



A REPORT FROM THE CALIFORNIA TREE FRUIT AGREEMENT

International Market Report

975 I Street P.O. Box 968, Reedley, CA 93654-0968
Telephone: 559-638-8260 • Fax: 559-638-8842

www.caltreefruit.com

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

August 17, 2009

Can you believe its almost September? We passed the traditional summer peaks in terms of supplies of California peaches, plums, and nectarines (PPN) in late July, and now autumn seems to be just around the corner. However, here in California we are blessed with one of the longest summers in the world, and there is no need to be concerned because the great taste of California PPN will be available into October. At the moment, nectarine and plum packouts continue to be heavy for August varieties. There are still two million packages of nectarines in the orchards! In terms of plums, Angeleno's are just getting started, along with other late season varieties. Thankfully the super hot temperatures of a few weeks ago have passed, and temperatures are expected to fall into the upper 90s by the end of the week.

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 Denise Junqueiro at djunqueiro@caltreefruit.com.

Current News

Mexico's economy declined 1.2 percent in 2nd Quarter

While the economic contraction of 1.2 percent was better than the 4.4 percent decline in the first quarter, the projected annual fall in GDP still ranks as Mexico's largest recession since the Great Depression in the 1930's. Economists believe the recession has hit bottom and expect the recovery to move in to positive territory before the end of the year.

New Retail Optimism: Rapid sales increase at Waitrose (UK)

According to The Times in the UK, Waitrose market share grew 0.2 percent in the past quarter based on impressive sales of their "Essentials" range of value-oriented products. According to TNS Worldpanel, a market research company, this provides signs that recession fears are likely softening in the grocery sector. Although Waitrose is a high-end retail outlet, Sainsbury's, Asda, and Morrison's all had increased market share over the past quarter as well, while Tesco, the market leader, fell back slightly.

Market Reports

Mexico

Movement has increased over the past two weeks for California PPN. Volumes can be considered below average, especially compared to 2008, but quality of California PPN is strong. California peaches currently carry 85% market share in Mexico, while in Mexico City its 95%. California nectarines continue to have 100% market share. Movement is average for yellow-flesh nectarines, but there has been a surge in demand for Summerwhites®. California plums have 95% of the market share with above average movement and excellent quality. California PPN movement has not been significantly impacted

by competitive local peaches and plums according to the trade, because California PPN has superior flavor and quality.

Hong Kong

California Tao Lee has excellent quality but is currently only available in below average volumes. Even though there is limited supply of California Tao Lee, consumers can find peaches, donut peaches and plums in all major supermarkets. Higher volumes of Chinese Tao Lee were present compared to the previous reporting period. Japanese peaches were spotted but in only limited volumes at high-end outlets. California Tao Lee is perceived to have a better quality and sweeter flavor than Chinese Tao Lee.

Taiwan

Volumes of California PPN were average to below average over the past two weeks, although volumes are expected to increase in coming weeks. Typhoon Morakot hit the island on August 7-10, and the damage to local agriculture production, especially from Taichung south has been severe. Local crop losses are an estimated \$3 billion NTD. Ghost month celebration is approaching on August 20. Because of the crop loss during the typhoon consumers are going to be looking for imported fruits for the celebration. The first shipment of Washington peaches arrived over the past two weeks but only in limited volumes. Pear mountain peaches and Japanese peaches are present in the market but with low volumes. Other fruits spotted are New Zealand kiwifruit, cherries from Canada and Southern hemisphere apples.

China

The Guangzhou market is currently the only market caring California plums with low volumes. Chinese Tao Lee is still available and continues to be popular with consumers. In Shanghai there were no shipments that arrived during the reporting period. Chinese Tao Lee has decreased volumes overall, but Chinese plums from Shaanxi are in good supplies. In Shenzhen, Dalian and Beijing there is only Chinese Tao Lee present.

