



MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

## August 4, 2008

As we head into August, growers and packers now have harvested more than 60% of this season's crop estimate of 56.5 million boxes of peaches, plums and nectarines. With great eating quality and favorable sizes, this is a perfect year for late summer promotions, as plenty of fruit will be available through September and into October. All key markets continue to have good to excellent volumes of California stone fruit, and overall feedback continues to be positive.

Temperatures in the Central Valley will be in the upper 90s for most of this week, then drop down to the low 90s for the weekend. Some of the varieties being harvested this period include Sweet Dream, Zee Lady and Summer Lady for yellow peaches, and Summer Fire and August Fire for yellow nectarines. Major white-flesh varieties this period include Snow Giant, Snow King, August Pearl™ and Grand Pearl™. Plum packout is moving along. Key varieties being harvested include Friar, Joanna Red, Fortune and French prune.

## Current News

### **W.T.O. Trade Talks Collapse**

After seven years of negotiations world trade talks collapsed last Tuesday, July 29 as differences between a group of developing nations and established economic nations could not be bridged. According to *The New York Times* discussions reached an impasse when the United States, India and China refused to compromise over measures to protect farmers in developing countries from greater liberalization of trade. Now with the impasse and approaching US elections, economists predict it will take years before progress is made again. The goal was to further open markets, cut farm subsidies and to strengthen international trade, so countries will have to turn their attention to regional and bi-lateral agreements to work towards that goal.

### **Colombia Tariff Ticker**

Viewable from the USDA homepage ([www.usda.gov](http://www.usda.gov)), the Colombia Tariff Ticker is a tool launched by the Bush Administration for the public to see how much money is being paid in tariffs to Colombia, while the Colombia FTA awaits ratification by US Congress. The live calculation currently shows over \$1 billion in tariffs paid, while Colombian products arrive in the US duty free.

## Market Reports

### Mexico

Plum volumes increased over the past two weeks, increasing their availability throughout retail outlets and public markets in Mexico. Peaches remain the number one category item, now followed by plums, while nectarine volumes were stable. Quality reports remain positive for all three fruits. Recent rains slowed production for local Chihuahua peaches, reducing their availability slightly, but supplies are expected to be available until the end of September. Local plums were also found in a few stores in Mexico City, Guadalajara and Monterrey. Other competition includes apples, local mangoes, kiwi, grapes and strawberries.

### Hong Kong

California peaches, plums and nectarines are widely available throughout retail, wholesale and wet markets, with hawkers now carrying two or three varieties of California stone fruit. Quality reports continue to be good, especially on nectarines; however the hot temperatures over the past two weeks appear to be impacting shelf life. Chinese lychees are in abundance, with good quality and low prices. Chinese peaches continue to be widely available, with average appearance, quality and size, along with some small, below-average quality Chinese nectarines and plums. Other competition includes US oranges, Washington and Chinese apples, and Taiwan watermelons.

### Taiwan

Two typhoons struck Taiwan over the past two weeks. The first, Typhoon Kalmaegi, which hit on July 19, caused approximately \$24 million in damages to local crops, including watermelons, melons, pomelos, bananas, papaya and grapes. The second typhoon, Fung-Wong, hit on July 27 causing an estimated \$9.83 million in agriculture damages according to the Taiwan Council of Agriculture. Overall economic conditions continue to cause consumers to be conservative with their spending, and as a result all fresh fruit sales over the past two weeks were slower than expected. Still, Ghost Month began on August 1 and to meet the anticipated demand additional supplies, primarily peaches, followed by nectarines and some plums were received over the past two weeks. Ghost Month will conclude on August 30, with August 1 and 15 as the two largest worship days. In terms of competition, local peaches from Pear Mountain were available, along with lychees, mangoes, pears, pineapples and New Zealand kiwis.

### China

California plums were found in Guangzhou and Shanghai wholesale markets over the past two weeks, including red and black varieties. It is encouraging to note that finally supermarkets, hyper-markets and high-end fruit stores in Guangzhou are carrying some California plums. With fruit now in the market, in-store promotions kicked off the third week of July and will continue through August 8. Additional promotions are being finalized for August when distribution improves as additional volumes arrive. The Beijing Olympics are approaching, but overall sales movement for fresh fruit is not expected to significantly improve due to strict security measures. In fact, large retail promotions are not allowed during the games due to security reasons. Chinese peaches, plums and nectarines were available, though volume levels varied throughout the market. In Shanghai, Chinese plum varieties included black, red and green, but also new yellow and pluot varieties. Other competition includes Chinese lychees, cherries, mangoes and watermelons, along with imported grapes, durians, longans, oranges and apples.

