

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

September 2, 2008

September may be here, but summer is certainly not over in the Central Valley of California, and while the nights may be cooler, temperatures will continue to be in the high 90s for the next week. Packouts have begun to slow, but with many late season varieties available into October, California peaches, plums and nectarines are summertime favorites that aren't just for summer anymore.

Some of the late-season varieties available this period, among others, include September Sun, Tra-Zee, Sweet September, September Bright, August Red and August Fire for yellow peaches and nectarines. Major white-flesh varieties this period include September Snow, Snow Magic, Artic Snow and Arctic Mist. Angeleno plums have begun and other key plum varieties being harvested this period include Howard Sun, Black Kat, Emerald Beaut and Flavor Fall.

Current News

New Project to Increase Durian Yields in Malaysia

An article in a Malaysian newspaper noted that the Malaysian Department of Agriculture is launching a new project to increase yields for local fruits and vegetables, particularly durian and rambutan. One of the primary initiatives is to replant aging durian and rambutan fruit trees with higher yielding trees. The program will also include teaching farmers proper management skills, including pruning, fertilizer application and disease prevention. The director, Nasir Hassan, said durian orchards are currently only yielding 60% of their potential production due to improper farm management. The program will also pay an incentive to farmers for each ton of fruit sold. The director ensures quality will be emphasized so the fruits remain marketable for export. Farmers are also encouraged to cultivate cash crops, including bananas and papayas.

Market Reports

Mexico

Market share for California peaches fell slightly to 85 percent over the past few weeks due to peak volumes of local peaches, but the trade expects the local peach harvest to be finished in two weeks. The majority of peach volumes can be found at the retail level, while supplies at wholesale are described as variable. Quality has improved recently, and prices are considered to be affordable for most consumers. Nectarines are priced slightly higher than peaches, but supplies continue to lag significantly behind peaches. Guadalajara is reporting strong sales of nectarines, particularly for nearby cities. Plums are moving well, with only small supplies of local plums from Puebla State available in Mexico City.

Hong Kong

Typhoon Nuri struck Hong Kong at the end of August, causing the city to shut down for the day. Olympic officials breathed a sigh of relief as the final equestrian event, hosted in Hong Kong, finished the day before the typhoon hit. No major damage was reported, although hundreds of flights were disrupted and the consumer market was closed for the day. All three California stone fruits are available at supermarkets, wholesale, gourmet and fruit stores, and plums and some white peaches and nectarines are widely available in wet markets. California prunes have received positive reviews, with the trade commenting on their good quality and size. Steady supplies of Chinese peaches, plums and prunes continue, with poor eating quality reported for the plums and prunes. Other competition includes Chinese crystal pears, longans, Taiwan watermelons and California grapes.

Taiwan

Sales for fresh California stone fruit were strong for the peak of Ghost Month on August 15, especially for nectarines, which wholesalers nearly sold out of. As expected, sales movement slowed after the fifteenth but was expected to pick up prior to the last worship day on August 30. Volumes of both air and ocean shipped peaches are available, along with multiple varieties of plums. The plum varieties being offered include red, black, green, sugar plums and two varieties of prune plums. As a result of the two typhoons at the end of July, there is limited competition from local fruits, except for the pomelos, which were in good supply. Some Taiwan peaches and a limited supply of high priced Japanese peaches were available, as well as Korean melons and New Zealand kiwifruit. The next important date to note is Moon Festival, which is on September 14, and supplies of California stone fruit are currently in transit.

China

Multiple varieties of California plums continue to arrive in the Guangzhou wholesale market, with overall good quality. California plums were also available in Shanghai, Shenzhen, Dalian and Beijing, mainly in retail supermarkets and with varied quantities. The abundant supply and low prices of Chinese stone fruit continues to present strong competition with improved quality compared to last year. Chinese red, black and green plums are available, and in larger volumes compared to last year, according to the trade. Chinese nectarines and peaches are also available, along with Chinese lychees, cherries, mangoes, pineapple and watermelons.

Singapore

Shipments by air and sea arrived during the past two weeks, and more ocean shipments are scheduled to arrive in September. Feedback from the trade indicated increased demand, particularly for air shipments, prior to the Mid-Autumn Festival in two weeks. Fresh prunes, plums, white and yellow peaches and nectarines are currently all available in Singapore with quality ranging from excellent to above average. Sales movement during the Hungry Ghost Festival was strong, and some retailers reported strong white and yellow peach sales, despite the availability of some competitively priced Chinese peaches. One container of Chinese peaches arrived in the past two weeks but eating quality was only average compared to California. Thai longans and Malaysian durian are widely distributed, while imported fruits like Washington apricots and cherries, strawberries and grapes present some indirect competition.

