

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

## July 30, 2007

On July 24, the California Tree Fruit Agreement (CTFA) released a revised plum estimate for the 2007 season. After mid-season evaluations, industry experts and the California Tree Fruit Agreement expect a total crop of 9.5-9.8 million cartons will be harvested, down from the 11.3 million cartons predicted before the season's start. The reduced harvest figure is mostly due to smaller than expected packouts from one of the main plum varieties. However, peaches and nectarines remain on track for their pre-season targets. All California tree fruits continue to experience a vintage year for flavor; with plenty of great-tasting fruit available through the season's close in October.

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](mailto:gsmith@caltreefruit.com) or Sarah Alvernaz at [salvernaz@caltreefruit.com](mailto:salvernaz@caltreefruit.com).

## Current News

### **Wal-Mart Plans to Double China Stores in Five Years**

Wal-Mart Stores Inc., the world's biggest retailer, plans to more than double its stores in China in the next five years. Wal-Mart seeks to tap the growing personal wealth of the country's 1.3 billion people and capitalize on the per-capita disposable income growth, which rose 12.1 percent last year. Currently Wal-Mart has 84 stores across 46 cities and plans to expand into smaller cities where competition is less fierce. In addition to their own stores, Wal-Mart acquired a 35 percent stake in China's Trust-Mart, leading to the possible take over of Trust-Mart's more than 100 hypermarkets. Overseas expansion has become key for the retailer as its U.S. growth slows.

### **USDA Announces New Risk Based Process for Certain Imports**

According to USDA.gov, on July 17, 2007 Agriculture Secretary Mike Johanns announced a new risk-based process for approving the importation of certain fruits and vegetables. The new process is said to continue stringent protections for US agriculture while streamlining the lengthy rulemaking process. "This new approach will allow us to focus less on administrative processes and more on the science of facilitating imports that do not pose a risk of introducing foreign pests and diseases," said Agriculture Secretary Mike Johanns. "A more efficient review process for imported fruits and vegetables should also help to expand market access for U.S. agricultural exports as other countries recognize U.S. efforts to encourage trade." USDA is also establishing a notice-based process for approving pest-free areas in exporting countries.

## Market Reports

### Mexico

California peaches continue to receive high marks from the trade, commenting on excellent quality, good color and exceptional flavor. Plums are also receiving high praise, especially now as more black varieties enter the market. Nectarines are maintaining their position in the market with new deliveries received each week in the three main cities; Mexico City, Guadalajara, and Monterrey. Local peaches, though lower in quality, continue to be the main competition, as well as local plums. Other competition includes California apricots and mangoes.

### Hong Kong

This week marks the start of summer holidays for children, which means family vacations and frequent visits to local shopping centers. The warmer weather continues to support fruit sales, as donut peaches and plums are doing very well in the marketplace and reporting great quality. Arriving shipments continue to keep good supplies of California PPN throughout all levels of the market. Chinese nectarines are reporting below average in quality, and Chinese peaches are reporting higher prices from last year. Lychees, longans, mangoes and watermelons continue to be summer favorites in the region.

### Taiwan

The prolonged heat wave continues to slow demand for fresh fruits, thus slowing sales of California PPN. Yet a boost in sales is anticipated as Ghost Festival season, the second largest sales season of the year, approaches in August. Competition continues to be very strong with the Taiwan Agriculture Council's ongoing consumer campaign promoting local fresh fruits. In addition to the stiff competition from local peaches, Japanese peaches are now available in the marketplace.

### China

The first significant supplies of California plums were expected to enter the market last week, with importers anxiously awaiting their arrival. Thus Chinese Tao Lee continues to dominate the market, especially in Beijing where price of Chinese Tao Lee fell approximately 37% from the previous week's price. In Shanghai the only imported Tao Lee in the market was Chilean, but reporting to be in diminishing quality as the season ends. Other popular fruits continue to be lychee and watermelon.

### Singapore

The presence of California PPN is improving as most retailers, wholesale markets, and wet markets are displaying two or more varieties of California PPN. Over the past two weeks sea and air shipments have increased with the trade reporting above average quality on the majority of arrivals. Since their arrival in early July, Chinese peaches and nectarines continue to be competition as their volumes have increased, but quality is reporting below average when compared to California PPN.

