



A REPORT FROM THE CALIFORNIA TREE FRUIT AGREEMENT

International Market Report

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MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

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As we enter into July, we are now in the middle of the California PPN season and are please to bring you the third International Market Report of 2010. The World Cup quieted the fruit market in many countries around the world as consumers were distracted with the World Cup festivities. However, it is expected to pick up as the tournament enters its final week. As temperatures earlier in the season were lower than average, we are now seeing significantly warmer weather, which is ideal for California stone fruit orchards. With temperatures elevated earlier this week, they have returned to normal, between the upper 90s to low triple digits. Nearly all markets have received delicious California peaches, plums, and nectarines, with more on the way. 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

Sobeys Price Chopper Discount Stores Renovate to Freshco

According to Supermarket News, with eight successful transformations and a \$3.6 billion sales improvement in the U.S. market, Sobeys plans 'dozens' more in the next 18 months. Freshco preserves competitive pricing but focuses on fresh produce, local and international offerings in a specific layout that leads shoppers through the store department by department.

Brazilian's Transportation Budget Equal to Food

Reuters reports that a recent study hosted by a government statistics agency revealed that Brazilians spend the same amount (about 16%) of their budget on groceries and transportation costs. Bigger family budgets have made car ownership more common, but rising car and fuel prices were also a contributing factor. Despite car sales slight dip recently as tax breaks have begun expiring; Brazil is Latin America's largest economy and a main market for Italy's Fiat SpA, Germany's Volkswagen AG and U.S.- based General Motors Co and Ford Motor Co.

Moms Surveyed Reveal Good and Bad News for Grocers

Despite signs emerging that the economy has begun recovery, moms are still holding tightly onto their wallets. In fact, they plan to not only continue using coupons, but they plan on using them even more frequently. And, they won't be paying attention to brands, local growers, or organic products either. According to Business Wire, a survey completed by Bohan Advertising/Marketing, surveyed 585 moms over the age of 18 with two or more children also found that because moms are cutting back, they plan to

cook more at home. The good news is grocer's sales will increase, but the bad news is they want it at a bargain, now more than ever.

Study Reveals Organic Pesticides are not always 'greener'

A new University of Guelph study, published June 24, found that some organic pesticides can be worse for the environment compared to pesticides used for conventional growing because organic products may require larger doses. Environmental sciences professor Rebecca Hallett and PhD candidate Christine Bahlai observed soybean crops to compare the environmental impact of organic pesticides to conventional methods.

Market Reports

Mexico

California PPN is now available in good supplies throughout Mexico. California peaches are estimated to now have more than 80% market share. Peaches in Mexico City are selling well despite higher prices compared to local peaches. Some Monterrey warehouses received their first shipments of California PPN in the past two weeks, but the trade expects more arrivals in the coming days. Summerwhite® nectarines are available in Mexico City and Guadalajara with good sales movement. Currently there are higher volumes of Summerwhite® nectarines in the market, compared with yellow nectarines. California plums are available but in relatively low volumes and must compete against good supplies of local plums (estimated to have 70% market share.)

Hong Kong

Limited California PPN entered the wholesale market just days ago which included varieties such as Summerwhite® peaches and red plums. Summerwhite® nectarines are expected to arrive shortly. Direct competition for California PPN was Chinese and Japanese stone fruit. Feedback from the trade indicates that due to bad weather, the local fruit market has been slow as the supply of stone fruit was in short supply. Mangoes from Taiwan, durian and mangosteen from Thailand and lychee from China were available and popular as indirect competition.

Taiwan

Demand for fresh fruits fell slightly after the Dragon Boat Festival, and prices have softened. More shipments of California Summerwhite® peaches have arrived. Nectarines have limited availability at wholesale markets although quality has been good. No California plums have arrived, and the trade is uncertain when the first shipment will come. Local peaches are entering peak season, but sales are low because of high prices. Local plums have decreased in volume. Local watermelons, melons, bananas, mangos, pineapples and pears are seeing high demand with low prices.

China

No significant volume of imported stone fruit was found in the Shanghai market during this period, while no California PPN was available. Chinese stone fruit, especially nectarines and peaches have decreased significantly in price due to bad weather. Only limited amount of Chinese black plums were available. In Shenzhen, Chilean plums could be found, but with poor quality, and no fresh inventory. Chinese stone fruit had improved quality in Guangzhou, with multiple varieties, but the trade indicates that the overall sales movement was slow. Shipments of California Tao Lee are expected to arrive in late July.

