

International Market Report

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

August 6, 2004

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YTD Season Packout Totals

PEACH:	11,493.5
PEACH SW:	3,622.6
PLUM:	6,998.9
NECTARINE:	11,607.1
NECTARINE SW:	3,446.5

Taiwan

Steven Chu & Associates

GENERAL COMMENTS

According to visited traders including both importers and wholesalers that the market demand for fresh fruits during the reporting period been rebound from the weak bottom affected by Typhoon Mindulle on July 01. More California Tao Lee are expected to be brought into Taiwan market for next couple weeks as the "Ghost Month" will be started from August 16th this year. However, the traders also indicated that the supply season for CTL will be ended about 3 weeks earlier than last year due to smaller crop and this season's supply will be reduced in an abnormal high percentage starting from next week.

WLH, a major importer for CTL, reported an air shipment of California peaches that arrived on July 23 was randomly inspected by BAPHIQ who found that the residues of "Carbaryl" exceeded the tolerance standard (1 ppm). It was elected that the shipment be destroyed and the importer is obliged to have their next 5 shipments of California peaches to be inspected, according to the regulation. (Note: the regulation calls for that label to be checked over next 5 shipments)

MARKET SITUATION

California peaches and nectarines were found in heavy volumes with very high distribution rates while plums, especially green plums, were only spotted at hyper / supermarket outlets during the reporting period. Seven major super / hypermarkets chains participated in the In-store promotions and they all confirmed that they will carry as much CTL as possible to meet the predicted heavy consumption during Ghost Month.

CURRENT ACTIVITY Exchange Rate US\$1.00 = NT\$34.1

California Tree Fruit	Grade	Size/ Counts	Wholesale Price US\$	Retail Price US\$
PEACH SW	CWM	18-25/1 lyr		0.73-2.34/pc
NECTARINE SW	CWM	56-64/vf		0.44-0.59/pc
PLUM	CWM	50-72/vf		2.64/10pcs

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	Local	24-36/2lyr	8.79-23.46	0.43-0.87/pc
Peach	Japan	6-8	23.46-29.32	3.51-5.86/pc
Cherry	WA	20 lbs.	73.31-76.24	2.94-4.11/lb.
Grape	CA	20 lbs.	17.59-28.18	1.11-2.01/lb.
Apple	Chile	20 kgs.	23.46-43.98	0.42-0.83/pc
Apple	NZ	20 kgs.	17.59-41.12	0.35-0.83/pc
Kiwi	NZ	20 lbs.	8.79-11.74	0.26-0.43/pc
Mango	Local	40 lbs.	5.86-10.25	0.26-0.43/pc
Lychee	Local	40 lbs.	5.86-10.25	0.18-0.43/lb

COMPETITION

Similar to last reporting period, both locally grown and Japanese imported peaches were in small supplies and did not affect seriously sales of California peaches. Local mango, lychee, pineapple and watermelon plus imported apples, kiwi, cherries and grapes were also in large volumes and brought competition to California Tao Lee during the reporting period.

QUALITY

The overall quality of all California Tao Lee was good for both air and sea shipments during the reporting period according to the visited traders. But, some traders have complained on the poor taste and less sweetness of plums which were not well accepted by local consumers.

ARRIVALS

Heavy arrivals of California Tao Lee during the reporting period by both air and sea freight. It including Snow Giant, Red Giant, Snow Princess peaches: Arctic Blaze and Fire Pearl nectarines plus Black Amber, Friar and Fortune of California Plums and some small sized pluots.

PROMOTION ACTIVITIES

Date	City	Chain	Stores	Days
24.25/July	Taipei	Carrefour	9	21
24.25/July	Taipei	RT Mart	2	4
24.25/July	Taipei	Hyper-Geant	3	6
24.25/July	Taipei	Jason Market	1	2
24.25/July	Taipei	Breeze	1	2
24.25/July	Taichung	Carrefour	6	14
24.25/July	Kaohsiung	Carrefour	5	10
24.25/July	Kaohsiung	Carrefour	5	10
24.25/July	Kaohsiung	RT Mart	1	2
24.25/July	Kaohsiung	Hyper-Geant	1	2
24.25/July	Kaohsiung	Dollars	1	2
31/July/01/Aug.	Taipei	Carrefour	6	14
31/July/01/Aug.	Taipei	RT Mart	1	3
31/July/01/Aug.	Taipei	Hyper-Geant	2	5
31/July/01/Aug.	Taipei	Jason Market	1	2
31/July/01/Aug.	Taipei	Breeze	1	2
31/July/01/Aug.	Taipei	Wellcome	1	2
31/July/01/Aug.	Taichung	Carrefour	1	2
31/July/01/Aug.	Taichung	Hyper-Geant	1	2
31/July/01/Aug.	Kaohsiung	Hyper-Geant	1	2
31/July/01/Aug.	Kaohsiung	Dollars	1	2

UPCOMING PROMOTIONS

Trade Activities

- The merchandising to retailers will be continued till end of September.

Consumer Activities

- The second wave of TV ads will be started from mid of August to stimulate the purchase of "Ghost Month".
- More sampling days will be conducted at the major hyper / supermarket chains.
- 4 - five-star hotels will participate in the joint promotion and 4 Press Conferences will be held individually.

TRADER FEEDBACK

Several major importers indicated that the supplies of CTL will soon be reduced sharply and costs will likely increase due to strong demand in US domestic market, hence, they suggest CTFA to continue TV ad support to stimulate the sales for the Ghost Month around mid of August.

MERCHANDISING / TECHNICAL ACTIVITIES

During the merchandising visit, the well-trained merchandisers helped to the preparations for the outlets participated in the In-store sampling activity.

FEATURE SECTION -

White flesh movement and other specialty variety feedback

Most visited traders were satisfied with the sales movement of white flesh as Taiwan consumers only accept white flesh. Many importers and wholesalers pointed out that some varieties such as Red Giant peach was not accepted by the consumers due to its poor taste and less sweetness.

Importer comments

1. Most importers confirmed on the overall good quality of CTL from season beginning.

2. Most importers accepted their purchasing cost of CTL from season beginning.
3. Most importers were satisfied with the sales performance of CTL from season beginning.
4. Most importers appreciated to all promotion activities conducted by CTFA from season beginning.
5. Most importers are confident in handling CTL through the whole supply season.

Mexico

Grupo PM S.A. de C.V.

GENERAL COMMENTS

Wholesalers commented that in general terms sales maintained good levels over the period continuing the July trend, as warm weather benefits fresh fruit consumption. Fine fruit sales offer slightly high prices but sales are considered good.

MARKET SITUATION

Fine fruit market showed high sales of local season fruits, peaches, Bartlett pears and New Zealand kiwifruit. Importers are constantly bringing fine fruits, especially California Summer Fruits®, Bartlett pears and in less quantity kiwifruit. Wholesalers expect sales to increase after August, because parents are focusing on back-to-school expenses.

