



MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

September 30, 2008

Welcome to the ninth edition of the 2008 International Market Report for California stone fruit! As October arrives, the temperatures are well above the seasonal average, but the first cooling trend of autumn is in the forecast this weekend. The packout of fresh peaches, plums, and nectarines is winding down, but there remain many opportunities to get your final taste of the California summer. Feedback from the trade around the world indicates many arrivals still to be made, and shipments continue to be loaded here in the San Joaquin Valley. Please look for at least 2 more International Market reports through October detailing market conditions and activities in our key export markets.

If you have any comments or suggestions on market activities, please contact Gordon Smith in CTFA's Reedley office or by email at gsmith@caltreefruit.com.

Current News

India: Joint venture between Reliance and Marks & Spencer

The joint venture between India's largest retail chain and the UK department store recently announced plans to open the first store in January 2009 in Mumbai. Future plans for the new retail format include up to 50 stores throughout India in the next 5 years. The roll-out will begin in Mumbai, New Delhi, and Bangalore, before potentially expanding to Hyderabad, Kolkata, and Chennai.

European Union to contribute 45.7 million Euro (\$63 million USD) to agricultural marketing

According to Fructidor, the European Commission recently approved the funding for new marketing programs aimed at explaining the benefits and promoting the use of EU agricultural products within the region and internationally. The programs will include organics, dairy, meat, wine, fruits and vegetables among others, and will last up to 3 years.

Spanish stone fruit exporters regain access to Canada for 2009

The Canadian Food Inspection Agency will once again allow Spain to ship stone fruit to Canada in 2009. Negotiations have been ongoing since 2001 when Canadian phytosanitary authorities halted shipments to review phytosanitary regulations. Under the new agreement, Spanish stone fruit must be hydro-cooled and fumigated prior to shipment.

Another Typhoon slams into Taiwan September 28: Jangmi

Please see Taiwan summary.

Market Reports

Mexico

The availability of local peaches continues to decline, and not surprisingly, quality of final arrivals has also been variable. Volumes of California peaches, especially in Mexico City and Monterrey, continue to be good, although a slight decline in Guadalajara was reported over the past two weeks. Nectarines have no direct competition, and sales increased, particularly in Guadalajara, along with white-flesh nectarines. Overall estimates of market share for California peaches, plums, and nectarines in Mexico are currently 30 percent, with apples and grapes at 23 and 20 percent, respectively. Movement at retail has been very strong with no significant direct competition from local peaches and plums. Quality reports through the chain continue to be good to excellent.

Hong Kong

Typhoon Hagupit did not level a direct hit on Hong Kong on September 23, but nonetheless public transportation was shut down, flights cancelled and financial markets were closed. Unseasonably hot temperatures remain in Hong Kong, and some in the trade believe that is responsible for relatively short shelf life of imported fruits, including peaches, plums, and nectarines. The overall supply from California has declined in the past two weeks, especially fresh prunes. However, supermarket chains, gourmet stores and specialty fruit shops continue to offer California stone fruits, and the major chains indicated they will continue to carry California fruit depending on available supply. Chinese peaches and prunes can be found in the market, although the prunes reported to be very hard with sour taste. The contaminated milk crisis in China made major headlines in Hong Kong along with the rest of the world, but the impact on the purchasing behavior of Hong Kong residents towards Chinese food products is not yet known.

Taiwan

Typhoon Jangmi struck Taiwan over the past weekend killing two people and injuring 61. Agricultural damage estimates from the series of typhoons in recent weeks, including Jangmi, totaled more than \$45 million USD. Local fruits impacted were persimmons, grapes, oranges, papayas, and guavas. Taiwan's Central Weather Bureau has since warned of two additional systems forming at sea. In terms of the Moon Festival, Typhoon Sinlaku (September 12-14) severely impacted fruit sales because those were the key sales days prior to the festival. As expected, wholesalers and many in the trade took holidays immediately following the festival, and sales fell. As business returns to normal, those with supplies of California Tao Lee reported steady movement. Plum and prune volumes are relatively low, while peaches and nectarines, have only recently decreased. Additional arrivals of California nectarines were expected in the next week.

