



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

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Welcome to the second International Market report of 2010. Packouts continue to average about 6-8 days later than last year, and temperatures have been consistently below average for this time of year. However, as the 4th of July approaches, the growers and shippers of California peaches, plums, and nectarines (PPN) are well aware that hot temperatures are not far away. The forecast for the next week is for temperatures in the mid- to high 90s (35 C). Most export markets have received at least some California PPN at this point, however there are excellent quantities of sweet and juicy stone fruit either in transit or waiting on the tree to be picked at optimal maturity. 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 or Sara Mohr at smohr@caltreefruit.com.

Current News

Cost-Benefit study shows MAP Program returns \$35: 1

According to Global Insight, the US government's Market Access Program (MAP), a public-private partnership where industry dollars are matched dollar for dollar with government dollars, US agricultural exports have increased \$35 for every additional dollar spent by government and industry. The report states, "Despite the sharp increase in government financing of the MAP and FMD program since 2001, contributions from industry have increased significantly as well and now represent the majority of total export market development funds."

United Fresh calls 'Dirty Dozen' irresponsible

United Fresh Produce Association provided the following statement prior to CNN's broadcast mentioning the Environmental Working Group's "Dirty Dozen" list of fruits and vegetables:

The fresh produce industry is committed to providing the highest quality fruits and vegetables. By law, every crop must be grown according to strict federal regulations regarding the use of pesticides, resulting in non-detectable or extremely low residues. According to the 2009 USDA Pesticide Data Program report, 98 percent of tested fruits and vegetables had no detectable residues. And of the remaining 2 percent, "the vast majority of the detections were well below established tolerances and/or action levels."

It is irresponsible for the Environmental Working Group to bend these facts to suit their personal cause, confusing consumers in the process. At a time when federal authorities strongly urge Americans to double their intake of nutritious fruits and vegetables to improve their health, creating needless alarm about infinitesimally small residues could actually discourage consumption of fresh produce, thereby negatively affecting the health of millions of American consumers.

Market Reports

Mexico

California peaches, plums, and nectarines, including Summerwhites®, are available in Mexico although in small volumes. Distribution is not widespread in the wholesale markets of Mexico City and Monterrey, although peach volumes have been increasing quickly in Guadalajara. Trade feedback indicates strong demand for California PPN from consumers despite higher prices. Distribution at modern retail is even more limited based on store checks. Quality of fruit spotted has been good to excellent, with some average quality at some traditional markets. Local peaches from Michoacán, Zacatecas, Sonora and the State of Mexico were available at the wholesale markets, although sizes were small. Local plums continue to sell well despite limited availability.

Hong Kong

The most popular fruits at the wholesale markets in Hong Kong were lychees and durians. Feedback from the trade indicates that movement has been slow because of short supplies of most imported fruits. No California PPN was spotted at the wholesale market during the past two weeks, although some high-end retailers were carrying small volumes of air-shipped California peaches, plums, and nectarines. Volumes from California are expected to increase in July when the first sea shipments arrive. Chinese nectarines and plums were available in the market and spotted at one major retail chain. Japanese peaches with average quality and relatively high prices were the only imported peaches spotted at the wholesale market.

Taiwan

Additional shipments of California peaches, plus some nectarines, arrived in time for the Dragon Boat Festival. Sales increased in almost all fruit categories prior to the Festival, including peaches which are a popular gift offering. Peaches by ocean and air had good distribution at modern retail, traditional markets, and fruit shops. The local BaiFong peach variety season is starting from La La Mountain, and the season is expected to go through mid-July. The vast majority of these peaches are sold by street hawkers and traditional channels. Local summer fruits including watermelons, pineapples, and lychees are available in peak supplies and cheap prices. In other news, the latest trade meeting between Taiwan and China resulted in no additional access for Chinese agricultural products according to a Taiwan government press release.

China

Chinese stone fruits are available in the major markets surveyed over the past two weeks. Large volumes of Chinese nectarines and black plums were found in Guangzhou, while peaches and red plums were only just arriving to that market. What Chilean plums were spotted a month ago are now long gone. In Shanghai, feedback from the trade indicated higher prices for stone fruits compared to the prior year due to abnormal weather in various growing areas leading to shorter supplies and a delayed harvest. Shipments of California plums were speculated to arrive in late July.

UK

No new shipments of California peaches, plums, and nectarines were reported in the past two weeks as larger volumes of stone fruits from Spain and Italy are now available. While early shipments from Europe featured smaller sizes, that situation is now improving with better sizing and better quality. Exchange rates are also having an impact on importers as the Pound is buying more Euros, but less US Dollars. The World Cup has had a big impact on sales at the

four major supermarkets in the UK (Tesco, Asda, Sainsburys, and Morrisons) led by beer, soft drinks, snacks, pizzas and barbecues. One final interesting note is research carried out by the national newspaper, The Independent, indicates that despite retailers saying they are strongly supportive of carrying locally grown fruits, in practice they continue to favor imported/air-freighted fruits and vegetables.

