



A REPORT FROM THE CALIFORNIA TREE FRUIT AGREEMENT

# International Market Report

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MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

## June 7, 2010

Welcome to the first International Market report of 2010! Mild spring conditions have delayed packout of California peaches, plums, and nectarines (PPN) by 5-10 days (depending on variety) compared to 2009. However, temperatures have been increasing lately and it's starting to feel like summer time here in the San Joaquin Valley. Volumes of PPN will be increasing as the industry moves through June, which means there will be more opportunities for California PPN to make its way around the world. At this point, California tree fruit has been spotted in most markets in Asia, but volumes will continue to be small until the first ocean containers arrive the next few weeks.

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](mailto:gsmith@caltreefruit.com).

## Current News

### Peaches, plums induce death of breast cancer cells

According to new research from Texas A&M's Agrilife Research Center, extracts from peaches and plums were found to kill cancer cells, while not harming healthy cells. The extracts are two phenolic acid components, chlorogenic and neochlorogenic, found in particularly high levels in peaches and plums, according to Dr. Luis Cisneros-Zevallos. The researchers focused on breast cancer cells, which according to the World Health Organization accounts for 16 percent of the world's cancer deaths.

### UK: Wal-Mart's ASDA Group Ltd. acquires Netto's UK supermarkets

Bloomberg reported that Wal-Mart's ASDA group in the UK has purchased Netto's 193 supermarkets for \$1.13 billion USD to strengthen their position as the second largest food retailer in the UK. The supermarkets will be converted to ASDA's smaller formats by the middle of 2011.

### RT-Mart China set for IPO in Hong Kong in 2010

RT-Mart China is looking to raise \$800 million USD in its upcoming initial public offering in Hong Kong sometime later this year, according to Bloomberg. RT-Mart is China's largest hypermarket chain and recorded \$5.7 billion USD in retail sales in 2009 (10.7 percent of total Chinese hypermarket sales. Carrefour ranked second (9.2 percent), and Wal-Mart ranked third (8.6 percent).

## Market Reports

### Mexico

Limited volumes of California peaches, including Summerwhite® varieties, arrived in Mexico City and Guadalajara at the wholesale markets during the second half of May. No California PPN were found at the Monterrey wholesale market. Demand is very high for California PPN, and the trade is hopeful phytosanitary concerns can be resolved quickly. Local peaches from Sonora and Morelos can be found, but also in small volumes and sold at relatively high prices via traditional channels: street markets and fruit stores. Chilean plums are still available, along with local plums from Puebla.

### Hong Kong

The first California peaches and nectarines of the season arrived by air to Hong Kong during the past two weeks, although distribution is very limited at the wholesale and retail levels. The trade expects improved volumes to arrive by the end of June, and is excited about the California season as Chilean stone fruit supplies have been short for some time. Japanese peaches are available, along with Chinese peaches from Beijing, but both in limited quantities.

### Taiwan

The first Summerwhite® peaches of the season arrived in Taiwan at the end of May, including some donut varieties, although distribution at the wholesale and retail levels is obviously limited. Local peaches are available, including the La-La Mountain peach and a new variety from Brazil called the 'Sweet Peach', which is considered a sub-acid type. This 'Sweet Peach' is being featured as a gift item. The trade is looking forward to the Dragon Boat Festival on June 16, and expects some California arrivals by ocean. In terms of local fruits, supplies are increasing for lychees, mangoes, watermelons, and bananas.

### China

Volumes of Chinese stone fruits increased during the past two weeks at the major markets in China, including Shanghai, Beijing and the south. Guangzhou has been quite rainy over the past month which has negatively impacted sales movement. Chilean plums and peaches were spotted in several markets with stable supplies and above average quality. Demand for imported fruits has been very strong from the hotel sector in Shanghai during the World Expo.

### UK

California peaches, plums, and nectarines have all been spotted in the UK for the past three weeks, as the Spanish stone fruit season gets off to an even later start than California. That, combined with the lack of Chilean product following the earthquake, has generated good retail demand. Still, the weaker value of the British pound is expected to impact California and US imports, despite forecasts for shorter crops from Spain, Italy, and France, compared to 2009.

### Singapore

Economic growth in Singapore checked in at 15.5% year over year at the end of the first quarter, which is a really impressive number, and has consumers very optimistic. In terms of stone fruit, the last of the Australian and Chilean plums could be found in the market. The first California peaches and nectarines of the season arrived the second week of May and were greeted with enthusiasm by the trade and consumers as the market hasn't had any peaches or nectarines since early April. In terms of competition, California strawberries, apricots, and cherries are available, along with Malaysian durians.

### Malaysia

Malaysia's recent decision to increase the benchmark interest rate has seen the Malaysian ringgit rise to a 20-month high of 3.24 versus the US dollar. Some California peaches and nectarines were spotted at several high-end retailers in Malaysia during the past two weeks, and the first plums of the season are expected to arrive by mid-June. Stocks of Chilean plums have been declining, and no Chinese stone

fruits are available at this time. Other popular imported fruits include cherries, blueberries, strawberries, and persimmons.