United Kingdom

Weather has been quite wet over the past two weeks, which has impacted consumer purchasing trends. Consumers are turning toward comfort foods such as pies, cakes, soups and winter veggies, at the expense of typical summer foods, including BBQ fare. These situations are adding up to the lowest levels of food inflation in the UK since December of 2007 according to the British Retail Consortium. The inflation had slowed to 3.1% in July from the 5.5% in June. Besides the higher volumes of hearty vegetables, peaches and nectarines from Spain and Italy are present in retail and wholesale market levels. Peach and nectarines from France are also available. Plums from Israel, Portugal, Greece, Spain and Italy can also be found. UK plums are expected to have a bumper crop. In terms of indirect competition, US and British cherries are on supermarket shelves along with British strawberries, table grapes and berries.

Singapore

Air and ocean shipments have been consistent and are predicted to increase for the Hungry Ghost Festival which started on August 13 and continues to September 11. Movement and volumes of all fresh fruits increase during the celebration, specifically to offer for prayer. Chinese peaches are available in the market but don't compare to the quality and flavor of California Summerwhite® peaches. Also in the market are Thai longans, papayas, mangosteens, watermelons, mangoes and Durians. US cherries, apricots, grapes and citrus are present along with New Zealand kiwis, persimmons from South Africa and Chinese pears and apples.

Malaysia

California PPN is available in supermarkets and hypermarket outlets. Wet markets are carrying California plums in only average distribution. Shipments of plums from China have increased during the reporting period. Peaches and nectarines are also present in the market with only average quality.

Indirect competitors in the market are US cherries, New Zealand kiwifruits and local mangoes, rambutans and mangosteens.

New Zealand

Volumes for California PPN are good with optimal shelf space and display position. Movement is slower than the previous year but quality is excellent. Also in the market are Mexican, Chilean and Australian grapes, California oranges, Australian melons, Packham pears, strawberries and pineapples from the Philippines. Local product in the market is apples, pears, kiwifruit, oranges and mandarins.

Central America Region

In Guatemala sales movement for California PPN is only average, but in El Salvador movement was boosted to above average due to the national holiday. Despite the political challenges in Honduras availability of California PPN is good including Summerwhite® varieties. Volumes in Costa Rica have decreased although sales remain strong. Peaches from Guatemala and El Salvador are competitors in the market along with plums from Costa Rica and Guatemala. US apples, pears from Argentina, Mexican grapes, Chilean kiwifruit and locally grown mangoes and strawberries are all indirect competition.

South America

California PPN can be found in excellent volumes throughout the wholesale sector and supermarkets. Feedback on quality continues to be strong, although plums are reported to be only average over the past two weeks. The only direct competition is from Ecuadorian peaches. Speaking of Ecuador, volumes are strong, although movement has slowed recently. Ecuadorian peaches are competitive based on price. In terms of other imported fruits, California oranges and Chilean table grapes continue to sell well despite a recent increase in prices. Reports from the trade in Panama remain positive on California PPN with additional arrivals over the past two weeks and expectations of more shipments this season. In Venezuela, there is nothing new to be reported due to government's suspension of import permits. In the past, the trade dealt with delays in receiving import permits, but the current suspension has lasted for over 4 months now.

India

California plums are now available in India in limited volumes, however initial reports from the trade are very positive as the plums have excellent quality. Also in the market are plums from Kashmir and Shimla found at both the wholesale and retail levels.

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 a few brief descriptions of in-country activities. Promotional programs have started and will continue over the duration of the season.

*Be sure to visit the 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. Contact Denise Junqueiro for assistance DJunqueiro@caltreefruit.com or (559) 638-8260

Taiwan

CA Tao Lee was featured on Sanli News during July 11-12 and will be featured again during the month of August. CA Tao Lee was also featured in Taiwan's largest nutrition site "Lohas Nutritionist" www.foodcare.com.tw, this promotion will end on August 14. 20,000 fans at the 2009 World Games in Kaohsiung were exposed to the nutritional benefits of CA Tao Lee. The fan promotion ran from July 15-26.