China

California red and black plums were found in limited quantities following the Moon Festival in the key markets of Beijing, Guangzhou, Shanghai, and Shenzhen. Nearly all the fruit in the north had been transported from the Jiangnan wholesale market in Guangzhou in the south. After the festival, supplies of California plums reported to be sold out, although new supplies did arrive after September 22. Chinese stone fruits continue to be found in stable supplies and very competitive prices. Feedback from several retailers indicates despite good consumer demand for imported plums from California, they were not able to secure adequate volumes from their suppliers. In addition, some importers reported having difficulty getting supplies from Guangzhou and Hong Kong.

Singapore

Air shipments from California decreased slightly in the past two weeks with those arrivals containing mostly yellow peaches instead of white peaches. Increased volumes of Chinese white peaches at very low prices appeared to have some impact on California peach movement; however those supermarkets interviewed reported no sales impact on California plums, fresh prunes, and nectarines. Supplies of Chinese donut peaches declined during the past two weeks, and distribution at the wet market level of Chinese peaches was limited to only 2 of 40 visited outlets. Merchandisers reported most wet market retailers carrying 3 or more varieties of California plums/prunes including some white nectarines or yellow peaches. Quality from California continues to be above average, and more shipments are expected subject to availability in California.

Malaysia

Supermarkets and hypermarkets in Malaysia continue to carry 2 to 3 varieties of California plums, while some also carry both white and yellow-flesh peaches and nectarines. At the wet market level, many are carrying a few plum varieties, and only some nectarines were spotted during merchandising visits in the past two weeks. Feedback on quality from importers was generally positive, with several importers reporting increased shipments this season. Some Chinese plums and white peaches were found in the market with low prices, although several retail outlets have switched from carrying Chinese stone fruits to California in the past two weeks. Indirect competition can be felt from New Zealand kiwifruit and imported grapes and apples. Most supermarkets continue to regularly promote local tropical fruits including mangoes, watermelons, and papayas.

Thailand

Supplies of California peaches and nectarines declined somewhat in the past two weeks, and were spotted primarily in high-end supermarkets and fruit shops. Both yellow and white flesh peaches, shipped by air, were available. The main supermarkets and hypermarkets are carrying mostly black and red plums from California, while fresh prunes can be found through all levels of the retail sector including street hawkers. In terms of competition, Chinese peaches are also available at each level of the retail sector, while Japanese peaches were available only at specialty shops. Feedback from the trade indicates increased caution with the size of their orders at this point in the season, especially by sea.

Indonesia

Over the past two weeks, the trade in Indonesia was preparing for the Hari Raya Muslim holiday, which arrives early this year on October 1-2. Dates, longans, and low-priced grapes were especially popular. Supplies of California peaches, plums, and nectarines declined, and expected shipments in the coming weeks are expected to be mostly plums. White peaches and nectarines, along with plums could be found at the retail level, while larger displays and stronger sales were found in the specialty fruit boutiques. No Chinese stone fruit was available in the market.

United Kingdom

As October arrives, less and less Spanish and Italian stone fruit can be found in UK retail outlets, although some fruit from Turkey, Portugal, and Israel was spotted recently, including some Golden Plums from Italy. White peaches and donut peaches from California continue to be available, and according to the interviewed trade more supplies from California will arrive shortly. In terms of indirect competition, local raspberries are popular, along with red and green seedless grapes from Greece and Spain, respectively.

New Zealand

Shipment delays continue to impact the short supply of California peaches, plums, and nectarines in New Zealand, although that situation should improve shortly. Nectarines continue to be the leader in the stone fruit category, while peaches remain slow. Multiple varieties and good supplies of plums can now be found throughout the market, as sales have picked up. Since the sharp drop in value of the NZ dollar, it has bounced back against the USD encouraging the import sector. This combined with short supplies of NZ produce, including apples, and Australian winter fruits, means conditions are still quite strong for American fruits. After a very cold and wet winter, the weather has improved recently giving consumers their first taste of spring.

