

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

## August 13, 2007

As we move into the harvest of some late summer varieties we continue to hear nothing but praise regarding the fruits' exceptional quality this year. In terms of weather here in the San Joaquin Valley, we have had a beautiful beginning of August, with several days barely reaching 90 degrees Fahrenheit. The below average evening temperatures in particular bode well for excellent coloring. It was a nice break from what most of us consider to be the classic Valley "Hot August Nights". However, temperatures are expected to return to normal by the end of this week in the upper 90's to low 100 range.

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) or Sarah Alvernaz at [salvernaz@caltreefruit.com](mailto:salvernaz@caltreefruit.com).

### Current News

#### **Plum Crop Shorter Than Expected**

After mid-season evaluations, industry experts and the California Tree Fruit Agreement expect a total crop of 9.5-9.8 million cartons will be harvested, down from the 11.3 million cartons predicted before the season's start. The reduced harvest figure is mostly due to smaller than expected packouts from one of the main plum varieties. Not to worry though as there will still be plenty of great-tasting fruit available through the season's close in October. Angeleno's are expected to start up in the next 10 days.

#### **2007 U.S. Farm Bill Update**

The 2007 Farm Bill is now on its way to the Senate, after a 231-191 approval vote from the U.S. House of Representatives. The \$286 billion farm bill package includes more opportunities for California agriculture, particularly for specialty crops but still has a long way to go. Critics are already focusing on the lack of any reform to subsidized program crops in the House's version. The Senate will reconvene in September after August recess where they will most likely write their own version. After which the Senate and House must reconcile their competing bills before it reaches the President's desk and the existing Farm Bill expires on September 30. For more information on the 2007 Farm Bill go to [www.fas.usda.gov](http://www.fas.usda.gov).

#### **India's Retail Market Expanding**

Bharti Enterprises and Wal-Mart Stores, Inc. announced on Monday, August 6 that they have signed an agreement to establish Bharti Wal-Mart Private Limited, a joint venture for wholesale cash and carry and back-end supply chain management operations in India, despite intense opposition. Under the agreement, Bharti and Wal-Mart will hold a 50:50 stake in Bharti Wal-Mart Private Limited. The first wholesale cash-and-carry facility is targeted to open by the end of next year. Over the next seven years, the venture is expected to open 10 to 15 wholesale cash-and-carry facilities. Even before Monday's announcement protests were planned for this week

by hawkers, farmers and trade unions against Wal-Mart's entry. Though modern retail's share of India's booming retail sector is particularly attractive for foreign retailers looking to offset sluggish sales in their home markets, political and consumer opposition is making other large retailers such as Carrefour and Tesco take a step back. *Source: PRNewsFoto/WAL-MART STORES, INC., Reuters.com*

### **B.C. Fruit Growers to get \$8 Million**

RBCS News Brief - Grape and tree fruit growers in British Columbia will receive \$8 million from Canada's federal government and from the British Columbia government to help them deal with declining prices and demand and cope with an increase of imports, according to the Canadian Broadcasting Corp. The federal government is providing \$5 million and British Columbia will contribute \$3 million. Funds will go toward helping growers replace fruit trees with newer varieties and toward market and product research.

## Market Reports

### Mexico

California peaches and plums continue to do well in the market with traders and consumers continuing to comment on the fruit's exceptional flavor and quality. As for California nectarines, improved demand and recent deliveries have notably improved the market situation in Mexico City's retail sector. All three fruits are available in all supermarket chains and reporting good sales volumes. Local peaches from Chihuahua are currently the main competition for California PPN, but are reporting below average quality. Plums from Pueblo State are also presenting some competition as they are reporting to be good quality.

### Hong Kong

A record long heat spell has taken its toll on fruit sales with the hot weather impacting the quality of the fruit. Appearance of California Tao Lee is still on par with early season arrivals but the slight decline in quality (considering the heat) has slowed movement. Still California PPN is beating out Chinese PPN in quality and in movement, especially considering there is a HK\$50 per carton handling fee for Chinese fruit.