### Malaysia

Consumer demand for Californian peaches, plums and nectarines continues to increase as quality reports remain excellent. As weekly shipments of California PPN arrive the trade continues to be pleased with the quality and continue to aggressively promote the fruit. Over the past few weeks the availability of California PPN has increased in retail outlets, with many supermarkets planning promotions for August. A wide selection of California peaches and nectarines is available in the market, with donut peaches gaining the most popularity

amongst consumers. Plum volumes have increased over the past week with increased presence in specialty outlets. Chinese peaches and nectarines are now adding to the competition, though quality is reporting below average. Some Chilean plums can still be found in the market which is somewhat surprising just before August, however their quality is significantly diminished at this point.

## Thailand

As the value of the Thai Baht increases recent reports indicate that imports of luxury goods increased over four percent in the first five months of this year. Fruits and vegetables came in second to electrical appliances in the surge of imports. To counter the increase the Foreign Trade Department has kicked off a campaign to promote locally made goods, in an effort to increase public awareness of Thai products. As the economy fluctuates we are seeing more diversity in the California PPN imported, as some are requesting smaller sizes and others requesting larger sized fruit. The range can be found at supermarkets, hypermarkets, and local wet market vendors. As for competition, the availability of local fruits was reduced, and US cherries were the only other imported fruits to speak of.

## Indonesia

A variety of California PPN can be found at most supermarkets and fruit boutiques. The trade is reporting good demand, as some are selling out as soon as the shipments arrive. More sea and air shipments are expected to arrive this week. Chinese peaches are adding to the competition, along with imported grapes, longan, and local mangoes.

## United Kingdom

Heavy rainfall and cold temperatures have continued in the UK over the past 10 days, with flash floods causing much damage and chaos to many areas of the country. The erratic weather is set to continue over the next week and into the early part of August. The bad weather's negative affect on sales is being felt across many different sectors, not just fresh fruits. Although, increasing temperatures in parts of mainland Europe are providing a reprieve to the stone fruit category it is Spanish, Israeli, Italian and French peaches, plums and nectarines that are found in the market. Spanish melons, Moroccan grapes, and Dutch strawberries are also proving popular. White flesh donut peaches continue to be California's only PPN representation throughout the region.

## New Zealand

The ongoing bad weather has caused flash flooding on the North Island with a state of emergency called and roads closed in the Hawkes Bay region. In other news, the New Zealand dollar hit another all time high yesterday, the highest it has been for a quarter of a century. As a result, the ongoing bad weather and rise of inflation has dampened sales of California PPN. As more promotions get underway in August an upswing is anticipated. Large volumes of Australian citrus are now in the market and are being heavily promoted adding to the competition for California PPN.

## Central America Region

Reports on California peaches, plums and nectarines continue to be stellar, commenting on quality, size, flavor and color. Some importers have even speculated on the season extending as a result of the above average quality of California PPN. In the supermarkets California PPN is receiving prominent display space with all three commodities displayed together. In the traditional markets peaches and plums are available in good supply,

though local plums are presenting steeper competition due to their lower prices. In addition to local plums, Guatemalan peach supplies will significantly increase as peak harvest gets underway adding to the competition.

### South America

In Colombia, the quality of California stonefruits has exceeded all expectations which has allowed for good market penetration. California PPN is now being sold at all levels of the market including small vendors to supermarkets. As the trade continues to import product, some importers are considering only receiving product by air. This is a result of customs asking for a country of origin fumigation certificate upon arrival by sea. The fumigation certificate is causing a delay in issuing import permits and adding a new element to sales negotiations. In Ecuador, California peaches and nectarines have a strong hold in the market but plums have not made their way in due to the enduring presence of Chilean plums. Peruvian peaches are adding to the competition but only in open markets as they are not found in large supermarkets. In Venezuela, California PPN can be found in fruit stores and supermarkets but are finding competition from Spanish plums and nectarines, as well as Venezuelan peaches, plums and nectarines.