UK

It has been evident that the World Cup has impacted sales of summer products in the UK. However, with England dropping out of the competition, retailers will begin making adjustments to their campaigns. Product from California is considered for high-end retail although as in previous years these will be mostly specialty varieties. European growing conditions have improved over the past few weeks, and local fruit is arriving. Spain continues to dominate the stone fruit market. Trade feedback indicates quality of stone fruits is average to below average. Spanish plums are late, and plums from other origins are in short supply.

Singapore

More air shipments of California PPN have made their way into the market. They are reported to have good quality with good texture and above average color. Plums were reported to be quality, firm fruit. As more fruits are available, there has been a wider distribution of Summerwhite® peaches and nectarines at retailers, as well as wet market fruit vendors. Prices of PPN have fallen slightly in the past two weeks. Small volumes of Chilean plums that were in the market a couple weeks ago, are now completely gone. California PPN, thus, has no direct competition. US cherries, grapes, strawberries, apricots, New Zealand kiwifruit, apple and pears from China, mangoes from India in addition to lots of tropical fruits from Malaysia and Thailand are in the market as well.

Malaysia

Due to the World Cup Festivities, the fresh fruit market has been quiet. Trade feedback expects for it to improve in the coming weeks. California PPN is currently in the market with California peaches and nectarines doing well despite higher prices. It should be noted, demand has increased this season. California plums are also selling relatively well, despite their high prices. Once sea shipments of California nectarines and plums arrive, the trade expects to see the market further improve. There is no direct competition for California peaches and nectarines in the Malaysian market except for a few scattered Chilean plums. New Zealand kiwifruit have continued infomercials on television and prominent displays at retail. Furthermore, local durian is now in its main season and widely sold.

New Zealand

The market has received their first air shipments of California nectarines and peaches with a positive response, as the quality is good. More shipments are due anytime in the next week. With no direct competition for California peaches and nectarines, indirect competition in the market are local apples, pears, kiwifruit, new season mandarins, tamarillos, US oranges, Chilean, Mexican and Australian grapes and imported melons.

Central America Region

California PPN is now available throughout the Central American region, with decent volumes available at retail. Quality is reported to be good, although sizes are still relatively small. The trade expects larger sizes to be available in the coming weeks. There are still large volumes of local stone fruit available, but only sold at traditional markets. Apples from Chile and Washington have a strong presence in the market. However, Chilean grapes, and kiwifruit from New Zealand present indirect competition as well.

South America (Colombia, Ecuador and Panama)

California stone fruits are making their way into these South American markets, although some importers are awaiting their first shipments. In Colombia, the latest shipments of California PPN had good quality. Despite high prices, sales continue to be quite good. Ecuador received their

first shipment of California PPN, and it arrived in excellent condition. Volumes will continue to increase in coming weeks. Ecuadorian Peaches, Guaytambo (local nectarine) and Reina Claudia plums are currently available in the retail market. However, sales of these fruits are declining due to crops being affected by the erupting Tunhuragua volcano. The California PPN season has officially started in Panamá and they are abundantly available in supermarkets, with very good quality. In addition, the only stone fruit available in the market is from the US.

India

California PPN has yet to make its presence felt in the market although small volume of air shipped California PPN can be seen. Local plums are high in volume and peach varieties are available at major fresh produce markets. Apart from peaches and plums, the fresh produce continues to be dominated by the local mango varieties. Imported kiwifruit, apples, and grapes are available. The trade expects sea shipments of California PPN to arrive in the Indian market during July-August.

United Arab Emirates (Dubai)

With the relentless heat, fresh fruits are in high demand. California PPN is widely distributed through UAE, especially plums and nectarines. As more California PPN arrives, retailers are seeing increased sales. Fruits from Lebanon, Morocco, South Africa, Australia, Chile, Turkey and Syria, are also available in large quantities and lower prices. However, the quality of stone fruits arriving from both neighboring and distant competing suppliers is questionable.