Singapore

Based on merchandising visits during the past two weeks, it's estimated that volumes of California peaches, plums, and nectarines increased 20 percent at the retail and wholesale level compared to the prior period. Quality overall has been reported to be average to above average, with limited comments on short shelf life. Shipments continue to be made by air, and there is no direct competition for California at the moment, except for some small volumes of Chilean plums on their last legs. The first ocean shipments are expected towards the end of this month. In terms of indirect competition, US strawberries, apricots and cherries, along with New Zealand kiwifruit and persimmons all are competing for market share. Malaysian durians are still available at most retail fruit shops and market stalls in good supplies.

Malaysia

Air shipments of peaches and nectarines continued to arrive regularly in Malaysia during the past two weeks with better volumes. While yellow-flesh continue to make up the majority of shipments, there has been an increase in demand for Summerwhites®. Quality reports have been positive and an improvement in fruit size has been noted. Distribution to supermarkets, hypermarkets, and fruit specialty stores has also improved. There is currently no direct competition for California except for the few remaining Chilean plums. New Zealand kiwifruit are available in good supplies and are currently being supported with television advertising. The Malaysian Durian season is now in full swing and expected to last through the month of July.

New Zealand

Small volumes of California PPN by air have arrived to New Zealand, but no significant volumes are expected to arrive until the details of the required in-transit cold treatment are worked out with the trade and shipping lines. It has been a very cold and wet beginning to winter down in New Zealand, with major ski areas in the South Island opening last weekend. Local apples, pears, kiwifruit, new season mandarins, and Chilean grapes are prevalent in the market at the moment.

Central America Region

The first California PPN of the season arrived in Central America since the last report, although distribution is very limited. In addition, competition from other regions is still significant. Mexican peaches can be found along with Chilean plums, and local stone fruits are also available from Guatemala and Costa Rica. In terms of indirect competition, apples from Washington and Chile are available in strong volumes, along with Chilean grapes, kiwifruit, oranges and mandarins.

South America (Colombia, Ecuador and Panama)

While a few importers are handling air-shipped California peaches and nectarines in Colombia, the rest of the trade expects more significant volumes by July. The only plums available are from Chile at the moment. Nothing arrived in Ecuador during the past two weeks, while local peaches, plums, and nectarines are still available although their volumes have been impacted by the recent eruption of the Tungurahua volcano. In Panama, California peaches, plums, and nectarines have only recently arrived in small volumes and in small sizes, but good color. Quality was reported as above average. In terms of indirect competition, apples, pears, tangerines, and Panamanian mangoes are widely available.

India

Local peaches and plums from several regions in India continue to be available in huge volumes, and are handled by vast majority of fresh produce wholesalers and retailers. Local cherries from Kashmir and Shimla were also spotted in the past two weeks. Shipments of California plums by ocean are expected in July and August. Local mangoes, lychees and watermelons are dominating the fresh fruit markets in India currently. In terms of imported fruits, apples from Chile, Washington, New Zealand and China are available, including small volumes of New Zealand kiwifruit. Most importers are also handling grapes (Red Globes) from Australia and Chile.

United Arab Emirates (Dubai)

Air shipments of California peaches, nectarines and some plums continue to arrive weekly, and according to the trade, quality has been very good. There remains significant competition this month from Tunisian and Saudi peaches, Egyptian nectarines and Syrian plums. Black plums from Chile and Australia are still available. At the moment there is no European competition, but Spanish peaches and nectarines are expected to arrive in the next few weeks.

Brazil

According to sources in Brazil, the trade dispute between the US and Brazil has been settled at least temporarily. That means that California plums will not be subject to a penalty tariff, at least for the time being. California PPN has been arriving to Brazil by air over the past few weeks, and feedback on quality has been excellent. There have been some concerns raised about having enough air space to ship from the US. Its important to note there is significant interest in Summerwhite® varieties according to the trade, and there is plenty of optimism for California plums as volumes are expected to increase in the next few weeks. In terms of competition, the first stone fruit shipments by sea from Spain should arrive shortly.

Crop Update

This period, temperatures will range from the low to high 90s. These temperatures are ideal for sizing and developing sugar in the fruit.

