



MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

June 23, 2008

As the end of June approaches, harvest is in full swing with almost 25 percent of the season's estimate already packed. The number one white-flesh peach variety this period will be Galaxy, followed by Ice Princess. Temperatures will remain in the mid to upper 90s throughout the week—a relief after triple-digits this past weekend.

Overall, export markets are doing well, with availability and market share of California peaches, nectarines, and even plums increasing. Plum volume remains relatively low in most markets, but exports are expected to pick-up as key varieties, including Blackamber, Hiromi Red and Tulare Giant become available. Overall feedback on quality has been positive, which is great news for our early season varieties. Promotions are underway, and will continue throughout the season to drive demand for fresh California PPN.

Current News

Typhoon Fengshen now Tropical Storm

Typhoon Fengshen ripped through the Philippines over the weekend, killing as many as 155 people, not including some 800 people missing from a ferry that capsized on Saturday during the height of the storm. According to Accuweather.com's Steve Penstone, Typhoon Fengshen was downgraded to a tropical storm as it moved into the South China Sea. As of Monday morning (June 23), Fengshen was located approximately 360 miles south-southeast of Hong Kong, moving northwest at 10 mph. The center of the tropical storm is expected to pass through the Taiwan Strait from Tuesday through early Thursday. The forecast will bring heavy rain, damaging winds and flooding to coastal areas of southeast China with the potential of hitting Taiwan.

2008 Farm Bill Passed

The complete \$290 billion farm bill is final, after Congress enacted the legislation for a second time last week. Most of the bill was enacted in May, but a clerical error mistakenly left out 34 pages of the bill—34 pages that included foreign aid programs. For the second time, the Senate voted 80-14 to override President Bush's veto, two-thirds majority necessary to enact the original and complete legislation. Bush again vetoed the bill on Wednesday, but the House voted 317-109 to override and enact it. The 2008 Farm Bill includes 2007 level funding for the Market Access Program to aid in export marketing.

Market Reports

Mexico

Volumes of California peaches and nectarines continued to increase over the past two weeks, and now representing approximately 80 percent market share. All wholesalers are now carrying at least some California stone fruit. Nectarines are slightly lagging behind last year's volumes through this point in the season, but peaches are more than making up the difference. Quality has received good reviews from the trade. Availability at retail outlets has improved, with demand for peaches leading the way. As packout of California plums increases, supplies are beginning to show up in Mexico. Chihuahua peaches can be found in the three main cities of Monterrey, Guadalajara, and Mexico City but have not yet hit their peak. Sonora peaches are expected to be available for the next two weeks, and an interesting note, organic peaches from Sonora were recently spotted. Finally, Chilean plums can be found, but the trade does not expect any more shipments this season.

Hong Kong

In addition to the terrible Sichuan earthquake, Southern China received torrential rainfall recently causing widespread flooding. The weather also hit Hong Kong impacting fruit sales. Supermarkets, fruits stores, and gourmet stores are carrying limited supplies of peaches, plums, and nectarines. Only a few wholesale outlets are carrying PPN, but supplies are expected to increase with the first ocean shipments in early July. Kiwis from Italy, New Zealand, and Chile can be found, along with Sunkist oranges and Washington cherries.

Taiwan

Demand for fresh fruits was strong during the Dragon Boat Festival, resulting in good sales of California peaches and nectarines. Small-sized peaches found in hypermarkets had strong turnover due to a relatively lower price. Torrential rains in southern Taiwan caused damage to local fruits and vegetables, and prices for these crops, including lychees, watermelons, and mangoes reported to increase by 20 percent. California nectarines available, only in limited volumes, had steady movement; more supplies will arrive by the end of June. Feedback from the trade indicates that quality of ocean shipped peaches so far, is much better this season. Some Chilean plums and pluots were found during the Dragon Boat festival, but inventories should dwindle shortly. Local peaches were found but in limited supplies. Currently, the major imported competition is kiwis and durians.

China

Continued rain in Guangzhou slowed sales of all fruits and vegetables during the past two weeks. A few Chilean plums spotted in Guangzhou were the only imported stone fruits found throughout China, and wholesalers and retailers had limited interest in handling these late season fruits. According to the interviewed trade, forecasts for local stone fruit production are expected to decrease by up to 20 percent due to the very cold winter and heavy snowfall earlier this year. Still, Chinese stone fruits dominate the markets further to the north including Shanghai and Beijing. Peaches, plums, and nectarines produced in several different growing areas could be found.

