



MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

## July 28, 2006

The prolonged heat wave over the last two weeks in California appears to have broken, which is a welcome relief not only for packers and growers, but the orchards could certainly use a break. Fortunately, there is ample supply of water from the heavy winter rains. Packout of peaches, plums and nectarines has been further delayed by the heat, with many varieties now starting 13-25 days later this year compared to last year. Based on estimates, the industry passed the half way point for peaches and nectarines this week, and plums are approximately 45% completed. This means there will be a healthy supply of PPN available in September, even in to 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).

## Current News

### Update

#### **Fresh California plums finally arrive in China**

The first shipments of California plums have arrived, and based on merchandising visits, the fruit is slowly making its way through the distribution channel. The Guangzhou and Shanghai wholesale markets have some California plums available, but more is expected in the next few weeks. At this point, Hong Kong remains the key port for plums bound for China with most shipments being trans-shipped from there.

#### **New pest of concern for Taiwan: Perseae Mite**

Taiwan will impose a new requirement for exports of California PPN on August 1, where shipments now must be certified free of Perseae Mite. Peaches, plums and nectarines are considered hosts of this mite; however, the mite is more commonly associated with avocados and specifically the leaves of the tree and not the actual fruit. This new rule is expected to have minimal, if any impact on California exports.

## Market Reports

### Mexico

The market for fine fruits continues to be relatively slow in Mexico with summer vacations in full swing. While overall prices are above average, movement has been steady. California peaches are in direct competition at the moment with Chihuahua peaches, but only make up an estimated 35 percent of the market. These local peaches are widely distributed, especially in Guadalajara. California nectarines are available in the wholesale markets, with most warehouses handling this fruit, and nearly all retail stores displaying nectarines. Demand from consumers for California nectarines is reportedly quite good, and demand for plums increased markedly over the past two weeks, especially in Monterrey and Guadalajara. Demand for plums in Mexico City is off at the

moment reportedly due to market prices. Local plums from Puebla include Moscatel, Amarilla and Perfumada, but supplies are becoming limited, and are expected to be out of the market in two weeks.

In terms of quality, some importers are not confident in the shelf life of peaches, but those concerns are also being raised with local peaches. Recent rain in the Chihuahua region has impacted quality, and fruit found recently in the market was only of fair quality with the fruit being soft and having brown spots. California nectarine quality was good with more competitive prices leading to the expectation of increased arrivals in the coming weeks. California plum quality was reportedly excellent in the past two weeks.

## Hong Kong

More supermarkets and wet market stalls in Hong Kong are offering a wider variety of California PPN over the past weeks, which is more typical for the middle of the California season. Supplies are reported to be more constant now with increased sizes found during recent merchandising visits. Average sizes of peaches and nectarines spotted recently were 48-56 with occasional sightings of larger sized fruits. Fresh prunes and pluots from California were also available. At the wholesale level, quantities of peaches, nectarines, plums, prunes and pluots were increasing, with plums (e.g. Hiromi Red, Santa Rosa) leading the way. Some utility grade plums were also found.

A continuous supply of tree fruits from mainland China is available in Hong Kong, especially in the wholesale and wet markets. Branded Chinese donut peaches and nectarines are even available in supermarkets at incredibly low prices and in consumer packs of 10 pieces. Taste and quality are not comparable to California fruit. Indirect competition for California Tao Lee includes watermelon, lychee, longan and melons. Apples and oranges could also be found. The quality of California Tao Lee observed during the past two weeks was quite good, and arrivals to both supermarkets and wholesale markets often came from air shipments.