# 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](http://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.

## Hong Kong

The ad campaign launched on June 15, continues with ads in 6 leading lifestyle magazines: *Next*, *Eastweek*, *TVB Weekly*, *Oriental*, *Three Weekly*, and *Eat & Travel Weekly*. The media campaign will also feature TV advertising to be conducted during July and August, and newspapers advertising will be featured through September.

## Taiwan

Over 160 in-store demonstrations have taken place in July, and over 160 more are set to take place in August.

## Malaysia

The arrival of California plums has generated even more interest to conduct in-store promotions for California PPN. Four retailers are scheduled to conduct in-store promotions throughout August. On August 1, a trade seminar is scheduled in Kuala Lumpur where importers, wholesalers and retailers are invited to learn about handling, storing and merchandising California PPN.

## Thailand

On July 27, a trade education seminar was held in Bangkok; educating importers, wholesalers, and retailers on the handling, storage, seasonality, and proper merchandising of California PPN.

## United Kingdom

As a result of a press release sent out to over 300 women's, family and sporting publications, the magazine *Live it Naturally* is set to run a BBQ feature in their next issue, featuring CTFA recipes: California Plum Sticky BBQ Ribs, Fish and Nectarine Salsa, and Peach and Turkey Skewers.

## New Zealand

Over 25,000 recipe flyers reached consumers as an insert in the local Christchurch newspaper in July. Also, a California PPN advertisement can be found in the July 23<sup>rd</sup> issue of *The New Zealand Women's Weekly*.

## CAM

A joint activity with one of the leading importers in Costa Rica will be conducted over the next week, with radio advertisements broadcasted by two local radio stations communicating a 20 second message on California peaches, plums and nectarines.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	50-64 vf	19.03	1.31
	Nectarines	CA	64-72vf / 25 lb	15.78	1.14
	Plums	CUG	50,70-80 vf	16.39	1.22
	SW Peach	CA			2.78
	Peaches	MX	22 lb	13.19	1.10
	Apple	WA,MX	100-125-135	27.85	1.41
	Kiwifruit	Chile	22 lb	12.52	1.32
	Strawberries	CA	12 lb	13.92	2.29
	Strawberries	MX	19.2 lb	7.64	1.55
	Table-grapes	CA	18-20 lb	14.06	1.03
	Mangoes	MX	25 kg	8.75	0.66
	Plums	MX	18Kg	12.98	0.78
	Pears	Arg	36-44 lb	30.62	1.12
Hong Kong	Peach	CWM	15 - 56	20.77 - 36.36	0.64 - 2.98/pc
	Nectarine	CWM	60 - 80	15.58 - 31.16	0.58 - 1.55/pc
	Plum	CWM	40 - 110	15.58 - 33.76	0.38 - 1.03/pc
	Prune	CWM	28 lbs	23.37 - 46.75	1.55 - 2.59/lb
	Peach	China	70 - 88	11.68 - 15.58	0.25 - 0.90/pc
	Watermelon	Taiwan	2	4.94 - 8.05	0.19 - 0.45/lb
	Apple	WA, China	40 - 100	15.58 - 23.37	0.19 - 0.52/pc
	Orange	USA	56 - 113	20.77 - 28.54	0.25 - 0.77/pc
Taiwan	SW Peach	CA	16-18/Lyr	30.5-32	0.9-2.1/each
	Donut Peaches	CA	16-18/Lyr	24.4	0.7-2.10each
	SW Nectarine	CA	56-72/Vf	16.8-19.8	0.3-0.5/each
	Plums	CA	45-65/Vf	18.5-33.5	0.3-0.5/each
	Peach	Japan	12-15/box (4kg)	54.9-67	6-8/each
	Peach	Taiwan	5-8/box (1.5kg)	6.1-10.7	0.7-2.1/each
China-Shanghai	RED PLUM	CHILE	48(+2),9KG	25.00--28.75/BOX	3.00---3.50/500G
	BLACK PLUM	CHILE	48(+2),9KG	22.00--27.00/BOX	2.35---3.29/500G
	RED PLUM	CHINA	BULK PACK	0.94--1.19/500G	2.10---2.35/500G
	BLACK PLUM	CHINA	BULK PACK	0.36--0.39/500G	0.58---2.25/500G
	PLUM	CHINA	BULK PACK	0.26---0.33/500G	0.45---0.65/500G
	PEACH	CHINA	BULK PACK	0.13---0.15/500G	0.48---0.65/500G
	NECTARINE	CHINA	BULK PACK	0.34--0.44/500G	0.85--1.62/500G
	WHITE PEACH	CHINA	SMALL,48	13.75--14.38/BOX	0.89---1.32/500G
	WHITE PEACH	CHINA	BULK PACK	0.15---0.25/500G	0.45---0.81/500G
	PLUM	CHINA	BULK PACK	0.21---0.32/500G	0.51---0.91/500G
China-Guangzhou	NECTARINES	CHINA	SMALL,BULK	0.26/500G	0.45-0.65
	PEACH	CHINA	SMALL,BULK PACK	0.26-0.63/500G	0.65-1.17
	RED PLUM	CHINA	MEDIUM COUNT/9KG	16.45	1.05-1.32
	PLUOT	CHINA	MEDIUM	15.79	
	BLACK PLUM	CHINA	52/56	17.11/13.16	0.89-1.71
	GREEN PLUM	CHINA	SMALL,BULK	0.26/500G	0.39-0.46

