



MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

## September 30, 2005

Shipments have begun to wind down for the 2005 season, but reports from a majority of the trade around the world indicate demand for California peaches, plums, and nectarines remains steady. Few promotions and marketing programs remain for this marketing season.

### News

#### **Wal-Mart to make huge Central America entrance**

According to CNNMoney.com, Wal-Mart will purchase 33.3 percent of Central American Retail Holding Company (CARHCO) from the Dutch retailer Royal Ahold. Prior to the deal closing, Ahold was the largest retailer in the region. John Menzer, the CEO of Wal-Mart International, said, "We believe our investment will add strength to the partnership by helping to keep prices low for consumers and will offer new opportunities to suppliers in the region for additional business development." CARHCO has 363 supermarkets and other stores in Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica, with over 20,000 employees.

### Market Reports

#### Mexico

Wholesalers in Mexico continue to prefer non-fumigated California peaches. While some have arrived with excellent quality, those that have been fumigated often show some black spots and even black pulp according to local traders. Local peaches continue to make up approximately 40 percent of the market, and prices remain stable. Amarillo peaches have arrived and sales have been decent owing to competitive pricing, but overall quality was only average and should not be considered as direct competition for California. While local plums constitute only 20 percent of the market, retailers have been pleased with their good quality and low prices. The availability of California nectarines has been tied closely to peaches, but the majority of California stone fruit is made up of plums and peaches.

#### Hong Kong

Good supplies of California fresh prunes can be found Hong Kong, while the supply of other California Tao Lee varieties continues to decline. The attractive price and good quality of prunes has contributed to above average movement. At local supermarket outlets, California peaches, plums, and nectarines can still be found, but the size of peaches and nectarines are smaller than average. In the wholesale markets, only plums and prunes could be found during the last reporting period. Plums could be found occasionally in wet markets, but supplies were less than those found earlier in September.

California Tao Lee varieties were featured in fruit baskets during the mid-Autumn Festival period. The most popular choices included premium plums and pluots. The most popular plum was the Emerald Beaut. In terms of competition there were large supplies of pears and grapes. Multiple varieties of pears (e.g. Crystal, Royal Crown, and "Feng Shui") were available from multiple origins and in various sizes. Red, green, and black grapes were

found throughout Hong Kong, and some Chinese prunes were spotted. These mainland prunes were small and the quality was generally perceived as poor.

## Taiwan

Sales activity during the Moon Festival was strong for California peaches, plums, and nectarines and all visited traders confirmed the quick movement of California Tao Lee. The fresh fruit market turned quickly after the Festival which was not unexpected, but the traders remained committed to carrying supplies of California Tao Lee through the end of season. The market slow down was aided by another typhoon, this time a Super Typhoon and not many imported fruits were expected. One interesting development during the Festival was the poor quality of Washington peaches shipped via air.

## Singapore

According to reports from the trade during the Moon Cake Festival, more California peaches and nectarines were sold this year than 2004. There was good movement of white flesh peaches and nectarines about one week before the festival, and a few wholesalers even ran out of supplies of California white peaches. Over 70 percent of the retail vendors visited handled Summerwhite® peaches during the festival, and approximately 50 percent also handled white nectarines and plums. It is clear that the emphasis from retailers has been on California peaches and nectarines, but most retail chains handled up to four or five varieties of California stone fruit in the last two weeks.

During the reporting period ending September 30<sup>th</sup>, two container loads of California plums, prunes, and nectarines arrived along with the weekly air shipments of white peaches. Importers have been generally satisfied with the quality of the shipments in the last two weeks. The lone exception was some prunes which arrived soft. Chinese white peaches were found at select supermarkets in direct competition to California peaches. Apparently the quality of recent Chinese shipments has improved in terms of appearance, but taste continues to be an issue. Other fruits found in Singapore were several varieties of Chinese pears, apples from New Zealand, China, Chile, and France, grapes from California, and Australian strawberries.

## Malaysia

Shipments to Malaysia continue to be monitored and importers have been happy with the quality of California peaches, plums, and nectarines. Reports from the entire marketing chain have been positive with the consistent supplies of California stone fruit to this point. Some concerns have surfaced regarding the impact of limited late-season supplies on FOB prices. Still, wholesalers continue to carry decent supplies of California stone fruit, and according to those surveyed the retailers have not stopped requesting the fruit. California peaches, plums and nectarines can still be found in wholesalers cold storage.