## Taiwan

As Ghost Month began in Taiwan on July 25, Kaemi, typhoon #5 in the Pacific this summer, arrived the same day. The weather system did not hang around as long as predicted, but still resulted in more damaged crops, roofless houses and powerless neighborhoods. As a result locally grown fruits and vegetables were in short supply and at higher prices. Prices increased from 30% to 80% across most of the local produce due to the typhoon. Demand for imported fruits is quite high at the moment, not only because of the domestic crop situation, but also because of the beginning of Ghost Month. Arrivals of California Tao Lee increased during the reporting period, and sale movement was reported to be smooth. California peaches and nectarines can be found at most retailers, and distribution of California plums increased compared to the first half of July. Nearly all importers visited agreed that consumption of California Tao Lee would be quite heavy during the festival month.

Quality of California Tao Lee arrivals was good, with good taste and appearance. Despite limited reports of some soft nectarines, feedback from the trade was very positive. Regarding competition, the Taiwanese government continued to promote locally grown peaches, but small sizes and short supplies made it difficult to compete directly against California peaches. Some Japanese peaches could be found but with extremely high retail prices and at only up-scale retailers. Other fruits found in the market during the past two weeks included local mangoes, lychees, pineapples and papayas. In terms of imports, cherries, apples and kiwifruits were available.

## China

Reports on the first arrivals of California plums are limited at this time. Fruit was spotted in the Guangzhou and Shanghai wholesale markets. More shipments are expected to arrive in the coming weeks. As the fruit moves through the distribution channel and is available at retail outlets, promotional programs will begin. Chinese stone fruits are widely available in all the major Chinese markets including Shanghai, Shenzhen, and Guangzhou. The quality of the fruit found in Shenzhen was quite good with relatively low prices. Chinese nectarines, green plums, black plums, peaches and donut peaches were found in abundant supplies and at relatively low prices. Even supplies of the large black plums and nectarines were increasing. In Guangzhou, the trade expected to handle more California plums depending on the market situation in Hong Kong, which is not

surprising considering the trade's relative familiarity with California plums. In some retail outlets, there were occasional sightings of domestic produce being mislabeled as imported.

## Singapore

Hungry Ghost month began on July 25 in Singapore, and increasing supplies of California peaches, plums and nectarines could be found, with many expected to be offered as prayers. White-flesh and traditional peaches and nectarines, along with plums arrived by air during the reporting period. Last week also saw the first sea shipment of California plums, and these have penetrated the market and surpassed the remaining Chilean fruit at the wholesale and retail level. Some importers reported that Chilean plums will no longer be available come August.

Chinese peaches and nectarines are currently available in this market, and according to those surveyed the quality of these recent arrivals has greatly improved, posing some serious competition to California fruit. Surprisingly, no Israeli peaches were found during merchandising visits, but some Israeli plums were competing with California plums at a few retail outlets. Other temperate fruits available included cherries, strawberries and custard apples. Popular regional fruits could also be found including: pears, lychees, Thai longans, mangoes and abundant supplies of Thai and Malaysian durians.

## Malaysia

Weekly shipments of California peaches and nectarines by air continue to arrive in Malaysia, but at the end of the reporting period no sea shipments of California plums had arrived yet. Chilean plums can still be found, and the only competition they have are California pluots which are generally only available in the higher-end supermarkets. In addition to white-flesh peaches and nectarines, traditional varieties can be found along with donut peaches. Some white-flesh nectarines are also expected to arrive by sea shortly.

More supermarkets were carrying California peaches and nectarines during the reporting period compared to the first part of July. In-store promotions have been confirmed for the month of August once the fruit arrives in slightly higher quantities. The only direct competition for California fruits are Chinese peaches and nectarines, which are widely available in 900 gram punnets, but are offered predominantly in the medium to lower-end supermarkets, which provides options to the lower income consumers. Feedback from importers, wholesalers and retailers has been consistently positive regarding quality during the reporting period.

## Thailand

Thailand's Deputy Prime Minister announced that the US-Thai Free Trade Agreement negotiations would be on hold until the next general election, which reflects how sensitive the issue has become among Thai society. In terms of recent arrivals, peaches, plums, fresh prunes and nectarines arrived by both air and sea. In general, quality was average to above average for all PPN. Most arrivals are still firm with fresh appearance and various sizes per the importers request. One comparison to last season made by several importers is that white flesh nectarines received in Thailand are smaller this year. Increased supplies of white-flesh peaches and fresh sugar prunes from California were found in both supermarkets and wet markets.

