



A REPORT FROM THE CALIFORNIA TREE FRUIT AGREEMENT

# International Market Report

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MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

## July 19, 2010

Welcome to the fourth International Market Report of 2010. California PPN is hitting the peak of the season in terms of volume as peaches, plums and nectarines make their way around the world. Temperatures have consistently been warmer, producing excellent California PPN with exceptional flavor and high sugar. All export markets are continuing to see increasing volumes of California PPN, and more are on their way. Please contact your CTFA International representative in your market to coordinate this season's technical seminar or in-store promotion.

Thank you for your interest in California peaches, plums, and nectarines and their journey around the world. If you have any suggestions to improve this report or questions about California PPN exports, please do not hesitate to contact Gordon Smith at [gsmith@caltreefruit.com](mailto:gsmith@caltreefruit.com) or Sara Mohr at [smohr@caltreefruit.com](mailto:smohr@caltreefruit.com).

## Current News

### **Changes in Consumer Shopping Habits, Smarter Decisions**

*PRNewsWire* reported that over the past two years, shopper's attitudes have changed when making purchasing decisions. They are less likely to be impulsive buyers, and less likely to rely on advertisements to make their purchases. Now they are making informed strategic decisions before purchasing. A recent study by Deloitte and Harrison Group, found that 89 percent use more resources before making their purchases, and 84 percent are more specific when they shop. The study also revealed that consumers will wait until the 'right deal' comes along before purchasing and they are even considering different brands. While shoppers are concerned with spending less, they feel they are not sacrificing, but making smarter decisions that fully satisfy their needs.

### **Amazon Unveils Online Grocery Website in Britain**

Earlier this month, Amazon.com Inc launched an Internet grocery service in Britain, according to *Reuters*. As online grocery sales are exploding, Amazon plans to sell products from a variety of brands, while third-party members will offer products as well. Shoppers can choose from a range of delivery options such as free delivery with an annual membership and next day delivery. Although, Amazon.co.uk will not offer the one or two-hour delivery windows that its larger market-share competitors currently do. Also, third party purchases will be sent separately. Britain joins the United States and Germany with an Amazon online grocery Website with over 22,000 goods.

## **Market Reports**

### **Mexico**

Monterrey did not see any new shipments of fruit as the highways were damaged by Hurricane Alex. The Bravo River has reached very high levels and the Nuevo Laredo border has been closed. This is causing heavy 'trade congestion' on both sides of the border. In order to resolve the situation, the Reynosa border crossing is operating longer hours. With heavy rain continuing, there is no date set for reopening of the Nuevo Laredo border at this time, but the market hopes to stabilize next week. Consistent arrivals from California and competitive pricing have improved the market situation for California PPN. In Mexico City, good quality California peaches were reported in all warehouses. Wholesalers in Guadalajara reported strong and quick sales of all supplies from previous shipments. Sales have been constant and the trade expects import volumes to continue to increase. California nectarines had 100% market share. Demand for California peaches is high, which may be having some impact on nectarine demand. California plums continue to be in short supply in Mexico as local plums are widely available and very competitive.

### **Hong Kong**

Air shipments of California Tao Lee continue to be available in Hong Kong's wholesale markets, and the trade reported good quality for recent shipments. Several varieties of Chinese stone fruits were also present in the market, but at higher prices and lower quality. Only a few wholesalers were handling Chinese peaches and plums. Also, limited volumes of Japanese peaches with very high prices were spotted. Trade indicates that due to the very hot weather, seasonal fruits such as watermelon, durian, mangosteen and Chinese lychee presented strong indirect competition.

### **Taiwan**

Demand for all fresh fruit remains relatively stagnant due to heat waves that kept consumers at home more. Traditional retailers reported fewer consumers purchasing fruits after 10am due to the very warm temperatures, and are hopeful the weather changes soon. Demand for both ocean-freighted peaches and nectarines are increasing at the modern retail sector, and many hyper/supermarket chains are highlighting peaches or nectarines in their USA sales promotions. No California plums are available in the market; importers indicate there will be some plum shipments in the next few weeks.

### **China**

No imported stone fruit was found in Shanghai while abundant volumes of Chinese stone fruits dominated the market with fair sales and prices. Green plums emerged for the first time. Chinese stone fruit is widely available, with fresh appearance, but eating qualities were not appealing. Local lychee and longan was also available. Importers indicate that they will handle California plums in late July, expecting their first shipment July 23, and reaching stores before the end of the month.