### Taiwan

The Pacific Typhoon season is under way and over the last week Taiwan has been hit by two tropical storms. On August 6 tropical storm Pabuk was the first typhoon to affect Taiwan this year. Pabuk swept across southern Taiwan but only for one night. Following Pabuk, Tropical Storm Wutip landed on Thursday. Another tropical storm, Sepat is heading their way and expected to hit this week. No agricultural damage has been reported, flooding and power loss to more than 50,000 homes is the reported damage thus far. In terms of California Tao Lee, the market has been unchanged, with the trade reporting that the peak of local fruits has passed and a big push for fresh fruits is expected for Ghost Festival this month.

### China

California Plums are now available in most major cities, including Shanghai, Shenzhen, and Guangzhou, with the trade outwardly pleased with the quality of arrivals thus far. Chinese Tao Lee still dominates the market but California plums may have the advantage as Chinese plums are reporting to be smaller in size and having lower brix when compared to California plums. Now that supplies of California plums have arrived promotions are set to kick off this week, with additional retailers eager to plan promotions.

## Singapore

As supplies of California PPN continue to arrive the trade continues to be pleased with the quality of the fruit. Retail distribution has improved with most supermarkets, and wet markets increasing the number of varieties offered. Chinese peaches continue to present the most competition as their volumes have increased over the past couple of weeks.

## Malaysia

Consumer demand for California PPN continues to be strong and the trade continues to be happy with the excellent quality of the fruits. Since demand and quality is good retailers are allocating more display space for California PPN this season, especially as more varieties of California plums arrive in the market. California PPN can be found in most of the middle-upper income retail stores and plums are now widely available in lower-end supermarkets and wet markets. Chinese peaches and nectarines are the main competitors for California PPN, but quality is below average. In addition the Malaysian Health Ministry announced that there will be stringent checks conducted on all China food products imported following the global scare of contaminated products originating from China.

## Thailand

A wide selection of California PPN is now available in most supermarkets, including many different varieties as well as a range of sizes. Reports on quality of California PPN continue to be up, with traders expecting more deliveries this month to cater to the increased demand during the coming Ghost Festival. Chinese peaches were found in the market but reporting poor tasting when compared to California PPN. Local longans are adding to the competition as they were launched last week at very low prices.

## Indonesia

Most high-end supermarkets and fruit boutiques are displaying a variety of California peaches, plums and nectarines, including donut, Summer White, and at least five plum varieties. The quality is reporting exceptional with great taste and uniform color and shape. Chinese peaches are the main competition but only in fresh fruit boutiques.

## United Kingdom

European stone fruit is dominating the UK market at the moment, which is not uncommon for this time of year. Quality of European stone fruit is reporting less than average which has retailers and importers looking to California PPN to compensate for the drop in quality. The exceptional quality and consistency of early arrivals of California PPN has the trade looking forward to future deliveries.

## New Zealand

Good volumes of California PPN can be found in the market with the trade continuing to comment on the fantastic eating quality of the fruit. One importer even commented that they are having a fantastic year and they can't keep up with sales. Both yellow and white flesh peaches and nectarines can be found in the market, along with black plums. Australian citrus is the main competition as heavy promotions are underway.

## Central America Region

Good volumes of California peaches, plums and nectarines can be found in all levels of the market. However in Guatemala, supplies of California peaches have declined in the traditional sector due to the increase in local peaches. Local plums are also presenting competition but at a lesser degree considering their quality is below average when compared to California plums. As the trade continues to comment on California PPN's color, size, flavor, pressure and shelf life they look forward to coming shipments.

## South America

Shipments continue to arrive in Colombia approximately every ten days and importers continue to be pleased with the excellent quality of the fruit. Additionally, California peaches, plums and nectarines are the only stone fruits found in the market. In Ecuador, large volumes of California PPN can be found in all supermarkets. Chilean plums are the main competition but their quality is reporting below average. Peruvian peaches are also available but only in open markets. Small to medium volumes of California PPN can be found in Venezuela. Local peaches and plums are in abundant supplies, and in good quality.