California summer fruits have a good presence in supermarkets, with peaches and nectarines more widely available in high end supermarkets. California plums are well distributed throughout the retail sector and most supermarkets continue to carry at least two varieties of plums. The durability of California nectarines has found favor amongst retailers when compared to peaches, and the most popular variety is the white flesh nectarine.

## Thailand

While supplies of California stone fruit have declined over the last reporting periods, peaches and plums with excellent quality have been found in upscale wet markets and hypermarkets. It is important to note the fruit in the best condition has been air flown. Black plums can be found in decent quantities in both wet markets and modern retailers, but the quality varies depending on the mode of transport. Some soft California fresh prunes can be found, and consumer's awareness of their nutritional benefits has driven sales.

Chinese peaches are still widely distributed in supermarkets and hypermarkets, and quality has been varied. The most recent shipments have had surprisingly good quality, and not surprisingly low prices. California grapes and apples from a wide range of origins make up a majority of the indirect competition for California peaches, plums, and nectarines. At this point in the year, the supplies of local fresh fruit are very limited with oranges and mangoes available.

## Philippines

The weather in Manila has been unpredictable recently and the afternoon rains hurt sales at local wet markets. However, the weather has been positive for supermarkets. Recent promotions for California plums have yielded positive results. Some California nectarines arrived, but the bulk of supplies from California are red, black, green plums and pluots. Two partial shipments of California plums arrived on September 20 and the last two shipments of plums should arrive before October 15. While the green plums arrived in below average condition, the fruit sold out immediately due to excellent flavor. The quick sell-out of green plums was remarkable given the prices were nearly double that of red and black plums. Some consumers commented on the tart skin of California red plums and seemed to prefer black plums.

## New Zealand

Sales have remained steady despite the limited supply of California peaches, plums, and nectarines in the market. Reports from some importers over the last two weeks have found good quality despite some pitting on both nectarines and peaches. One importer who did not anticipate receiving any additional shipments of California nectarines actually sourced some more nectarines and was very pleased with the strong sales. Another importer has switched exclusively to plums. The overall quality of the late season California stone fruit has been quite good, especially plums. The condition of nectarines on arrival has improved over the last month, but there have been some concerns about flavor.

## Central America Region

Supplies of California peaches, plums, and nectarines can be found in limited quantities throughout most markets of Central America. While limited to modern retail outlets, these supermarkets are generally displaying all three California stone fruits. During the reporting period, the quality of the fruit found at supermarkets varied from excellent to below average. The traditional sector has not been carrying any significant quantities of California peaches, plums and nectarines. Limited supplies from importers and cheap prices of competing stone fruits have effectively prevented these traditional retailers from carrying California stone fruit. Spanish peaches and plums can be found at both traditional and modern retail outlets, however the quality has been just average.

## Northern South America Region

**Venezuela.** Spanish plums and nectarines are still available in decent volumes in Venezuela. While California plums and nectarines can be found, some supermarkets have been mixing the California and Spanish plums apparently without much concern for specifying origin. The Venezuelan ministry of Agriculture has yet to approve more import permits for California stone fruit, but the most recent arrivals approved with old import permits arrived in very good shape. Spanish nectarines have been soft and bruised and the plums have shown signs of russeting. Importers continue to hope for more import permits.

**Colombia.** Carichulo-brand nectarines and plums from Spain have been arriving in better than average condition recently. While very competitive with California stone fruit in terms of price, importers continue to receive California peaches. Some importers have been receiving weekly loads with additional containers expected during the week of September 26<sup>th</sup>. Some concerns have surfaced in regards to the soft condition of the peaches on arrival, and the trade has responded with attempting to move the fruit quickly. No California nectarines were found during the past two weeks.

**Ecuador.** Ecuadorian peaches are no longer available in the market, but Peruvian peaches have begun to show up in the traditional markets. Shipments from California have slowed considerably, but the main supermarket chain in Ecuador has received the most recent shipments. Peaches and plums have been available but the California origin has been received recently as a premium product found only in modern retail outlets.

# Promotional Highlights

## General

Listed below are several remaining 2005 key holidays or festival dates in some of the markets. Promotional programs will wrap up in the next few weeks as supplies of California peaches, plums and nectarines wind down with the end the 2005 season.

## Hong Kong

Consumer surveys are nearly complete which will evaluate this year's new TV commercial, featuring Governor Schwarznegger, and to assess the California Tao Lee brand.