Malaysia

Higher inflation, particularly for food, is currently impacting consumer purchasing decisions in Malaysia. The latest economic forecast expects inflation to peak next month before slowing during the final quarter of the year. According to some retailers, this has impacted peach and nectarine sales, but plums are in wide distribution with more shipments expected in the coming weeks. Chinese peaches can be found in Malaysia, but merchandising visits in the past two weeks found them in only one retailer. Some strong indirect competition for California stone fruits is coming from New Zealand kiwifruit. Tropical fruits are also being heavily promoted, including watermelons, mangoes, and papayas.

Thailand

California peaches, plums and nectarines were available in all supermarkets, hypermarkets and specialty fruit shops in Bangkok during the past two weeks. While peaches (whites, yellows and donut) were shipped by air, plums, prunes and nectarines arrived via ocean in the past two weeks. Quality has been average to good. Overall, sales during the Ghost Festival were slow, and the trade is concerned about poor economic results and high oil prices impacting consumers. In terms of competition, Thai longans are in peak supplies and distributed at all levels of retail. Chinese peaches, plums and nectarines can be found in Thailand, but with below average quality. Chinese stone fruits are estimated to have 20 percent market share.

Indonesia

Increased volumes from shipments by ocean, particularly plums, are expected to replace most air shipments from California to Indonesia for the remainder of the season. The Muslim fasting month of Ramadan begins September 1, and food sales are expected to increase by 50 percent the first few days of the festival, and sales of California stone fruit are expected to benefit. Quality to date has been above average, with only minor reports of limited shelf life on some nectarines. Grapes from Chile, Mexico and now California are all available, and the other heavily promoted fruit is Thai longans.

United Kingdom

European stone fruit continues to dominate the market, and retailers are promoting the category with significantly reduced prices. For example, one retailer was offering 500g punnets of Spanish plums at £1.28 (\$2.37), reduced from £2.59 (\$4.79). Total volume of Spanish stone fruit is less this year compared to last year due to difficult weather conditions, but still supplies are expected to be available until the beginning of October. Other stone fruit origins include France, Italy, Israel, Portugal and plums from the U.K., with supplies expected to be in the market until the end of September. California donut peaches continue to be consistently shipped and over the past two weeks some California white-flesh nectarines were found. Other competition includes golden raspberries grown in the U.K.

New Zealand

The start of spring in New Zealand has brought warmer weather to the region, improving sales of fresh fruit over the past two weeks. With good volumes in the market, sales of fresh California peaches, plums, and nectarines continue to be good. Quality reports from the trade continue to be positive, complimenting the fruits overall appearance and eating quality this season. The current competition includes California grapes, Australian pears and oranges, and New Zealand kiwi, mandarins and oranges.

Central America Region

Additional shipments of California peaches, plums and nectarines arrived over the weekend, replenishing volumes at supermarkets and the traditional sector. Consumer demand for all three fruits continues to be strong and additional volumes are expected within the next week. The volume and quality of local peaches and plums have diminished and with overall volumes less than previous years, California plum and peach sales are benefiting. Other competition includes multiple varieties of pears (Chile, Argentina, and Spain), Chilean kiwi and grapes (California, Chile, and Mexico) and strawberries (Costa Rica, Guatemala).

South America

California peaches, plums and nectarines continue to be available in retail and wholesale markets throughout key markets in the region (Colombia, Ecuador, Panama, and Venezuela). Quality reports from the trade are generally good for peaches and nectarines with some mixed reviews received on the shelf life of plums. In-store promotions are underway in most of the markets and are boosting sales for fresh California stone fruit. Additional volumes will arrive over the next two weeks. In Ecuador, local peaches are popular among consumers, along with Peruvian peaches that are sold on the open markets. In Venezuela, other competition includes California grapes, Oregon pears and Washington apples and pears as no import restrictions have been imposed.

Canada

California stone fruit continues to be available in supermarkets throughout Canada. In Eastern Canada there is a strong local push this season, and as a result many retail chains have begun co-merchandising and co-promoting California stone fruit with the local stone fruit. For example, one retail chain ran a combo ad that offered local peaches and nectarines, and California plums at the same promo price. In Western Canada, some Washington stone fruit is available, with volumes expected to increase over the next two weeks, but then decline once the B.C. stone fruit season picks up. Other competition includes local and imported apples, California grapes and pears, local berries and Washington apricots.