Hong Kong

In-store promotions have started in collaboration with the USA Food Festival. Opening ceremonies for the US Food Festival took place on July 22 and were organized by ATO. Along with ATO the California Tree Fruit Industry, Norwest Cherries, California Strawberries, California table grapes, California wines and Alaskan seafood all participated in the event. A wine tasting was demonstrated while introducing wine pairings with various CA Tao Lee varieties.

| Country | Fruit | Grade/ Origin | Size/Count | Wholesale Price US\$ | Retail Price US\$ |
|-----------------|-------------------------|---------------|------------------|-------------------------------|----------------------|
| Mexico | Peaches | CA | 40 to 72 VF | 16.24 | 1.28 |
| | Plums | CA | 46-50-55-65,64 | 17.49 - 17.91 | 1.23 - 1.42 |
| | Nectarines | CA | 56-70 | 21.20 | 1.32 |
| | SW Nectarines | CA | 60-70 | 19.68 | 1.38 |
| | Plout | CA | 64 | --- | 2.42 |
| | Peaches | MX | 33 lb | 9.88 | 0.91 |
| | Apple | WA | 88 - 135 | 24.70 | 0.94 |
| | Apricots | CA | 8 | 30.53 | 1.72 |
| | Kiwifruit | CH, NZ | 22-30lb | 18.92-30.61 | 1.16-1.38 |
| | Mangoes | MX | 25kg | 10.66 | 0.33 |
| | Pears | ARG, WA | 70-120 | 29.05-32.55 | 0.97-1.06 |
| | Plums | MX | 18Kg VF/ 36-32 | 8.74; 22.71 | 0.69 |
| | Strawberries | CA, MX | 12-19.2 lb | 5.71-12.69 | 1.39-2.25 |
| | Grapes | MX | 21 lb | 11.16 | 1.06 |
| Hong Kong | Peach | CA | 32pcs | 45.50 | 2.60/apcs |
| | Black Plum | CA | 28lb | 11.04 | 1.93/1lb |
| | Plum | CA | 25-28lb; 32pcs | 14.30-55.80 | 2.3-5.2/lb; 1.3/8pcs |
| | Pluots | CA | 24-28pcs | 22.70-24.70 | 2.6/1lb |
| | Plum | CA | 28lb | 10.40 | 1.3/4pcs |
| | Red Plum | China | 15lb | 6.2/1box | 2.6/2lb |
| | Black Plum | China | 15lb | 6/1box | 1.3/5pcs |
| | Peach | China | 70pcs | 12.00 | 0.5/1pcs |
| | Prunes | China | 16lb | 6/1box | 1.04/1lb |
| | Peach | JP | 15pcs | 45.50 | 5.5/1pcs |
| | | | | | |
