

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

## August 11, 2006

Welcome to the 5<sup>th</sup> edition of the International Market Report for 2006. At this point in the season, total packouts are moving along with peaches and nectarines 60 percent complete, and plums approximately 55 percent. However, a closer look at daily packouts shows results are up and down each day depending on varieties. The mid-season varieties are nearly finished and the traditional late-season varieties are starting up. During the July heat wave the fruit's development in the orchards slowed down, but the return of more normal to moderate temperatures (90s to low 100s), has accelerated the pace. Start dates for upcoming varieties are closer to 14 days later than last year, which is an improvement over the estimated 23 days late two weeks ago.

### Current News

#### **Australia quarantine officials visit California PPN Orchards**

Biosecurity Australia officials from Canberra toured some California PPN packing facilities and orchards at the end of July. The objective of the official visit was to finalize the draft risk assessment for exporting California PPN to Australia. 30 days after the release of that draft for public comment, which will include pests of concerns and management/mitigation procedures, if no significant adjustments are required, then work plan details will be finalized. Both APHIS and Biosecurity Australia are hopeful the 2007 season will see the market open for U.S. stone fruit.

### Update

#### **Fresh California plums slowly move through China**

The first shipments of California plums have arrived with more expected during the second half of August. The fruit has been spotted in wholesale markets in Guangzhou and Shanghai, but only in limited retail outlets. Hong Kong remains the key port for plums bound for China with most shipments being trans-shipped from there.

### Market Reports

#### Mexico

California peaches dominate the imported stone fruit category in Mexico, although nectarines were widely available, especially in Mexico City. California plums were available in Guadalajara in decent volumes, but overall supplies remain far behind peaches and nectarines. Local peaches from Chihuahua make up 60 percent of the market, and what they lack in quality is reflected in the prices. Similar to the last reporting period, California nectarines face no direct competition, while California plums faced less competition from the dwindling

supplies of local plums. Local varieties including Amarilla, Moscatel, and Perfumada made up approximately 20 percent of the market. In total, reports on the quality of California PPN were quite favorable. California peaches were reported to be excellent and firm, and the appearance of nectarines and plums was very good.

## Hong Kong

Produce sales in Hong Kong's wet markets were moderately affected by the wet weather associated with several typhoons that hit the Southern China region during the past few weeks. Specifically, vegetable imports were impacted with lower supplies and higher prices. California plums currently dominate the supplies of California Tao Lee in both supermarkets and wet markets, and demand has been increasing for fresh prunes along with new supplies of pluots. Supermarkets have increased their offerings of tray packed California PPN (a tray of 2-3 pieces of peaches/nectarines; trays of 4-9 pieces of plums/prunes), while the wholesale markets offer adequate supplies of the full range of California Tao Lee. Some wholesalers and wet market vendors offered Utility grade plums with only average appearance but good taste.

Tree fruits from mainland China continue to be widely available in the wholesale and retail markets. For example one Chinese brand offered large sized peaches packed in consumer boxes with 2 pieces of fruit and labeled in English. The appearance and color of these peaches were decent, and reports indicate this is an improvement over the past several years; however the taste still could not compete with California Tao Lee. Abundant supplies of longans from Thailand and mainland China have now reached the Hong Kong market, and watermelons continue to be a popular choice. Other competing fruits included Chinese pears, mangoes, apples, and oranges.

## Taiwan

The 8<sup>th</sup> and 9<sup>th</sup> typhoons of the season hit Taiwan on August 7<sup>th</sup> and 8<sup>th</sup>, with most of the damage from heavy rains limited to southern Taiwan. Still, the impact on local agriculture can not be understated, and the subsequent increase in demand for imported fruits can be seen in recent arrivals. Market demand for fresh fruits during Ghost Festival was quite strong, as expected, and California Tao Lee were among the best selling items and found at nearly every retailer. Peaches brought into Taiwan by air and sea for the festival moved quite well, but feedback from the trade indicated that sales performance could have been even better if not for the unstable supplies in California. Average retail prices for fresh fruits increased 10-30 percent during the festival compared to the prior two weeks. The largest retailers even used television ads to promote California nectarines during the festival. Feedback from the trade on the festival and the outlook for the rest of the season was very positive.

