

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

August 18, 2008

California peaches, plums and nectarines (PPN) continue to be available in all target international markets, and promotions are still going strong to boost sales of all three fruits. With more than 25% of the season's estimate still to be harvested, we are now transitioning into the late season varieties that have been soaking up the California sunshine all summer long, creating the natural sweetness that sets California PPN apart.

Some of the varieties available this period, among others, include September Flame®, August Flame® and O'Henry for yellow peaches, and August Fire, August Red for yellow nectarines. Major white-flesh varieties this period include Snow Giant, Autumn Snow, August Pearl™ and Arctic Pride. Plum packout continues to move along. The key varieties being harvested this period include Howard Sun, Joanna Red and Black Kat. Other plum varieties available are Flavorich, Flavor Treat, Emerald Beaut and Moyer Prune. Temperatures in the Central Valley will be in the mid to upper 90s for most of this week.

Current News

Taking the Fast Plane to China

Prepared for the California Department of Food and Agriculture the report, *Taking the Fast Plane to China: An Expanded Role for Air Freight in Increasing California's Fresh Fruit and Vegetable Exports* by Jack O'Connell examines the feasibility and desirability of air freight to increase distribution to urban markets throughout China. The report includes an overview of the market including demand for imported products and logistical barriers, analyzes the air cargo picture in China and the advantages. To learn more, download the entire report by going to http://www.cdfa.ca.gov/exec/Public_Affairs/Export/Files/AirCargoReport.pdf.

Macau- A Booming Market for US Exporters

The USDA Foreign Agricultural Service recently released a Market Development report for Hong Kong and the booming market in Macau. The report indicates that US exports to Macau reached a record high in 2007 and grew 26% from 2006. It is expected to increase further in 2008 reaching \$12 million from \$9 million in 2007. The surge is attributed to the growing casino tourism and demand by hotel catering/restaurants. To download the report, go to <http://www.fas.usda.gov/gainfiles/200808/146295456.pdf>.

Market Reports

Mexico

Demand for California stone fruits continues to be strong in Mexico, and quality reports continue to be good. As kids go back to school the trade expects sales movement to improve, particularly at the wholesale markets. Peach volumes remain good, nectarine volumes remain stable and plum volumes have increased over the past two weeks. While the majority of plums are sold through retail, the increased volumes have improved their availability in traditional markets. Market share for California peaches continues to be around 85-90%, with the remaining share belonging to local peaches. Other competition includes Washington apples, pears (Washington, Oregon, California), grapes (California, Mexico) and local mangoes.

Hong Kong

Volumes of California stone fruit, mostly plums and prunes continue to arrive in the market. Quality reports continue to be good and all three fruits continue to be widely available throughout retail, wholesale and wet markets. Chinese peaches continue to be widely available, but only small amounts of poor quality Chinese nectarines were found. Chinese prune plums were found at supermarkets on promotion, but their quality was only average due to low sugar levels. The Chinese lychee season has ended, but competition still exists from US cherries, Taiwan Watermelons, US oranges, California grapes and apples from New Zealand, China and US.

Taiwan

In Taiwan, demand for fresh fruits increased with start of Ghost Month on August 1, and with the decrease in local supplies due to the typhoons last month, demand has been very strong for California stone fruits. In fact, California stone fruits were reported to be the most popular selling imported fruit over the past two weeks. The second largest worship day was on August 15, and as a result of the strong sales turnover for California peaches, plums and nectarines the trade is planning orders to replenish supplies. Quality reports range from average to good, and local temperatures have cooled aiding shelf life of all imported fruits. In terms of competition, some local peaches were still available, along with local watermelons, pineapples, mangoes, New Zealand apples, kiwi and multiple varieties of California pluots.

China

California plums were found in all key markets in China (Shanghai, Shenzhen, Guangzhou, Dalian and Beijing) over the past two weeks. Although volume levels varied in each market, black plums and some red, could be found at supermarkets, high-end fruit stores and some hypermarkets. Feedback on overall quality was good, and additional supplies were expected to arrive last week. In Beijing the Summer Olympics are underway, and although the games have brought millions of visitors to the city, sales of imported fruits have been less than impressive. Heightened security measures, including highway security checks that took upwards of ten hours before the opening ceremonies, significantly limited any deliveries of imported fruits from Southern China. Chinese stone fruit continue to present strong competition, with large volumes of good quality and competitively priced peaches and multiple varieties of plums. Other competition includes Chinese melons, cherries, mangoes, lychees and pineapple.