# 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](http://www.eatcaliforniafruit.com)! On the download center you will find downloadable POS material from many different countries. Additional file formats may be available upon request.

## Hong Kong

In addition to in-store samplings, the ad campaign launched on June 15 continues with ads in 6 leading lifestyle magazines: *Next*, *Eastweek*, *TVB Weekly*, *Oriental*, *Three Weekly*, and *Eat & Travel Weekly*. The media campaign will also feature TV advertising to be conducted during August, and newspapers advertising will be featured through September.

## Taiwan

Heavy promotions are taking place in August to support the sales during Ghost Month. In addition to over 160 in-store samplings, a newsletter was sent out to all trade members, the third wave of TV advertising kicked off and will go from August 9 through the 13 and again through August 22 - 27. Also consumer promotions will be heavy during Ghost Festival and Moon Festival encouraging the sales of California PPN.

## Singapore

Over 1250 students and teachers were reached during an in-school sampling and presentation last week. The students and teachers thoroughly enjoyed the fresh California peaches, plums and nectarines they were provided and one of the teachers commented on the presentation saying that it was an eye-opener for their students. Another school sampling is scheduled for later this month, in addition to other retail in-store samplings.

## Thailand

On July 27, over 80 supermarket retailers and importers attended an educational seminar at the Sheraton Grand Hotel. The seminar discussed the latest information on California PPN including proper handling, storage and merchandising of California peaches, plums, and nectarines, the latest PPN Handbook, and the Download Center.

## CAM

In store promotions continue, with demonstrators sampling fruit, handing out recipe brochures and small consumer incentives. Also, consumer advertisements were placed in specialized magazines in Costa Rica and Guatemala, which will run through September.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	50-64 vf	16.37	1.11
	Nectarines	CA	64-72vf / 25 lb	12.85	1.45
	Plums	CA	70-72 / 28 Lb.	16.06	1.09
	Peaches	MX	22 lb	10.57	1.33
	Apple	WA,MX	100-125-135	26.76	1.03
	Kiwifruit	Chile	22 lb	14.07	1.02
	Strawberries	CA	12 lb	10.40	2.24
	Strawberries	MX	19.2 lb	6.88	1.62
	Table-grapes	CA	18-20 lb	14.53	0.86
	Mangoes	MX	25 kg	9.85	0.54
	Plums	MX	18Kg	10.77	0.77
Pears	Arg	36-44 lb	24.65	0.88	
Hong Kong	Peach	CA	15 - 56	18.18 - 36.36	0.64 - 2.98/pc
	Nectarine	CA	56 - 80	15.58 - 31.16	0.25 - 1.03/pc
	Plum	CA	35 - 110	15.58 - 33.76	0.18 - 0.77/pc
	Prune	CA	28 lbs	23.37 - 38.96	1.29 - 1.94/lb
	Peach	China	70 - 88	11.68 - 15.58	0.32 - 0.90/pc
	Plum	China	75	10.38 - 12.98	0.18 - 0.25/pc
	Apple	WA, China	40 - 100	15.58 - 25.97	0.19 - 0.52/pc
	Orange	USA	88 - 113	20.77 - 28.54	0.25 - 0.77/pc
Taiwan	SW Peach	CA	13-18/Lyr	25.7-42.4	0.7-2.1/each
	SW Donut Peach	CA	14-16/Lyr	24.2-36.4	0.7-2.1/each
	SW Nectarine	CA	44-64/Vf	19.7-22.7	0.3-0.5/each
	Plum	CA	35-55/Vf	21.2-25.8	0.3-0.5/each
	Plum	CA	70-100/Vf	24.4-30.3	0.3-0.5/each
	Pantao Peach	WA	20-22/Vf	19.7-21.2	0.9-1.5/each
	Peach	Japan	12-15/box (4kg)	55-67	6-8/each
	Peach	Taiwan	5-8/box (1.5kg)	6.1-10.6	0.7-2.1/each
China-Shanghai	Plum	USA	10KG	31.58/BOX	2.34---5.00/500G
	Plum	CHINA	BULK PACK	0.64--0.78/500G	1.18--5.00/500G
	Plum	CHINA	BULK PACK	0.21---0.32/500G	0.51---0.91/500G
	Nectarine	CHINA	BULK PACK	0.34--0.44/500G	0.39---3.68/500G
	White Peach	CHINA	SMALL,48	13.75--14.38/BOX	1.57---5.00/500G
	White Peach	CHINA	BULK PACK	0.15---0.25/500G	0.52---2.63/500G
China-Guangzhou	Nectarines	CHINA	LARGE,70/75	1.05	1.53-1.75
	Peach	CHINA	SMALL,BULK PACK	0.26-0.63/500G	0.65-1.17
	Peach	CHINA	MEDIUM,BULK	0.66/500G	0.99-1.29
	Plum	CHINA	BIG,BULK PACK	0.97/500G,12.98/5	1.62-1.95
	Plum	CHINA	MEDIUM	16.45	1.05-1.32
	Plum	USA	30	30.26	
	Pluot	CHINA	MEDIUM	15.79	
	Pluot	USA	35	32.9	