Peaches have the highest availability and fortunately quality problems once common at the beginning of the season are no longer present helping sales increase. The available varieties at the wholesale and retail market were: Flavorcrest, Summer Lady and O' Henry. Local peaches continue dominating the market. White flesh varieties continue available in Gigante and demand has increased as consumers are getting use to them. Superama also had summerwhite® varieties and availability was good with a lower price than peaches and plums which had increased availability in traditional markets and other low income areas. The plum price has decreased significantly during the period though still higher than peaches and nectarines which limits movement. As price continues to decline availability and demand are expected to increase.

CURRENT ACTIVITY Exchange Rate US\$1.00 = Pesos \$

California Tree Fruit	Grade	Size/ Counts	Wholesale Price US\$	Retail Price US\$
Nect. SW	CWM	64		1.18
Plum	CWM	40-50		0.94
Peach	CWM	36-52		0.87
Nectarine	CWM	40-64		0.94

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	MX	33 lb.	14.89	0.77/lb.
Apple	WA, Ch.	80-150	24.52	0.90/lb.
Kiwifruit	Chile	22 lb.	16.64	0.77/lb.
S-berry	CA, MX	12 lb.	6.13	1.66/lb.
Grape	MX, Ch	18-20 lb.	13.57	0.90/lb.

COMPETITION

There is high availability of local peaches from Chihuahua. According to wholesalers production for this origin is good so no major changes are expected in its availability. Prices are high but demand is good. General quality is good selling from 1 to 3 loads per week and available at a good number of warehouses. Amarillo peaches availability was fair at the wholesale and retail market due to its slightly high prices and low demand.

Plum market situation was only fair due to inconsistent supplies. Consumers demand is good although sizes available are not so attractive for them. Plum quality has been fair in the last days limiting traffic flow to one load per week.

Indirect competition is from Chilean apples, USA, California and Argentinean pears, local season fruits which demand has increased among consumers.

QUALITY

Peach quality improved for this period with good consistency and a longer shelf life. Soft pulp and cosmetic problems reduced in the last loads. Common problems at the retail market were soft pulps, mishandling damages but with no major comments on these problems.

Plums quality maintained for this period. No problems were shown at the arrival and only low volumes showed soft pulps. Available plums at the retail market showed good quality and no major comments were made.

Nectarines arrived to the market showing good quality and had no major problems at the wholesale and retail market.

Summerwhite® nectarines showed quality problems like dark pulp due to mishandling and incorrect temperature management. This situation affected sales for nectarines showed over ripeness causing shrinkage for long exhibition periods.

ARRIVALS

California Summer Fruits® arrivals maintained good levels and a slight increase of peaches is expected for the next arrivals due to its good acceptance among consumers. Nectarine volumes are expected to increase as arrivals reduced for this period. Plums maintain the same import levels.

PROMOTION ACTIVITIES

Date	City	Chain	Stores	Days
Jul-01	MEXICO	SUPERAMA	1	6
Jul-21	CHIHUAHUA	AL SUPER STORE	4	28
Jul-21	CD JUAREZ	AL SUPER STORE	1	4
Jul-24	MERIDA	CHEDRAUI	3	18
Jul-28	MEXICO	MEGA	10	60

UPCOMING PROMOTIONS

Date	City	Chain	Stores	Days
Ago-13	MEXICO	SUPERAMA	5	30
Ago-13	CUERNAVACA	SUPERAMA	1	6
Ago-13	CHIHUAHUA	WALMART	2	12
Ago-13	CD JUAREZ	WALMART	1	6
Ago-13	TAMPICO	WALMART	1	6
Ago-13	VICTORIA	WALMART	1	6
Ago-13	MONTERREY	WALMART	4	24
Ago-13	MONTERREY	B. AURRERA	2	12
Ago-13	SALTILLO	WALMART	1	6
Ago-13	MATAMOROS	WALMART	1	6

TRADER FEEDBACK

General wholesale comments regarding California Summer Fruits® were good achieving satisfactory sales and profits. Importers like Dubacano from Guadalajara commented that market confidence on California Summer Fruits has increased as quality has improved though fumigation giving them good sales and profits.

MERCHANDISING / TECHNICAL ACTIVITIES

During this period the following markets were visited and decorated: 34 public markets, 49 street markets, 38 fruit stores, 45 warehouse and 60 supermarket stores.

Nine technical seminars were carried with the following supermarkets chains: Soriana, Sam's Club and Bodega Aurrera in Mexico City, Laredo, Reynosa and Matamoros,

FEATURE SECTION -

Summerwhite® nectarines availability over the period has increased to two key supermarket chains. Fumigation is a great issue on this type affecting its pulp and making fruit show over ripeness thereby dampening sales.

Purchasing manager from Gigante commented that Summerwhite® nectarines sales were not as good as expected due to fair quality and slightly higher pricing that limited consumer purchase. In spite of this, Mexican consumers are starting to recognize this relatively new fruit in the market and demanding it for its uniquely sweet flavor.

Hong Kong

Michael Wong & Co.

GENERAL COMMENTS

Deflation that has haunted Hong Kong for over 68 months eased from 4.0% in June 2003 to 0.1% in June 2004. Although the benefit of economic recovery was yet to be seen in terms of salary level, consumers would like to make their purchase when there was still deflation. Price levels of food, excluding dining-out, increased by 2.8% year-to-year in June. The number of tourists visiting Hong Kong reached a record-high of 10 million for the first half of the year, a 68.3% increase compared with last year. Economist expected a boost in consumer confidence aided by a thriving retail market. Supermarket chains adjusted their prices upward since August to reap the windfall gain.

MARKET SITUATION

California peaches were available in supermarkets, though traditional varieties were more prevalent. Movement was quite good according to reports. A small amount of donut peaches were also available.

The volume of nectarines in the market remained steady. Traders were buying larger fruits and white nectarines were widely available in the wet markets. The supply of traditional nectarine has been light during the past two weeks. The Supply of black plums and prunes in the market has also decreased the past two weeks, though red plums were still abundant.

CURRENT ACTIVITY Exchange Rate US\$1.00 = HK\$7.7

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH SW	CWM	48-72		0.48-1.49/pc
PEACH	CWM	48-72		0.49-1.36/pc
NECTARINE SW	CWM	48-80		0.26-0.49/pc
NECTARINE	CWM	56-72		0.32-0.49/pc
PLUM	CWM	25-35		0.26-0.32/pc
PRUNE	CWM	45-80		1.81-2.86/lb

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH	China	48-72	12.99-14.29	0.16-0.26/pc
CHERRIES	California	28lb.	41.56-45.45	2.40-3.25/lb
S-BERRY	CA	12lb.	27.27-29.87	2.60-3.38/lb
APPLE	USA	80-113	15.58-22.08	0.19-0.22/pc

COMPETITION

China peaches continued to be widely available. A small amount of China donut peaches were also seen at select Japanese department stores - their appearance continues to improve with more pink blush on the skin. Chinese green plums were also seen in the wet market, though the appearance was very much like those from California, the taste and texture were still not as good. Longan are at their peak, with other competition from cherries, water melon, China pears etc.