No Chinese peaches were found in the market during the past two weeks which is surprising. The wet market vendors mentioned that consumers are very much aware of the difference between Chinese and California stone fruit. Once they purchase Chinese fruit, they will often not return to the fruit stand. In response, some of these vendors have decided not to carry the fruit. Other competition comes from local fruits, but those supplies are starting to decline. The only major Thai fruit still widely available is the longan from the northern region.

## Indonesia

The US government continues to work with Indonesian authorities on the new import requirements for certain agricultural products, including peaches, plums and nectarines. Very limited shipments are arriving, and the only PPN found in the past two weeks has been at the high-end boutique outlets. White-flesh nectarines and peaches made up the bulk of the imports with some plums arriving via Singapore. Chilean plums are still available in the market at relatively low prices, and Chinese peaches can also be found. The other imported fruits available include Thai longans, lychees and durians. In terms of quality, California PPN looked fresh, while Chilean and Chinese products were over-ripe.

## New Zealand

Importers and retailers expected to have good quantities of peaches and nectarines in the marketplace during the past two weeks; however, shipping delays have resulted in an undersupply in the market. Sales movement has been slow, and overall retail sector growth continues to be slow with a combination of high energy prices, cold weather and only the very recent return of students from their two-week winter holiday. In terms of the quality of California PPN available, reports indicate that the nectarines are only average to good, with nectarines in quite small sizes, but firm, good color and some speckling. Feedback from the trade at this point in the season has been mixed, with expectations for a strong second half of the season.

Sales of regional fresh fruits are slowing down as NZ citrus/mandarins near the end of their season, and the few remaining Australian grapes will be gone shortly. Some good quality Australian navels are available, and NZ kiwifruit can be found in reasonable quantities retailing at very competitive prices. Not surprisingly, local apples are the key movers. Northwest cherries have been in the market for the past few weeks, and based on their very expensive prices, they are more likely indirect competition for PPN. However, California grapes were scheduled to arrive by the beginning of August, and should provide more competition.

## Central America Region

Costa Rica signed the CAFTA trade agreement, but its legislature has still not ratified the agreement. It appears that the rest of the signatories are attempting to take advantage of Costa Rica's absence, and private trade associations are pressuring the government to ratify or risk being left behind.

California PPN were available in Central America during the past two weeks, including Costa Rica, Guatemala, and El Salvador, but the traditional retail markets are carrying only limited supplies of peaches and a few plums. All three commodities are available mainly in supermarkets, and some street markets targeting exclusively high-income consumers. Peaches and plums from California must deal with some degree of competition from Guatemalan peaches and plums. California nectarines have no direct competition. The Guatemalan peaches make up an important market share in the traditional sector with good quality and attractive prices. Still, compared to the 2005 season, the supermarket sector is not carrying as many of these local peaches this year. The local plum is not featured as prominently in the traditional sector due to slow sales movement.

## South America

In Venezuela, California plums and nectarines are now available in decent quantities, but California peaches are quite rare in the market, as the importers continue to have a very difficult time getting import permits. Some importers have resorted to applying for Spanish import permits, and at least three containers of plums and nectarines from Spain should arrive in the beginning of August. Venezuelan peaches have very good quality in terms of appearance and color, but only average eating quality.

The Colombian market is decent for plums and peaches, but nectarines are available in shorter supplies. An interesting development in the Colombian wholesale markets is an apparent preference for the 9kg boxes provided by Spanish shippers, instead of the 13kg boxes from California. Apparently there is some confusion about the per kilogram cost, which California has an advantage. In Ecuador, only peaches are available at limited importers' outlets in Quito. Plums and nectarines should arrive before the first week of August.

# 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 key holidays or festival dates in some of the markets, and brief descriptions of in-country activities.