Singapore

Feedback from the trade continues to be positive as demand at retail is strong and quality continues to be good. Additional volumes of California plums, prunes and white-flesh nectarines arrived over the past two weeks, along with white-flesh peaches, organic nectarines and a specialty nectarine variety that arrived by air. Additional shipments are expected this week. Chinese peaches were found at multiple retail and hypermarkets as well as some wet market stalls. According to the trade sales are slow for Chinese stone fruit due to their poor eating quality despite their low prices. Malaysian Durians are presenting strong competition, and other competition includes California specialty apricots, grapes, New Zealand kiwi and persimmons.

Thailand

Volumes of California plums increased over the past two weeks, improving their distribution at retail and wet markets. Peaches and nectarines continue to be shipped by air, and can be found at up-scale supermarkets, fruit shops and select hypermarkets. Additional volumes of plums and nectarines are expected in the next two weeks. Chinese peaches and nectarines continue to be available at wholesale and retail levels. Their size and appearance is good but their eating quality is below average. Other competition includes local longans, New Zealand kiwi, apples and California grapes.

Indonesia

More retailers are carrying California plums as additional supplies arrived in the market over the past two weeks. Multiple varieties are being offered, including red, black and sugar plums. Weekly air shipments of California peaches and nectarines continue to arrive, and feedback on the quality of all three fruits has been good. Chinese white-flesh peaches and nectarines as well as plums could be found in some supermarkets and fruit shops.

United Kingdom

Currently peaches and nectarines from Spain and Italy are available, as well as plums from Portugal, Spain, and some British. Some California donut peaches continue to be available. In other news from the UK, a report from Datamonitor shows that since the start of the 5-A-Day campaign in 2002 the per-person fruit and vegetable consumption in the UK has risen from 3.1 servings of 80g per day to 3.86 per day. The report also shows a similar increase in the consumption of "super" fruits like pomegranates, acai, and goji berries. In addition to the 5-A-Day campaign, the UK government will be stressing the message of health by issuing letters to parents informing them if their child's weight is clinically above average. Over the next year, 1.2 million letters will be sent to parents providing advice on how they can make changes to their child's diet or lifestyle. Fresh produce from Spain will have easier access to the UK market after the new terminal at the Port of Liverpool is completed in October. The multi-million dollar terminal will provide a cost-effective, all-water alternative for the more than 300 trucks that transport fresh produce from Spain to the UK everyday.

New Zealand

Good volumes of California nectarines, plums and peaches were available throughout retail and wholesale markets in the North Island of New Zealand over the past two weeks. In the South Island, severe weather caused ocean shipments to be delayed by one week, causing California stone fruits to be in tight supply at the beginning of August. But now those shipments have arrived, and supplies have resumed to normal levels. Quality reports continue to be good and the trade continues to be pleased with the sales turnover for all three fruits. Competition includes California grapes, NZ apples, NZ kiwifruit, Australian pears, NZ mandarins, NZ persimmons and Australian navel oranges.

Central America Region

Supermarkets in Central America are displaying large volumes of California plums followed by peaches and nectarines. In the traditional markets, the availability of plums has improved with both red and black varieties now available. Positive comments on the overall size, appearance and eating quality continue and the trade is pleased with the results of the season so far. Local peaches and plums continue to be available, although supplies decreased slightly due to rain in the growing region that slowed production. Other fruits available include multiple varieties of pears (Chile, Argentina, US, Spain), Chilean kiwi, grapes (California, Chile) and strawberries (Costa Rica, Guatemala).

South America

Additional arrivals in the past two weeks increased the availability of California stone fruits throughout retail and wholesale markets in Colombia. More nectarines and plums, as well as some peaches are expected to arrive this week. The trade is pleased with the overall quality and has expressed their interest in handling California stone fruit until the end of the season. Some very old, poor-quality Chilean plums were found at wholesale and retail markets, along with good quality Venezuelan peaches. In Ecuador, supermarkets are promoting California stone fruits through specialty displays and allocating more display space to the category. No other origin stone fruits are available at retail, but on the open markets Peruvian peaches and small volumes of Ecuadorian peaches are available. At both retail and traditional markets, indirect competition includes Ecuadorian pineapples, mangoes, melons, papaya, citrus (US, Ecuador) and California grapes. In Panama California peaches, plums and nectarines continue to be available at retail, with positive comments received on the quality. The local Venezuelan peach season is underway which means California peaches are no longer available in Venezuela. Still, large volumes of California plums and nectarines are available, and overall quality reports are good. Venezuelan nectarines and plums are also available, but in much smaller volumes therefore importers are able to bring in California supplies with relatively easy import permit procedures this year.

