesia	SW Peach	CA	13	41.49	6.8 - 9.56
	Peach	CA	50		7.45
	SW Nectarine	CA	44	52.13	6.06 - 14.63
	Nectarine	CA	34		8.24
	Plum	CA	55	23.4/26.6	4.65 - 6.65
	Pluot	CA	48		8.25
	Strawberry	USA	3Kg(8 pack)	35.91	6.46 - 6.8
	Cherry	USA	6 kg	92.7 - 98.23	105.59
United Kingdom	Nectarines	CA	Pack of 4	Na	4.98
	SW Peaches	CA	Pack of 4	Na	4.98
	Peaches	CA	Pack of 4	Na	4.98
	Nectarines	France	Pack of 4	1050/4kg	3.98
	Nectarines	Spain	Pack of 4	840/4kg	2.49 on offer
	Nectarines	Italy	Pack of 4	880/4kg	3.96
	Peaches	Spain	Pack of 5	900/4kg	2.96
	Peaches	Egypt	Pack of 7	Na	2.94
	Peaches	Italy	Per fruit	930/4kg	1.58
	Peaches	Egypt	Per fruit	Na	1.18
	Plums	UK	500g	960/5kg	1.98
	Plums	France	Per kg	1200/9kg	7.98
	Plums	Israel	Per kg	930/5kg	6.96
	Plums	Spain	500g	700/5kg	1.98 on offer
	Plums	Portugal	500g	Na	.2.00
	Cherries	USA	300g	880/kg	5.58
	Apricots	France	Per kg	Na	11.98
	Oranges	Spain	Per fruit	Na	0.42

Country					
New Zealand	Nectarine	CA	11.3kg	0.84 - 1.12	1.6
	SW Nectarine	CA	11.3kg	0.84 - 1.13	1.9
	Peach	CA	8.0kg	0.95 - 1.12	1.6
	SW Peach	CA	8.0kg	1.5	1.9
	Plum	CA	12.6kg	0.82 - 0.99	1.3
	Pluots	CA	12.6kg	0.82 - 0.99	1.3
	Bananas	Phillipines			0.9
	Kiwifruit	NZ	medium		0.70 - 0.80
	Oranges	Aussi	medium		0.9
	Mandarins	Aussi	small/med		0.9
	Grapes	US	small/med		1.9
	Apples	NZ	medium		1.3
Central America	Peach	CA	56-65	16.00-30.00	1.07-2.57
	Nectarine	CA	56-70	18.00-30.00	1.20-2.57
	Plum	CA	30-90	17.00-32.75	0.85-2.16
	Peach	CR, GT, HO	73-100	18.00-22.00	1.04-2.04
	Plum	CR, GT, HO	18 lbs	7.72-9.27	0.96
	Apple	WA, CH, AR	80-150	24.00-27.74	0.86-1.49
	Pear	CH, AR, CA	100-130	34.60-48.00	1.18-1.93
	Grape	CH, USA	18, 21 lbs	21.15-27.32	2.25-2.44
	Kiwifruit	CH	18-22 lbs	19.20-41.67	1.72-2.16
	Mandarine	CH	25-28	41.05-41.12	1.70-1.85
	Orange	CH, PE	25-72	24.00-24.83	1.45-2.06
	Pomegranate	CL			1.75
	Lime	USA	115	29.00	1.00-1.48
	Grapefruit	CA			1.55
	Strawberry	CR, USA			1.87-7.50
	Cherry	USA			5.50
Colombia	Peach	CA	64	18.53 / 23.16	1.75 - 3.96
	Nectarine	CA	64	18.53 / 23.20	1.75 - 3.22
	Plum	CA	65	18.53 / 24.00	2.23 - 3.31
	Kiwi	Chile			2.28 - 2.39
	Apple	Chile	80- 150	26.50 - 29.90	1.22 - 1.35
	Pear	Chile	70 - 100	19.80 - 27.70	1.22 - 1.10
Ecuador	Peach (Durazno)	Perú	90 u.	13.00-15.00/box	0.25 u.
	Nectarine	CA	22 lb	18,00-20,00/box	1,40-1.51/lb
	Plum	CA	16 Lb	18,00-21,00/box	1,26-1,36/lb
	Peach	CA	22 Lb	18,00-20,00/box	1,40-1.51/lb
	Pink Apple	USA	125-60	17.00-22.00/box	0.71-0.80/lb
	Kiwi	Chile	22 lbs	13,00-16,00/box	0,87 - 0,91/lb
	Apple	Chile	125-160	15,00 - 20,00/box	0.65 - 0.77/lb
	Packam`s Pear	Chile	22 lbs	15,00-20,00/box	0.70 - 0.87/lb
Venezuela	Peach	Venezuela	N/A	N/A	1.02-1.29/Kg
	Nectarine	CA	25-27lb	25.00-27.08	3.95-5.20/Kg
	Plum	Venezuela	N/A	N/A	1.77-2.18/Kg
	Plum	CA	28lb	18.75-27.08	3.93-5.20/Kg
	Kiwi	Chile	N/A	N/A	4.50-5.20/Kg
	Apple	WA	64	20.83-22.91	1.97-2.50/Kg
	Apple	Chile	60-198	10.41-12.50	1.00-1.97/Kg
	Pear (Packham's)	Chile	60-120	15.692-17.70	1.97/Kg

Legend		
Arq	Argentina	Malaysia
Aus	Australia	Mexico
CH	Chile	New Zealand
CO	Colombia	New Zealand
CR	Costa Rica	Spain
CUG	California Utility Grade	Summerwhite®
CWM	Ca Well Mature®	Thailand
EC	Ecuador	Taiwan
GT	Guatemala	US Mature
JP	Japan	Volume fill
Lyr	Layer	Venezuela
		Washington

*Denotes Sales Price