Singapore

Inflation in Singapore, much like the rest of the world, has the potential to impact consumer's food purchase decisions, impacting sales of imported fruits. However, the majority of the trade is optimistic about sales of California PPN this summer. Volumes of California peaches and nectarines increased in Singapore during the past two weeks, highlighted by donut peaches and white-flesh nectarines gaining more display space. Shipments arrived by air, including the first plums in the market. The first volumes by sea should land by early July. Malaysian durians are beginning to flood the market, making it extremely competitive for all fruits.

Malaysia

The significant increase in transport costs have impacted the size of early season orders, resulting in only air-freighted supplies of peaches, nectarines, and some plums from California. However, many major hypermarkets and supermarkets are carrying peaches and nectarines. In fact, even some organic peaches were spotted in a few outlets. Late Chilean Angelenos are available in good volumes, but will decrease as more California plums come on line.

Thailand

Although, air shipments to Thailand started earlier this year than 2007, California PPN is not yet available in wet markets. However, the first ocean shipments are reported to arrive by mid-July. According to feedback from the trade, quality of California fruit received so far has been quite good, including mostly white-flesh peaches and nectarines, along with a few red and black plums. It's amazing but some late Australian plums were found in some high-end retail chains, but were not expected to be available much longer. Grapes from Mexico, Australia and Chile can be found, along with huge volumes of local rambutans, lychees, and longans.

Indonesia

Some white and yellow-flesh peaches and nectarines, donut peaches, and a few red plums were found in several high-end retail outlets and fruit shops in Jakarta. The air shipments arrived in good quality and in a range of sizes. The major imported fruits available at the moment are Washington apples, Chinese fujis, and Australian grapes, although Thai durians are popular with both consumers and retailers.

United Kingdom

Russia's increase in demand for European stone fruit can be felt to some degree in the UK market this summer, resulting in tighter supplies. Still, the UK continues to be an important market for European stone fruit exporters and despite poor weather conditions, particularly in Spain, peaches, plums, and nectarines from Spain and Italy currently dominate the market. While quality has been varied to date, the trade is expecting it to improve in the next few weeks.

Upscale retailers continue to carry California peaches and nectarines, with some early plums. Israeli stone fruit is also in demand with several new varieties already in the market, and others expected shortly, including Aromacots, Plumegrante plums, yellow plums, and mango-flavored nectarines. Italian cherries are abundant, while Spanish cherries have been impacted by weather. Also, it's important to note that strawberries are coming on strong, in terms of production and promotion as Wimbledon approaches in less than two weeks.

New Zealand

The first ocean shipment to New Zealand arrived, significantly increasing supplies of California peaches, plums, and nectarines. To date, yellow peaches, white and yellow nectarines, and some red plums can be found in retail and wholesale outlets. Quality of the early season arrivals received very positive feedback. Currently, promotions at retail include Chilean and Australian grapes, New Zealand mandarins and apples. California cherries and apricots are available in good supplies, but movement is average with relatively high prices. Still historically high, the NZ dollar weakened slightly against the US dollar; giving New Zealand exporters some relief.

Central America Region

Chilean plums are widely available in the region still impacting any early plum shipments, but California peach and nectarine volumes moderately increased since the last report. Honduras and Nicaragua were the only countries not reported to have California stone fruit to date, but arrivals to those countries should be made shortly. Small sizes have been noted by some of the trade along with mixed reviews on eating quality. Still, overall feedback has been positive, and volumes are expected to increase as the season progresses. In terms of

direct competition, some Mexican peaches were found in Costa Rica, and local plums were found in both Costa Rica and Guatemala.

South America

In Colombia, supplies of California peaches and nectarines were expected to arrive by air last week. Of the limited volumes in the market, feedback on quality has been good. Few Chilean plums are available at wholesale and retail but quality was below average. In Ecuador, the first mixed loads of California peaches, plums, and nectarines were expected last week. Local peaches and small volumes of Peruvian peaches are available, along with unexpected volumes of Chilean peaches. In Panama, California yellow-flesh peaches and nectarines are available, with overall-positive feedback from the trade. As for Venezuela, there has been no change in the market situation, but some reports indicate the first shipments may arrive by mid-July. Local Venezuelan peaches are available but with inconsistent size and quality. Some Chilean peaches and plums are available in the market, specifically at retail, though quality is poor.