QUALITY

Overall quality of CTL was satisfactory. Consumers like the crispy texture of white nectarines and wet market retailers said that they are quite popular. They also commented that traditional nectarines have richer flavor this year and sales were brisk.

PROMOTION ACTIVITIES

Date	Chain	Stores	Commodity
July 9-Aug 5	Wellcome	250	Y/SW Peach, Y/SW Nectarine, B/R Plum
July 9-July 21	Jusco	6	Y/SW Peach, Y/SW Nectarine, B/R Plum
July 23-Aug 5	City Super	3	Y/SW Peach, Y/SW Nectarine, B/R Plum

UPCOMING PROMOTIONS

Date	Chain	Stores	Commodity
Aug 6-12	SOGO	1	SW Peach, Y/SW Nectarine
Aug 11-24	UNY	1	Y/SW Peach, Y/SW Nectarine, Pluot
Aug 25-Sep 24	Park'N Shop	360	To be confirmed

Park'N Shop will launch a massive CTL promotion in their over 240 outlets. Sampling will be offered in their 55 superstores. Newspaper advertising will be arranged to support this promotion

TRADER FEEDBACK

A wholesaler that specializes in supplying fruits for hotels and airline catering said that his customers prefer traditional varieties due to better appearance in fruit platters. Hotels have also become less conscious of fruit origin.

MERCHANDISING / TECHNICAL ACTIVITIES

The merchandising team continued to visit wet markets, supermarkets and the wholesale market to gather information. They posted POS and encouraged traders to carry multiple varieties of CTL. They also monitored the performance of promoters in the supermarkets.

A seminar on proper handling and storage will be held on August 19 for the fresh produce and purchasing staff of Park'N Shop.

FEATURE SECTION -

WHITE FLESH MOVEMENT & OTHER SPECIALTY VARIETY FEEDBACK

White flesh nectarines were quite popular this season. Traders and consumers were well-acquainted with this relatively new commodity. White peaches were mostly available at supermarkets. Larger sizes appeared in the market since end of July. Wet market traders said that movement was good since consumers like the crispy texture.

IMPORTER COMMENTS

An importer said that nectarines could be put in storage upon unloaded from container for two to three days in the past, but now turn soft in a few hours due to the hot weather.

REVIEW OF PUBLIC RELATIONS EVENTS

(1) Back on the Menu – MIX, a salad/ juice/ wrap chain with five outlets, will launch CTL menu promotion applying CTL in various menu items; supported by CTL logo on item packaging, banners and in-house newsletter, webpage; proposal to be further consolidated and approved; promotion to be started by mid-August

(2) Back in the Bag Loyalty Program – five dailies published articles on CTL

(3) Back in the Box Coloring Competition – coloring form layout from advertising agency approved; competition exclusively administered for Park'N Shop; coloring form also to be publicized on CTL newspaper ad

NSA Region: Colombia, Venezuela, Ecuador -
Consultores 27, Ltd.

GENERAL COMMENTS

After a coup attempt, a national strike and years of bitter squabbling, Venezuelans will be asked to decide the fate of President Hugo Chavez with a deceivingly simple question: Should he step down? With less than two weeks before the August 15 recall vote, the stark choices -- Yes and No -- are sprayed in graffiti, painted on cars and flashed across television screens daily. International monitors hope the referendum will end more than two years of confrontation between Chavez and critics who say his government is dragging the world's No. 5 oil exporter to economic ruin and Cuba-style communism. The referendum has raised fears of renewed political violence in Venezuela

According to the National Statistics Department, Colombia posted a trade surplus in the first five months of the year, compared to a small deficit from January to May 2003, as high oil prices helped export growth outpace imports. Colombia's surplus totaled \$15.8 million from January to May, compared to a deficit of \$8.1 million in the same period last year, the department said. Exports rose 12.6

percent to \$5.92 billion from January to May from \$5.25 billion over the same period a year earlier. Imports in the period totaled \$5.9 billion compared to \$5.26 billion in the first five months of 2003. The city of Quito, Ecuador, was the setting for the first March of the Social Forum of the Americas, attracting nearly 10,000 participants from Latin and North America. The participants began a huge procession near the center of the city to express their disagreement and resistance across the hemisphere to neoliberal economic policies and free trade agreements. Women were highly visible and active in the march, pounding drums to energize the marchers and carrying banners for a wide variety of organizations with slogans against the war, against poverty, against discrimination and oppression. They also marched and chanted to protest the free trade agreements including the FTAA (Free Trade Agreements of the Americas), because many are afraid that these agreements will mainly benefit the large transnational corporations, and only serve to further increase poverty. The march passed by the Ministry of Foreign Commerce and the World Trade Center, where marchers chanted and shouted with greater intensity, because these institutions symbolize the center of the free trade agreements and policies. The "throw stone fruit, not stones" promotion resulted in huge sales gains for local street vendors who commented they could have used more plums since "the dark skin colors make more distinct statements"... Yes, this last sentence was a fabrication.

MARKET SITUATION

Two shipments of California stone fruit arrived Venezuela during this period. The rest of the importers have been visiting the Venezuelan Ministry of Agriculture on a regular basis to verify the status of their import permit requests and those have not been granted yet. Some are expecting to have permits approved for 50 tons of plums and 50 tons of nectarines very soon. Another large importer has a permit already approved for 50 tons of plums and 26 tons of nectarines, and they expect the arrival of 25 tons of plums and 13 tons of nectarines for August 4, and 25 tons of plums and 13 tons of nectarines for August 10. Some importers believe that some permits are on hold waiting for the President referendum to happen. The two containers that arrived are almost sold with supermarket chains almost sold out as well. Therefore, volumes of California stone fruits in the market at this time are really low. The stone fruits in general have an overall good quality but consumers consider that prices very high. Venezuelan peaches and plums are available at this time competing with California stone fruits with good quality for the large peaches. Volumes of Venezuelan peaches are high now. More containers of peaches, plums and nectarines are expected to arrive to Colombia in the next weeks. In Ecuador, prices of California stone fruits have been reduced considerably due to the fact that the quality of some of the peaches has not been very good. One importer lost 120 boxes of peaches that arrived in poor shape. However, more containers are expected during this period.