## New Zealand

New Zealand is officially out of their recession, although supermarkets have reported slow sales since Christmas. California stone fruits have yet to arrive in New Zealand due to the final negotiation of quarantine treatments for *Drosophila*. Importers have reportedly been trying to secure shipments over the past two weeks, and are eagerly awaiting their first arrivals of the season. Local apples, pears, and kiwifruit are available in the market, along with new season mandarins.

## Central America Region

California PPN have not yet arrived in Central America according to market intelligence, although the first shipments are expected before mid-June. Mexican peaches were spotted at some supermarkets in Costa Rica, although local peaches and plums from Guatemala are widely available at traditional markets. Chilean plums are available throughout the region, but supplies are expected to decline rapidly. In terms of indirect competition, Chilean and US apples dominate in terms of display space and volumes. Other important fruits include US pears and Chilean grapes.

## South America (Colombia, Ecuador and Panama)

The first air shipment of California peaches and nectarines to Colombia was well-received, and additional shipments by air are planned over the next two weeks. Despite high prices and limited volumes, movement was strong. Chilean plums are still widely available with good sales. The retail sector in Colombia continues to develop rapidly with the largest supermarket group in the country, Grupo Cadenalco acquiring the CAFAM chain that will be changed to Exito stores. In other news, Colombia signed a bilateral trade agreement with the European Union which will give European products entry at no duty. This underscores the importance of the US finally signing the FTA with Colombia. No California PPN were available in Ecuador at the time of this report. Some air shipments have arrived in Panama, but have yet to reach supermarket shelves.

## India

California peaches and nectarines by air were spotted in very limited quantities in Kolkata, but at the moment, local peaches and plums from the Kashmir and Shimla regions dominate. According to the trade, more shipments are expected in the coming weeks, although any shipments by sea will likely be in July.

## United Arab Emirates (Dubai)

Despite the huge presence of local stone fruits, including peaches from Turkey, Lebanon, and Jordan, Egypt and Saudi Arabia, air-freighted peaches and nectarines from California are reported to be selling well despite their higher prices. According to the trade, including store managers at major supermarkets and hypermarkets, there has been notable demand from consumers. The trade is optimistic that volumes will grow as the season progresses and larger sizes are available. Importers are looking forward to the major sales opportunities for all fruits and vegetables during the holy month of Ramadan, which begins on August 11.

## Crop Update

The packout continues to increase as the weather has warmed. This period temperatures will start in the mid 90's and gradually decrease to the upper 80's by the end of the week.

### **Peaches**

Spring Flame 21 has now exceeded its estimate. Sister variety Spring Flame 22 is about halfway to its estimate. Both these high blush peaches peak in the 50-56 sizes. Crimson Lady is the next major variety

and it is already two-thirds of the way to its estimate. Spring Snow variety will again be the major Summerwhite® producer the first half of the period. Ivory Princess will be the next major Summerwhite® variety.

### **Nectarine**

The top producing traditional nectarine this period, Zee Fire, has exceeded its estimate by 10%. Harvest of Red Roy will be slowing by the end of the period, and the fairly new variety, Rose Bright, will continue through this period. Arctic Star Summerwhite® nectarine harvest will take off this period.

### **Plums**

Flavorosa is on the downhill side and several growers report they are coming up short. Red Beaut and Spring Flavor plum varieties also appear that they will come up short. The Earliqueen variety will be the major plum packed this period and we expect it to hit its estimate.

<b>Through last Saturday</b>	<b>Season to Date (1,000)</b>	<b>2010 Estimate (1,000)</b>
Yellow peaches	2,003.8	16,290
Summerwhite® peaches	825.7	5,595
Peaches Total	2,829.5	21,885
Yellow Nectarines	1,649.9	12,394
Summerwhite® nectarines	283.4	4,040
Nectarines Total	1,933.3	16,434
Plums	431.0	8,772