Peaches

The top producing traditional peach this period will be Earlich. The next variety Rich Lady just started harvest and will build in volume this week. Both of these 'Rich' varieties have high red blush and size heavy to the 40-50s sizes. Ivory Princess will again be the major Summerwhite® producer this period. It sizes heavy to the 50-56 sizes. The large peento or saucer type peach Galaxy is also being packed. Some packers are leaving size 56 and smaller peaches in the orchards due to low pricing and only pack those sizes on order.

Nectarine

The top producing traditional nectarine this period is Spring Bright with sister variety Diamond Bright moving down to the second spot. Harvest of the two low acid traditional nectarines Honey Fire and Honey Blaze continue this period. Spring Pearl will be the major Summerwhite® nectarine this period.

Plums

Black Splendor will be the major plum variety this period with Yummy®beaut taking a close second spot. Black Amber has just started its harvest.

Through last Saturday	Season to Date (1,000)	2010 Estimate (1,000)
Yellow peaches	3443.9	16,290
Summerwhite® peaches	1341.4	5,595
Peaches Total	4785.3	21,885
Yellow Nectarines	3249.8	12,394
Summerwhite® nectarines	797.2	4,040
Nectarines Total	4047.0	16,434
Plums	1232.7	8,772

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	84VF	\$ 27.86	\$ -
	Plums - Red	CA	20, 64	\$ 27.86	\$ -
	Plums	CH	22lb	\$ -	\$ 1.93
	Nectarines	CA	56-64-70	\$ 26.31	\$ -
	SW Nectarines	CA	55, 60-70	\$ 26.70	\$ -
	Peaches	MX	33 lb	\$ 18.57	\$ 1.51
	Apple	WA	88 to 135	\$ 26.06	\$ 1.42
	Apricots	CA	88	\$ 24.77	\$ 2.42
Hong Kong	Prunes	CA	/	/	2.1/2pcs
	Yellow Peach	CA	/	/	1.04/100g
	White Peach	CA	/	/	1.04/100g
	Prunus	CA	/	/	1.2/100g
	Peach	JP	/	/	8.8/2pcs
	Peach	China	/	/	1.9/4pcs
Taiwan	SW Peaches	CA	18-27	30.96 ~ 40.25	80 ~ 100/pc
	SW Nectarines	CA	64~72	30.96 ~ 34.05	0.62/pc
	Peaches	TW	5~10; 24~30	4.64 ~ 34.06	0.62 ~ 2.78/pc
	La-La Mountain Peaches	TW	5~12 / 1.2-1.8Kg box	N/A	9.29 ~ 23.22 /box
	Peaches	JP	4 ~ 6	N/A	37.15 ~ 46.44 /box
	Plums	TW	9 ~ 18kg	0.49 ~ 1.35 /lb	0.62 ~ 2.11 /lb
China-Shanghai	Nectarine	CN	Medium/15KG	21.03/BOX	1.00/500G
	Red Plum	CN	Medium/15KG	15.43/BOX	0.85/500G
	Black Plum	CN	Medium/15KG	25.98/BOX	1.89/500G
	Red Plum	CN	Medium/15KG	32.47/BOX	1.99/500G
	Peach	CN	Medium/10KG	6.81/BOX	0.49/500G
China-Guangzhou	Nectarine	CN	Small/10kg	7.36/16.2	0.59-1.76
	San Wah Plum	CN	Medium, Bulk Pack	0.27-0.59	0.44-0.88
	Peach	CN	Medium, Bulk Pack	1.18/500G	1.91
	Peach	CN	Medium, Bulk Pack	1.03-1.33/500G	1.91-2.93
	Red Plum	CN	Big, 10kg	\$ 29.46	1.77
	Black Plum	CN	Medium, Bulk Pack	SMALL0.33/500G	0.88-1.31
Canada	Apricots	CA	per lb		1.83 - 1.93
	Nectarines	CA	1kg punnet		3.39 - 3.68
	Peaches	CA	1kg punnet		3.39 - 3.68
	SW Peaches	CA	per lb		\$ 2.42
	Donut Peaches	CA	per lb		\$ 2.90
	Plums - Red	CA	per lb		\$ 1.93
	Plums - Black	CA	per lb		1.45 - 1.93
	Raspberries	MX/US	170g clam		1.29 - 1.93
	Strawberries	CA	1# clam		1.82 - 2.42