Central America Region

Currently, peaches make up the majority of California stone fruit throughout the Central American region, followed by plums, and then nectarines. In terms of specialty varieties, white flesh peaches and nectarines were found in Costa Rica and Honduras in upscale supermarkets. Quality of recent shipments has been above average with good color and pressures. Several very positive comments were received recently about the larger sizes of the latest arrivals. The trade is optimistic about more shipments from California in the coming weeks. Guatemalan peaches can still be found there locally, as well as in El Salvador, but distribution is mostly limited to traditional street markets.

South America

In Colombia, California stone fruit inventories declined quickly in the past few weeks due to quality issues stemming at least partly from the transportation strike. The trade believes delays and potential mishandling at the port likely impacted arrival quality. Retailers currently handle the majority of stone fruit supplies, while only limited stocks are available at the import and wholesale level. The situation could not be more different in Ecuador where the trade is optimistic about the end of the California stone fruit season. Recent arrivals are reported to have excellent quality and larger sizes, and strong volumes remain at the wholesale level. Only average supplies of California plums and nectarines were available in Venezuela in the past two weeks, and quality is reported to be good. Both yellow and white-flesh peaches could be found in traditional markets but in limited volumes. Competition is strong from Venezuelan melocotones, peaches, and plums, although the major importers plan to continue sourcing from California into October. Importers in Panama continue to carry peaches, plums, and nectarines from California, although quality at retail was reported to be variable.

Canada

No significant changes in the market situation from September 15. From that report: In Canada, support for California peaches, plums and nectarines continues to be strong with only one retailer not carrying California stone fruit. With the local peaches still available in eastern Canada many retailers are mixing origins within the category. For example one retailer is offering Ontario peaches with California nectarines. In western Canada, the local stone fruit season is now underway, and Washington stone fruit is now available in stores. Similar to eastern Canada many retailers continue to offer California stone fruit in addition to the other origins.

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.

For International materials visit the International section of the PPN Network Download Center at www.eatcaliforniafruit.com.

Mexico

In addition to earned media in magazines like *Irresistibles Jugos* and *Delicias para Diabeticos*, in-store promotions were conducted in 99 stores across 14 cities for a total of 228 in-store demonstration days over the past two weeks, plus sampling promotions were conducted in 102 public markets throughout Guadalajara and Mexico City.

Taiwan

In addition to in-store promotions, the fourth wave of consumer television advertising ran from September 22 through 28 to coincide with a wholesale market promotion.

China

Additional in-store promotions have been finalized through the end of September, totaling more than 80 stores throughout key markets in China.

United Kingdom

Late season in-store promotions with key retailers in the UK are being finalized this week. To support sampling at retail, various POS and recipe leaflets have been produced to educate consumers on the many benefits of California peaches, plums, and nectarines.