### Singapore

White-flesh peaches, nectarines and sugar plums continue to arrive by air, along with ocean shipments of white-flesh nectarines and multiple varieties of plums. Distribution of California stone fruits has improved, particularly the availability of plums at retail, and many wet market vendors and fruit shops are carrying multiple varieties of peaches, plums and nectarines. Feedback on quality continues to be good, especially for plums. Availability of Chinese stone fruit declined over the past two weeks as no additional shipments were received. As a result only one retailer was carrying Chinese white-flesh peaches and nectarines, with slow sales despite low prices. Other competition includes California and Australian grapes, New Zealand kiwi and Malaysian durian.

## Malaysia

Ocean shipments of California plums continue to arrive in the market, with additional shipments of plums and nectarines expected in the next few weeks. Also available in the market are white-flesh peaches and nectarines, and some yellow-flesh varieties. Competitively priced Chinese peaches are available at some supermarkets that cater to lower-income consumers, and Chinese plums are expected to arrive by early August. Durians continue to be the most popular fruit among consumers, but New Zealand apples, kiwi and California grapes are adding to the competition.

## Thailand

Some California peaches, plums and nectarines were available at up-scale supermarkets and high-end fruits shops in Thailand, with the majority of supplies shipped by air. Additional sea shipments of plums and nectarines are expected in the next two weeks. Quality of air shipments continues to be good. Chinese peaches and nectarines were available over the past two weeks, primarily at lower-end retail and wet markets due to their price and small sizes. Other popular imported fruits include US cherries and California grapes.

## Indonesia

California stone fruits continued to be found at fruit boutiques and supermarkets in Indonesia. Over the past two weeks retailers reported strong sales for the air shipped stone fruits, particularly plums and donut peaches. Air shipments of all three fruits will continue through the next two weeks, along with additional ocean shipments of plums. Chinese peaches, white-flesh nectarines and black plums were found at select fruit outlets, and at retail. In terms of competition Thai mandarins and longan were being heavily promoted.

## United Kingdom

Spanish stone fruit supplies decreased slightly over the past two weeks, due to unfavorable weather conditions in the north-eastern region of Spain. These shortages have been supplemented by French peaches and nectarines. Italian stone fruit is reportedly having a tougher season this year too, not only is the total crop estimated to be 40-50% less than 2007; the sizes harvested are too large for many of their markets, which prefer small to medium sizes. Plums from Israel and Portugal were found in the market, along with US strawberries, cherries and California donut peaches.

## New Zealand

Similar to many countries, conservative spending is the trend in New Zealand; estimates from some of the trade indicate produce sales are down approximately 15-20% compared to last year. Despite that, all retail groups are heavily promoting peaches, plums, and nectarines. More ocean shipments of peaches have arrived this year compared to last, and strong volumes of all three fruits are available at both the wholesale and retail level. Quality reports continue to be positive. Good volumes of Mexican and Chilean grapes, along with New Zealand apples, kiwifruit, mandarins and Australian navel oranges are available. New to the market are New Zealand persimmons and California grapes.

## Central America Region

The availability of California stone fruit, particularly plums, improved over the past two weeks and now volumes are available at retail and traditional markets. Most retailers are now carrying all three fruits and are allocating large amounts of display space. Plus, some are offering California donut peaches as part of a new strategy to attract consumers to the category. Quality reports continue to be very strong, with additional arrivals expected in the next couple of weeks. Peaches and plums from El Salvador and Guatemala were spotted at traditional markets in parts of the region, though quality problems were noted. Other competition includes local strawberries, pears (US, Chilean, Argentinean), US cherries, apricots, Chilean grapes and Mexican grapes.

## South America

Importers in Venezuela are very pleased with the California stone fruit season so far; not only has the quality of arrivals been good, import permit procedures have been much easier this year. As a result large volumes of California plums and nectarines were available throughout the market and additional containers are expected to arrive in the next two weeks. The trade in Ecuador is also pleased with the results of the season thus far, commenting on the overall appearance, eating quality, size and high demand for all three fruits. Peruvian peaches are the primary competition, but only in traditional markets. In Panama, decent supplies of California stone fruits were found and quality was improved from the last report. In Colombia, small volumes of peaches, plums and nectarines are available in wholesale and retail supermarkets, with good quality and excellent market rotation. Greater volumes are currently in transit. Competition includes peaches from Colombia and Venezuela, as well as very late, poor-quality Chilean plums.