## Hong Kong

### **Holidays/ Festivals**

- |             |                     |
|-------------|---------------------|
| • October 2 | National Day        |
| • October 6 | Mid-Autumn Festival |

## Taiwan

### **Holidays/ Festivals**

- |             |                                 |
|-------------|---------------------------------|
| • July 25   | Ghost/ Hungry Ghost Month Began |
| • August 8  | Ghost Festival                  |
| • October 6 | Moon Festival                   |

## Colombia

The 2006 program in Colombia will be launched along with the first technical seminar on July 18 in Bogota. Technical seminars will also be conducted over the next two weeks in Cali, Medellin, Barranquilla, Cartagena and Bucaramanga.

## New Zealand

California peaches, plums and nectarines were featured in the children's television program "What Now?" Kids were shown eating California PPN as part of a breakfast promotion, which runs from July 2 through August 30.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CWM	56-72 vf	18.34	1.225
	Nectarines	CWM	64- vf	24.45	1.165
	Plums	CUG	80 vf	25.32	1.9
	Peaches	MX	22 lb.	12.44	0.85
	Apple	WA,MX,	88-135	27.945	0.875
	Kiwifruit	Chile	22 lb.	15.935	1.1
	Strawberries	CA,MX	12 lb.	9.605	1.245
	Table-grapes	MX, Chile	18-20 lb.	14.515	1.2
	Plums	MX	18 kg	8.295	0.62
	Mango	MX	25 kg	9.6	0.39
	Pear	CA-Arg	36-44 lb	29.69	0.83
Hong Kong	Peach	CWM	18-64	18.18 - 36.36	0.45 - 2.34/pc
	Nectarine	CWM	28-64	16.23 - 20.78	0.45 - 2.08/pc
	Plum	CWM, CUG	40-70	15.58 - 18.18	1.56 - 3.25/lb
	Prune	CWM	28 lbs	41.56 - 49.35	1.95 - 3.90/lb
	Cherry	USA	28 lbs	51.95 - 67.53	2.47 - 4.94/lb
	Peach	China	70-88	14.10 - 15.58	0.21 - 0.43/pc
	Apple	WA, China	32-100	12.34 - 20.78	0.16 - 0.52/pc
	Orange	USA	32-45	11.69 - 18.18	0.19 - 0.65/pc
Taiwan	Peach	CWM	18-25 lyr	19.8-30.5	1.0-3.1/each
	Peach	CWM	42-48/vf	-	0.5-0.9/each
	Peach	Local	12-40/box	9.1-24.3	0.35-2.85/each
	Peach	Japan	11-16/box	60.9-67.1	5.5-7.6/each
	Nectarine	CWM	48-84/vf	21.3-30.5	0.3-0.8/each
	Plum	CWM	35-45/vf	24.3-28.9	0.3-0.8/each
	Cherry	WA	20lbs	56.4-67.1	9.1-10.1/kg
	Kiwi	NZ	30-33	9.1-13.7	0.3-0.5/each
	Apple	Chile	80-113	36.6-45.7	0.30-1.07/each
Singapore	SW Peach	CWM	56	39.2	1.33 - 1.46 pc
	SW Nectarine	CWM	56/64	46.66	1.20 - 1.33 pc
	Peach	CWM	56	39.2	1.33 - 1.46 pc
	Plum	CWM	80	55.3	5.93 kg
	Nectarine	CWM	56	40.63	1.33 pc
	Donut Peach	CWM	32	40	1.88 pc
	Angeleno Plum	Chile	60	21.71	2.33 kg
	White Peach	China	L 3x24pcs	26.67	1.67 3pcs
	White Peach	China	900g	1.66	1.97 - 2.33 -900g
	Donut Peach	China	900g	1.66	1.97 - 2.33 -900g
	Plum	Israel	10x900g	15.337	1.87-900g
	Strawberry	USA	8x454g	23.3	4.00 /455g
	Cherry	USA	8.2kg	80	13.33 kg