Some mixed reports were received regarding limited shelf life and occasional decay, but most incidents were related to peaches during the past two weeks. Local peaches were available in marginal supplies and could not compete with California Tao Lee, and peaches from Japan remain only in select high-end retailers. One interesting development was the sighting of donut peaches from Washington with good quality. Other locally grown fruits include bananas, watermelons, mangoes, pineapples, and papayas. The other imported fruits were cherries, apples and kiwifruit.

## China

Chinese stone fruit continue to dominate the market in China, including Shanghai, Guangzhou, Dalian, Shenzhen, and Beijing. However, more California plums are starting to enter the market. In Shanghai, limited supplies of California plums were available in the wholesale market, and feedback from the trade indicated they were trans-shipped via Guangzhou. The quality of these plums was quite good and appeared fresh. Chinese black and red plums were mainly found in the major hypermarkets and large supermarkets in Shanghai. In Dalian, no imported plums were found during the past two weeks, but several importers interviewed are very interested in handling California plums. Only a small supply of California plums was found in Shenzhen, but those supplies moved quickly through one of the major hypermarket chains. Unstable supplies of California plums were found in Guangzhou via Hong Kong, and the quality compared to the Chinese black plums was much better. The sugar levels on the Chinese plums were not very high and tasted tart and sour.

## Singapore

Merchandising visits throughout Singapore in the last two weeks revealed an estimated 30 percent increase in the distribution of California PPN compared to the prior period. White-flesh nectarines and peaches, and plums arrived by sea recently, along with the regular air shipments of PPN. Feedback from the trade indicates greater supplies of white-flesh nectarines, plums, and prunes are expected the second-half of August. At the retail level, most supermarkets have three or more varieties of California plums and nectarines or peaches. Approximately 60 percent of wet market vendors visited carried one to two varieties of plums. The overall quality of PPN from recent air shipments was described as good, although the arrivals certain sea shipments were only average with some decay. In terms of competition, durians from Malaysia are very popular at the moment, and other stone fruits include Chinese peaches and nectarines and some Israeli plums. The quality on the latest shipment of Chinese peaches was reported to be above average.

## Malaysia

Air shipments of California peaches and nectarines have been arriving consistently, along with a sea shipment of white-flesh nectarines that only recently arrived. California donut peaches were popular during the past two weeks, and have clearly expanded the displays at the wholesale and retail levels. Overall, the presence of California PPN continued to rise over this reporting period in response to an increase in consumer demand. California pluots could also be found in the Malaysian market. Chinese peaches, nectarines, and plums are widely available and competing mainly on price. Many of these fruits are available to consumers in convenient punnet packaging. Santa Rosa plums from China have been relatively popular, with above average quality, and available at both the wholesale and retail levels. Varieties of California plums currently available include Black Ambers, Fortunes, and Catalinas.

## Thailand

In anticipation of the Hungry Ghost Festival, supermarkets and wet market vendors began carrying more California PPN, and distribution of all three commodities plus sugar plums increased over the past two weeks. Merchandising visits found more larger-sized peaches and nectarines than the prior period. In most supermarkets and hyper-market chains, large sugar plums/ prunes were available. Chinese peaches were found in the market with much improved quality compared to the early part of the season. These fruits could be found in some supermarkets and the low-end wet markets. Other competition could be found from New Zealand, including kiwifruit, apples, and persimmons. The bumper crop of local longans could not be missed with a wide-scale distribution.

## Indonesia

Most high-end supermarkets and fruit boutiques were offering limited supplies of California PPN during the past two weeks, although all the fruit was shipped by air. No South African or Chilean fruits were available, although Chinese plums and nectarines could be found at a few outlets. The majority of California stone fruit was white-flesh peaches and nectarines, and several varieties of plums were also found, including Friars, Santa Rosas, Black Ambers and Fortunes. In general, the quality of these fruits was quite good. The quality of the Chinese fruits, especially the nectarines appeared fresh but with sour taste and in small sizes.

## Philippines

The first shipments of California plums and nectarines arrived to the Philippines the first week of August. Feedback from the trade has been positive, and sales movement has been encouraging with reports of more shipments expected in the next two weeks. Quality of these first arrivals has reportedly been above average. In relation to the US dollar, the strong Philippine peso has further motivated importers to source more California PPN. In terms of competition, Chinese peaches and plums are still available. Other fresh fruits available include imported oranges, apples and pears, and tropical fruits like pineapples, bananas, and durians.