Brazil

Brazil is another market that has been affected by the World Cup games, and this soccer/football loving country will be very disappointed after the result against the Netherlands. Fruit is entering the market in high volumes, and the trade is confident that as the World Cup finishes, sales movement will improve. The trade also notes that since it is winter, the consumption of fruit typically decreases. All of the California PPN arrivals are of good to excellent quality. A week prior, sea shipments of Spanish nectarines, peaches and plums were the only competition. However, Spanish imports are expected to increase in the coming weeks.

Crop Update

We started this period with temperatures around 105°, and then saw a slight drop throughout the week. They are now slipping into the 90s. Temperatures at 105° and higher can shut down the maturing process as the trees switch to survival mode. This will return to normal once the temperatures lower.

Peaches

The top producing traditional peach this period will be **Rich Lady**. The variety in the number two spot is **June Flame**. Both of these varieties have high red blush and size heavy to the 40-50s sizes. **Ivory Princess** will be the major Summerwhite® producer this period. It sizes heavy to the 50-56 sizes. **Snow Blaze** has just started. The large peento or saucer type peach **Galaxy** is also being packed. Another saucer type peach **Saturn** has just started.

Nectarine

The top producing traditional nectarine this period is **Spring Bright**. Harvest continues for the low acid traditional nectarine **Honey Blaze**. These varieties both are great eating varieties and size heavy to the 50-56 sizes. **Kay Pearl** will be the major Summerwhite® nectarine this period with **Spring Pearl** dropping into second spot.

Plums

Black Amber will be the major plum variety this period with red fleshed **Black Splendor** taking the second spot.

Through last Saturday	Season to Date (1,000)	2010 Estimate (1,000)
Yellow peaches	4311.3	16,290
Summerwhite® peaches	1656.0	5,595
Peaches Total	5967.3	21,885
Yellow Nectarines	4146.2	12,394
Summerwhite® nectarines	961.7	4,040
Nectarines Total	5107.9	16,434
Plums	1794.6	8,772