CURRENT ACTIVITY COLOMBIA US\$1.00 = Pesos 2,200

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	60		3.74
Nectarine	CWM	60		3.58
Plum	CWM	80-90		3.30

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
KiwiFruit	Chile	N/A	13.66	2.46
Peach	Colo	N/A	19.19	1.70

CURRENT ACTIVITY VENEZUELA US\$1.00 = Bolivars 1,920

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	60-64		3.71
Nectarine	CWM	60-64		2.72-3.27
Plum	CWM	64-70		2.83-3.27

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach Melocotón	Venez	5.5-Kg. Box	3.63-4.36	1.23-1.56
Peach	Venez	30-Kg. Box	9.09-21.81	0.97-1.16
Plums (Huesito)	Venez	5-Kg. Box	5.45	1.34-1.81
Apple	Chile	64 - 198	21.81-24.72	1.31-2.76
Apple	Wash	Size: 193	14.54	1.31
Strawberry	Venez	4-Kg. Box	4.36	1.14-2.47
Grape	Chile	8.2-Kg. Box	21.81-25.45	3.61-4.54
Grape	Chile	16-Kg. Box	34.54	3.61-4.54
Grape	Venez	5-Kg. Box	5.45	1.45
Grape	Venez	5-Kg. Box	7.27	2.07
Pears	Chile	: 60 al 100	21.81-25.45	1.73-2.18
Kiwifruit	Chile	10-Kg. Box	18.18-21.81	2.60-3.74
Mango/a	Venez	30-Kg. Box	5.45	0.32-0.49

CURRENT ACTIVITY ECUADOR US\$1.00 = 25,000 Sucre

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH	CWM	56		2.40-2.70
NECTARINE	CWM	64		2.40-2.75
PLUM	CWM	50		2.70-2.77

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	Peru	N/A	10.00 180 unit- Box	1.50

COMPETITION

Venezuela

The main competition for California stone fruits in this market is the Venezuelan production of peaches and Huesito plums that are in pretty good shape and lower priced than California stone fruits.

Colombia

Colombian peaches are very low in volume at this time and this is the only competition for California in this market.

Ecuador

The Ecuadorian peaches that compete with California are very small and acid. Some Peruvian peaches are still available, in lower volumes and good quality overall.

QUALITY

Venezuela

One of the containers received by a Venezuelan importer did not

have the best quality. Plums and Nectarines were returned to this importer by some supermarket chains because plums were too ripe and nectarines had some fungus. The plums in question were Black Amber, sizes 64 and 70, and the nectarines were Ruby Diamond, sizes 60 and 64. Another importer received peaches, plums and nectarines from California in excellent shape in terms of firmness, looks, and flavor. The varieties in good shape were Catalina and Friar, sizes 64 and 70 for the plums, Summer Grand nectarines, sizes 60 and 64, and Rich Lady Peaches, sizes 60 and 64.

Venezuelan peaches are in good shape, even though they are as sweet as California peaches and its price is lower than California with high volumes.

Colombia

The California stone fruits that arrived to the market during this period have excellent quality.

Ecuador

Plums in certain supermarkets are not in good shape having heavy russet and cosmetic defects. Nectarines are very large and somehow shapeless with orange-like skin. Peaches are too ripe and a little smashed. Peruvian peaches are very small, hard and not so sweet but with a nice color.

ARRIVALS

During this period in Colombia, more containers with California peaches, plums and nectarines are expected by three different importers. However, amounts could not be obtained.

No fruits have arrived Ecuador during this period but two large importers are expecting some containers for the early part of next reporting period.

PROMOTION ACTIVITIES

VENEZUELA

Date	City	Chain	Stores	Days
August 12 – 15	Caracas	Plaza's	8	32
August 12 – 15	Caracas	Luvebras	2	8
August 12 – 15	Caracas	Patio	2	8
August 12 – 15	Caracas	Plaza's	8	32
August 12 – 15	Caracas	Excelsior Gama	6	24
August 12 – 15	Caracas	Plaza's	8	32
August 12 – 15	Caracas	Excelsior Gama	6	24
August 12 – 15	Caracas	Plaza's	8	32
August 12 – 15	Caracas	Excelsior Gama	6	24

Colombia

Date	City	Chain	Stores	Days
August 10 - 14, 2004	Bogotá - Colombia	CARULLA - VIVERO	15	75

Ecuador

Date	City	Chain	Stores	Days
August 6 – 19	Quito	Supermaxis	1	
August 9 – 22	Quito	Mi Comisariato	2	
August 16 – 29	Quito	Santa María	2	
August 30 - Sept 12	Quito	Santa María	3	

UPCOMING PROMOTIONS

Colombia

Date	City	Chain	Stores	Days
August 17 – 21	Bogotá	OLIMPICA	6	30
August 17 – 21	Bogotá	POMONA	5	25
August 17 – 21	Bogotá	CAFAM	4	20

August 24 – 28	Bogotá	EXITO	4	20
August 24 – 28	Bogotá	LEY	3	15
August 24 – 28	Bogotá	CARREFOUR	3	15
August 24 – 28	Bogotá	SURTIFRUFER DE LA SABANA	3	15
August 31 – September 04	Bogotá	CARULLA VIVERO	15	75

Ecuador

Date	City	Chain	Stores	Days
August 6 – 19	Quito	SUPERMAXIS	6	84
August 9-22	Quito	MI COMISARIATO	2	24
August 16-29	Quito	Santa María	2	24
Aug. 12-September 30	Quito	Santa María	3	

TRADER FEEDBACK

In Venezuela some importers are concerned that they will not be able to obtain official dollars from the government to import fresh fruits from the United States as promised. They have to pay approximately 20% more for the fruits from the United States in customs duties and fees. But they are still positive that they will be able to sell a little better than during the same period of last year. Supermarkets complain that they cannot sell more imported stone fruits because of the high prices. They are anxious to start sampling promotions as soon as the new arrivals get to the stores as they want help to stimulate consumers to buy more.

In Ecuador, produce managers have been complaining about the quality of the California peaches that arrived to the market and one of the importers complains about the 120 boxes that they lost..

New Zealand

Sue Knowles Ltd.

GENERAL COMMENTS

The Reserve bank of New Zealand announced a 25 basis point increase in the official cash rate (OCR) on July 29. This is the fourth increase this year, lifting the OCR to 6.0%. The market was expecting this increase. Bank interest rates have been rising steadily over the last few months and are now around 7.0% - 8.0%. It is expected the OCR will increase further this year. The Reserve Bank has said the decision to increase interest rates was due in part to the continued strong growth in the economy, a tight labour market and pressure on productive resources.

MARKET SITUATION

All importers have reported that the market has strengthened over the last two weeks. Sales of plums have been particularly strong.

The market is beginning to tighten with the shortening supply of fruit in California. Wholesale and retail fruit prices have started to rise. Some retail promotions have had to be moved because of the tightening supply of nectarines, it is becoming difficult to source fruit. Over the last two weeks nearly all of the importers have reported increasing quality problems with the fruit. The fruit is looking good in their coolers but once it heats up to ambient it is breaking down very quickly. The most significant problem has been with yellow peaches and, to a lesser extent, yellow nectarines.

We are now seeing good arrivals of plums and they are being well promoted at retail. I am really impressed with the sweetness of the plums as it is getting better and better. We continue to have the confidence to use the fresh plums as part of an in-store tasting program.