Promotional Highlights

General

This section of the report highlights various promotional programs and/or events that are traditionally important for our fruits. Listed below are several brief descriptions of in-country activities. Promotional programs have begun and will continue to increase over the next month as more fruit enters the international markets.

Be sure to visit the new International section on the PPN Network Download Center at www.eatcaliforniafruit.com. On the download center you will find downloadable POS material from many different countries. Additional file formats may also be available upon request.

Mexico

On May 31 and June 1, CTFA hosted two workshops at the Expo Radio Mujer Event. Hosted by a nutritionist, the first workshop provided information on the benefits of California PPN and the importance of correctly feeding a baby during the first stages of eating solid foods. The second workshop featured a chef and the ease of preparing delicious home-made cocktails with California peaches and nectarines. Over 3,500 people attended the expo.

Taiwan

Retail cooperative promotions are underway with several large chains featuring California Tao Lee in their direct mailers. Additionally, one of the chains featured California Tao Lee in their TV commercial campaign, which ran for five days.

China

Technical seminars were conducted from June 16 through June 20 in three major cities in China. The seminars hosted more than 170 participants from 12 retailers, providing information on storage, handling, and merchandising techniques for California plums.

Malaysia

In-store promotions with one leading supermarket chain began June 15 and will continue through June 30. Two other supermarket chains will be conducting in-store promotions starting June 26 continuing through July 6.

South America

Technical seminars were conducted from June 2 through June 7 throughout Panama. Over 300 participants, including retail employees, produce managers, importers and customers learned information on fresh California PPN, including proper handling and storage techniques.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	64-72 vf	23.27	1.78
	Nectarines	CA	64	22.31	1.69
	Plums	CUG	80	22.47	1.35
	Peaches	MX	22lb	13.33	1.38
	Apple	WA	88-100-125-135	31.92	1.14
	Kiwifruit	CH	22lb	25.51	2.38
	Strawberries	CA	12lb	14.12	2.37
	Strawberries	MX	19.2lb	7.70	1.77
	Table-grapes	MX	21lb	16.34	1.21
	Table-grapes	CH	18-20lb	22.07	1.54
	Plums	CH	18kg		2.00
	Mangoes	MX	25kg	11.03	0.42
	Plums	MX	18kg	9.83	0.69
	Pears	Arg	36-44lb	30.71	1.01
	Pears	WA	70-80-90	30.89	0.85
	Apricots	CA	8,12-60	22.55	1.25
	Hong Kong	SW Peach	CA	48 - 64	32.47 - 36.36
Peach Donut		CA	15 - 28	17.94 - 34.61	1.27 - 2.30/pc
Peach		CA	48 - 64	32.47 - 36.36	1.14 - 1.53/pc
SW Nectarines		CA	56 - 64	29.48 - 32.05	1.14 - 1.53/pc
Nectarines		CA	56 - 64	25.64 - 30.76	1.14 - 1.79/pc
Plum		CA	64 - 74	N/A	0.44 - 0.88/pc
Cherry		US	18 lb	61.53 - 71.79	3.59 - 4.87/lb
Grapes		AUS	18 - 21 lb	20.7 - 30.76	1.28 - 1.92/lb
Apples		WA,CH	40 - 88	11.04 - 24.67	0.19 - 0.46/pc
Orange		USA	56 - 113	19.23 - 28.85	0.19 - 0.52/pc
Kiwifruit		NZ	80 - 100	15.38 - 24.36	0.31- 0.51/pc
Taiwan	Donut Peach	CA	#13-#18	29.61-37.83	1.97-3.9/each
	SW Peach	CA	#18-#24	31.25-41.12	1.62-3.10/each
	SW Nectarine	CA	#64-#84	27.96-32.89	0.41-0.7/each
	Plum	CH	9Kg	13.16-16.45	1.83-2.47/kg
	Pluot	CH	9Kg	13.16-16.45	1.83-2.47/kg
	Taiwan Peach	TW	#8-#10	4.93-6.58	0.45-0.9/each
	Japanese peach	JP	#5	42.76	9.0-14.5/each
	China-Shanghai	Nectarine	China	Medium 6-10kg	4.29-12.86/box
Peach		China	Medium10-15kg	3.71-20.56/box	0.28-1.85/500G
Plum		China	Small 15kg	5.14-12.3/box	0.17-0.41/500G
Black Plum		China	Medium4.5-5kg	6.43-11.2/box	0.71-1.00/500G
Red Plum		China	Medium4.5-5kg	9.00-11.4/box	1.00/500G
China-Guangzhou	Nectarine	China	Large 70-75kg	14-21.42/box	1.19-1.82/500G
	Peach	China	Medium/Bulk	0.63-0.7/500G	1.12-2.1/500G
	Pluot	Chile	Big 46-58kg	25.71-28.57/box	2.14-3.08/500G
	Plum	Chile	Medium 46-58	21-22.40/box	1.68-2.35/500G
	Plum	China	Small/Bulk	0.28/500G	0.42-0.5/500G
	Black Plum	China	Small/Bulk	0.43/500G	
	Red Plum	China	Big 60-70kg	14-16.8/box	1.33/500G