### **UK**

It was announced this week that Britain's recession was worse than previously estimated and raised concerns that the recovery may not come as simply as hoped. Stocks of European fruit are so high that alternative origins, including the USA won't be considered until much later in the season. English stone fruit growers have joined forces with Adrian Barlow of trade body, and English Apples and Pears (EAP) to unite the industry to ensure all available English stone fruit is

sold, rather than destroyed, reminiscent of last season. PPN imports from Spain and Italy are dominating the market.

### **Singapore**

As more fruits are being imported into the market, the first ocean shipment of California nectarines arrived in the past two weeks. California peaches and plums continue to be imported by air, and are reported in good condition. Importers expect more nectarine and plum shipments in the next month. Chinese white peaches have also entered the market, posing some competition for California peaches. However, California plums are the only plums currently available. Trade feedback indicates a crowded fruit market as indirect competition is posed by US strawberries, grapes, cherries, apricots, New Zealand kiwifruit, Chinese apples and pears, citrus from US and Australia, mangoes from Pakistan and a variety of tropical fruits.

### **Malaysia**

Demand for California peaches, nectarines and plums are increasing in Malaysia. Importers carrying air-freighted product are reporting good movement despite relatively higher prices. Importers are highly anticipating arrivals of California plums and nectarines, and are confident that they will be able to move plums very quickly once new sea shipments of California plums arrive. Presently, California peaches and nectarines do not face any direct competition in the Malaysian market, as Chinese peaches and nectarines have not arrived yet.

### **New Zealand**

Fruit and vegetable prices in New Zealand supermarkets have received significant publicity regarding accused markups. There are reports that supermarkets have between 100-200% mark-ups that increase to 500% at times. A discussion to entertain a code of conduct is being suggested. Fruit quality for the first arrivals of PPN by ocean is reported to be good and firm. Availability will improve, with more shipments and more fruit in the market consistently. Sales have been strong due to consumer demand, despite limited volumes of PPN in the market. Currently present in the market are local apples, pears, kiwifruit, mandarins, tamarillos, Australian oranges, Chilean, Mexican and Australian grapes and imported melons. Fijian papaya and Ecuador bananas are being promoted along with gold kiwifruit, apples, pears, oranges, and green and red grapes.

### **Central America Region**

In El Salvador, availability of California PPN has improved over the past two weeks, and sales have been quite good. At the traditional sector, volume from California is still limited. In Costa Rica, California PPN has a significant presence at both modern and traditional sectors. Local peaches from Mexico are still present in the market, but availability is low. Local stone fruit from Guatemala, Costa Rica and Honduras have good volumes at the traditional sector only. Apples from Chile and Washington, Chilean grapes and New Zealand kiwifruit are indirectly competing with California PPN.

### **South America (Colombia, Ecuador and Panama)**

California PPN continues to make their way into the South American markets. In Colombia, the latest shipments of California PPN had good quality. California peaches and nectarines are both currently available. In Ecuador, local peaches, guaytambo (national nectarine) and Reina Claudia, as well as California PPN are currently available in the retail market. The only stone fruits in the market are from California, and pears, apples, tangerines and kiwifruit are indirectly competing.

## **India**

Local peaches and plums are widely available in India. California PPN is expected to arrive by the end of July. The fresh produce trade in India is presently handling large volume of domestic apples and mango varieties.

## **United Arab Emirates (Dubai)**

The overall UAE economy remains mixed although financial conditions have stabilized and consumer confidence has improved. Most of the imported stone fruits to UAE are coming from California, Turkey, Tunisia, South Africa and Australia. The competition for a larger PPN market share, especially for peaches and nectarines, is now fierce among California, Tunisia and Turkey. UAE consumers appreciate California PPN for their excellent quality and sweet taste. Trade feedback indicates that as more consumers become aware of the good quality of California PPN they will purchase more consistently, therefore increasing California PPN market share.