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Singapore	SW Peach	CA	42 Lyr	\$ 60.70	2.22 /pc
	SW Nectarine	CA	56 Lyr	\$ 61.48	2.22 /pc
	SWPeach	CA	72 Vf	\$ 51.85	5.11/ 900g
	Nectarine	CA	56/64 Lyr	\$ 51.85	7.56 / 900g
	Donut Peach	CA	48 Lyr	\$ 50.37	* 5.15 /3pcs
	Plum	CA	65	\$ 60.74	8.88 /kg
	Apricot	USA	54	\$ 40.00	1.26 /pc
Malaysia	SW Nectarine	CA	56 Lyr	62 - 64	2.20 - 2.50/pc
	SWPeach	CA	72 Vf	50 - 55	1.50 - 2.00/pc
	Nectarine	CA	56/64 Lyr	50 - 55	2.20 - 2.50/pc
	Plums	CA	65	65 - 70	9.00 /kg
	Cherries	CA	8.2kg	78-80/lug	1.00/100g
	Table Grape	Aus	9.5kg	22.20-28.50	2.75-3.50/kg
	Table Grape	Chile	10kg	19.30-24.10	2.25-2.89/kg
United Kingdom	White Nectarine	SP	4 (61/67mm)		\$4.36 (2 for \$7.29)
	Nectarine (Yellow)	SP	5 (56/61mm)		\$2.46 (Half Price)
	White Peach	SP	4 (61/67mm)		\$4.36 (2 for \$7.29)
	Peach	SP	5 (56/61mm)	NA	\$2.46 (Half Price)
	Red Plums	CA	400g (45/50mm)	N/A	\$2.90 (Save £1)
	Red Plums	SP	400g (45/50mm)	\$3.21 /kg	\$1.46
	Apricots	SP	320g (40/45mm)	N/A	\$2.90 (Save £1)
New Zealand	Fejoas	NZ	m/s		\$ 1.87
	mandarins	NZ	l		\$ 1.56
	Oranges	US	m/s		\$ 1.24
	Peaches	CA	small		\$ 5.00
	Nectarines	CA	small		\$ 5.00
	Apples	NZ	m/l		\$ 0.93
Central America	Peach	CA	70 -80	\$ 36.62	\$ 2.22
	Nectarine	CA	70- 86	\$ 37.28	\$ 2.49
	Plum - Red	CA	45- 50	\$ 26.88	\$ 2.63
	Peach	MX	48	\$ 29.66	\$ 2.47
	Plum - Black	CH	45-60	\$ 25.90	\$ 2.15
	Plum - Red	CH	55-60	\$ 24.00	\$ 1.83
	Peach	GT, CR, HO	Small		\$ 1.02
	Plum	CR, GT	Small		\$ 2.06
Brazil	Nectarines	CA	64	\$ 61.00	\$ 12.83
	SW Peaches	CA	44	\$ 61.00	\$ 12.83
	Peaches	SP		\$ 33.33	
	Nectarines	SP		\$ 33.33	
	Peaches	CA	50	\$ 50.00	
	SW Nectarines	CA	50	\$ 61.00	

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Colombia	Plums	CH	Granel/Box 9 kl	\$24.00	
	Peaches	CA	64, 72, 56	\$ 6.00 KL	
	Nectarines	CA	56, 64, 72	\$ 6.00 KL	
	Plums	CA	Box 12kg	\$6.00 KL	
Ecuador	Pineapples	Ecuador		\$15.00-18.00	\$0.80-1.00
	Orange	Ecuador		100 u/\$5.00	\$0.07-0.09 u
	Papaya	Ecuador		\$15.00-18.00	\$1.30-1.50
	Melon	Ecuador		\$15,00-18,00	\$1.50-1.60
	Orange	US		\$24.00-26.00	\$3.60-4.00
Panama	Plums	CA	70	US\$36.00	N/A
	Peaches	CA	84	US\$34,00	N/A
	Nectarines	CA	80	US\$34,00	N/A
	Pineapple			US\$1.60/lb	
Dubai (UAE)	Black Plums	CA	55	\$ 20.21	\$ 5.54
	Red plums	CA	55	\$ 15.54	\$ 4.26
	Red Plums	Syria	50	\$ 6.80	\$ 1.86
	Red Plums	Lebanon	50	\$ 12.30	\$ 3.37
	Black Plums	CH		\$ 13.20	\$ 3.62
	Plums	Aus		\$ 17.00	\$ 4.66
	Nectarines	CA	72	\$ 25.50	\$ 6.99
	Nectarines	Lebanon	Medium	\$ 7.70	\$ 2.11
India	Plums	CA	45-50	NA	\$4.87/lb-\$5.82/lb
	Peaches	CA	36-40	NA	\$4.87/lb-\$6.82/lb
	Nectarines	CA	36-40	NA	\$4.87/lb-\$6.82/lb
	Plum	India	60-70	\$7.51 per 5 Kg Box	\$1.16/lb-\$1.75/lb
	Peaches	India	60-70	\$8.59 per 5 Kg Box	\$1.16/lb-\$1.75/lb
	Apples (Fuji)	CN	115-120	\$36.51 per 20 Kg Box	\$1.07/lb-\$1.36/lb
Legend	Arg	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