## Canada

Retail and consumer promotions are well underway in Canada, with ad prices as low as \$0.99 per lb. Feedback on quality has been varied, particularly for plums. In terms of competition, local peaches and plums are now available, and although isolated areas of Ontario's growing region were impacted by recent rainfall, there are still plenty of supplies being promoted at retail. Yellow plums in particular are popular among consumers, with several retailers running features to promote them. Other competition includes California grapes, along with US seedless watermelons, Washington apricots, and apples (Canadian, Chile, New Zealand).

# 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](http://www.eatcaliforniafruit.com).

## Mexico

In-store promotions were conducted in over 94 stores across 14 cities in Mexico, which included two cooking workshops. Plus an interactive promotion was conducted in three stores in Mexico City, where consumers played games, received small incentives and learned info, tips and recipes for California peaches, plums and nectarines. Also, seven summer camps in Mexico City were visited, teaching over 6,600 kids and moms information about fresh California stone fruit, including their nutritional benefits and how to have fun with interactive games that feature all three fruits.

## 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 started on July 26 and will continue through August 17. Consumers who purchase at least two California PPN items valued at NT\$150 will receive a lottery ticket for the chance to win prizes. Winning tickets will display the lucky 888. Also part of the promotion is a "Lucky Draw" prize contest. Consumers can mail in their receipts from participating retailers, or collect 10 official California-logo PLU stickers from non-participating retailers to qualify for the "Lucky Draw" on September 30.

## China

To promote the first arrivals of California plums, in-store promotions started July 16 and will continue through August 8 across 20 retail stores in Guangzhou. Additional promotions are being finalized, including Shanghai and Beijing as California plum volumes continue to arrive in the market.

## Singapore

In-store promotions are underway in Singapore; from July 25 through August 13, promotions will be conducted in over 130 stores with six major retail chains.

## Central America

Along with 60 in-store promotions, retail cooperative promotions are underway. On July 16 and continuing through August 16 a 30 second CTFA jingle will be broadcasted in 78 stores three times a day over a retail exclusive radio station. Also, on a separate radio station CTFA's advertisement will be broadcasted more than 60 times throughout special events over the next month.

## Canada

In addition to cooperative retail promotions a California stone fruit recipe was featured on Canada AM, Canada's morning talk show (similar to Good Morning America) in early July. Plus, the Cal State PPN PowerPoint presentation is now available in French and will be available on CTFA's download center.

If you have any suggestions or comments, please contact Gordon Smith at [gsmith@caltreefruit.com](mailto:gsmith@caltreefruit.com) or Sarah Alvernaz at [salvernaz@caltreefruit.com](mailto:salvernaz@caltreefruit.com).