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Malaysia	Peaches	CWM	56-64 vf	38.0-44.7.0/carton	1.10-1.83/pc
	Nectarines	CWM	62- 70vf	38.0-44.7.0/carton	1.10-1.83/pc
	Donut Peaches	CWM	56-84	45.0-68.0/carton	1.35-2.65/pc
	Peach sw	CWM	56-64/vf	38.0-44.7.0/carton	1.10-1.83/pc
	Nectarine sw	CWM	64-88/vf	38.0-44.7.0/carton	1.10-1.83/pc
	Peaches	CHINA	900g	18.0-23.0/carton	2.38-3.28/900g
	Nectarines	CHINA	900g	18.0-23.0/carton	2.38-3.28/900g
	Donut Peaches	CHINA	900g	20.8-23.1/carton	3.18-3.40/900g
	Apple	WA	88-135	19.4-25.2/carton	0.25-0.38/pc
	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
	Plum	CHILE	4.5lb.	0.42-0.68/lb.	1.12-1.6/lb.
Thailand	Peach	CWM	18-21/1lyr	30.0-45.0	2.47-3.75/pc
	Nectarine	CWM	55-60	50.0-55.0	7.37-12.25/kg
	Black Plum	CWM	40-55	55.0-57.5	7.37-13.75/kg
	Red Plum	CWM	40-55	47.5-52.5	7.37-13.75/kg
	Prune	CWM	50-60	55.0-62.5	7.0-9.87/kg
	Grape	US	10/kg	37.5-50.0	4.97-11.0/kg
	Grape Fruit	Australia	16-18/1lyr	20.0-25.0	2.12-2.5/pc
	Pear	S Africa	10/kg	17.5-20.0	2.5-3.0/kg
	Longan	Thailand	10/kg	4.5-5.5	0.75-1.12/kg
	Rambutan	Thailand	10/kg	3.75-5.0	0.62-0.8/kg
Philippines	Green Apple	USA	80	25.50/box	0.50-0.55/pc
	Red Apples	USA	#90-198	25.50/box	0.50-0.55/pc
	Longgan	Thailand		13.00/box	3.60-3.80/kg
	Grapefruit	Argentina	#50	16.00/box	0.40/pc
	Pears	China	#36-96	11.00-14.00/box	2.00-2.20/kg
	Ponkan Orange	China	#88	16.00-18.00/box	0.30-0.35/pc
	Navel Orange	Australia	#88-138	21.00-26.00/box	0.40-0.45/pc
	Hangrove Orange	Australia	#138	18.00/kg	0.40-0.45/pc
	Pomelo	Philippines		1.50-2.25/kg	2.00-3.50/kg
	Mango	Philippines		1.40-1.48/kg	1.80-2.00/kg
	Pineapple	Philippines		0.10-0.60/kg	0.30-1.12/pc
	Banana	Philippines		.40-.90/kg	0.30-1.60/kg
United Kingdom	Peaches	Spain	loose	\$6.51	\$1.09 or 3 for \$1.86
	Peaches	France	loose	\$7.90	\$0.91
	Peaches	Italy	tray	\$8.37	\$3.70 x 4
	Peaches	France	tray	-	\$4.61 x 4
	Peaches	French	tray	\$7.90	\$4.63 x 4
	Peaches	Spain	punnet	\$6.51	\$2.77 x 6
	Donut Peaches	California	tray	-	\$3.70 x 4
	Peaches	Italy	punnet	\$8.37	\$3.70 x 8
	White Nect	Italy	tray	-	\$3.32 x 4
	White Nect	Spain	loose	\$9.30	\$1.09 or 3 for \$1.86
	Nectarines	France	loose	-	\$0.72
	Nectarines	Italy	tray	\$8.37	\$3.70 x 4
	Nectarines	France	tray	-	\$4.61 x 4
	Nectarines	Spain	tray	\$9.30	\$3.70 x 4
	Nectarines	France	tray	-	\$4.63 x 5