### Holidays/ Festivals

- October 1 National Day
- October 11 Chung Yeung Festival

## Singapore

### Holidays/ Festivals

- November 01 Deepavali
- November 03 Hari Raya Pusa
- November 19 – December 31 Year End School Vacation
- December 25 Christmas Day

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CWM	48-56-72 vf	20.7	1.14
	Nectarines	CWM	56- vf	17.22	1.11
	Plums	CUG	48-56 vf	19.98	1.12
	Peaches	MX	22 lb.	16.8	1.1
	Apples	WA,MX,	88-135	24028	0.91
	Kiwifruit	Chile	22 lb.	20.24	1.04
	Plums	MX	18 kg	9.52	1.47
	Mangoes	MX	25 kg	10.48	0.56
	Pears	Wash,Cal	36-44 lb	21.76	0.69
Hong Kong	Peach	CWM	30-64	N/A	0.64 - 2.08/pc
	Nectarine	CWM	48-64	N/A	0.64 - 1.95/pc
	Plum	CWM	35-50	22.08 - 23.38	1.30 - 3.25/lb
	Prune	CWM	70-120	15.58 - 25.97	1.10 - 2.08/lb
	Pear	CH/JP	20-80	0.07 - 0.54/pc	0.19 - 1.95/pc
	Grape	USA, Korea	19 lbs	10.39 - 27.01	1.04 - 1.95/lb
	Apple	WA	88-100	20.78 - 22.08	0.22 - 0.58/pc
	Orange	USA	72-88	19.48 - 20.78	0.19 - 0.65/pc
	Apple	WA	72-88	20.78 - 22.73	0.22 - 0.52/pc
	Orange	USA	72-88	18.83 - 24.68	0.19 - 0.65/pc
Taiwan	Peaches	CWM/CM	16-25/1 lyr	18.07-36.14/box	0.45-3.01/pc
	Nectarines	CWM	42-72/vf	27.11-30.12/box	0.45-1.80/pc
	Plums	CWM	32-45/vf	24.09-30.12/box	0.45-0.60/pc
	Prunes	CWM	90-110	33.13-36.14/box	0.30-1.05/pc
	Peaches	Japan	16-May	60.24-72.29/box	3.61-6.02/pc
	Peaches	Washington	15-18/1 lyr	30.12-39.16/box	0.75-3.61/pc
Singapore	Peaches SW	CWM	18/ 1yr	31.00	2.50 pc
	Nectarines SW	CWM	56 /2lyr	25.00	1.00
	Plums	CWM	40 -50	18.90	0.20 pc
	Prunes	CWM	80 - 100	47.30	5.00 kg
	White peach	Israel	4x 1kg	11	3.30/kg
	White nectarine	China	900g	1.41	1.84
	Pluot	China	6	1.19	1.62
	Honey peach	China	6	1.5	2
	Cherries	Canada	101/2	52	7.50/kg
	Grapes	California	8.2 kg	21.5	3.5
	Mango	India	12	11	1.1
	Apple	China	88	14	0.20/pc
	Malaysia	Peaches	CWM	56-64 vf	18.0-23.0/carton
Nectarines		CWM	62- 70vf	18.0-23.0/carton	0.6-1.2/pc
Apple		WA	88-135	20.0-25.0/carton	0.15-0.35/pc
Table-grapes		California	8.6kg	22.8-24.8/lug	2.4-3.5/kg
Orange		USA	113-180	15.0-17.8/carton	0.15-0.28/pc
Peach SW		CWM	48-64	19.0-23.0/carton	0.8-1.1/pc
Plum		CWM	60-74	17.0-21.0/carton	0.68-0.85/lb.
Thailand		Peach	CWM	15-18/1lyr	20.0-30.0
	Nectarine	CWM	50-55	20.0-30.0	3.00-4.50/kg
	Black Plum	CWM	40-55	15.0-45.0	2.47-7.47/kg
	Red Plum	CWM	40-55	15.0-25.0	2.47-4.97/kg
	Prune	CWM	100	50.0-55.0	8.75-9.87/kg
	Peach	China	20/1lyr	3.75-10.0	0.62-0.87/pc
	Grape	USA	10/kg	40.0-55.0	6.12-8.87/kg
	Apple	China	15/2lyr	3.75-10.0	0.31-0.56/pc