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	40 to 72, 80, 84 VF	\$ 14.98	\$ 1.84
	SW Peaches	CA	50, 60, 72	\$ 20.06	\$ -
	Plums - Red	CA	25 - 64	\$ 28.69	\$ -
	Plums - Black	CA	55 - 65	\$ 25.68	\$ -
	Plums - Black	CUG	80	\$ 20.47	\$ -
	Plums - Red	Plout	56-64-70	\$ -	\$ -
	Nectarines	CA	56-64, 80, 84	\$ 20.06	\$ 1.79
	SW Nectarines	CA	55-64	\$ 22.20	\$ 1.86
	Peaches	MX	33lb	\$ 16.99	\$ 1.08
	Apples	WA	64, 88 to 135, 164	\$ 27.15	\$ 1.10
	Apricots	CA	88	\$ 22.47	\$ 2.53
Hong Kong	Peach	CA	24 , 20	36.4 , 38.96	3.2/100g
	White Peach	CA	16 , 18	29.87 , 32.5	2.34/100g
	White Nectarine	CA	24 , 64	25.97 , 35.06	1.17/100g
	Peach	China	48	27.3	1.95/4pcs
	Peach	JP	5 pcs /box	42.9	50.4
	Nectarine	China	/	/	1.68/600g
	Prunus	China	/	/	0.9/500g
	Black Plum	China	/	/	1.29/600g
	Nectarine	China	/	/	0.9/500g
	Plum	JP	/	/	8.83/9pcs
	Plum	JP	/	/	8.83/8pcs
Taiwan	SW peaches (air freighted)	CA	15-22	28.04 ~ 40.50	2.49 ~ 3.11 /pc
	SW peaches (ocean freighted)	CA	42~64	28.04 ~ 31.15	0.77 ~ 1.55/pc
	SW Nectarines	CA	56~80	28.04 ~ 34.27	0.40 ~ 0.52 /pc
	Peaches	TW	24~30	24.92 ~ 28.04	1.25 ~ 1.85/pc
	La-La Mountain Peaches	TW	5~12 / 1.8-2.4Kg box	N/A	2.49 ~ 3.89 /pc
Peaches	JP	5	N/A	43.61 /box	
China- Shanghai	Nectarine	China	Medium/15kg	11.05/Box	0.52/500g
	Red Plum	China	Medium/15kg	7.07/Box	0.41/500g
	Black Plum	China	Medium/15kg	35.35/Box	1.74/500g
	Red Plum	China	Medium/15kg	35.35/Box	1.74/500g
China-Guangzhou	Peach	China	Medium/10kg	5.16/Box	0.27/500g
	Nectarine	China	Small/10kg	7.36/13.25	0.59-1.76
	San Wah Plum	China	medium, bulk pack	0.27-0.59	0.44-0.88
	Black Plum	China	medium, bulk pack	0.33/500g	0.88-1.31
	Peach	China	medium, bulk pack	1.03-1.33/500g	1.91-2.93
	Red Plum	China	big/10kg	17.67	1.25-1.77
Central America	Peach	CA	70-100	\$ 32.67	\$ 2.01
	Nectarine	CA	70- 100	\$ 34.55	\$ 2.52
	Plum - Red	CA	72	\$ 31.87	\$ 2.23
	Plum - Black	CA	65-80	\$ 23.77	\$ 1.80
	Peach	MX	80	\$ 30.45	N/A
	Plum - Black	CH	45-80	\$ 31.79	\$ 2.21
	Peach	GT, HO	Small	N/A	\$ 1.36
	Plum	CR, GT	Small	N/A	\$ 0.63
United Kingdom	Nectarine (White)	Sp	4 (61-67mm)	N/A	\$2.46 (Half price)
		Sp	4 (61-67mm)	N/A	\$2.46 (Half price)
	Nectarine (Yellow)	Italy	4 (61-67mm)	\$1.70/kg	\$2.46 (Half price)
		Sp	Loose (61-67mm)	\$1.70/kg	\$0.85
		Sp	4 (61-67mm)		\$2.46 (Half price)
		Portugal	5 (56-61mm)	N/A	\$1.24 *
	Peach (White)	Sp	4 (61-67mm)	N/A	\$2.46 (Half price)
	Peach (Yellow)	Sp	4 (61-67mm)	\$1.42 /kg	\$2.46 (Half price)
		Sp	4 (61-67mm)		\$1.24 *
		Italy	4 (61-67mm)	\$1.62/kg	\$2.46 (Half price)
	Plum	Sp	400g (45-50mm)	\$1.61 /kg	\$2.46 (Save £1)
		Sp	400g (45-50mm)	N/A	\$1.24 *
		Israel	400g (40-45mm)	N/A	\$1.84 (Half Price)
		Israel	Loose (55-60mm)	N/A	\$6.16 /kg