## New Zealand

Sales of California PPN, in particular nectarines, have rebounded during the last two weeks with much improved supplies now available in most supermarkets and fruit stores. Several major retailers had promotions during the past week, featuring nectarines. Success of the promotions was reported to be very good. In terms of arrivals, the importers and wholesalers interviewed in the past week expect plenty of fruit to be available from this point on. The cold weather in July apparently affected consumer's purchasing decisions more than anticipated. The number of fumigated loads to this point in the season has been troubling for some importers, but the fruit has been arriving in average to good condition. Yellow nectarines and plums seem to be preferred at the moment, although white-flesh peaches and nectarines were very well-received at the Auckland Foodshow from August 3-6.

Apples and bananas continue to be popular lunchbox options at reasonable price levels, although California PPN are competing quite well at the moment. US cherries can still be found as can the first shipments of California grapes, although both commodities are quite expensive. The quality of Clementine mandarins was excellent, although they are priced at the higher end of the market, and parents seems to prefer other fruit options due to the perceived difficulty with peeling the citrus.

## Central America Region

Local plums and peaches continue to be the key stone fruits available in the traditional markets throughout Central America, although the supermarkets favor imported fruits including California PPN. Volumes of California fruit are increasing in the modern retail sector, and now most supermarkets are carrying all three commodities: peaches, plums and nectarines. California peaches are the main imported commodity found in the traditional sector, but local peaches are moving quite well with good sizes and cheap prices. Small volumes of local plums are mainly found in Guatemala. Spanish fruit has arrived in Costa Rica in small volumes. Feedback from the trade continues to focus on the increased demand for larger sized fruits from California and the lack of supplies available.

## South America

Greater volumes of California nectarines and plums could be found in Venezuela during the past two weeks. Peaches on the other hand could be found only in small volumes and are competing directly with the large Venezuelan peach crop with low prices. The situation with import permits is much improved, and now shipments from California are arriving every week to every fifteen days depending on the importer. Spanish plums and nectarines have arrived in Venezuela; however they are still not available in supermarkets.

In Colombia, quality of California arrivals seems to be mixed. There are decent volumes of fruit being brought in by the key importers, but the small importers seem to be favoring local fruits. Spanish nectarines and plums can be found in Colombia. In Ecuador, California peaches are more widely available than nectarines or plums, but face tough competition from Peruvian peaches at the wholesale level, despite the poor quality of the Peruvian fruit.

# 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 key holidays or festival dates in some of the markets, and brief descriptions of in-country activities.

## Hong Kong

### Holidays/ Festivals

- October 2 National Day
- October 6 Mid-Autumn Festival

## Taiwan

### Holidays/ Festivals

- August 23 Ghost Festival Month ends
- October 6 Moon Festival

4 out of 5 resort hotels throughout Taiwan participated in the Hotel and Foodservice promotion featuring California Tao Lee. The press conference at Evergreen Laurel Taichung was held on July 31 and the other one was held at Grand Formosa Regent Taipei on August 9th.

## China

4 retail technical seminars are scheduled for August 15-16 in Shanghai, 3 seminars are scheduled for August 28-29 in Shenzhen, and 4 more seminars will be conducted in Guangzhou on August 30-31. Also, in-store promotions for California plums will be held in Beijing through August 17.