| Taiwan | SW Peach | CA | #14-18; #40-44 | 22.78 - 42.53 | 0.67 - 4.10/pc |
| | SW Nectarine | CA | #56-64 | 30.37 - 33.41 | 0.30-0.70/pc |
| | Plum | CA | #30-45 | 27.34 - 36.45 | 0.30-0.76/pc |
| | Prune | CA | #60-110 | 24.30 - 36.45 | 1.81-2.53/lb |
| | Peach | JP | #12-13 / 5Kg | 72.90-75.94 | 7.59- 9.5/pc |
| | Peach | TW | #16-36 / 5.4-6Kg | 19.75-30.38 | 0.91 - 4.05 /pc |
| China-Shanghai | Black Plum | China | Medium/5KG | 4.05/BOX | 0.61/500G |
| | Red Plum | China | Medium/5KG | 4.42/BOX | 0.71/500G |
| | Prune | China | Small/5KG | 3.68/BOX | 0.59/500G |
| | Peach | China | Big/10KG | 5.89/BOX | 0.44/500G |
| | Prune | CA | Medium/9KG | 35.35/BOX | 3.68/500G |
| China-Guangzhou | Peach | CA | Medium/70 | 29.46 | 1.88-2.20 |
| | Plum | CA | Large 30/35 | 47.13/42.70 | |
| | Nectarine | China | Medium/13KG | 11.75、 16.18/10KG | 0.96-1.77 |
| | Peach | China | Medium | 0.37-0.66/500g | 0.58 - 1.76 |
| | Chinese Variety of Plum | China | Medium | 0.26-0.29/500g | 0.41-0.44 |
| | Prune | China | Medium | 8.83/10KG | 0.41-0.88 |
| | Black Plum | China | Medium | 0.37- 0.59/500g,17.67/10KG | 0.43-0.88 |
| | Red Plum | China | 70/75(10KG) | 17.67 | 1.18-1.25 |
| Green Plum | China | MEDIUM | 0.79-0.22/500G | 0.29-0.52 | |
| Singapore | SW Peach | CA | 18; 44 | 33.57; 51.97 | 2.86; 1.79 |
| | Peach | CA | 64 2Lyr | 49.68 | 1.29 |
| | Plums | CA | 55 | 23.57 | 0.22 |
| | Prunes | CA | 60 | 60.00 | 6.43 kg |
| | IS Plums | CA | 32 | 46.53 | 2.14 pc |
| | SW Nectarine | CA | 72/56 Vf | 31.23 | 0.57 |
| | Appricot | US | 10 kg | 55.71 | 5.17 500g |
| | Cherry | CA | 10 1/2 roll | 59.03 | 11.03 kg |
| | Strawberry | US | 454g x8 | 26.21 | 4.76 |
| | Grapes | US, AUS | 8.6 - 10kg | 29.62 - 51.97 | 4.76 |
| | White Peach | China | 60 | 35.72 | 0.68 |
| | Kiwi (green) | NZ | 10 kg | 33.10 | 2.07 (4pcs) |
| | Apple | NZ | 80 | 33.79 | 0.62 |
| | Persimmon | NZ | 16 | 16.24 | 1.72 |