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.

For International materials visit the International section of the PPN Network Download Center at www.eatcaliforniafruit.com.

Mexico

Market and promotional activities are going strong in Mexico. In addition to earned media in magazines like *Siempre en Familia* and *Kena Cocina*, 18 technical seminars were hosted with retail stores, in-store promotions were conducted in 89 stores across 19 cities for a total of 167 in-store demonstration days, public market promotions were conducted in Mexico City and Guadalajara, and 34 summer camps were visited, sharing the message of fresh California peaches, plums and nectarines with over 19,000 adults and over 15,500 kids.

Hong Kong

In addition to the print ad campaign and the in-store promotions, a cooperative café menu promotion is currently underway. Ten cafés in Hong Kong will display their uniquely designed tent cards, brochures, and banners featuring the California Tao Lee logo, along with featuring fresh California peaches, plums and nectarines in their menu items, including drinks, salads, desserts, entrees and garnishes.

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 will be conducted to boost sales before and after Moon Festival, which is on September 14.

China

In-store promotions took place in August throughout key markets in China, covering more than 65 stores, and will continue through September, covering an additional 65 stores.

Singapore

Along with in-store promotions, six schools in Singapore were visited as part of the School Sampling program. During the program 4500 students sampled fresh California peaches, plums and nectarines and learned nutritional information and tips about the fresh summer fruits.

Indonesia

In-store promotions will continue through September, covering more than 65 supermarkets, hypermarkets and fruit shops throughout Indonesia.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	64-72 vf	16.23	1.14
	Nectarines	CA	64	17.70	1.21
	Plums	CA	64-65-80	18.93	1.55
	Peaches	MX	14 kg.	15.49	1.02
	Plums	MX	18Kg	8.84	0.67
	Apple	WA	88-100-125-135	34.68	1.12
	Strawberries	CA, MX	12 lb	4.91-15.49	2.13
	Pears	CA, Arg-WA	36-44 lb	16.02-36.89	0.89-1.09
	Table-grapes	CA, MX	19 lb	9.33-17.09	1.22
	Mangoes	MX	25 kg	14.51	0.43
	Kiwifruit	CH	22 lb	19.67	1.45
Hong Kong	SW Peach	CA	48 - 64	25.64 - 36.36	0.57 - 2.95/pc
	Peach	CA	48 - 64	30.76 - 34.61	0.57 - 2.82/pc
	SW Nectarines	CA	48 - 64	15.38 - 29.48	0.57 - 1.92/pc
	Nectarines	CA	48 - 64	15.38 - 29.48	0.57 - 1.56/pc
	Plum	CA	25 - 90	15.58 - 30.76	0.18 - 1.92/pc
	Peach	China	70 - 88	11.54 - 14.10	0.26 - 0.52/pc
	Plum	China	75-140	7.69 - 12.18	0.64 - 1.28/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
	Grape	USA	28 lbs	28.21 -39.74	1.28 - 1.79/lb
	Cherries	USA	21 lbs	55.13 - 57.69	1.92 - 3.58/lb
	Apples	WA, China	40 - 100	11.53 - 32.05	0.21 - 0.64/pc
Taiwan	SW Peach	CA	# 15-18	15.87-38.09	1.15-3.30/pc
	SW Nectarine	CA	# 50-64	22.2-25.39	0.45-0.63/pc
	Black Plum	CA	# 25-50	22.2 - 26.9	0.3-0.53/pc
	Red Plum	CA	# 25-120	22.2 - 41.26	0.3-1.91/pc
	Green Plum	CA	# 25-50	22.2 - 26.9	0.3-0.53/pc
	Prune	CA	# 70-120	27.05-41.26	1.36-1.91/pc
	Plout	CA	# 25-50	22.2 - 26.9	0.3-0.53/pc
	Peach	JP	# 12-14	66.7- 73.01	6.34 - 7/pc
	Peach	TW	# 6-20	6.36-31.82	0.96-1.4/pc
China-Shanghai	Plum	CA	Medium/12.7KG	26.471/BOX	1.59/500G
	Peach	China	Medium/7-15KG	1.91-5.73/BOX	0.17-1.44/500G
	Nectarine	China	7.5-10KG	4.63-13.24/BOX	0.59-1.39/500G
	Red Plum	China	7.5-15KG	2.79-13.23/BOX	0.50-1.41/500G
	Black Plum	China	Medium/5KG	2.87-3.31/BOX	0.40-0.52/500G
	Green Plum	China	Small/10KG	5.15-5.88/BOX	0.53-0.54/500G
	Prune	China	Small/10-15KG	11.76-15.44/BOX	0.77-2.24/500G
China-Guangzhou	Plum	CA	30-45	16.18-41.71/28LB	1.71-3.38.500G
	Peach	China	Medium/Bulk	0.51-0.63/500g	1.02-2.1.25/500G
	Nectarines	China	Small/9KG	4/BOX	0.41-0.51/500G
	Red Plum	China	Big/60-70	10.29-11.76/BOX	0.96-1.69/500G
	Black Plum	China	Small/Bulk	0.28-0.43/500G	0.41-0.87/500G
	Green Plum	China	Small/Bulk	0.26/500G	0.51-0.74/500G