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
China	Red Plum	China	Bulk Pack	0.94--1.19/500G	2.10---2.38/500G
	Black Plum	China	Bulk Pack	0.32--1.00/500G	1.12---2.25/500G
	Hongxin Plum	China	Bulk Pack	0.30---0.75/500G	0.37---0.60/500G
	Donut Peach	China	Bulk Pack	0.17---0.25/500G	0.31---2.00/500G
	Peach	China	Bulk Pack	0.13---0.15/500G	0.30---0.65/500G
	Nectarine	China	Bulk Pack	0.21--0.44/500G	0.85--3.00/500G
	White Peach	China	Large, 36	15.63--16.25/BOX	1.50---2.37/500G
	White Peach	China	Small, 48	13.75--14.38/BOX	1.40---1.76/500G
	White Peach	China	Bulk Pack	0.11---0.25/500G	0.31---1.03/500G
	Yuhuang Plum	China	Bulk Pack	0.21---0.25/500G	0.31---2.00/500G
Peach	China	Bulk Pack	0.22--0.25/500G	0.38---1.13/500G	
New Zealand	Nectarines	S Brite	72	\$1.08	\$1.66
	Nectarines	S Brite	64	\$1.09	\$1.66
	Nectarines	H Kiss	64	\$1.09	\$1.66
	Peach	June Flame	64	\$0.98	\$1.66
South America	Peaches-VZ	USA	56	N/A	5.83-6.81
	Nectarines-VZ	USA	56	39.53	7.32
	Plums-VZ	USA	60-65-70	39.53	3.65-5.83
	Peaches-VZ	Venezuela	N/A	N/A	1.81-2.46
	Melocoton-VZ	Venezuela	N/A	N/A	2.51-3.72
	Peaches-CO	USA	64-72	21.05-27.12	1.05-2.65
	Nectarines-CO	USA	64-72	22.67-26.31	1.68-2.63
	Plums-CO	USA	80	23.48-25.91	1.88-2.64
	Peaches-EC	CWM	72-85	23.00-25.00	2.68-3.32
	Peaches-EC	Perú	80	13.00-14.00	1.00-1.50
	Apple-EC	Chile	113-125	14.00-15.00	1.13-1.33
	Kiwifruit-EC	Chile	10 kl	13.00-14.00	1.95-2.16
	Orange-EC	Perú	56	10.00-11.00	1.70-1.88
	Orange-EC	Chile	110	18.00-20.00	1.70-1.88
	Orange-EC	Ecuador	100	2.00-3.00	40 unidx 1 dólar
Valencia-EC	USA	88-113	22.00-25.00	2.08-2.50	
Central America	Peach-GT	CA	64-72	21.14-22.46	1.30-1.32
	Nectarine-GT	CA	70-80	21.14-27.74	1.18-1.46
	Plums-GT	CA	80	27.45-30.38	1.46-2.05
	Peach-GT	GT	80	15.36-18.25	0.65-1.31
	Plums-GT	GT	90	16.23-18.87	0.65-0.86
	Apples	WA	56-163	16-24.31	0.95-1.43
	Apples	Chile	80-175	23.03-34.94	0.81-1.37
	Pears	Chile	80-90	25.43-27.32	0.88-1.26
	Pears	Arg	70,80	32.68-33.07	0.87-1.26
	Grapes	CA	18 lb	36.45-42.48	1.51-2.36
	Grapes	Chile	18 lb	21.04-31.05	1.12-1.87
	Kiwi	Chile	88	21.35-23.58	1.13-2.05
	Legend	CWM	Cal Well Mat®		MX
USM		US Mature		Aus	Australia
CUG		California Utility Grade		NZ	New Zealand
EC		Ecuador		Sp	Spain
CH		Chile		Thai	Thailand
CO		Colombia		GT	Guatemala
	WA	Washington		Mal	Malaysia