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Singapore	SW Peach	CA	48/56 2lyr	51.85	1.85
	Dounut Peach	CA	56 2lyr	53.33	1.48 / *0.74
	Peach	CA	40 lyr	56.3	2.07
	SW Nectarine	CA	56/64 v/f	57.78 / 55.56	1.48 / *1.07
	Plum	CA	50-55	54.07	6.59 kg
	Apricot	CA	10 kg	59.26	4.81 -454g
	Cherry	CA	10	66.67	8.07 -454g
	Strawberry	US	454g x8	28.15	5.59
	Grapes	AUS	10kg	29.62-33.33	4.37-5.85
	Black Plum	Chile	50	22.22	2.89
	Persimmon	NZ	28	23.7	1.33
	Kiwi	NZ	6-10 kg	37.78	0.56-1.11 pc
	Durian	Mal			5.93 kg
Malaysia	Peach	CA	40-44 vf	58.0-62.0/carton	1.60-1.90/pc
	Nectarine	CA	40-44 vf	58.0-62.0/carton	1.60-1.90/pc
	SW Peach	CA	40-44 vf	58.0-62.0/carton	1.60-1.90/pc
	SW Nectarine	CA	40-44 vf	58.0-62.0/carton	1.60-1.90/pc
	Plum	CA	30-35/vf	58.0-62.0/carton	1.60-1.90/pc
	Plum	Chile	48-78	15.00-16.00	030-0.40/pc
	Table Grape	Aus, Chile	9.5-10kg	19.30-28.50	2.25-3.50/kg
	Orange	CA, AUS	125-180	24.50-28.32	0.16-0.30/pc
	Apples	NZ, SA, WA, CN	60-163	24.90-35.00	0.15-0.60/pc
	Thailand	SW Peach	CA	48-56	59.79-117.94
Plum		CA	35-50	70.66-89.54	9.06-11.48/kg
Black Plum		Aus	40	51.71-59.04	6.63-7.57/kg
Kiwi		NZ	18/2lyr	11.66-18.79	0.54-0.87/pc
Apple		WA	15/2lyr	8.1-13.5	0.45-0.75/pc
Rambutan		Thai	10/kg	3.6-4.8	0.45-0.60/kg
Lychee		Thai	10/kg	14.48-18.66	1.81-2.27/kg
Indonesia	SW Peach	CA	48	70.70	11.51
	Peach Donut	CA	44	67.48	23.56
	Peach	CA	48	70.70	11.19
	Plum	CA	60	94.26	11.62
	SW Nectarine	CA	48	70.70	11.51
	Nectarine	CA	48	70.70	10.61
	Plum	CH		80.34	11.51
	Peach	JAPAN			91.05
United Kingdom	SW Nectarine	CA	4 pack		5.87
	Nectarine	CA	4 pack		5.87
	Nectarine	Sp, Italy	4 pack	9.24-11.97/per 4kg	3.32-4.87
	Peach	Sp, Italy	4-7 pack	9.26-9.35/per 4kg	2.51-3.12
	Peach	CA	4 pack		4.89
	SW Peach	CA	4 pack		5.87
	Plum	Sp, Israel, Aus	500g	10.72 per/5kg	1.94-3.91
	Plum	CH, Sp, AUS, Israel	per kg	10.72-11.70/per	9.78-9.82
New Zealand	Nectarine	CA	60/64 Vf 11.2kg	1.2	1.6
	SW Nectarine	CA	60/64 Vf 11.2kg	1.2	3.5
	Peach	CA	54/56 8.0kg	1.7	3.5
	Apricots	US	70/72 6.8kg		4.6
	Cherries	US	10/10.5 Row	4.1	5.43 - 7.82
	Mandarins	NZ			1.2
	Grapes	CH, Aus			1.7
	Kiwifruit	NZ	large		1.1