## New Zealand

Over 30,000 people attended the Auckland Foodshow from August 3-6 where California PPN had a booth. The chef sampled PPN recipes that have been available also at in-store promotions during this season. California PPN salsa was a crowd favorite, and over 600 people completed a consumer research survey.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CWM	56-72 vf	18.86	1.21
	Nectarines	CWM	64-72 vf	17.64	1.25
	Plums	CUG	46-80 vf	21.60	1.21
	Peaches	MX	22 lb.	15.05	0.89
	Apple	WA,MX,	88-135	30.41	1.05
	Kiwifruit	Chile	22 lb.	17.02	1.23
	Strawberries	CA,MX	12 lb.	12.53	1.43
	Table-grapes	MX, Chile	18-20 lb.	14.48	1.26
	Plums	MX	18 kg	13.62	0.72
	Mango	MX	25 kg	9.12	0.24
	Pear	CA-Arg	36-44 lb	26.79	0.96
Hong Kong	Peach	CWM	18-64	14.29 - 25.97	0.52 - 2.08/pc
	Nectarine	CWM	28-64	19.48 - 25.97	0.52 - 1.95/pc
	Plum	CWM, CUG	40-70	15.58 - 18.83	1.43 - 3.12/lb
	Prune	CWM	28 lbs	38.96 - 51.95	1.95 - 3.90/lb
	Peach	China	70	11.69 - 14.29	0.26 - 0.52/pc
	Apple	WA	88	28.57 - 33.77	0.19 - 0.58/pc
	Stawberry	USA	12 boxes	28.57 - 32.47	2.60 - 3.64 / box
	Orange	USA	88	19.48 - 23.38	0.19 - 0.65/pc
Taiwan	Peach	CWM	13-21 lyr	24.3-39.6	1.1-3.1/each
	Peach	CWM	42-48/vf	19.8-30.5	0.5-0.9/each
	Peach	Taiwan	12-40/box	9.1-24.3	0.35-2.85/each
	Peach	Japan	11-16/box	60.9-70.1	6.1-7.6/each
	Nectarine	CWM	48-84/vf	21.3-30.5	0.3-0.8/each
	Plum	CWM	35-45/vf	24.3-28.9	0.3-0.8/each
	Kiwi	NZ	30-33	9.1-13.7	0.3-0.5/each
	Apple	Chile	80-113	36.6-45.7	0.30-1.07/each
	Peach	WA	16-21 lyr	27.4-32.0	1.95-2.5/each
Singapore	SW Peach	CWM	56	39.2	1.33 - 1.46 pc
	SW peach	CWM	40	40	1.67 pc
	Peach Traditional	CWM	56	39.2	1.33 - 1.46 pc
	SW Nectarine	CWM	64	25.33	0.57 - 0.67 pc
	Plum	CWM	60	26.67	0.21 - 0.23 pc
	Nectarine	CWM	56	38.67	1.20 pc
	Donut Peach	CWM	32	32	1.47 pc
	Pluot/Plum	CWM	72	45.67	1.27
	White Peach	China	L 3x24pcs	26.67	1.67 3pcs
	White Peach	China	900g	1.66	1.97 - 2.33 -900g
	Donut Peach	China	900g	1.66	1.97 - 2.33 -900g
	Plum	Israel	10x900g	15.337	1.87-900g
	Strawberry	USA	8x454g	23.3	4.00 /455g

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Malaysia	Peaches	CWM	56-64 vf	34.0-43.0/carton	0.95-1.13/pc
	Nectarines	CWM	62- 70vf	34.0-43.0/carton	0.95-1.13/pc
	Donut Peaches	CWM	56-84	40.0-58.0/carton	1.08-1.65/pc
	Peach sw	CWM	56-64/vf	34.0-43.0/carton	0.95-1.13/pc
	Nectarine sw	CWM	64-88/vf	26.0-43.0/carton	0.83-1.13/pc
	Plum	CWM	28lb	18.0-20.0/carton	1.2-1.5/lb.
	Peaches	CHINA	900g	16.0-21.0/carton	2.2-2.8/900g
	Nectarines	CHINA	900g	16.0-21.0/carton	2.2-2.8/900g
	Donut Peaches	CHINA	900g	18.0-23.0/carton	2.2-2.8/900g
	Apple	WA	88-135	19.4-25.2/carton	0.25-0.38/pc
	Cherries	USA	20lb.	65.0-69.0/carton	4.5-5.4/lb.
Orange	USA	113-180	17.7-20.2/carton	0.15-0.28/pc	
Thailand	Peach	CWM	21/1lyr	37.50-45.0	2.5-3.25/pc
	Nectarine	CWM	40-55	61.25-65.0	7.37-8.0/kg
	Black Plum	CWM	40-55	67.50-75.0	8.0-8.37/kg
	Red Plum	CWM	55-60	67.50-75.0	7.10-8.0/kg
	Peach	China	60/2lyr	25.0-30.0	0.72-0.87/pc
	Kiwi (Green)	NZ	20/1lyr	5.0-8.75	0.5-0.87/pc
	Kiwi (Gold)	NZ	20/1lyr	7.5-10.5	0.67-1.12/pc
	Persimmon	NZ	20/2lyr	7.5-8.0	0.32-0.5/pc
	Grape	US	10/kg	9.5-18.0	0.37-0.72/pc
	Longan	Thailand	10/kg	5.0-6.25	0.87-1.25/kg
New Zealand	Nectarines	CWM	64	\$0.99	\$2.47-\$4.33
	Nectarines	CWM	64 / 56	\$1.04	\$3.70 - \$4.33
	Plums	CWM	70	\$1.04	\$3.70 - \$4.33
	Plums	CWM	60	\$1.12	\$3.70 - \$4.33
	Peaches	CWM	64	\$1.12	\$4.33
United Kingdom	Peaches	SPAIN	Loose	\$7.64	\$1.12 or 3 for \$1.91
	Peaches	FRANCE	Loose	\$9.55	\$0.93
	Peaches	ITALY	Tray	\$7.25	\$3.41 x 4
	Nectarines	ITALY	Tray	\$7.64	\$3.80 x 4
	Nectarines	FRANCE	Tray	-	\$4.35 x 4
	Nectarines	SPAIN	Tray	\$6.97	\$3.80 x 4
	Nectarines	ITALY	Punnet	\$8.37	\$2.44 x 8
	Red Plums	SPAIN	P/kg	\$11.07	\$7.60
	Black Plums	UK	P/kg	\$4.20	\$6.66