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	64-72 vf	16.29	1.69
	Nectarines	CA	64	16.29	2.59
	Plums	CUG	64-65-80	21.39	1.46
	Peaches	MX	22 lb	17.24	1.59
	Plums	MX	18Kg	11.88	0.89
	Apricots	CA	8,12-60	17.62	1.03
	Strawberries	CA, MX	12-19.2 lb	6.42-14.18	2.80-4.09
	Table-grapes	MX, CA	18-21lb	12.41-14.78	1.05-1.13
	Apple	WA	88-100-125-135	36.95	1.49
	Pears	Arg-WH	36-44 lb	29.91	1.77
	Mangoes	MX	25 kg	12.35	1.05
	Kiwifruit	CH	22 lb	21.40	1.79
Hong Kong	SW Peach	CA	48 - 64	29.48 - 36.36	1.16 - 2.86/pc
	Peach Donut	CA	14 - 48	15.38 - 26.92	0.83 - 3.12/pc
	Peach	CA	48 - 64	30.76 - 34.61	1.16 - 2.85/pc
	SW Nectarines	CA	48 - 64	15.38 - 29.48	0.26 - 1.56/pc
	Nectarines	CA	48 - 64	15.38 - 29.48	0.26 - 1.56/pc
	Plum	CA	20 - 90	15.58 - 18.59	0.19 - 0.78/pc
	Peach	China	70 - 88	11.54 - 14.10	0.25 - 0.52/pc
	Plum	China	120-140	7.69 - 11.53	0.64 - 1.28/lb
	Lychee	China	56 lbs	28.20 - 51.28	1.28 - 1.93/lb
	Watermelon	Taiwan	2	5.37 - 7.89	0.19 - 0.34/lb
	Orange	USA	72 - 88	19.23 - 28.85	0.25 - 0.64/pc
	Apples	WA, China	40 - 88	11.53 - 25.64	0.21 - 0.64/pc
Taiwan	Peach Donut	CA	#13-#18	19.73-23.02	1.28-1.5/pc
	SW Peach	CA	#13-#18	29.61-39.47	2.0-3.6/pc
	SW Peach	CA	#42-#56	19.74-26.32	0.4-0.75/pc
	SW Nectarine	CA	#56-#72	11.5-27.96	0.19-0.75/pc
	Plum	CA	#30-#45	23.02-36.18	0.61-1.24/pc
	Prune	CA	#50-#70	46.05-55.92	0.2-1.1/pc
	Plum	TW	10-15Kg	27.41-41	\$1.81/600grams
	Peach	JP	#12-#14	55.92-62.5	6.2-9.9/pc
	Peach	TW	#18-#28	27.44-32.58/box	1.2-2.3/pc
China-Shanghai	Nectarine	China	Medium/7.5KG	4.41-4.96/BOX	0.38-0.50/500G
	Peach	China	7.5-10KG	2.20-17.65/BOX	0.17-1.91/500G
	Red Plum	China	5-15KG	0.55-8.82/BOX	0.35-0.68/500G
	Black Plum	China	Medium/5KG	2.21-2.94/BOX	0.33-0.44/500G
	Yellow Plum	China	Small/10KG	5.88/BOX	0.44/500G
	Plum	CA	10-12.7KG	19.12-26.47/BOX	1.13-1.84/500G
	Prune	China	Big/10KG	26.47-29.41/BOX	1.99-2.21/500G
	Cherries	China	2-4KG	5.29-10/BOX	1.88-1.99/500G
China-Guangzhou	Red Plum	China	60-70	12.14-14/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
	Nectarine	China	Small/9KG	4/BOX	0.41-0.51/500G
	Peach	China	Medium/Bulk	0.63-0.7/500G	1.12-2.1/500G
	Plum	CA	Small/40,55	22.05-29.41/BOX	1.71-1.84/500G

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Singapore	SW Peach	CA	48/56 2lyr	51.85	1.54
	Peach	CA	56 2lyr	50.76	1.34
	Dounut Peach	CA	56 2lyr	48.46	1.15
	Nectarine	CA	56 2lyr	49.23	1.34
	SW Nectarine	CA	56/64 v/f	31.27	0.76 / *56
	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
	White nectarine	China	900g x16	26.15	2.27 900g punnet
	Donut peach	China	900g x16	26.15	*2.04 900g punnet
	Apricot	CA	36, 10kg	32.92-60.00	2.23-4.54g
	Cherry	CA	10	66.67	8.07 -454g
	Strawberry	US	454g x8	28.15	5.59
	Grapes	CA, AUS	8.2-10 kg	29.62-35.39	4.37-5.85 kg
	Persimmon	NZ	28	23.7	1.33
	Kiwi	NZ	10 kg		0.56 pc
	Durian	Mal			2.31pc
Malaysia	Peaches	CA	40-44 vf	55.0-62.0/carton	1.60-1.90/pc
	Nectarines	CA	40-44 vf	38.0-45.0/carton	1.30-1.80/pc
	SW Peach	CA	40-44 vf	55.0-62.0/carton	1.60-1.90/pc
	SW Nectarine	CA	40-44 vf	38.0-45.0/carton	1.30-1.80/pc
	Plums	CA	40-45/vf	35.0-40.0/carton	1.15-1.6/lb.
	Peaches	CHN	900g	16.0-20.0/carton	2.30-2.60/900g
	Plum	CHN	28lb.	1.00-1.20/lb.	0.80-1.0/lb.
	Strawberries	CA	4.5kg	40.0-50.0	5.00-6.00/pkt
	Cherries	US	5kg	100/box	25-30/kg
	Table Grape	CA, CH	9.5-10kg	19.30-74.00	2.25-8.50/kg
	Plum	CH	48-78	15.00-16.00	0.30-0.40/pc
	Orange	CA, AUS	125-180	24.50-28.32	0.16-0.30/pc
	Pear	SA, CN	36-72	6.00-12.50	0.10-0.39/pc
	Apples	NZ, SA	60-180	21.0-35.00	0.15-0.60/pc
	Thailand	SW Nectarine	CA	50-56	51.74-67.78
SW Peach		CA	16-22/2lyr	51.74-59.79	7.84-9.06/kg
Plum		CA	35-45	34.24-64.97	4.39-8.33/kg
Prune		CA	90-100	66.14-70.66	8.48-9.06/kg
Nectarine		CHA	65-70	27.72-29.79	0.40-0.43/pc
Peach		CHA	65-70	27.72-29.79	0.40-0.43/pc
Grape		CA	10/kg	39.06-70.86	6.51-11.81/kg
Cherry		US	10/kg	81.78-172.68	13.63-28.78/kg
Persimmon		NZ	20/2lyr	32.64-42.72	1.36-1.78/pc
Indonesia		SW Peach	CA	48	72.93
	Peach Donut	CA	44	69.61	22.93
	Peach	CA	48	72.93	11.93
	Nectarine Donut	CA	24	46.96	92.76
	Nectarine	CA	48	72.93	11.73
	Black Plum	CA	55	86.18	12.85
	Red Plum	CA	60	88.39	8.56
	Prune	CA	90	91.71	11.6