There are very small volumes of white flesh nectarines and peaches in the market. The most significant volumes are being promoted in the Wellington Region. Other regions have just not brought the fruit in which is disappointing. We used Ruby Pearl nectarines for our tasting at the Auckland Foodshow and they were just fabulous. It was disappointing to find after the show only 3 out of 18 Auckland retailers we visited were actually selling white fleshed nectarines! There are also small volumes of Pluots in the market and further volumes on the water soon to arrive in the market. We have been asked to organize in-store tastings with this fruit when it arrives later in the month.

CURRENT ACTIVITY Exchange Rate US\$1.00 = NZ\$1.58

California Tree Fruit	Grade	Size/Count	Wholesale Price US\$	Retail Price US\$
PEACH SW	CWM	64		NA
PEACH	CWM	48 56 64		\$1.81 - \$2.72
NECTARINE	CWM	64 72		\$1.81 - \$2.72
NECT SW	CWM	48 64		\$2.26 - \$2.72
PLUMS	CWM	65 90		\$2.26 - \$2.72

Other	Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Grapes	Cali		\$2.00 - \$ 2.10	\$2.70 - 4.08
Oranges	NZ	18kg	\$0.50	\$1.39
Mandarin	Aust		\$0.90 - \$1.09	-
Mandarin	NZ	Sm/lge	\$0.40 - \$1.36	\$1.35 - 1.55
Banana	Ecuador	18kg	\$0.45 - \$0.59	\$0.45 - \$1.22
Apples	NZ	100 ct	NA	\$1.13 - 1.43
Kiwifruit	NZ	-	\$1.18	\$1.35 - 1.55

COMPETITION

The first of the California grapes have arrived in the market over the last two weeks. Initial arrivals were mixed quality, however they have improved greatly and we are now seeing excellent quality fruit being promoted at retail for prices of \$NZ 3.99 – 4.99 /kg.

QUALITY

Over the last two weeks we have hit a bit of a wall (so to speak) as far as the quality goes. As I have described above many importers have reported issues with the quality of the fruit. Peaches have been a particular problem. My merchandisers have reported yellow peaches tasting flavourless and floury. Yellow nectarines have generally been better than the peaches. The most common problem we hear about is the fruit has a lessening shelf life at retail and there is more pitting on the fruit skin.

Plums; we are seeing, Friars, Catalina, Simka, Black Amber, Black Diamond, Fortune, Black Fire. All have been good quality and tasting excellent. Flavour Rich Pluots are also in the market, they are delicious, sweet and very juicy.

There are very limited volumes of white flesh fruit in the market. What is here tastes great.

ARRIVALS

Generally steady but shortening of the crops in California is reducing frequency of arrivals

PROMOTION ACTIVITIES

- Instore demos continue in the South Island and Wellington Region
- Pluot demos are being organized for later in the month in Auckland
- Half page articles in August Issue of the cuisine
- One of the organized Pit Popper promotions has unfortunately had to be moved later as fruit supply has been an issue
- All POS and competition info was sent out to our independent stores display competition. This will run from 9th August to the 22nd August

TRADER FEEDBACK

Importers are experiencing good sales. Most say they are on track with similar sales to last year. Quality has been an issue in the last two weeks, but overall, sales are steady and most are happy.

FEATURE SECTION -

We participated in the Auckland Foodshow last weekend. The event is held over a Friday / Saturday & Sunday. We sampled white flesh nectarines to over 25,000 people during the weekend. We also prepared recipes with yellow nectarines, peaches and plums.

To top the event off we won a prize for “Runner Up – Medium Stand National.” In short we got second in the medium stand Award. This was a great surprise.

Comments from visitors were generally very good. Many of the shoppers said they were using the recipe booklet given out last year and many remarked about how good the fruit tasted this year. A lot wanted to know where to get the white flesh fruit. It was outstanding.

Malaysia
Lieu Marketing

GENERAL COMMENTS

For the second time this year, Morgan Stanley has upgraded its 2004 growth forecast for Malaysia's economy (to 6.7%), in view of the country's first-half expansion, which it said was “considerably more than we had expected.” Malaysia's economy expanded 7.6% year-on-year in the first quarter and Morgan Stanley expects an expansion of 7.3% in the second quarter. Although it thinks the economy will moderate in the second half, it said in its report on Malaysia's economy released yesterday, that a further lift in its forecast was warranted, as all the growth engines were cranking.

The Malaysia Prime Minister has also announced that Malaysia's economic growth rate is poised to better the Government's forecast of 6% to 6.5% based on its performance in the first half of this year. He said the growth rate was likely to exceed last year's 5.2%, even if the rate during the second half fell below that of the first half. Malaysia's foreign exchange reserves stood at RM 204.8bil or US\$53.9bil as at June 30. The reserves were sufficient to finance

7.4 months of retained imports and to cover 5.4 times the short-term external debt, a level many economists consider to be among the highest in the world.

MARKET SITUATION

California peaches, nectarines and plums are gaining a better and stronger presence in the Malaysian fresh fruit market. Importers and wholesalers are generally more confident to import the California stone fruits in higher volume and with more types and varieties. Hypermarkets and supermarkets have also begun to carry more California peaches and nectarines than previously. Shelf space allocated has definitely increased and some of the local supermarket that previously did not carry these fruits, are starting to do so. The feedback has been encouraging and this indicates that there is more consumers are starting to purchase these fruits. To further enhance the movement of California peaches and nectarines, we have arranged promotions with major high-end supermarket chains to conduct special GWP promotions on California peaches and nectarines with the pit-poppers. Supermarkets are generally receptive of the idea and willing to incorporate the message into their mailer advertisements to highlight the premium to draw more consumers to their stores.

California is now the number one supplier in the local plum market as there are very few Chilean plums left in the market. The main competition now comes from the Chinese plums with the arrival of a few shipments over the week. Feedback from the importers is that Chinese plums are not a serious threat to the California plum market yet due to their lower quality. However, cheap Chinese plums could find a market among the lower income group of consumers. Most supermarkets have started to have reasonably prominent displays of California plums, with 2 to 3 varieties. California plum promotions have also been tied in with the supermarkets and we will use these promotions to continue to educate consumers on the benefits of eating California plums, which contain a good level of antioxidants. We also want to build a strong consumer preference for the quality and taste of California plums to ensure that Chinese plums do not affect our market share due to their lower prices. It is encouraging to note that wet-market retailers and fruit shops have also started carrying several varieties of California plums. They are pleased with the quality of California plums, which in general have good taste, and they are confident that the fruit will generate good sales this season.