Country					
Singapore	SW Peach	CA	18-40	30-43.33	1.67-2.33 pc
	SW Nectarine	CA	64 v/f	25.33	0.87 - 1.00 pc
	Peach	CA	64 v/f	42.8	1.00 pc
	Nectarine	CA	64 v/f	43.33	1.00 pc
	Donut Peach	CA	20	26.67	1.67 pc
	Prune	CA	80/90	57.33	8.60 kg
	Plum	CA	55 - 60	19.97	015 - 0.20 pc
	White Peach	CHA	S -75	1.8-19.97	2.33 / 900g punnet
	Apple	SA	150	28	0.27 pc
	Cherry	USA	10 rolls	60	11.33 kg
	Persimmon	NZ	14	21.33	1.93 pc
	Grapes	USA	8.2 kg	29.96	4.60 kg
	Strawberry	USA	8 x 454g	23.33	3.67 454g
	Malaysia	Peaches	CA	56-64 vf	36.0-42.0/carton
Nectarines		CA	62- 70vf	36.0-42.0/carton	1.15-1.80/pc
Donut Peaches		CA	56-84	44.0-66.0/carton	1.40-2.50/pc
Peach sw		CA	56-64/vf	38.0-44.7.0/carton	1.15-1.85/pc
Nectarine sw		CA	64-88/vf	38.0-44.7.0/carton	1.15-1.85/pc
Peaches		CHINA	900g	17.0-21.0/carton	2.30-2.60/900g
Nectarines		CHINA	900g	17.0-21.0/carton	2.30-2.60/900g
Orange		CA	113-180	17.7-20.2/carton	0.15-0.28/pc
Plum		CA	28lb.	1.5-1.78/lb.	1.12-1.6/lb.
Thailand	Plum	CA	40-60	19.81-91.0	2.54-14.0/kg
	SW Peach	CA	21-40	55.69-90.20	7.14-12.85/kg
	Nectarine	CA	21-40	55.69-90.20	7.14-12.85/kg
	Prune	CA	90-110	66.61-87.98	8.54-11.28/kg
	Langan	Thai	10/kg	5.68-8.0	0.71-1.0/kg
	Apple	NZ	20/2lyr	8.68-22.96	0.31-0.82/pc
	Grape	US	10/kg	30.84-60.0	5.14-10.0/kg
Indonesia	SW Peach	CA	16/44	40.95 - 54.14	7.27 - 10.86
	Peach Donut	CA	24	46.96	14.08 - 19.45
	SW Nectarine	CA	44	51.72	7.27 - 14.82
	Plum	CA	32-60	33.41-84.17	4.2-12.6
	Strawberry	USA	3Kg(8 pack)	35.91	6.46 - 6.8
	Cherry	USA	6 kg	92.7 - 98.23	105.59
United Kingdom	Nectarines	Spain	Pack of 4	750/4kg	3.98
	Nectarines	Italy	Punnet of 8	850/4kg	2.98
	Nectarines	Greece	Pack of 4	N/a	3.98
	Nectarines	France	Pack of 4	800/4kg	3.96
	WF Nectarine	France	Pack of 4	N/a	on offer from 3.98
	Peaches	Egypt	Punnet of 7	N/a	2.94
	Peaches	Spain	Pack of 4	750/4kg	on offer from 3.98
	Peaches	Italy	Per fruit	820/4kg	0.76
	Peaches	Spain	Per fruit	700/28	1.18
	Plums	U.K.	500g	100/500g	2.98
	Plums	Spain	Pack of 4	500/3kg	3.98
	Plums	Israel	Pack of 4	450/5kg	on offer from 4.98
	Bananas	Costa Rica	Per kg	N/a	1.18
	Apricots	France	Per kg	1600/5kg	11.98
	Kiwi Fruits	NZ	Pack of 4	1400/5.5kg	3.38