Country					
United Kingdom	Nectarines	France	4 pack	950/4kg	3.96
	Nectarines	Spain	4 pack	750/4kg	3.98
	Nectarines	Italy	6 pack	1500/7kg	2.98
	White Nectarines	Puerto Rico	4 pack	N/a	3.98
	Donut Peaches	CA	4 pack	N/a	4.98 on offer
	Peaches	Spain	6 pack	800/4kg	2.98
	Peaches	France	4 pack	850/4kg	3.96
	Peaches	Italy	6 pack	750/4kg	1.96
	Plums	Israel	4 pack	1250/5kg	4.98
	Plums	Spain	6 pack	730/5kg	3.98
	Plums	Portugal	750g	N/a	1.96
	Plums	Israel	per kg	N/a	7.78
	Cherries	USA	per kg	968/kg	7.96
	Apricots	France	per kg	150/kg	11.98
	Oranges	Cyprus	per fruit	N/a	0.48
New Zealand	Nectarine Yellow	US	11.3kg	0.56 - 2.47	1.05 - 2.45
	Nectarine White	US	11.3kg	1.00 - 1.24	1.8
	Peach Yellow	US	8.0kg	0.87 - 1.00	2.1
	Peach White	US	8.0kg	3.0	2.5
	Plum	US	12.6kg	1.11 - 1.39	not seen
	Bananas	Phillipines			0.52 - 1.02
	Kiwifruit	NZ	medium		0.70 - 0.80
	Oranges	Aussi	medium		0.61 - 1.02
	Cherries	US	small/med		5.97 - 8.47
	Mandarins	NZ	small/med		1.05 - 1.75
	Grapes	US	small/med		1.76 - 2.82
	Apples	NZ	medium		0.52 - 1.05
Colombia	Peach	CA	64	33.71 / 34.75	3.05 - 4.66
	Nectarine	CA	64	33.71 / 34.82	2.33 - 4.60
	Plum	CA	65	33.71 / 34.80	2.02 - 3.78
	Kiwi	Chile			2.33 - 2.49
	Apple	Chile	80- 150	31.12 - 33.71	1.26 - 1.37
	Pear	Chile	70 - 100	20.74 - 28.52	1.22 - 1.10
Venezuela	Peach	Venezuela			2.55-4.18/Kg.
	Peach	CA	25 lb.	30.00-35.00	5.60-7.31/Kg
	Peach	Venezuela			3.02-4.18/Kg
	Nectarine	CA	25 lb.	30.00-35.00	5.00-6.25/Kg
	Nectarine	Spain	25 lb.	30.00-35.00	5.00-6.25/Kg
	Plum	Venezuela			3.02-4.18/Kg
	Plum	CA	28 lb	30.00-35.00	4.39-6.09/Kg
	Plum	Spain	28 lb.	30.00-35.00	8.37-9.25/Kg
	Kiwi	Chile			6.00/Kg
	Apples	Chile	64-72-80-88-100	27.90-46.51	1.95-5.53/Kg
	Pear	Chile	90-100-110	37.20-46.51	1.81-4.60/Kg