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Singapore	SW Peach	CA (air)	48-50 Lyr	\$60.70	1.85 /pc
	SW Nectarine	CA (air)	40-44 Lyr	\$49.14	1.48 /pc
	SWPeach	CA (air)	72 Vf	\$51.85	5.11/ 900g
	Nectarine	CA (air)	56/64 Lyr	\$51.85	*5.11 / 900g
	Satum Peach	CA (air)	48 Lyr	\$50.37	* 5.15 /3pcs
	Plum	CA (air)	50-55	\$55.48	8.14 /kg
	peachrine	CA (air)	48	\$51.85	2.07
	Apricot	USA	54	\$40.00	1.26 /pc
Malaysia	SW Nectarine	CA (air)	56 Lyr	62 - 64	2.20 - 2.50/pc
	SWPeach	CA (air)	72 Vf	55 - 60	1.80 - 2.20/pc
	SWPeach	CA (air)	21 Lyr	40 - 45	2.20 - 2.50/pc
	Nectarine	CA (air)	56/64 Lyr	50 - 55	2.20 - 2.50/pc
	Plums	CA (air)	90	70 - 78	1.00/pc
	Cherries	CA	4kg	60-70/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
South America-Columbia	Plums	CH	9 Kg Box	24.00	N/A
	Peaches	CA	64-72-56	6.00	N/A
	Nectarines	CA	56-64-72	6.00	N/A
	Plums	CA	12 Kg Box	6.00	N/A
South America-Ecuador	Peaches	CA	N/A	N/A	N/A
	Nectarines	CA	N/A	N/A	N/A
	Plums	CA	N/A	N/A	N/A
	Claudia Plums	CA	N/A	20.00	2,25-2,50
	Peaches	EC	N/A	24,00-26,00	3.53
	Guaytambo	EC	N/A	24,00-26,00	3.53
South America-Panamá	Plums	CA	75U	N/A	0.23 per unit
	Peaches	CA	48U	N/A	0.45 per unit
	Peaches	CA	48U	N/A	1.55 – 1.63 per pound
	Nectarines	CA	48U	N/A	0.55 - 0.60 per unit
	Nectarines	CA	48U	N/A	1.87 per pound
India	Plums	CA	45-50	NA	\$4.90/lb-\$5.88/lb
	Peaches	CA	36-40	NA	\$4.90/lb-\$6.86/lb
	Nectarines	CA	36-40	NA	\$4.90/lb-\$6.86/lb
	Plum	India (Shimla, Kashmir and Uttarakhand)	60-70	\$7.56 per 5 Kg Box	\$1.76/lb-\$2.15/lb
	Peaches	India (Shimla and Kashmir)	60-70	\$8.64 per 5 Kg Box	\$1.17/lb-\$1.47/lb
	Grapes	CH	NA	\$19.44 per 9.5 Kg Box	\$1.76/lb-\$2.15/lb
	Mango	India	25-35	\$21.60 per 20 Kg Box	\$0.68/lb-\$1.17/lb
Brazil	SW Peach	CA	44-56	61 - 72	13 - 15
	SW Nectaines	CA	44-56	61 - 72	13 - 15
	Peach	SP	24-26	22.22 - 27.78	\$ 2.77
	Nectarines	SP	24-26	22.22 - 27.78	\$ 2.77
	Donut Peach W	CA	22	72.22	22.22
	Plum	CA	35	72.,22	13 - 15
	Red Globe	CH	N/A	20 - 22	6.4
Dubai (UAE)	White Nectarines	CA	72/25lb	N/A	36.98/Box
	Nectarines	Tunisia	Medium	6.80	\$4.20
	Nectarines	Lebanon	N/A	15.54	\$3.59
	Black Plums	CA	70/25lb	N/A	35.06/Box
	Red Plums	Tunisia	N/A	17.00	\$3.99
	Red Plums	Australia	55	N/A	\$3.65
	Red Plums	Chile	N/A	N/A	\$3.30
	Red Plums	Saudi Arabia	N/A	N/A	\$3.30
	White Peaches	CA	72/25lb	N/A	36.16/Box
	Yellow Peaches	Tunisia	N/A	3.45	\$3.10
	Fig Peaches	Tunisia	N/A	18.17	\$5.80
	Peaches	South Africa	N/A	N/A	\$3.20

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Canada	Nectarines - Yellow	CA	per lb	N/A	0.97 - 1.92
	Nectarines - White	CA	per lb	N/A	1.92 - 2.41
	Peaches - Yellow	CA	per lb	N/A	0.97 - 1.92
	Peaches - White	CA	per lb	N/A	1.92 - 2.41
	Plums - Red	CA	per lb	N/A	1.44 - 1.92
	Plums - Black	CA	per lb	N/A	1.44 - 1.92
New Zealand	Kiwifruit	NZ	medium	N/A	\$ 0.86
	Apples	NZ	m/l	N/A	\$ 0.92
	Pears	NZ	m/l	N/A	\$ 1.28
	Peaches	US	11.34/VF m	\$ 1.84	\$ 3.20
	Nectarines	US	11.34/VF m	\$1.84 - \$3.12	\$ 3.20
	Peaches	US	8.2/m	\$ 3.92	\$ 3.20
Legend	ARQ	Argentina		MAL	Malaysia
	AUS	Australia		MX	Mexico
	CA	California		NZ	New Zealand
	CH	Chile		NZ	New Zealand
	CN	China		PHIL	Phillipines
	CO	Colombia		SA	South America
	CR	Costa Rica		SP	Spain
	CUG	California Utility Grade		SW	Summerwhite®
	CWM	Ca Well Mature®		THAI	Thailand
	EC	Ecuador		TW	Taiwan
	FR	France		UK	United Kingdom
	GT	Guatemala		US	United States
	ID	Indonesia		USM	US Mature
	IT	Italy		VF	Volume fill
	JP	Japan		VZ	Venezuela
	LYR	Layer		WA	Washington