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
China	RED PLUM	CHINA	BULK PACK	0.94--1.19/500G	2.10---2.38/500G
	BLACK PLUM	CHINA	BULK PACK	0.32--1.00/500G	1.12---2.25/500G
	HONGXIN PLUM	CHINA	BULK PACK	0.31---0.75/500G	0.37---0.60/500G
	YUHUNG PLUM	CHINA	BULK PACK	0.21---0.25/500G	0.31---2.00/500G
	PEACH	CHINA	BULK PACK	0.13---0.15/500G	0.30---0.65/500G
	NECTARINE	CHINA	BULK PACK	0.21--0.44/500G	0.85--3.00/500G
	WHITE PEACH	CHINA	LARGE,36	15.63--16.25/BOX	1.50---2.37/500G
	WHITE PEACH	CHINA	SMALL,48	13.75--14.38/BOX	1.40---1.76/500G
	PEACH ( 白桃 )	CHINA	BULK PACK	0.11---0.13/500G	0.31---1.02/500G
	PEACH ( 红桃 )	CHINA	BULK PACK	0.13---0.19/500G	0.35---1.03/500G
	BLACK PLUM	CWM	64,28LB	26.25/Box	n/a
Central America	Peach-GT	CA	64-72	18.51-19.17	1.23-1.30
	Nectarine-GT	CA	64-72	19.17-19.84	1.44-1.46
	Plums-GT	CA	65	22.48-25.13	1.44-1.46
	Peach-GT	GT	72	16.53	0.97-1.28
	Plums-GT	GT	80	15.54	0.66-0.72
	Apples	WA	56-163	16-24.31	0.95-1.43
	Apples	Chile	64-163	18.35-31.04	0.72-1.00
	Pears	Chile	110-120	25.00-30.00	0.80-1.25
	Pears	Arg	70,90	32.68-34.68	0.87-1.99
	Grapes	Mx	18 lbs	34.62	1.86
	Grapes	Chile	18 lb	21.00-32.00	1.18-1.90
	Kiwifruit	Chile	22 lbs	17	1.08-1.20
	South America	Peaches	CWM/USA	56	N/A
Nectarines		CWM/USA	56-64-72-80	37.21	4.60-5.81
Plums		CWM/USA	45-72	25.00-30.77	3.54
Nectarines		Spain	56	30.23-32.56	4.60-5.81
Plum (Cachirulo)		Spain	60-65-70	30.23-32.56	3.54
Peaches		Venezuela	N/A	N/A	2.46
Melocoton		Venezuela	N/A	N/A	3.23
Plum		Venezuela	N/A	N/A	6.23
Peaches- EC		CWM	72-85	23.00-25.00	3.15-3.45
Nectarines- EC		CWM	70	23.00-25.00	3.15-3.64
Plums-EC		CWM	70	25.00-28.00	3.38-3.70
Peaches-EC		Perú	80	13.00-14.00	1.00-1.50
Apple- EC		Chile	113-125	14.00-15.00	1.13-1.33
Kiwifruit- EC		Chile	10 kl	13.00-14.00	1.95-2.16
Legend		CWM	Cal Well Mat®		MX
	USM	US Mature		Aus	Australia
	CUG	California Utility Grade		NZ	New Zealand
	CR	Costa Rica		Sp	Spain
	CH	Chile		Thai	Thailand
	WA	Washington		Mal	Malaysia