| Country | Fruit | Grade/ Origin | Size/Count | Wholesale Price US\$ | Retail Price US\$ |
|------------------|-------------------|----------------|------------------------------|----------------------|-----------------------|
| Malaysia | Peaches | CWM | 64 2 lys | 50.0-55.0 | 1.00-1.30 |
| | Nectarines | CWM | 64 2 lys | 50.0 - 55.0 | 1.00-1.30 |
| | Peach sw | CWM | 72 / 56 vf | 30.0-33.0 | 0.80-1.10 |
| | Nectarine sw | CWM | 72 / 56 vf | 30.0-33.0 | 0.80-1.10 |
| | Plums | CA | 50-55 | 30.0-35.0 | 0.40.50 |
| | Peaches | CHN | Medium | 22.0 | 0.50 |
| | Nectarines | CHN | Medium | 22.0 | 0.50 |
| | Plums | CHN | Medium | 15.0-20.0 | 0.30 |
| | Strawberries | CA | 4.5kg | 40.0-50.0 | 5.00-6.00/pkt |
| | Cherries | US | 8.2kg | 78-80/lug | 2.00/100g |
| | Grape | Aus, SA | 4.5-9.5kg | 8.10-28.50 | 2.20-3.50/kg |
| | Pear | SA | 38-56 | 11.32-12.50 | 0.23-0.39/pc |
| | Apples | NZ, CN | 36-163 | 10.00-22.00 | 0.15 - 0.45/pc |
| United Kingdom | Plum | SP, Israel, UK | 400-500g; 6 pack | 1.35 - 1.83/kg | 2.45 - 3.28 |
| | Peaches | SP, Italy | 4-5 pack (61-73mm); Loose | 1.17 /kg | 2.45 - 2.78; 0.91 ea |
| | Peaches White | SP | 4-6 pack (61-67mm) | N/A | 2.45 - 3.28 |
| | Peaches Donut | SP | 4 pack (61-67mm) | N/A | 3.28 |
| | Nectarine | SP/Italy | 5-8 pack (56-73mm); Loose | 1.13 - 1.17/kg | 2.45 - 3.28; 0.91 ea |
| | Nectarine (white) | SP, Italy | 4 pack (61-67mm); Loose | N/A | 3.28; 0.81ea |
| | Greengages | Fr, SP | 320g - 500g | 1.48 - 1.83/kg | 3.28 - 5.75 |
| | Blackberries | UK | 225g | N/A | 3.28 |
| | Blueberries | Poland | 200 | N/A | 3.28 |
| | Cherries | USA | 250g | N/A | 3.28 |
| | Strawberries | UK | 400g | N/A | 2.88 |
| | Grapes | Sp, Italy | 1kg | N/A | 4.10 |
| | | | | | |
| | | | | | |
| New Zealand | Nectarines | CA | 64 | 1.03 | 2.42 |
| | SW Nectarines | CA | 64 | 1.33 | 2.52 |
| | Peaches | CA | 56 | 0.97 | 2.42 |
| | SW Peaches | CA | Tray pack | 1.5 | 2.42 |
| | Plums | CA | 64 | 0.95 | 1.51 |
| | Grapes | AUS | med/large | 1.12-4.30 | 2.47 |
| | Orange | NZ | large | | 0.7 |
| | Apples | NZ | 138 | | 1.77 |
| | Kiwifruit | NZ | Med | | 1.12 |
| | Apples | NZ | med/large | | \$0.54 - \$1.12 |
| | Mandarins | NZ | med | on promotion | 1.51 |
| | Pears - Packum | AUS | | | 0.97 |
| | Central America | Peaches | CA | 56-74 | 30.08 |
| Peaches - SW | | CA | 56-76 | 31.66 | 2.11 |
| Nectarine | | CA | 70-72 | 26.59 | 1.54 |
| Nectarine - SW | | CA | 56-72 | 22.15 | 1.79 |
| Peaches - Saturn | | CA | 12 lbs | 34.11 | 2.43 |
| Plums - Black | | CA | 64-75 | 31.03 | 2.03 |
| Plums - Red | | CA | 50-70 | 26.92 | 1.54 |
| Pluot | | CA | 50-70 | | 1.98 |
| Peaches | | GT | small | | 1.11 |
| Plums | | GT, CR | small | | 1.23 |
| Apples | | CH, USA, CR | 80-198 | 28.58 | 1.13-1.15 |
| Grapes | | CH, MX, CA | 18 lbs | 27.7 | 1.91 |
| Pears | | CH, USA, Arg | 88-135 | 33.01 | 1.83 |
| Kiwifruit | | CH | 13, 21 lbs | 28.61 | 1.71 |
| Oranges | | Pe, USA | 44-72 | 29.33 | 0.98 |
| Strawberries | | CR, HO, GT | | | 2.14 |
| Mandarine | | CA, CH, Pe | 22 lbs | 25.06 | 1.52 |
| Apricots | | US-1 | 22 lbs | 30.7 | 2.16 |
| Cherries | | USA | 15 lbs | 51.75 | 5.43 |
| Grapefruit | | USA | Class 1 | | 0.83 |
| India | Plum | CA | 70-80 | 14.25/13 kg box | \$1.42/lb - \$1.71/lb |
| | Plum | India | 70-80 | 4.75/5 Kg box | \$0.76/lb - \$0.95/lb |