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Central America	Peach	CA	64-72	33.07	1.99
	Nectarine	CA	64-72	34.78	2.45
	Peach	MEX, GT	64		1.62-2.2
	Plum	CH	48-78	25.12-29.12	1.62-1.78
	Plum	GT, CR	small		0.95
	Apples	CH,US	80-198	25.87	0.91
	Grapes	CH	18 lbs	33.83	1.82
	Pears	CH, US, ARG	100-150	27.81	1.45
	Kiwifruit	CH	33	26.21	2.24
	Oranges	US	56-72	29.14	0.78
	Strawberries	GT, CR			1.99
	Mandarin	PR, CH	150	27.84	1.87
	Persimmon	CH	24	17.22	2.92
	Cherries				1.60
Colombia	Peach	CA	Box x 11 kl	47	3.08 p/Lb.
	Nectarine	CA	Box x11 kl	47	3.00 p/Lb.
	Pinapple	CO		12.00 p/12 box	0.80 p/unit
	Guayaba	CO		8.00 p/16 lb box	0.60 p/unit
	Mango	CO		15.00 p/35 lb box	0.5
Ecuador	Peach	CH			\$4.16
	Orange	US		\$18.00-20.00	\$2.31-2.80
	Mango	EC		\$18.00-20.00	\$2.10-2.31
	Pineapple	EC		\$10.00-12.00	\$0.55-0.60
	Orange	EC		100/\$4.00	\$0.05-0.10 u
	Papaya	EC		\$13.00-15.00	\$1.65-1.80
	Melon	EC		\$10,00-12,00	\$1.60-1.70
Panama	Nectarine	CA			0.48 - 0.56 per unit; 2.08/lb
	Peach	CA			0.35 - 0.45 per unit; 2.08/lb
Venezuela	Peaches (Durazno)	Venezuela			3.10-6.51
	Peaches (Melocotón)	Venezuela			3.67-7.90
	Plum	Chile	44	55.81	11.62-14.41
	Melon	Venezuela			1.47-4.13
	Pineapple	Venezuela			1.39-2.69
	Mango	Venezuela			1.16-4.65
	Watermelon	Venezuela			0.93-2.32
Canada	Peach/Nectarine	CA	per pound	0.97 - 1.49	0.99 - 2.99
	SW Peach/Nect	CA			1.27 - 2.99
	Plum	CA	per pound	1.38	1.48 - 1.99/lb
	Apple	WA, Chile, S. Af.	per pound	0.75 - 0.99	1.5
	Apple	Canada			3.99/4# bag
	Pear	NZ, Arg, Chile, S. Af	per pound	0.79 - 0.97	1.29 - 1.99
	Grapes	CA, Mex	per pound	0.99 - 1.49	1.28 - 2.99
	Oranges	CA		1.97/3# bag	3.00/3# bag
	Strawberry	CA, Canada	1# clam, quart	1.67-2.5	1.50 - 2.99
	Blueberries	NJ	pint	1.99 - 2.50	1.99
	Cherry	CA	per pound	2.97	2.88 - 3.99
	Cantaloupe	CA, CAM	Jbo each	0.97 - 1.99	1.99 - 2.99
	Honeydew	Mex	Jbo each	1.00 - 1.47	1.99 - 2.99
	Watermelon	Mex		2.97 - 2.99ea	0.99/lb/2.99 - 3.99ea
Mangos	Mex	each	0.44 - 0.78	0.69 - 1.00	

Legend	
Arq	Argentina
Aus	Australia
CH	Chile
CN	China
CO	Colombia
CR	Costa Rica
CA	California
CUG	California Utility Grade
CWM	Ca Well Mature®
EC	Ecuador
GT	Guatemala
JP	Japan
Lyr	Layer
Mal	Malaysia
MX	Mexico
NZ	New Zealand
NZ	New Zealand
SA	South Africa
Sp	Spain
SW	Summerwhite®
Thai	Thailand
TW	Taiwan
USM	US Mature
Vf	Volume fill
VZ	Venezuela
WA	Washington