## **Brazil**

As Brazil exited the World Cup sooner than hoped for, consumer focus has transitioned to winter vacations with cooler temperatures. The market has been moving at a good pace with some commodities struggling such as apples and pears. European stone fruit is entering the market with increasing volume. All recent arrivals of California PPN are of good to excellent quality with strong shelf life. With European prices lower, traders have indicated decreasing import volumes of California PPN. They also have indicated trouble finding air space to ship from California.

## **Crop Update**

Temperatures will start in the triple digits and cool down to the high 90's for the weekend. The flavor and sugar is outstanding in the varieties currently available. Peaches have been coming in 10% below estimates on varieties. There has been a restriction of the sizes of peaches being packed due to low market prices.

### **Peaches**

The top producing traditional peach this period will be the old favorite **Elegant Lady**. The low acid **Sweet Dream** will be filling the second position this period. These varieties size heavy to the 40-50s sizes. **Summer Sweet** will be the number one Summerwhite® producer this period. **Snow Princess** has just begun harvest. The peento or saucer type peaches **Saturn** is also being packed.

### **Nectarine**

The top producing traditional nectarine this period is **Summer Bright**. The low acid variety **Honey Royale** will be in the second spot and pushing for the number one position by the end of this period. These are both great eating varieties and size heavy to the 50-56 sizes. **Grand Pearl** will be the major Summerwhite® nectarine this period with **Candy Pearl** and **Fire Pearl** competing for the second spot.

### **Plums**

The large **Owen T** plum will be the major plum variety starting this period with **Fortune** taking over at the end. The **Friar** plum is just starting harvest. **Catalina** and the large **Tulare Giant** prune are also being packed.

Through last Saturday	Season to Date (1,000)	2010 Estimate (1,000)
Yellow peaches	6876.6	16,290
Summerwhite® peaches	2754.4	5,595
Peaches Total	9631.0	21,885
Yellow Nectarines	6225.7	12,394
Summerwhite® nectarines	1845.6	4,040
Nectarines Total	8071.3	16,434
Plums	3749.8	8,772

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
<b>Mexico</b>	Peaches	CA	40 to 72, 80, 84 VF	\$ 14.98	\$ 1.84
	SW Peaches	CA	50, 60, 72	\$ 20.06	\$ -
	Plums - Red	CA	25 - 64	\$ 28.69	\$ -
	Plums - Black	CA	55 - 65	\$ 25.68	\$ -
	Plums - Black	CUG	80	\$ 20.47	\$ -
	Plums - Red	Plout	56-64-70	\$ -	\$ -
	Nectarines	CA	56-64, 80, 84	\$ 20.06	\$ 1.79
	SW Nectarines	CA	55-64	\$ 22.20	\$ 1.86
	Peaches	MX	33lb	\$ 16.99	\$ 1.08
	Apples	WA	64, 88 to 135, 164	\$ 27.15	\$ 1.10
Apricots	CA	88	\$ 22.47	\$ 2.53	
<b>Hong Kong</b>	Peach	CA	24	23.4	1.2/100g
	White Nectarine	CA	70,64,80	25.32	1.2/100g
	Pluot	CA	32	24	1.2/100g
	Peach	JP	24	101.3	12.7/2pcs
	Red Plum	JP	/	/	10.13/8pcs
	Flat Peach	CA	/	/	1.2/100g
	Yellow Peach	CA	/	/	2.05/1pcs
	Yellow Nectarine	CA	/	/	2.18/1pcs
	Nectarine	China	/	/	2.4/600g
	Peach	China	60,70,80	24.68	2.6/4pcs
Black Plum	China	10lb	5.8	1.3/600g	
<b>Taiwan</b>	SW peaches (air freighted)	CA	18~24	24.86 ~ 34.18	1.52 ~ 3.07 /pc
	SW peaches (ocean freighted)	CA	48~80	15.53 ~ 24.86	0.31 ~ 1.09/pc
	SW Nectarines	CA	56~80	12.43* ~ 24.86	0.52 ~ 0.62 /pc
	Peaches	TW	24~30	23.30 ~ 26.41	0.78 ~ 4.63/pc
	Peaches	JP	5	N/A	43.50 /box
<b>China- Shanghai</b>	Nectarine	China	Medium/15kg	8.84/box	0.52/500g
	Black Plum	China	Medium/15kg	15.46/box	0.82/500g
	Red Plum	China	Medium/15kg	15.46/box	0.93/500g
	Peach	China	Medium/10kg	4.42/box	0.28/500g
<b>China-Guangzhou</b>	Nectarine	China	SMALL/10kg	7.36/13.25	0.59-1.76
	Black Plum	China	medium/bulk pack	3/500G	0.88-1.31
	Peach	China	medium/bulk pack	0.44-1.03/500G	0.66-1.88
	Red Plum	China	Big/10kg	17.67	1.25-1.77
	Green Plum	China	medium/bulk pack	0.44	0.74-0.88
Nectarine	CA	Medium/25lb	29.46	2.65	
<b>Central America</b>	Peach	CA	45-90	\$ 26.34	\$ 2.09
	Nectarine	CA	60-80	\$ 29.22	\$ 2.26
	Nectarines - SW	CA	56-72	\$ 24.32	\$ 3.28
	Plum - Red	CA	70-72	\$ 30.42	\$ 2.08
	Plum - Black	CA	65-70	\$ 29.22	\$ 1.62
	Peach	Georgia (USA)	73-100	\$ 23.38	\$ 3.21
	Peach	GT, CR	small	N/A	\$ 1.45
	Plum	CR, GT	small	N/A	\$ 0.75
<b>United Kingdom</b>	Nectarine (White)	Sp	4 (61/67mm)	\$1.52 / kg	\$1.52*
	Nectarine (Yellow)	Sp	4 (61/67mm)		\$1.52*
		Sp	6 (56/61mm)		\$3.03*
		Sp	4 (61/67mm)		\$3.74
		Sp	Loose (67/73mm)		\$1.20
		Italy	4 (B)	\$1.76 / kg	\$1.52
	Peach (Yellow)	Sp	4 (61/67mm)	\$1.52 / kg	\$1.52*
		Sp	4 (B)		\$1.52
		Sp	6 (56/61mm)		\$3.03*
		Sp	4 (61/67mm)		\$1.52*
	Peach (Flat)	Sp	5 (B)		\$1.52
	Plum (Red)	Portugal	450g (50/55mm)	N/A	\$1.52
		Israel	Loose (55/60mm)		\$7.56 / kg
	Sp	400g (40/45mm)	\$1.52		