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 2ly	50.76	1.34
	SW Nectarine	CA	56/64 v/f	29.63	0.76 / *54
	Nectarine	CA	25	47.73	3.08 pc
	Orgnc Nectarine	CA	56 v/f	42.31	1.54 pc
	Plums	CA	30-60	29.63-36.50	2.27-3.77pc
	White Peach	China	900g x16	26.15	2.27 900g punnet
	Prune	CA	90	60.00	6.92 kg
	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	5.77kg
	Persimmon	Isreal	8 - 9 pcs	2.39 box	3.00 box
	Kiwi	NZ	41pcs, 6-10/kg	37.78	0.56-1.11 pc
	Duran	Mal	m		2.69 pc
Malaysia	SW Peach	CA	40-44 vf	55.0-62.0	1.60-1.90
	Peach	CA	56	52.0-55.0	1.40-1.80
	Donut Peach	CA	56	46.9-50.0	1.20 - 1.40
	Nectarine	CA	56	50.0-52.0	1.40 - 1.60
	SW Nectarine	CA	56-64 vf	33.0-35.0	1.30-1.80
	Plums	CA	55-60vf	30.0-55.0	3.80-6.00/kg.
	White Peaches	CHN	900g x 12	26.0-28.0	2.30-2.60/900g
	White Nectarine	CHN	900g x 12	26.0-28.0	2.30-2.60/900g
	Plum	CHN	48-78	15.00-16.00	030-0.40/pc
	Table Grapes	CA, CH	9.5-10kg	19.30-74.00	2.25-8.50/kg
	Kiwi	NZ	10kg		0.56/pc
	Orange	CA, AUS	125-180	23.20-28.32	0.16-0.30/pc
	Pear	CN	38-56	6.00-7.28	0.10-0.23/pc
	Apples	SA	72-180	21.0-31.0	0.15-0.50/pc
Thailand	SW Nectarine	CA	40-50	47.03-84.78	6.03-10.87/kg
	SW Peach	CA	40-50	47.03-84.78	6.03-10.87/kg
	Red Plum	CA	35-55	39.78-57.94	6.03-8.78/kg
	Black Plum	CA	35-45	39.78-57.94	6.03-8.78/kg
	Prune	CA	80	51.74-59.79	7.84-9.06/kg
	Peach	CHA	50	22.96-31.94	0.87-1.21/pc
	Plum	CHA	65-70	20.63-22.78	0.32-0.38/pc
	Nectarine	CHA	55-65	27.72-29.79	0.40-0.43/pc
	Grape	CA	10/kg	40.86-62.70	6.81-10.45/kg
	Apple	NZ	25/2lyr	26.25-31.50	0.75-0.90/pc
	Longan	Thai	10/kg	8.47-12.67	1.21-1.81/kg
Indonesia	SW Peach	CA	40-48	65.5	9.6-17.2
	Dounut Peach	CA	24	65.5	23.2
	SW Nectarine	CA	44-48	65.5	8.8-17.4
	Dounut Nectarine	CA	24	65.5	23.5
	Red Plum	CA	24-56	31.1-32.7	10.7-18.3
	Black Plum	CA	55	32.7	12.5
	Sugar Plum	CA	80	32.7	13.0
United Kingdom	SW Peach	CA	4 pack		5.56
	SW Nectarine	CA	4 pack		4.63
	Nectarines	Sp, France	4 pack	6.93-10.17/4kg	2.57-3.66
	Orgnc Nectarine	Italy	4-5 pack	10.73/4kg	2.74-4.60
	Peach	Sp, France, Italy	4-5 pack	7.40-9.25/4kg	2.94-3.68
	Plums	Sp, France, Italy, Portugal, UK	400-500g	5.08-24.05/4-9kg	1.85-7.36
	Rasberries	UK	150g		3.68