Country					
<b>Ecuador</b>	Peach	Perú	90 u.	11,00-13,00/box	0.20 u.
	Nectarine	CA	22 lb.	19.00-21.00/box	1.45-1.60/lb.
	Orange	CA	47 u.	45.00-47.00/box	1.50-1.80/lb.
	Peach	CA	22 lb.	19.00-23.00/box	1.45-1.60/lb.
	Plum	Chile	88/22 lbs.	19.00-20.00/box	1.30-1.36/lb.
	Kiwi	Chile	22 lbs.	13.00-16.00/box	0.87-0.91/lb.
	Apple	Chile	125-160	15.00-20.00/box	0.68-0.77/lb.
	Pear	Chile	22 lbs.	15.00-20.00/box	0.70-0.87/lb.
<b>Central America</b>	Peach	CA	60-72	18.00-37.21	1.30-1.83
	Nectarine	CA	60-72	20.00-36.72	1.33-1.83
	Plum	CA	40-78	21.15-32.00	0.96-2.05
	Donut Peaches	CA			6.22
	Peach	CR, GT, HO	73-100		0.96-1.03
	Plum	CR, GT, HO	18 lbs	7.55-15.66	0.45-0.97
	Apples	WA, CH, AR	64-182	26.27-36.26	0.86-0.92
	Pears	CH	110-130	23.49-37.94	0.91-1.35
	Grapes	CH, USA,	18, 21 lbs	19.20-37.80	0.85-1.70
	Kiwifruit	CH	18-22 lbs	25.00-39.9	1.28-2.16
	Mandarine	CH	22-40	16.00-35.24	1.24-1.77
	Orange	PE	54		2.35
	Pommegranate	CL			2.85
	Lime	USA	115	29.00	1.00-1.48
	Grape fruit	CA			1.55
	Strawberries	CR, USA			1.87-6.95
	Cherries	USA			5.50
<b>Singapore</b>	SW Peach	CA	18-40	30-43.33	1.67-2.33 pc
	Peach	CA	64 v/f	42.8	1.00 pc
	SW Nectarine	CA	64 v/f	25.33	0.87 - 1.00 pc
	Nectarine	CA	64 v/f	43.33	1.00 pc
	Donut Peach	CA	20	26.67	1.67 pc
	Prune	CA	80/90	57.33	8.60 kg
	Plum	CA	55 - 60	19.97	015 - 0.20 pc
	White Peach	CHA	S	1.8	2.33 / 900g punnet
	White Nectarine	CHA	S	1.8	2.33 / 900g punnet
	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	29.96	4.60 kg
	Lychee	CHA	2 kg	3	3.66 2kg
	Strawberry	USA	8 x 454g	23.33	3.67 454g
	Grapes	AUS	10 kg`	37.33	3.27 kg
<b>Malaysia</b>	Peaches	CA	56-64 vf	38.0-44.7.0/carton	1.15-1.85/pc
	Nectarines	CA	62- 70vf	38.0-44.7.0/carton	1.15-1.85/pc
	Donut Peaches	CA	56-84	45.0-68.0/carton	1.40-2.70/pc
	SW Peach	CA	56-64/vf	38.0-44.7.0/carton	1.15-1.85/pc
	SW Nectarine	CA	64-88/vf	38.0-44.7.0/carton	1.15-1.85/pc
	Peaches	CHINA	900g	18.0-23.0/carton	2.30-2.80/900g
	Nectarines	CHINA	900g	18.0-23.0/carton	2.30-2.80/900g
	Plum	CA	28lb.	1.5-1.78/lb.	1.12-1.6/lb.
	Plum	CHILE	4.5lb.	0.42-0.68/lb.	1.12-1.6/lb.
	Cherries	USA	20lb.	77.0-85.0/carton	6.3-7.4/lb.
	Orange	USA	113-180	17.7-20.2/carton	0.15-0.28/pc