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$	
<b>New Zealand</b>	Plums	CWM	55 - 40 vf	\$27	\$2.46 - \$1.85	
	Nectarine	CWM	56-64 vf	\$24.50 - \$31.82	\$2.14	
	Nectarine sw	CWM	56-64 vf	\$29	\$2.14	
	Apple	NZ	88-135	\$13.60 - \$27.20	\$0.92 - \$1.23	
	Kiwifruit	NZ	9.09 lb.	\$5.44 - \$12.24	\$0.92	
	Table-grapes	California	18-20 lb.	\$21.76 - \$28.56	\$1.23 - \$1.54	
	Bananas	Equador	8.18 lb	\$16.52 - \$18.36	\$0.60/lb	
	Oranges	NZ	9.09	\$20.40	\$0.92/lb	
<b>Central America (Guatemala)</b>	Peach	CWM	52-64 vf	25.06-31.00	1.37-1.73	
	Nectarine	CWM	32-52 vf	29.68-33-64	1.73-1.89	
	Plum	CWM	40-65	24.37-26.35	1.16-1.48	
	Peaches	GT	50 lbs	36.23	0.65-0.72	
	Plums	GT	50 lbs	20.30-40.61	0.78-0.92	
	Apple	Chile	70-175	21.55-23.71	0.59-0.80	
	Apple	WA	70-175	23.71-24.90	0.98-1.00	
	Pear	Chile	100-135	27.31-29.29	0.84-1.35	
	Kiwifruit	MX	22 lbs	21.69-22.39	1.31-1.36	
	Grapes	MX	18-20 lb	23.71-24.97	1.94-2.54	
<b>Venezuela</b>	Nectarines	CWM	N/A	24.18-41.86	5.03-6.61	
	Plums	CWM	N/A	27.90-41.86	4.18-6.97	
	Peaches	Venezuela	30 kg.	N/A	1.85-1.90	
	Peaches	Venezuela	30 kg.	N/A	2.23-2.65	
	Nectarines	España	50-55 / 25 lb.	23.25-29.30	4.65-6.97	
	Plums	España	60-75 / 28 lb.	20.93-30.23	4.18-6.23	
	Apple	Chile	72-218 / 19 kg.	18.60-33.48	1.64-2.81	
	Pear	Chile	80-90 / 18 kg.	20.93-26.51	2.06-2.47	
	Asian Pear	Chile	40-55 / 10 kg.	20.93-26.51	3.62-5.58	
	Kiwifruit	Chile	10 kg.	20.00-25.58	3.95-5.23	
	Strawberries	Venezuela	5-10 kg.	16.97-19.76	2.08-2.67	
	Grapes	California	L / 8.2 kg.	44.18-46.51	8.34-8.48	
	Grapes	México	L, XXL / 8.2 kg.	37.20-41.86	7.58-8.48	
	<b>Colombia</b>	Peaches	CWM	56-64 vf	25.16 / 30.36	2.25 / 2.49
		Nectarines	CWM	62- 70vf	25.16 / 28.19	2.21 / 2.92
		Plums	CUG	90 vf	26.89 / 28.20	2.01 / 2.71
		Peaches	Spain	16 lb.	17.35	2.16
		Apple	WA,MX,	80 - 125	15.60 / 16.00	0.58 / 0.65
		Kiwifruit	Chile	22 lb.	12.85	1.12 / 1.19
		Strawberries	CA,MX	12 lb.		
Table-grapes		MX, Chile	18-20 lb.			
Plums		Spain	16 lb.	17.47	2.18	
Nectarines		Spain	16 lb.	17.47	2.79	
<b>Ecuador</b>	Peaches	CWM	42-56 vf	22.00-24.00	2.84-3.11	
	Nectarines	N/A	N/A	N/A	N/A	
	Plums	CWM	N/A	N/A	N/A	
	Peaches	Perú	150	10.00-12.00	1.00-1.50	
	Apple	Chile	135	15.00-16.00	1.19-1.25	
	Kiwifruit	Chile	10 kg	15.00-16.00	1.50-2.00	
	Orange	Chile	88 unid	16.00-22.00	1.50-2.00	
	<b>Legend</b>	CWM	CA Well Mat®		MX	Mexico
		USM	US Mature		Aus	Australia
		CUG	California Utility Grade		NZ	New Zealand
Ven		Venezuala		Phil	Phillipines	
CH		Chile		Thai	Thailand	
WA		Washington		Mal	Malaysia	