| Country | Fruit | Grade/ Origin | Size/Count | Wholesale Price US\$ | Retail Price US\$ |
|-----------------|---------------|---------------|-----------------|----------------------|-------------------|
| Mexico | Peaches | CA | 64-72 vf | 19.65 | 1.19 |
| | Nectarines | CA | 50, 56, 64 | 15.26 | 1.24 |
| | Plums | CA | 64-65-80 | 20.49 | 1.58 |
| | Peaches | MX | 14 kg. | 17.75 | 1.09 |
| | Plums | MX | 18Kg | 0.00 | 0.87 |
| | Apple | WA, CH, CA | 88-135 | 33.90 | 1.19 |
| | Kiwifruit | CH | 22 lb | 18.94 | 1.63 |
| | Mangoes | MX | 25 kg | 11.90 | 0.43 |
| | Table-grapes | CA | 19 lb | 15.02 | 0.88 |
| | Pears | CA, Arg-WA | 36-44 lb | 15.38-31.53 | 0.52-1.22 |
| | Strawberries | CA | 12 lb | 13.96 | 1.56 |
| | Strawberries | MX | 7 Kg. | 6.66 | 1.13 |
| Hong Kong | Peach | CA | 40 - 64 | 30.76 - 41.15 | 1.28 - 2.82/pc |
| | SW Peach | CA | 40 - 64 | 25.64 - 46.15 | 1.28 - 2.95/pc |
| | Nectarines | CA | 40 - 64 | 15.38 - 25.64 | 1.15 - 1.56/pc |
| | SW Nectarines | CA | 44 - 64 | 15.38 - 26.97 | 1.03 - 1.92/pc |
| | Plum | CA | 20 - 90 | 15.58 - 38.46 | 0.19 - 1.92/pc |
| | Peach | China | 48 - 88 | 11.54 - 16.67 | 0.26 - 0.52/pc |
| | Plum | China | 75-140 | 7.69 - 12.18 | 0.64 - 1.28/lb |
| | Apples | WA, China | 40 - 100 | 12.82 - 44.87 | 0.21 - 0.77/pc |
| | Grape | USA | 21 - 28 lbs | 23.07 - 38.46 | 1.39 - 1.92/lb |
| | Orange | USA | 56 - 113 | 21.15 - 32.05 | 0.25 - 0.77/pc |
| | Pears | JP | 28 - 36 | 48.71 - 57.69 | 1.93 - 2.56/pc |
| | Watermelon | Taiwan | 2 | 5.37 - 7.89 | 0.19 - 0.34/lb |
| Taiwan | SW Peach | CA | #12-44 | 21.88-43.86 | 1.59-4.75 pc |
| | SW Nectarine | CA | #42-56 | 15.66-18.8 | 0.33-0.63/pc |
| | Plum | CA | #20-45 | 15.66-26.63 | 0.31-0.53/pc |
| | Peach | JP, WA, Idaho | #12-44 | 18.8-73.01 | 0.56-7 pc |
| | Prune | CA | #70-130 | 25.06-31.32 | 1.24-1.57/lb |
| China-Shanghai | Plum | CA | Small/12.75KG | 29.41/BOX | 1.74-1.85/500G |
| | Peach | China | Medium/5-7KG | 3.31-8.75/BOX | 0.57-1.47/500G |
| | Nectarine | China | Medium/5KG | 3.31-3.60/BOX | 0.60-0.66/500G |
| | Red Plum | China | Sm+Med/5KG | 2.94-4.12/BOX | 0.47-0.76/500G |
| | Black Plum | China | Medium/5KG | 3.53-3.82/BOX | 0.57/500G |
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| China-Guangzhou | SW Nectarine | CA | Medium/50 | 26.47/28LB | N/A |
| | Black Plum | CA | Medium/31-45 | 26.47-29.41/28LB | 2.03-2.53/500G |
| | Green Plum | CA | Medium/30 | 17.65/28LB | N/A |
| | Peach | China | Medium/Bulk | 0.51-0.63/500g | 1.02-1.25/500G |
| | Nectarine | China | Large/70/75 | 8.82/BOX | 1.03/500G |
| | Plum | China | Small/Bulk | 0.28/500G | 0.41-0.51/500G |
| | Black Plum | China | Small/Bulk | 0.28-0.43/500G | 0.72-0.87/500G |
| | Red Plum | China | Big / Bulk pack | 8.09/BOX | 0.66/500G |
| | Prune | CA, China | Medium/65-80 | 11.76-23.52/28LB | 0.44-2.53/500G |