CURRENT ACTIVITY Exchange Rate US\$1.00 = 3.7 Ringgit

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	56 / 2 lyr		0.40-0.65/pc.
Nectarine	CWM	56 / 2 lyr		0.35-0.60/pc.
Plum	CWM	28lb		0.82-0.95/lb

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Plum	China	2.27lb	6.50-7.80	0.68-0.80/lb
Peaches & Nectarines	China	900g Punnet	2.02/900g	2.70/900g
Apple	WA, China	130-150pc. 28pc.	18.9-21.62 7.4-7.80	0.33-0.65/pc. 0.18-0.20/pc.
Grape	Australia	4.5lb	5.5-7.30	0.72-0.85/lb
Kiwifruit	Chile	140pc.	15.0-18.0	0.13-0.18/pc.
Longan	Thailand	4.5lb	8.0-9.5	0.4-0.6/lb

COMPETITION

There is direct competition for California peaches and nectarines from China. Although the Chinese peaches and nectarines are lower priced, they do not have as good a taste and aroma. They are usually packed presentably in nice and attractive punnet packaging to entice consumer-buying decision.

Chinese plums are also available in the market; they are now the only competitors with California plums. The Chinese plums presence, however, is still small and is not seen as a major threat at the moment to California plums that offer better quality and taste.

QUALITY

The quality of California peaches, nectarines and plums received have been good and firm. They are also having good aroma.

ARRIVALS

Arrivals of California peaches, nectarines and plums have improved and will continue to pick up. More varieties of California plums are also being imported into Malaysia and the importers are committed to increase the importation of California plums over the next couple of weeks.

PROMOTION ACTIVITIES

There will be more promotions coming up from August onwards as there are now more and more varieties available in the market. Supermarkets have expressed interest in the California Summer Fruits promotion and most of these promotions will be highlighted in their mailer advertisements. Pit-poppers will be used during the GWP promotions to highlight and increase the sales of California peaches and nectarines.

UPCOMING PROMOTIONS

Date	Products	Chain	Stores	Days
9 – 25 July	Peaches & Nectarines	Jaya Jusco	11	Promo/Demo
30 July-11 Aug	Peaches & Nectarines	Cold Storage	8	Promo/Demo
13 -- 31 Aug	Plums multiple varieties	Giant	54	Promo/Demo
September	Nectarines	Giant	54	Promo/Demo
12– 31 August	Plums multiple varieties	Fajar (Kamunting)	1	Promo/Demo
18 – 31 Aug	Peaches, Nectarines & Plums	Makro	8	Promo/Demo
13 Aug – 2 Sep	Peaches & Nectarines	Xtra Supercenter	4	Promo/Demo
6 Aug – 5 Sep	Plums multiple varieties	SenyumSuper (Melaka Raya)	1	Promo/Demo
6 Aug – 5 Sep	Plums multiple varieties	SenyumHyper (Berendam)	(Bt 1)	Promo/Demo

TRADER FEEDBACK

In general, importers and wholesalers are satisfied with the quality of California peaches and nectarines that they have received this season. Importation of California plums is expected to increase especially now that the season for Chilean plums have ended. Although Chinese plums have made their debut here, their quality is inferior with very mild aroma and taste. The importers are also starting to bring in more varieties of plums.

FEATURE SECTION -

White flesh movement

The white peaches and nectarines are available in the market now. Local consumers generally still prefer the traditional ones at the moment and there is a need for more education and sampling on the white flesh to help increase the awareness and demand for the product. Supermarket retailers are happy with our effort to promote the white flesh with aggressive sampling, using our temporary demonstrators. The use of pit-poppers will further help generate trial purchase as well as increase purchase volume. They are confident that the sales and awareness of white peaches and nectarines will surely increase with our effort to strongly promote the fruits.

Singapore
Lieu Marketing

GENERAL COMMENTS

According to a recent report in the Straits Times, India has become Singapore's fastest-growing trade partner in 2004, overtaking China; a country that trade growth has been very strong in recent years. Two-way trade between Singapore and India posted a strong growth of 54.3 per cent at S\$5.39 billion in the first half of this year, and is set to top S\$10 billion for the full year.

MARKET SITUATION

During this reporting period, six full container loads and another four mixed of California peaches, nectarines, plums and prunes with other fruits were imported. The bulk of the imports were plums and white nectarines and peaches. Importers indicated that most fruits arrived in above average condition with the exception of some white peaches that were a little overripe on arrival. Promotion of California peaches, plums and nectarines has further improved over the last period as well. CTFA initiated in store sampling promotions at various retail supermarket chains, retail sampling at wet market and community healthy lifestyle campaign helped increase consumption and awareness of California Summer Fruits. The promotions and marketing activities boosted importers' confidence and have resulted in higher import volume.

CURRENT ACTIVITY Exchange Rate US\$1.00 = S\$1.65

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Nectarines	CWM	56/ 2lyr		1.21/each
Peach SW	CWM	40 / 2lyr		.76- 1.09/
Peach SW	CWM	18 1lyr		2.12/each
Nectarine SW	CWM	64 v/f		1.18/each
Satum Peach	CWM	56 / 2lyr		.56-1.33/
Plum	CWM	50/55		4.79 / kg
Prune	CWM	80/90		6.00/ kg

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
White peach	China	900gx 10 ^P	18.45	2.36/900g
White nectarine	China	900gx 10 ^P	19.73	2.36/900g
Donut peach	China	900gx 10 ^P	19.09	2.73/900g
White peach	China	48 (4 x12)	15.15	2.36 (4pcs)
Cherries	USA	10 ½	66.67	9.69 kg
Strawberry	USA	-	18.79	2.97 /454g

COMPETITION

China peaches were increasingly found during this period, with increased import volume and distribution at the traditional retail fruit vendors' outlets. Small volume of China nectarines and Donut peaches were also available at selected outlet. Washington Donut peaches were sighted in the last week replacing California Donut peaches. US Strawberry and Cherries are in competition for market share. Malaysian Durians continue to attract consumers with low prices in the last two weeks.

QUALITY

Over all quality for most arrivals was reported as above average. Some SW peaches were more mature on arrivals than others. A couple of decayed peaches were found in selected boxes. White nectarines have one or two decayed fruits in selected cartons at random checks. Plums and prunes were all firm on arrival.

ARRIVALS

Six full container loads of California peaches, nectarines, plums and prunes with another four mixed loads arrived in heavy volume were reported. Light volume of peaches was imported via airfreight.

MERCHANDISING / TECHNICAL ACTIVITIES

Action	# of Times	Sector	Comments
Trade Merchandising	20 per week	Import/ wholesale/Sup retail	Activity on going
Retail Merchandising	45 per week	Retail from vendors	POS display set up

FEATURE SECTION -

White flesh movement and other specialty variety feedback.