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
<b>Singapore</b>	SW Peach	CA (air)	56 Lyr	\$39.63	2.22/ 2pcs
	SWPeach	CA (air)	24	\$46.76	1.72/pc
	SW Nectarine	CA	40-44 Lyr	\$49.14	1.48 /pc
	SW Nectarine	CA	64/72 Lyr	\$51.85	*5.11 / 900g
	Plum	CA (air)	50-55	\$55.48	6.67 /kg
	Apricot	USA	54	\$40.00	1.26 /pc
	Strawberry	WA	454g x 8	\$25.93	4.81/454g
	Cherries	Cal	10 rows	\$79.26	11.00/Kg
<b>Malaysia</b>	SW Nectarine	CA (air)	40-44 Vf	50-55	1.50 - 2.00/pc
	SW Nectarine	CA (air)	72 Vf	50-55	1.30 - 1.50/pc
	SWPeach	CA (air)	36-40 Lyr	50 - 55	2.20 - 2.50/pc
	SW Peach	CA (air)	56/64 Lyr	50 - 55	2.20 - 2.50/pc
	Satum Peach	CA (air)	48 Lyr	50-55	1.80 - 2.00/pc
	Plums	CA (air)	90	70 - 78	1.00/pc
	Cherries	US	4kg	60-70/lug	1.00/100g
	Table Grape	Aus	9.5kg	22.20-28.50	2.75-3.50/kg
<b>South America-Columbia</b>	Plums	CH	9 Kg Box	24.00	N/A
	Peaches	CA	64-72-56	6.00	N/A
	Nectarines	CA	56-64-72	6.00	N/A
	Plums	CA	12 Kg Box	6.00	N/A
<b>South America-Ecuador</b>	Peaches	CA	N/A	N/A	N/A
	Nectarines	CA	N/A	N/A	N/A
	Plums	CA	N/A	N/A	N/A
	Claudia Plums	CA	N/A	20.00	2,25-2,50
	Peaches	EC	N/A	24,00-26,00	3.53
	Guaytambo	EC	N/A	24,00-26,00	3.53
<b>South America-Panamá</b>	Plums	CA	75U	N/A	0.23 per unit
	Peaches	CA	48U	N/A	0.45 per unit
	Peaches	CA	48U	N/A	1.55 – 1.63 per pound
	Nectarines	CA	48U	N/A	0.55 - 0.60 per unit
	Nectarines	CA	48U	N/A	1.87 per pound
<b>India</b>	Plums	CA	45-50	NA	\$4.83/lb-\$5.80/lb
	Peaches	CA	36-40	NA	\$4.83/lb-\$6.77/lb
	Nectarines	CA	36-40	NA	\$4.83/lb-\$6.77/lb
	Plum	India	60-70	\$7.46 per 5 Kg Box	\$1.74/lb-\$2.12/lb
	Peaches	India	60-70	\$8.52 per 5 Kg Box	\$1.16/lb-\$1.45/lb
	Apples	India	130-140	\$12.79 per 20 Kg Box	\$0.96/lb-\$1.16/lb
	Cherries	India	NA	\$1.49 per 1 Kg Box	\$0.96/lb-\$1.45/lb
<b>Brazil</b>	SW Peach	CA	44-56	51 - 56,72	\$ 11 - 13
	SW Nectaines	CA	44-56	51 - 56,72	\$ 11 - 13
	Peach	SP	24-26	22.22 - 27.78	\$ 7.09
	Nectarines	SP	24-26	22.22 - 27.78	\$ 7.09
	Peach	CA	22	\$ 74.00	\$ 22.74
	Plum	CA	35	\$ 71.00	\$ 16.50
	Plum	SP	35	\$ 36.87	N/A
<b>Dubai (UAE)</b>	Yellow Nectarines PLU # 4036	CA	64/25lb	\$ 4.20	\$ 1.15
	Yellow Nectarines (Ocean-Ship)	CA		\$ 3.55	\$ 0.97
	Spring Bright Nectarines (Air-Ship)	CA		\$ 4.78	\$ 6.84
	Nectarines	Turkey		\$ 1.80	\$ 0.49
	Red Plums PLU # 4042	CA	64/25lb	\$ 4.17	\$ 1.14
	Red Plums	CA		\$ 4.86	\$ 1.33
	Red Plums	CA		\$ 3.20	\$ 0.88
	Black Plums PLU # 4040	CA	70/25lb	\$ 5.10	\$ 1.40
	Plums	Tunisia		\$ 3.75	\$ 1.03
	Yellow Peaches PLU # 4098	CA		\$ 4.20	\$ 1.15
	Peaches	Tunisia		\$ 4.56	\$ 1.25
Peaches	Turkey	\$ 2.20		\$ 0.60	