| Country | | | | | |
|----------------|---------------|-----------------------------|---------------------|-------------------------|----------------------|
| Singapore | SW Peach | CA | 44 2ly/15 | 49.38-51.03 | 1.69-3.08 pc |
| | Peach | CA | 56 2lyr | 50.76 | 1.34 pc |
| | SW Nectarine | CA | 56/64 v/f | 29.63 | 0.76 / *54 |
| | Plums | CA | 30-60 | 29.63-39.5 | 2.27pc/3.77kg |
| | Donut peach | China | 4pcs x 16 | 26.92 | 2.27 (4 pcs |
| | White peach | China | 900g x16 | 25.00-26.15 | 2.27 900g punnet |
| | Dates | USA | | | 6.88 (330g) |
| | Prune | CA | 90 | 60,00 | 6.92 kg |
| | Grapes | CA | 8.2 kg | 30-32.3 | 4.23-4.53 kg |
| | Persimmon | Israel | 8 - 9 pcs | 2.39 box | 3.00 box |
| | Strawberry | Australia | 454g x8 | 28.15 | 5.00 punnet |
| | Kiwi | NZ | 41 pcs /6kg -10kg | 37.78 | 0.56-1.11 pc |
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| Malaysia | Peach | CA | 56 2 lyr | 55.0-62.0 | 1.40 - 1.60 |
| | SW Peach | CA | 15/44 2lyr | 52.0-55.0 | 1.40 - 1.60 |
| | SW Nectarine | CA | 56-64 vf | 33.0-35.0 | 1.30-1.80 |
| | Plums | CA | 30-60 | 30.0-40.0 | 3.00-4.00/kg |
| | White Peaches | CHN | 900g x 12 | 26.0-28.0 | 2.30-2.60/900g |
| | Plum | CHN | 28lb. | 1.00-1.20/lb. | 0.80-1.0/lb. |
| | Apples | SA | 72-180 | 21.0-31.0 | 0.15-0.50/pc |
| | Apricot | CA | 10kg | 32.92-60.00 | 2.32-4.54/g |
| | Grape | CA, CH | 9.5-10kg | 19.30-74.00 | 2.25-8.50/kg |
| | Gong Pear | CN | 36-72 | 6.00-7.28 | 0.10-0.23/pc |
| | Prune | CA | 90 | 85 | 7.80/kg |
| | Orange | AUS | 163 | 23.2 | 0.18/pc |
| | Strwaberry | AUS | 454gx8 | 28.15 | 3.00/box |
| | Kiwi Gold | NZ | 41pcs/6 kg | 37.78 | 1.11/pc |
| | Plum | CH | 48-78 | 15.00-16.00 | 030-0.40/pc |
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| Thailand | SW Nectarine | CA | 40-54 | 77.68-105.84 | 9.96-13.57/kg |
| | SW Peach | CA | 30-44 | 77.68-105.84 | 9.96-13.57/kg |
| | Red Plum | CA | 35-54 | 21.78-77.84 | 3.30-11.81/kg |
| | Black Plum | CA | 35-50 | 21.78-77.94 | 3.30-11.81/kg |
| | Pluot | CA | 35-40 | 47.78-51.74 | 7.24-7.84/kg |
| | Prune | CA | 80-100 | 59.79-65.73 | 9.06-9.96/kg |
| | Peach | CHA | 48-50 | 26.70-27.0 | 0.89-0.90/pc |
| | Peach | JP | 30-32 | 261.69-267.45 | 13.63-13.93/pc |
| | Grapes | CA, CHA | 9-10/kg | 10.58-54.36 | 1.96-9.06/kg |
| | Longan | Thai | 10/kg | 8.47-12.67 | 1.21-1.81/kg |
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| Indonesia | SW Peach | CA | 34-40 | 61.8 | 5.9-13.1 |
| | SW Nectarine | CA | 32-44 | 76.7 | 9.1-11.5 |
| | Plum | CA | 50 | 33.1 | 8.1 |
| | Red Plum | CA | 45-70 | 31.9-47.9 | 3.1-10.6 |
| | Black Plum | CA | 55 | 30.4-31.9 | 3.1-9.5 |
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| United Kingdom | SW Peach | CA | 4 pack (67/73mm) | N/A | 5.26 |
| | Donut Peach | CA | 4 pack (67-73mm) | N/A | 5.26 |
| | Nectarine | CA | 4 pack (61-67mm) | N/A | 4.63 |
| | Peach | SP, Italy, Turkey | Loose/4pk (67-80mm) | 4.55-7.28/4kg-11.83/5kg | 1.07ea/2.71-4.53 |