Country					
New Zealand	Nectarine	CA	11.3kg	0.88 - 0.94	1.00 - 2.01
	SW Nectarine	CA	11.3kg	0.9	1.2
	Peach	CA	8.0kg	1.3	2.0
	SW Peach	CA	8.0kg	1.4	1.7
	Plum	CA	12.6kg	0.7	1.2
	Pluots	CA	12.6kg	0.9	2.0
	Bananas	Phillipines			0.52 - 1.02
	Kiwifruit	NZ	medium		0.70 - 0.80
	Oranges	Aussi	medium		0.61 - 1.02
	Mandarins	Aussi	small/med		1.05 - 1.75
	Grapes	US	small/med		1.76 - 2.82
	Apples	NZ	medium		0.52 - 1.05
Central America	Peach	CA	60-64	19.00-28.84	1.30-2.27
	Donut Peach	CA	50		6.05
	Nectarine	CA	62-64	20.00-28.84	1.28-2.27
	Plum	CA	55-72	23.00-28.84	1.30-2.94
	Peach	CR,GT,HO	73-100		0.96-1.00
	Plum	CR,GT,HO	18 lbs	7.25-9.06	0.96
	Apples	WA,CH,AR	80-175	23.00-42.40	0.65-2.18
	Pears	CH, AR	100-130	26.92-44.23	1.40-2.61
	Grapes	CH, USA	18, 21 lbs	23.07-48.00	1.45-2.09
	Kiwifruit	CH	18-22 lbs	17.30-23.00	1.17-2.18
	Mandarine	CH	20-22	41.05	2.05
	Orange	CH, PE	25,54	24.83	1.45-2.35
	Pomme granate	CL			2.85
	Lime	USA	115	29.00	1.00-1.48
	Grapefruit	CA			1.55
	Strawberries	CR, USA			1.87-6.95
	Cherries	USA			5.50
Colombia	Peach	CA	64	28.70 / 30.44	3.00 - 4.21
	Nectarine	CA	64	28.41 / 28.91	2.34 - 4.53
	Plum	CA	65	28.42 / 28.80	2.00 - 3.22
	Plum	Chile			
	Kiwi	Chile			2.33 - 2.49
	Apple	Chile	80- 150	30.00 - 33.11	1.26 - 1.37
	Pear	Chile	70 - 100	20.50 - 28.52	1.22 - 1.10
Ecuador	Peach	Perú	90 u.	11.00-13.00/box	0.20 u.
	Nectarine	CA	22 lb	19,00-21,00/box	1,45-1.60/lb
	Plum	CA	16 Lb	20,00-23,00/box	1,60-1,64/lb
	Peach	CA	22 Lb	19,00-23,00/box	1,45-1.60/lb
	Plum	Chile	88/22lbs	19,00-20,00/box	1,30-1,36/lb
	Kiwi	Chile	22 lbs	13,00-16,00/box	0,87 - 0,91/lb
	Apple	Chile	125-160	15,00 - 20,00/box	0.68 - 0.77/lb
	Pear	Chile	22 lbs	15,00-20,00/box	0.70 - 0.87/lb