Canada

Over the past three years there has been steady growth both in display size and number of banners handling California white-flesh varieties at the start of the season. Based on results from store audits conducted in May, the percentage of retail banners offering California white-flesh peaches and nectarines increased from 39% in 2007 to 67% in 2008, and the total display size increased by 8% over 2007. With the close of the only peach cannery in eastern Canada more Ontario peaches will be on the fresh market than ever before. As a result retailers are now mixing local peaches with California in their bulk displays. Washington peaches are now available at retailers in Western Canada, as well as some peaches from British Columbia.

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.

*Visit the International section of the PPN Network Download Center at www.eatcaliforniafruit.com.

Mexico

In-store promotions were conducted in over 45 stores across 15 cities in Mexico at the beginning of August. Two cooking workshops were also conducted in six stores throughout Monterrey and Mexico City. In addition over 650 people attended the Cooking with Summer Fruits workshops hosted by a nutrition expert that shared the benefits of California PPN and featured four different peach, plum and nectarine recipes.

Hong Kong

From August 1 to August 31, in-store sampling demonstrations will be conducted in over 220 outlets in Hong Kong.

Taiwan

The "888" consumer promotion with six major supermarket/hypermarket chains concluded on August 17. The second part of the promotion, "Lucky Draw" prize contest, is still underway and will conclude on September 30. In addition to in-store promotions, two waves of TV advertising were conducted. The first aired on July 25-31 and the second aired from August 8-14 to promote California PPN during Ghost Month.

China

In-store promotions took place in Shenzhen over the past two weeks, covering more than 30 stores. In Shanghai, in-store promotions started on August 11 and will continue through September 14 covering a total of 70 stores.

Singapore

Along with in-store promotions, six schools in Singapore will be visited as part of the School Sampling program. During the program students will have the opportunity to sample fresh California peaches, plums and nectarines and learn nutritional information and tips about the summer fruits.

South America

Promotions are well underway in South America. In Colombia, technical workshops were conducted from July 28 through August 6 educating employees and customers of over 20 different companies/stores about California stone fruit. Also, in-store promotions began on August 12 and will continue through September 13 covering over 40 stores in Colombia. In Ecuador over 25 in-store promotions were conducted at the beginning of August and in Venezuela 20 in-store promotions were conducted with an additional 20 scheduled for the end of August.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	64-72 vf	18.68	1.38
	Nectarines	CA	64	15.66	2.09
	Plums	CUG	64-65-80	21.86	1.69
	Peaches	MX	22lb	17.88	1.13
	Plums	MX	18kg	11.90	0.72
	Strawberries	CA, MX	12-19.2lb	9.92-14.4	0.63-2.38
	Table grapes	CA, MX	18-21lb	11.4-13.61	0.92-1.14
	Apple	WA	88-100-125-135	38.05	1.24
	Pears	Arg-WH	36-44lb	34.45	1.51
	Mangoes	MX	25kg	12.75	0.80
	Kiwifruit	CH	22lb	22.49	1.79
Hong Kong	SW Peach	CA	48 - 64	29.48 - 36.36	1.16 - 2.95/pc
	Peach	CA	48 - 64	30.76 - 34.61	0.56 - 2.82/pc
	SW Nectarines	CA	48 - 64	15.38 - 29.48	0.42 - 1.92/pc
	Nectarines	CA	48 - 64	15.38 - 29.48	0.42 - 1.56/pc
	Plum	CA	25 - 90	15.58 - 30.76	0.26 - 1.15/pc
	Peach	China	70 - 88	11.54 - 14.10	0.26 - 0.52/pc
	Plum	China	120-140	7.69 - 11.53	0.64 - 1.28/lb
	Cherries	USA	21 lbs	61.54 - 64.10	3.20 - 4.10/lb
	Grape	USA	28 lbs	28.21 -39.74	1.28 - 1.79/lb
	Watermelon	Taiwan	2	5.37 - 7.89	0.19 - 0.34/lb
	Orange	USA	56 - 88	18.58 - 30.78	0.25 - 0.77/pc
	Apples	WA, China	40 - 100	11.53 - 32.05	0.21 - 0.64/pc
	Taiwan	Peach Donut	CA	#16-#18	19.27-25.7
SW Peach		CA	#15-#42	19.27-35.33	1.40-3.1/pc
SW Nectarine		CA	#50-75	19.27-25.67	0.26-0.64/pc
Plum		CA	#25-50	22.48-30.51	0.26-0.62/pc
Prune		CA	#65-90	28.87-35.28	0.29-0.36/pc
Apricot		CA	#36	16.04-17.00	0.64-0.83/pc
Plum		TW	10-15Kg	27.41-41	1.81/600grams
Peach		TW	#6-#20	6.42-32.08	0.96-1.4/pc
China-Shanghai	Plum	CA	Medium/12.7KG	20.59-26.47/BOX	1.62/500G
	Peach	China	7.5-15KG	2.21-17.65/BOX	0.12-1.88/500G
	Nectarine	China	5KG-10KG	5.51-20.59/BOX	0.59-1.65/500G
	Red Plum	China	5-15KG	3.68-17.65/BOX	0.49-1.41/500G
	Black Plum	China	Medium/5KG	2.21-3.68/BOX	0.33-0.55/500G
	Yellow Plum	China	Small/15KG	12.13-13.24/BOX	0.65-0.66/500G
	Prune	China	Small/10-15KG	15.44-25/BOX	0.772-1.875/500G
	Cherry	China	Medium/4KG	10/BOX	2.649/500G
	Cherry	US	Medium/4KG	70.59/BOX	12.13/500G
China-Guangzhou	Plum	CA	Small/40,55-Big/35	20.59-36.76/BOX	1.71-1.84/500G
	Red Plum	China	Big/60-70	10.29-11.76/BOX	1.22-1.69/500G
	Black Plum	China	Large/70	14.70-22.85/BOX	1.40-1.71/500G
	Green Plum	China	Small/Bulk	0.26/500G	0.51/500G
	Plum	China	Small/Bulk	0.28-0.43/500G	0.41-.87/500G
	Nectarine	China	Small/9KG-	4-11.76/BOX	0.41-11.41/500G
	Peach	China	Medium/Bulk	0.63-0.7/500G	1.02-2.25/500G