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
United Kingdom	Nectarines	Sp, France, Italy	4 pack	9.95-11.24/4kg	2.77-3.96
	White Nectarines	France	4 pack		3.96
	Peaches	Sp, Italy	4 pack	8.46-10.45/4kg	3.96
	White Peaches	France	4 pack		5.95
	Donut Peach	CA	4 pack		5.95
	Plums	Israel,Sp,Portugal	6 pack-500g	5.47-13.43/5kg	2.55-3.96
	Strawberries	US	Punnet (454g)	N/A	3.96
	Cherries	US	Punnet (250g)	54.73/per 5kg	5.95
New Zealand	Peaches	CA	56 8.1kg tray	0.9	7.0
	SW Peaches	CA	56 8.1kg tray	1.1	7.0
	Nectarine	CA	64 11.3kg VF	0.8	1.0
	SW Nectarine	CA	64 11.3kg VF	0.9	1.3
	Plums	CA	12.7kg	0.9	1.0
	Mandarins	NZ			1.4
	Grapes	CH,US,MX		1.42-1.54	2.3
	Apples	NZ			1.0
	Oranges	AUS	large		1.0
	Peas	AUS	medium		1.2
	Mango	MX	medium		0.6
	Kiwifruit	NZ	small-med		0.33-0.55
Central America	Peach	CA	56-74	23.81	1.65
	Nectarines	CA	56-74	25.82	1.53
	Red Plum	CA	70-72	23.28	1.92
	Black Plum	CA	70-72	28.09	1.74
	Donut Peach	CA	48	24.25	2.38
	Pluot	CA	72	30.57	2.26
	Peach	GT	80		1.15
	Plum	GT, CR	Small		0.75
	Apple	CH,USA	80-175	29.95	1.36
	Grapes	CH, Mx	18, 21 lbs	22.53	1.54
	Pears	CH, US, ARG	45- 135	26.57	1.55
	Kiwifruit	CH	33	28.40-32.00	2.21
	Oranges	USA	44-72	28.74	1.72
	Strawberries	GT, CR			1.29
	Mandarine	CH, Peru	150	29.95	1.98
	Cherries	CA	10 M	59.6	2.65
	Apricots	CA	64	28.88	2.02
Colombia	Peaches	CA	11kg box/ 64	US 42.00	2.77/Lb
	Nectarines	CA	11kg box/ 64	US 42.00	2.77/Lb
	Plums	CA	11kg box/ 64	US 42.00	1.74/Lb
	Banana	Colombia	25 kgBox	US 11.17	0.87/Lb
	Passion Fruit	Colombia	15 kg box	US 23.25	1.90/Lb
	Mango	Colombia	25 kg box	US 23.25	1.90/Lb
Ecuador	Peaches	CA	70-80	32.00-36.00	4.20-4.62
	Nectarines	CA	70-80	30.00-32.00	3.18-3.86
	Plums	CA		30.00-32.00	3.30-3.50
	Pineapple	Ecuador		10.00-12.00	0.55-0.60
	Orange	Ecuador		5	0.08-0.10
	Papaya	Ecuador		13.00-15.00	1.50-1.70
	Melon	Ecuador		10.00-12.00	1.50-1.60
	Orange	US		18.00-20.00	2.31-2.80
Mango	Ecuador		18.00-20.00	2.10-2.31	

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Panama	Nectarines	CA	48		1.80 - 1.87 p/Lb
	Peaches	CA	48		1.77 - 1.80 p/Lb
	Plums	CA	80		1.50 - 1.92 p/Lb
Venezuela	Plums	CA	35-70	37.20-69.76	6.04-10.23
	Nectarines	CA	48-72	41.86-69.76	9.76-13.95
	Peaches	VZ			2.79-7.90
	Plums	VZ			3.25-3.72
	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
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