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
<b>Canada</b>	Nectarines - Yellow	CA	per lb	N/A	0.65 - 1.93
	Nectarines - White	CA	per lb	N/A	0.97 - 1.44
	Peaches - Yellow	CA	per lb	N/A	0.65 - 1.93
	Peaches - White	CA	per lb	N/A	\$ 0.97
	Plums - Red	CA	per lb	N/A	0.97 - 1.93
	Plums - Black	CA	per lb	N/A	0.97 - 1.93
<b>New Zealand</b>	Peaches	US	56 VF	\$ 1.05	\$ 1.87
	Nectarines	US	64 - 70 VF	\$ 1.10	\$ 1.87
	Peaches	US	56 TP	\$ 1.74	\$ 2.17
	Kiwifruit	NZ	medium		\$ 0.93
	Apples	NZ	m/l		\$ 0.93
	Pears	NZ	m/l		\$ 0.93
<b>Legend</b>	ARQ	Argentina		MAL	Malaysia
	AUS	Australia		MX	Mexico
	CA	California		NZ	New Zealand
	CH	Chile		NZ	New Zealand
	CN	China		PHIL	Phillipines
	CO	Colombia		SA	South America
	CR	Costa Rica		SP	Spain
	CUG	California Utility Grade		SW	Summerwhite®
	CWM	Ca Well Mature®		THAI	Thailand
	EC	Ecuador		TW	Taiwan
	FR	France		UK	United Kingdom
	GT	Guatemala		US	United States
	ID	Indonesia		USM	US Mature
	IT	Italy		VF	Volume fill
	JP	Japan		VZ	Venezuela
	LYR	Layer		WA	Washington