Feedback from demonstrators during retail sampling promotions indicated that sales for SW peaches and nectarines has been above expectations with about 70% consumers purchase white flesh fruits after tasting. Merchandising trade visits revealed that movement of white peaches and nectarines at wholesale level was also up to their own set target. Good quality fruits and stable wholesale prices helped importers and wholesalers to move more fruits,

Importer Comments

In spite of competition from China peaches and nectarines, two key leading importers of California Summer Fruits reported that their current estimates showed that they have imported more white peaches and nectarines to date as demands has been good owing to the stable price and mostly above average quality fruits imported. They also mentioned that they imported one or two new varieties of plums to test market. Most importers mentioned that are handling slightly more California Summer Fruits to date

Thailand
Lieu Marketing

GENERAL COMMENTS

The tight on global oil supply is expected to dampen the outlook for the local economy, which has shown signs of weakness in recent weeks. The Commerce Ministry said inflation surged to a 66-month high last month, stoked by record oil prices, a weaker Baht and a cut in subsidies. Headline inflation was 3.1 per cent during the year

through July 2004, its highest level since 1999 as compared with 3 per cent recorded in June.

Core inflation, excluding volatile energy and fresh food prices, was 0.7 per cent during the year through last month, up from 0.5 per cent for both May and June and against 0.2 per cent for each month from February to April. Last month's core inflation was at its highest since April 2002. The ministry raised its inflation projection for this year to a range of 2.5-3.0 per cent from the 2.0-2.5 per cent it had been predicting.

MARKET SITUATION

During the last two weeks, California Summer Fruits dominated the Thai market with white peaches and nectarines and two varieties of plums. There were also more bigger size peaches and nectarines found in the wholesale and retail markets compared to our last report. The overall quality of the current imports have good quality on arrival, however, we received complains that peaches and nectarines have shorter shelf life than they expected. The variety now is White Peach and White Nectarine. The California white peach quality is much better than the Chinese peach. Since the Chinese peach is quite soft and has a lot of brown skin.

We have received requests from some supermarkets chain for education training on California Summer Fruits. Most of their new staff needs to know how to handle as well as promoting peaches, nectarines and plums. Most retail chains are looking forward to start promoting California Summer Fruits in August as several sampling promotions as been confirmed.

CURRENT ACTIVITY Exchange Rate US\$1.00 = Baht 40

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH SW	CWM	20		2.5-3.75/pc
NECTARINE SW	CWM	20		3.75-8.0
PLUM	CWM	45		3.75-9.22
PRUNE	CWM	100		7.5-7.87

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	China	20	7.5-11.5	0.97-1.12
Pluot	USA	45	25.0-30.0	3.75-9.22
Langan	Thai	10kg	5.0-7.5	0.87-1.25
Rambutan	Thai	10kg	2.5-3.0	0.5-0.87
Pear	S.Africa	Each	11.25-12.5	0.87-1.25/pc

COMPETITION

China peaches were in direct competition with California peaches mainly on very cheap retail prices. At present, they are not a big threat to California Summer Fruits. Other fruits that were attracting consumers included local longan, rambutan and durian, which were reported to have a bigger crop this year. Other competition includes USA cherries, grapes, and quite a lot of Chinese apples, South Africa pears and New Zealand persimmon.

QUALITY

The overall qualities of peaches, plums and nectarines from recent imports have been good to average. In some cases, the fruits looked fresh even though some were getting soft. Plums and prunes were mostly shipped via sea freight have above average to average quality.

UPCOMING PROMOTIONS

The following in-store promotions have been arranged;

Date	City	Chain	
Aug 13-24	Bangkok	Tops	
Aug 18-31	Bangkok	Makro	
Aug 18-31	Chonburi	Makro	
Aug 27- Sep 5	Bangkok	Jusco	
Sep 1-12	Bangkok	Foodland	
Sep 6-15	Bangkok	The Mall	
Sep 17-30	Bangkok	Big C	

The first in-store promotion will be held at Tops Supermarket for 12 days, 7 stores during August 13-24. We are planning the promotion to give the pit poppers as premium.

FEATURE SECTION –

White Flesh Movement

Most supermarket retailers report movement of SW peaches and nectarines have been fairly good. However, some customers still think that their retail prices are still high for them to buy more fruits.

CAM Region

Grupo PM S.A. de C.V.

GENERAL COMMENTS

According to the last ECLAC studies, Latin America's economic situation will improve. More specifically the trade balance will improve as a result as an increase in the exports. Besides, the 2004 perspective point out a significant recovery of the direct foreign investment, that will reach 35,000 million dollars levels, after a four consecutive years decrease.

Another significant aspect is the public debt, one of the most important aspects the governments should take care of. During the last years, fiscal policies have been focusing on reducing the deficit and by 2003 the countries situation improved significantly. According to the ECLAC this tendency will continue throughout the second semester of this 2004.

On the other hand, Central America Economic and Trade Ministries and Vi-Ministries will concrete, by 2005, the ambitious regional trade union plan. This process pretends to make easier and faster the movement of goods and services associated with commerce activities. Also as part of this incorporation the Free Trade Agreements signed with Mexico and Colombia will be revised.

MARKET SITUATION

At Retail level, the supermarkets are displaying good California Summer Fruits® exhibitions. Nevertheless, it is important to mention that import data shows that the imports decrease on a 15% compared to last fortnight.

At the traditional sector, California Summer Fruits® are being offered but in not significant quantities. On one hand, some countries local peaches production is negatively impacting CTFA.

Making a brief analysis of the market prices, it can be concluded that they are very competitive. Costa Rica and Nicaragua present the highest retail prices, the reason is Nicaragua pays 45% taxes on imported fruits.

CURRENT ACTIVITY THROUGHOUT THE REGION

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	50-84 vf		0.61-1.87/lb
Peach SW	CWM	64 vf		0.75-0.85/lb
Nectarine	CWM	50-72 vf		0.61-1.87/lb
Plum	CWM	60-90 vf		0.95-1.87/lb
Plum	CUG	55-70 vf		0.61-1.26/lb

COMPETING FRUIT THROUGHOUT THE REGION

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	GT, CR	100 vf	17.00	0.95-1.00/lb
Plum	GT, SP, CR	100-170	15.00-28.00	0.58-0.61/lb.
Apples	CH, WA	70-198	17.00- 27.00	0.68-1.36/lb.
Pears	US, AR, CA	70-135	21.00-30.00	0.65-1.36/lb
Kiwifruit	CH	22 lbs	18.00-20.00	0.80-1.53/lb
Grapes	CA, CH	18-35 #	12.00-35.00	1.00-1.87/lb
S-berries	GT, CA, CR	20 lb,	20.00-29.00	1.49-2.00/lb
Cherry	US		24.00-26.00	2.95/lb
Tangerine	CH	64 vf	19.05	0.61-1.33/lb
Orange	CH	56 vf	22.58	0.47-1.38/lb

COMPETITION

Local peaches and plums are now CTFA's direct competition, mainly in Guatemala and Costa Rica. At El Salvador, local peaches is present in the market but not with significant levels. This fruit is offering a regular quality, small sizes and regular flavor. Peaches from Guatemala are offering a good flavor and its presence in the market is good, mainly at traditional markets.

On the other hand, it is important to mention that on container with Peaches and Nectarines from Spain is expected to arrive to the region.