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Singapore	SW Peach	CA	15-44 2ly	49.38-51.03	1.69-3.08
	Peach	CA	56 2lyr	50.76	1.34
	Dounut Peach	CA	56 2lyr	53.33	1.48 / *0.74
	Nectarine	CA	56 2lyr	49.23	1.34
	SW Nectarine	CA	56/64 v/f	29.63	0.76 / *54
	Prune	CA	90	82.3	7.69 kg
	Orgnc Nectarine	CA	56 v/f	42.31	1.54 pc
	Plums	CA	55-60	29.23-53.84	3.77-6.15kg
	White peach	China	900g x16	26.15	2.27 900g punnet
	Donut peach	China	900g x16	26.15	*2.04 900g punnet
	Apricot	CA	10 kg	60	4.81 -454g
	Cherry	CA	10	66.67	8.07 -454g
	Strawberry	US	454g x8	28.15	5.59
	Grapes	CA	8.2 kg	33.84-35.39	5.77 kg
	Persimmon	NZ	28	23.7	1.33
	Kiwi	NZ	6-10 kg	37.78	0.56-1.11 pc
	Durian	Mal	m	0	2.31pc
Thailand	SW Nectarine	CA	50-56	39.79-71.74	6.03-10.87/kg
	SW Peach	CA	16-22/2lyr	39.79-71.74	6.03-10.87/kg
	Red Plum	CA	30-45	47.03-59.04	6.03-7.57/kg
	Black Plum	CA	30-45	47.03-67.31	6.03-8.63/kg
	Prune	CA	60-90	61.15-92.11	7.84-11.81/kg
	Nectarine	CHA	60-65	27.98-33.99	4.24-5.15/kg
	Peach	CHA	60-65	27.98-33.99	4.24-5.15/kg
	Grape	CA	10/kg	32.52-69.96	5.42-11.66/kg
	Apple	NZ	25/2lyr	13.65-31.50	0.39-0.90/pc
	Longan	Thai	10/kg	10.57-14.84	1.51-2.12/kg
Indonesia	Peach	CA	48	86.03	17.59
	SW Peach	CA	48	66.17	17.42
	Donut Peach	CA	44	86.03	23.71
	Nectarine	CA	48	86.03	10.92
	SW Nectarine	CA	48	86.03	17.49
	Donut Nectarine	CA	24	67.27	23.71
	Black Plum	CA	55	69.48	12.68
	Red Plum	CA	44	74.99	15.16
	Plum	CA	24-90	69.48-82.72	10.31-18.47
	Nectarine	CHN	70	31.98	2.76
	Peach	CHN	53	31.98	4.41
United Kingdom	Nectarines	Sp, Italy, France,	4-6 pack	9.35-11.46/4kg	1.13-4.76
	Donut Peach	CA	400g		5.71
	Peach	Sp, Italy, France	Loose, 4-5pk	9.07/4kg	1.13ea - 4.76 pk
	Donut Peach	Sp	Loose		1.13ea
	Organic Peach	Italy	4 pack		3.8
	Plum	Sp, France, UK,	400-500g	2.73-22.92	2.85-7.6
	Strawberries	UK	454g	2.48 per 454g	3.8
	Greengages	France	400g		3.8