| | Nectarine | SP, Fr, Italy, Turkey | 4-8 pack (61-81mm) | 8.19-10.01 per 4kg | 2.89-4.53 |
| | Plums | UK, Sp, Fr, Italy, Portugal | 400g-500g (45-73mm) | 4.8-23.20/ 4-9kg | 1.82-4.53 |
| | Golden Plum | Italy | 500g punnet (45- | N/A | 3.08 |
| | Raspberries | UK | 170g punnet | 1.27 per 125g | 2 for \$6.37 |
| | White Grapes | Greece | Per kilo | 13.65 per 4.5kg | 5.42 per kg on offer |
| | Red Grapes | Sp | Per kilo | 13.65 per 4.5kg | 5.42 per kg on offer |
| | | | | | |
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| Country | Fruit | Grade/ Origin | Size/Count | Wholesale Price US\$ | Retail Price US\$ |
|------------------|-----------------|---------------|----------------------|----------------------|-------------------|
| New Zealand | Peach | CA | 8.2kg Tray/11.3kg VF | 0.81-0.85 | 1.23-1.84 |
| | SW Peaches | CA | 11.3kg VF | 0.8 | 1.23 |
| | Donut Peaches | | 5.5kg | na | sold out |
| | Nectarine | CA | 11.3kg VF | 0.85 | 1.23 |
| | SW Nectarine | CA | 54/56 11.3kg VF | 0.91 | 1.53 |
| | Plums | CA | 12.7kg large | 0.9 | 1.56 |
| | Mandarins | Australian | | na | 1.53 |
| | Grapes | US | Flames | na | 1.54 |
| | Apples | NZ | NZ Rose | na | 0.92 |
| | Navel Oranges | NZ | large | na | 0.92 |
| | Packum Pears | Australian | medium | na | 1.09 |
| | Mango | Mexican | medium | na | 0.55 |
| | Kiwifruit | | small/medium | na | 0.33-0.55 |
| | Central America | Peach | CA | 48-72 | 27.41 |
| Peaches - SW | | CA | 56 | | 1.95 |
| Peaches - Saturn | | CA | 48 | 23.7 | 3.27 |
| Nectarine | | CA | 56-76 | 24.82 | 1.5 |
| Nectarine - SW | | CA | 56 | | 2.05 |
| Plum - Red | | CA | 56-70 | 26.05 | 1.9 |
| Plum - Black | | CA | 65-70 | 26.9 | 1.88 |
| Peach | | GT | 60-90 | | 1.05 |
| Plums | | CR | small | | 0.67 |
| Apples | | CH,USA | 80-198 | 26.9 | 0.9-1.44 |
| Grapes | | CA | 21 lbs | 24.21 | 2.29 |
| Kiwifruit | | CH | 33-80 | 26.39 | 1.64 |
| Oranges | | CH, USA | 44-56 | 29.93 | 1.27 |
| Strawberries | | GT, CR | | | 1.14 |
| Mandarin | | PE | 120 | 27.94 | 1.76 |
| Pears | | CA, Arg, GT | 44-120 | 24.60-30.48 | 0.63-2.28 |
| | | | | | |
| Colombia | Peach | CA | 64 | US 19.51 | US 2.38 |
| | Nectarine | CA | 64 | US 19.51 | US 2.92 |
| | Plum | CA | 64 | US 18.11 | US 2.78 |
| | Banana | CO | Box 25 kl | US 10.26 | US 0.66 |
| | Granadilla | CO | box 15kl | US 18.19 | US 1.15 |
| | Mango Tommy | CO | box 25 kl | US 25.00 | US 1.79 |
| Ecuador | Peaches | CA | 65-70 | \$24.00-26.00 | \$3.00-3.10 |
| | Nectarines | CA | 65-70 | \$24.00-26.00 | \$2.93-3.32 |
| | Plums | CA | 90-100 | \$24.00-26.00 | \$3.10-3.55 |
| | Peaches | EC | | \$28.00-30.00 | \$3.00-3.39 |
| | Pineapples | EC | | \$12.00-15.00 | \$0.60-0.69 u |
| | Oranges | EC | | 100 u/\$4.00 | \$0.05-0.08 u |
| | Papayas | EC | | \$13.00-15.00 | \$2.00-2.31 |
| | Melons | EC | | \$15.00-18.00 | \$1.50-1.60 |
| | Oranges | EC | | \$18.00-20.00 | \$2.31-2.80 |
| | Mangos | EC | | \$18.00-20.00 | \$2.10-2.31 |
| Grapefruit | EC | | | \$0.35-0.43 | |