QUALITY

California Summer Fruits® quality is satisfactory, and importers, supermarkets and consumers are very pleased with it. Only in one country, the importers mentioned that the fruit is arriving more mature than expected, decreasing the shelf-life.

ARRIVALS

California Summer Fruits® imports will continue increasing. On some POS a lack of product has been affecting the markets. Importers commented that they are expecting to increase the volumes for the next days. Beside this, the movement of CSF has been very promising making the importers willing to continue importing.

UPCOMING PROMOTIONS

Date	Type	Chain	Stores	Days
3-8 August	Promotion	Hiper Piaz	6	
15-30 August	Promotion	Mega Super	2	
August	Ads	Selector	55	

TRADER FEEDBACK

Some of the importers that sell directly to supermarkets mentioned that they are looking for bigger sizes in order to make a market differentiation, even when they know prices can be higher.

MERCHANDISING / TECHNICAL ACTIVITIES

Action	# of Times	Sector	Comments
Merchandising	250	<ul style="list-style-type: none"> Traditional sector Supermarkets 	POS setup and delivery Gathering mkt information.

Japan
J. Brain Inc.

GENERAL COMMENTS

Major three banks; UFJ, Mizuho, Mitsui Sumitomo who supported Daiei for its recovery have agreed that they would ask for the support from the Industry Recovery Organization because they judged to need to get the support from them in order to make the fundamental recovery plan. The recovery plan was to emphasize the food and withdraw from the clothing and home products. Along with this news, the stock price of Daiei declined to 156 Yen with -34 yen that was the cheapest price this year. However, Daiei denied that those three banks agreed upon asking for the support to the Industry Recovery Organization.

MARKET SITUATION

General sales movement became active as the demand of the fruits was getting increased for the Obon week (traditional summer holiday week). Watermelon maintained the higher price due to the hot summer and the supply of local peaches and grapes became decreased due to an advanced supply peak affected by the abnormal hot weather. While the local Asian pear grown in field started to supply smoothly.

Local nectarine and plum, prune started to appear among most of retail shops with the smaller sales space.

CURRENT ACTIVITY Exchange Rate US\$1.00 = ¥ 110

Other fruit	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peaches	JPN	5kG	38.18-45.18	2.63/pc
Pear	JPN	5KG	20	2.26/pc
Kyoho	JPN	1KG	12.40	5.27/pc
Delaware	JPN	2KG	9.54-11.45	3.80/pc
Watermelon	JPN	20KG	16.2217.18-	7.09/pc
Melon	JPN	1KG	3.81-19.00	7.25/pc
G Kiwifruit	NZ	1KG	4.00	0.90
Plum	JPN	700g	2.67-3.81	0.47/pc
Nectarine	JPN	5KG	12.40-15.27	1.54/pc
Prune	JPN	400g	1.71-2.39	0.25/pc

COMPETITION

Continued hot temperatures made the sales of produce active among stores because the representative summer fruits like peaches, pear and watermelon gained the better sales. According to major stores, the sales of the fruits in July were 5~10% up over normal. However, there was also the concern among stores that the supply of those fruits might be decreased due to the earlier than normal supply peak especially after the Obon week.

QUALITY

All local summer fruits were reported to be very good this summer benefiting from the hot weather. Due to this, the repeated purchase was made frequently compared to the last season.

ARRIVALS

No shipments have arrived this period.

UPCOMING PROMOTIONS

Upon the import of the fresh prune, in-store demonstrations for fresh prune will be conducted during the weekend of August 7th and 8th. As for the nectarine, the second main in-store demonstration will be planned to conduct during the week of August 16th or after. We are also expecting 2 TV stations to do product interest pieces during lunchtime on or around August 19 and 20. The features are designed to compare the California nectarine and local peach to show the distinct features of both fruit.

TRADER FEEDBACK

Some importers have mentioned that they had quality problems with Summergold. Though they had arrived in good condition to the port, about half showed some degree of rot upon the arrival to retail customers. This did not happen to the Summerwhites in the same load.

Those importers who planned to repeat importing after Obon week mentioned that their customers wanted to repeat selling Summerwhite® due to its good taste and quality

Merchandising / Technical Activities

Have continued to contact importers about doing more importing of nectarines. As the result, some importers decided to repeat importing after the Obon week. Additional promotional support was offered to those importers and have had in touch with them about the promotion schedule.

Contacts were made to 87 importers was made to check if any would import fresh prune and to offer promotional support.

FEATURE SECTION -

All importers highly evaluated the quality of Summerwhite® and also reported the favorable responses from their customers. They all commented that their customers including the retailers started to realize the potential marketability of Summerwhite even during the peach season. They also mentioned that they would like to try more volume next season as they received so good feedback from their customers.

The Philippines
Lieu Marketing

GENERAL COMMENTS

President Gloria Macapagal-Arroyo signed an executive order increasing the tariff on crude and refined petroleum products from three to five per cent. The Department of Energy, and the National Economic and Development Authority were working on the guidelines that would determine the international price level. Meanwhile, the central bank of Philippines (BSP) expects inflation rate to shoot up as high 5.9 per cent in July, against the January-

June average of 4.1 per cent, owing to the spillover impact of rising prices on oil, food and utilities.

MARKET SITUATION

CTFA representative Richard Lieu was in Manila for a trade visit to promote California Summer Fruits from August 04 –06. He reported that California SW peaches, nectarines and plums were readily available in the wholesale and retail markets. Importer, wholesalers and supermarket retailers were pleased to know that there will be merchandising and promotion support from CTFA this season. Earlier, in July, our in-country merchandiser, Enrico Bien and his merchandisers made several trade visits to distribute CTFA variety and handling Charts, and POS such as posters, flag lines and hanging mobiles. During each trade visits, we encourage the trade to import more varieties of California Summer Fruits. At the retail scene, most major supermarket chains are handling three or more varieties of California peaches, nectarines and plums. Most supermarkets expressed their support and are planning to run sampling promotions with support from CTFA once the availability of fruits are confirmed. At the lower end traditional retail vendor's outlets, California plums and SW peaches and or nectarines were found in many selected outlets in the downtown area.

CURRENT ACTIVITY Exchange Rate US\$1.00 = 53 Philippines Peso

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$/kg
Peach	CWM	56/40		4.43-6.60/
Nectarine	CWM	64/ 56		3.58-6.98/
Plum	CWM	55 / 50		4.34/

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	China	48	18.00	2.25/ kg

COMPETITION

China white peaches were in direct competition with California peaches in select retail outlets. Their much lower retail price attracted the lower income consumers. According to traders, those in the middle and higher income group of consumers are willing to buy the better taste and eating quality of California peaches even at higher retail prices. Other imported fruits that were in competition included longan, apples, citrus and grapes.

QUALITY

Most California peaches, plums and nectarines found at wholesale level were described as average to above average. At the traditional retail fruit vendors' outlets, some peaches fruits on display were turning soft owing to the warm weather. Most plums were firm and fresh at the time of trade visit.

Additional Messages:

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