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
New Zealand	Peaches	CA	54/56 8.2-11.3kg	0.81-1.38	2.2
	SW Peaches	CA	48/50 8.1kg tray	1.6	2.2
	Nectarine	CA	54/56 11.3kg VF	1.6	1.0
	SW Nectarine	CA	54/56 11.3kg VF	1.6	1.3
	Plums	CA	12.7kg large	0.9	1.3
	Donut Peaches	CA	5.5kg		2.2
	Mandarins	NZ			1.4
	Grapes	US		1.5	1.7
	Apples	NZ			0.9
	Oranges	Australian	large		1.0
	Pears	Australian	medium		1.1
	Mango	Mexican	medium		0.6
	Kiwifruit	Australian	small-med		0.33-0.55
	Strawberries	Australian			1.0
Central America	Peach	CA	56-64	29.32	1.89
	Nectarine	CA	56-72	26.42	1.9
	Red Plum	CA	70-72	27.31	2.16
	Black Plum	CA	65-72	27.42	1.97
	Donut Peach	CA	48-64	29.55	2.92
	Pluot	CA	70-72	29.45	2.01
	Peach	GT, CR	72-90		1.15
	Plum	GT, CR	small		1.01
	Apple	CH,USA	80-175	38.68	1.9
	Grape	CA, CH	18, 21 lbs	24.33	2.36
	Pear	CH,USA, Arg, Sp	18-20lbs	24.14-32.13	1.20-1.95
	Kiwifruit	CH	28-39	24.01-32.00	2.08-2.21
	Oranges	USA	44-72	29.45	1.57
	Strawberries	GT, CR			1.58
	Apricots	CA	64	28.88	1.98
Colombia	Peaches	CA	11kg box/ 64	US 25.29	2.52/lb
	Nectarines	CA	11kg box/ 64	US 24.17	2.13/lb
	Plums	CA	11kg box/ 64	US 28.66	1.46/lb
	Banana	Colombia	25kg Box	US 11.11	0.85/lb
	Passion Fruit	Colombia	15kg Box	US 23.87	1.88/lb
	Mango	Colombia	25kg Box	US 22.90	1.89/lb
	Ecuador	Peaches	CA	65-70	\$24.00-26.00
Nectarines		CA	65-70	\$24.00-26.00	\$3.18-3.30
Plums		CA		\$24.00-26.00	\$3.00-3.30
Pineapple		EC		\$10.00-12.00	\$0.55-0.60
Orange		EC		100 u/\$5.00	\$0.08-0.10 u
Papaya		EC		\$13.00-15.00	\$1.50-1.70
Melon		EC		\$10.00-12.00	\$1.50-1.60
Orange		CA		\$18.00-20.00	\$2.31-2.80
Mango		EC		\$18.00-20.00	\$2.10-2.31
Peaches		EC		\$20.00-22.00	\$3.00-3.16

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Panama	Nectarines	CA	48		1.80 - 1.87 per pound
	Peaches	CA	45		1.77 - 1.80 per pound
	Plums	CA	80		1.50 - 1.92 per pound
Venezuela	Plums	CA	35-70	37.20-69.76	6.04-9.76
	Nectarines	CA	48,5-72	41.86-69.76	9.76-12.50
	Peaches	VZ			3.72-6.97
	Peaches	VZ			5.58-7.90
	Plums	VZ			3.25-5.58
	Mango	VZ			1.16-2.79
	Watermelon	VZ			0.93-1.86
	Melon	VZ			1.62-2.79
	Pineapple	VZ			1.86-3.25
	Strawberry	VZ			5.58-6.97
	Papaya	VZ			1.67-2.79
Canada	Peach/Nectarine	CA, WA	per pound	0.67 - 0.99	1.99
	Peach	ON	per pound		1.29
	Peach	BC	10# box		9.99
	SW Peach/Nect	CA	per pound		1.29 - 1.49
	Plum	CA	per pound	0.99	1.29 - 2.49
	Plum	Ontario	1.5L clam	2.99	3.99
	Apricots	WA	per pound		1.99 - 2.79
	Apple	NZ, S Afr, China, Chile	per pound	0.98	1.29 - 1.49
	Grapes	CA	per pound	1.49	1.49 - 1.99
	Cherry	NW	per pound	2	2.97
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