| Country | Fruit | Grade/ Origin | Size/Count | Wholesale Price US\$ | Retail Price US\$ |
|------------|--------------|--------------------------|----------------------|----------------------|-----------------------|
| Colombia | Peaches | CA | Box 11k | US 29.10 | US 1.32 LB |
| | Nectarines | CA | Box 11 | US 31.61 | US 1.43 LB |
| | Plums | CA | Box 9kl Bulk 64 | US 30.10 | US 1.67 LB |
| | Guava | CA | Box 12 kl | US 6.21 | US 0.25 LB |
| | Orange | CA | Box 25 kl | US 23.91 | US 0.47 LB |
| | Papaya | CA | Box 18 kl | US 14.34 | US 0.39 LB |
| | | | | | |
| Panama | Peaches | USA/CA | | | 1.15-1.65/LB; 0.40 ea |
| | Nectarines | USA/CA | | | 1.15/LB; 0.35-0.45 ea |
| | Plums | USA/CA | 48U | | 1.15-1.76/LB; 0.25 ea |
| | | | | | |
| Venezuela | Peaches | VZ | | | 4.00-6.97 |
| | Nectarine | VZ | | | 4.65-9.30 |
| | Plums | VZ | | | 4.88-7.44 |
| | Mango | VZ | | | 1.83-2.41 |
| | Watermelon | VZ | | | 1.13-1.46 |
| | Melon | VZ | | | 3.20-4.04 |
| | Pineapple | VZ | | | 2.86-3.31 |
| | Strawberry | VZ | | | 11.62-14.88 |
| | Papaya | VZ | | | 2.79-3.10 |
| Canada | SW Peach | CA | per pound | | 1.85 |
| | Peach | CA | per pound | 0.93 - 1.39 | 2.41 |
| | Nectarine | CA | per pound | 0.93 - 1.39 | 0.93 - 2.41 |
| | SW Nectarine | CA | per pound | | 1.85 |
| | Plums | CA | per pound | 0.93 | 1.39 - 1.85 |
| | Apple | CH, S Af | per pound | 0.93 - 1.57 | |
| | Apricots | CA/WA | per pound | | 1.85 |
| | Avocados | MX | each | | 1.39 |
| | Blueberries | Canada | pint; 2 quart clam | 1.55 - 1.85 | 1.39-2.32; 4.64 |
| | Cantaloupe | U.S./Canada | each; per pound | 1.55 - 1.85 | 0.63; 1.39 - 2.32 |
| | Cherries | WA/BC | per pound | 1.39 | 1.39 - 2.78 |
| | Clementines | S Af, Uruguay | 5# bag; per pound | | 1.85; 5.11-6.50 |
| | Grapes | CA | per pound; 2# clam | 0.89 - 0.93 | 0.93-3.71 |
| | Honeydew | U.S. | each | 1.55 | |
| | Kiwifruit | CH/NZ | 2# punnet; each | 1.85-2.78 | 0.31 each |
| | Mangoes | MX | each | 0.73 - 1.20 | 0.93 - 1.28 |
| | Nectarines | WA | per pound | | 2.32 |
| | Oranges | S Af, CA | 3# bag | 3.99 | 2.78 |
| | Papaya | Belize | each; per pound | | 0.93-1.39 |
| | Peaches | Ontario, BC | 3L basket; per pound | 2.32 | 0.93 - 3.71 |
| | Pears | CA | per pound; 6# Bag | 0.93; 5.10 | 1.39 - 1.85 |
| | Plums | Ontario | 1.5L punnet | 2.78 | 2.78-3.71 |
| | Raspberries | CA, Canada | 1/2 pint | 1.39-1.55 | 1.85-2.32 |
| | Strawberries | CA | 1# & 2# clam | 1.55 | 1.85-2.32 |
| Watermelon | US, Canada | per pound; each | 2.78 | 1.85-3.71; 0.46/lb | |
| Legend | Arq | Argentina | | Mal | Malaysia |
| | Aus | Australia | | MX | Mexico |
| | CH | Chile | | NZ | New Zealand |
| | CN | China | | NZ | New Zealand |
| | CO | Colombia | | SA | South Africa |
| | CR | Costa Rica | | Sp | Spain |
| | CA | California | | SW | Summerwhite® |
| | CUG | California Utility Grade | | Thai | Thailand |
| | CWM | Ca Well Mature® | | TW | Taiwan |
| | EC | Ecuador | | USM | US Mature |
| | GT | Guatemala | | Vf | Volume fill |
| | JP | Japan | | VZ | Venezuela |
| | Lyr | Layer | | WA | Washington |