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
New Zealand	SW Peach	CA	48/50 8.1kg tray	1.17	2.21
	Peach	CA	54/56 8.2-11.3kg	0.86-1.27	1.89-4.10
	SW Nectarine	CA	54/56 11.3kg VF	0.89	1.33
	Nectarine	CA	54/56 11.3kg VF	0.89	1.58-1.89
	Plums	CA	12.7kg	0.85	1.09-1.58
	Dounut Peach		5.5 kg		2.21
	Mandarins	AUS, NZ			0.63-1.35
	Grapes	USA		1.54	1.73
	Apples	NZ			0.94
	Oranges	NZ	large		0.59
	Pears	AUS	medium		1.09
	Mango	MX	medium		0.55
	Kiwifruit	NZ	small-medium		0.33-0.55
Central America	Peach	CA	56-64	24.51	1.55
	Nectarine	CA	56-72	25.33	1.4
	Plum - Red	CA	50-72	28.55	1.49
	Plum - Black	CA	65-72	28.33	1.56
	Pluot	CA	70-72	28	1.95
	Peach	GT	72-90		1.17
	Plum	GT, CR	small		0.81
	Apples	CH,USA	80-175	30.66	1.82
	Grapes	CA, CH, MX	18, 21 lbs	21.06	1.88
	Pears	CH, Arg	44-100	27.89-33.89	1.29-2.45
	Kiwifruit	CH	28-33	29.30	2.09
	Oranges	CH	44-56	32.00	1.13
	Strawberries	GT, CR			1.45
	Mandarine	Peru	150	27.33	1.79
	Apricots	CA	58	31.33	2.10
Colombia	Peach	CA	64/ 11kg Box	24.28	3.23/lb
	Nectarine	CA	64/ 11kg Box	24.28	4.58/lb
	Plums	CA	64/ 11kg Box	21.58	3.23/lb
	Banana	CO	25kg Box	11.18	0.81/lb
	Grandillia	CO	15kg Box	23.73	1.76/lb
	Mango	CO	25kg Box	22.76	1.72/lb
	Ecuador	Peach	CA	65-70	24.00-26.00
Nectarines		CA	65-70	24.00-26.00	2.93-3.30
Plum		CA		24.00-26.00	2.93-3.30
Peach		EC		28.00-30.00	4.00-4.19
Pineapples		EC		10.00-12.00	0.55-0.60
Oranges		EC		100 u/\$4.00	0.05-0.08 u
Papaya		EC		13.00-15.00	1.50-1.70
Melons		EC		10,00-12,00	1.50-1.60
Oranges		CA		18.00-20.00	2.31-2.80
Mango		EC		18.00-20.00	2.10-2.31

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Panama	Peach	CA	45		1.77-1.80/lb
	Nectarine	CA	48		1.80-1.87/lb
	Plum	CA	80		1.50-1.92/lb
Venezuela	Nectarine	CA	72-112	55.81-69.76	10.00-13.02
	Plum	CA	35-40-70	46.51-55.81	7.44-9.76
	Peach	VZ			3.72-7.90
	Plum	VZ			3.25-5.58
	Mango	VZ			1.16-2.79
	Watermelon	VZ			0.93-1.86
	Melons	VZ			1.62-2.79
	Pineapples	VZ			1.86-3.25
	Strawberry	VZ			5.58-6.97
	Papaya	VZ			1.67-2.79
Canada	SW Peach	CA			1.99/lb
	Nectarine	CA/WA			1.29/lb
	Peach	Canada	3L basket	0.69/lb	2.99-4.99
	Nectarine	Canada		0.69/lb	
	Plum	CA		0.69/lb	1.00-1.49
	Prune	WA	12# carton		9.99
	Apple	NZ, S Afr, China, Chile	per pound	3.99/3# bag	
	Pear	CA, Canada	per pound		1.00-3.99
	Grapes	CA	per pound		2
	Oranges	SA		3.99/4# bag	4.99/4# bag
	Strawberry	CA, Canada	1# Clam	1.67-1.99	
	Blueberries	Canada	pint/4#	2.50	9.99
	Rasberries	USA	1/2 pint		1.50
	Cantalope	CA, Canada	Jumbo/ea		1.49-1.88
	Watermelon	USA	per pound		0.49
	Watermelon	Canada	each	2.99	3.99
Kiwifruit	NZ	1#bag/2# punnet		1.99-2.00	
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