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	40to72, 84 VF	\$ 13.81	\$ -
	SWPeaches	CA	50to95	\$ 19.95	\$ 2.09
	Peaches	MX	33lb	\$ 18.16	\$ 1.28
	Apple	WA	88to135	\$ 26.47	\$ 1.03
	Peaches	MX	22lb	\$ 11.94	\$ 1.10
	Plums-Green	MX	36-32	\$ -	\$ -
	Plums	MX	18kg VF	\$ 13.43	\$ 0.99
	Plums	CH	90	\$ 26.86	\$ 1.74
Hong Kong	Donut Peach	CA	22pcs	\$ 28.60	1.9/1pcs
	Peach	JP	6pcs	\$ 38.96	10.4/1pcs
	Peach	CH	48pcs	\$ 25.97	2.6/4pcs
	Plums	CH	40lb	\$ 16.88	1.3/1lb
	Yellow/Nectarine	CA	/	/	3.6/2pcs
	White Peach	CA	/	/	3.6/2pcs
Taiwan	Peaches	CA	18-50	31.05 ~ 46.58	1.83 ~ 3.38/pc
	Peaches	TW	5-10	4.03 ~ 9.32	1.27 ~ 1.41/lb
	La-La Mountain Peaches	TW	5-12/ 1.2-1.8Kg box	NA	9.31 ~ 27.9/box
	Peaches	JP	5 ~ 6	34.16 ~ 49.69	13.98 ~ 15.37/pc
	Plums	TW	15-20kg	0.46 ~ 1.0/lb	0.6 ~ 1.29/lb
	Plums	CH	44-52	18.63 ~ 21.74	1.63/lb
China-Shanghai	Plum	CH	Medum/9KG	28.23/BOX	2.256/500G
	Peach	CN	Medum/9KG	29.16/BOX	2.45/500G
	Peach	CN	Medum/15KG	17.23/BOX	1.02/500G
	Plum	CN	Medum/10KG	13.4/BOX	1.91/500G
	Red Plum	CN	Medum/15KG	5.88/BOX	0.56/500G
China-Guangzhou	Nectarines	CN	SMALL/10KG	13.99/19.15	1.25-1.76
	Flavor Fall	CH	40	\$ 33.87	2.2-2.35
	Anglerio	CH	56/64	32.40/26.5	1.77 -2.47
	Peach	CN	MEDIUM	1.17/500G	\$ 1.91
Canada	Cherries	CA	per lb	2.36-2.65	\$ 2.63
	Nectarines	CA		2.36-2.83	\$ 1.22
	SWNectarines	CA		1.89-2.83	\$ -
	Peaches - Yellow	CA		1.41-2.83	\$ 1.22
	Peaches - Yellow	Georgia	5# box	\$ 4.73	
	SWPeaches	CA		1.41-2.83	\$ -
	Apples - local	QO/CN	4# bag	\$ 2.83	\$ -
	Apples - Gala	CH/NZ	per lb	0.94-1.41	\$ 0.94
	Apples - Granny	CH	per lb	\$ 0.94	

Country	Fruit	Grade/ Origin	Size/Court	Wholesale Price US\$	Retail Price US\$
Singapore	S/V Peach	CA	42 Lyr	\$ 60.70	2.22/pc
	S/V Nectarine	CA	56 Lyr	\$ 61.48	2.22/pc
	Peach	CA	64/72 Vf	\$ 51.85	7.33/ 900g
	Nectarine	CA	56/64 Lyr	\$ 51.85	7.56/ 900g
	Donut Peach	CA	48 Lyr	\$ 50.37	* 5.15/3pcs
	Plum	CH	50	\$ 29.60	5.11/kg
	Plum	AUS	55	\$ 42.96	7.03/kg
Malaysia	Peaches	CA	56-64vf	56.0-60.0/carton	1.20-1.60/pc
	Nectarines	CA	56-64vf	56.0-60.0/carton	1.20-1.60/pc
	Cherries	CA	82kg	78-80/ug	1.00/100g
	Table Grape	Aus	95kg	22.20-28.50	2.75-3.50/kg
	Table Grape	Chile	10kg	19.30-24.10	2.25-2.89/kg
	Table Grape	SA	45kg	8.10-11.79	2.20-3.20/kg
	Plum	Chile	48-78	13.00-15.00	0.22-0.35/pc
United Kingdom	S/V Nectarine	CA	4pc (61/67mm)		4.29* (save £1)
	Nectarine	SP	6pc (51/56mm)		3.43* (save £1)
	Nectarine	Israd	5pc (56/61mm)		2.87
	Plums	AUS	400g (50/55mm)	NA	2.86
	Plums	CH	400g (50/55mm)	3.52/kg	2.87
	S/V Peach	CA	4pc (61/67mm)	NA	4.29* (save £1)
	Peach	SP	5pc (Size C)	NA	4.31
New Zealand	Kiwifruit	NZ	medium		\$ 0.93
	Apples	NZ	ml		\$ 0.93
	Pears	NZ	ml		\$ 0.93
	Bananas	Phillipines			\$ 0.92
	Grapes	Chilean			\$ 2.18
	Melons- Rock	Aus	m		\$ 1.87
Central America	Peach	MK	48	\$ 30.25	\$ 2.62
	Plum- Black	CH	55-60	\$ 25.28	\$ 1.65
	Plum- Red	CH	55-60	\$ 25.28	\$ 1.65
	Peach	GT, CR	small		\$ 0.81
	Plum	CR, GT	small		\$ 0.91
	Apple	CH-USA	72-175	\$ 31.51	\$ 1.21
	Apple	CR	small		\$ 0.75
	Grape	CH	18 lbs	\$ 21.93	\$ 1.36

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Colombia	Plums	Chile	Granel/Box 9 kl	US\$ 24.00	N/A
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	CH	Box 9 kl	US\$ 18.00	
Dubai (UAE)	SW Peaches	CA	84, 25lb/box	\$5.68	\$7.68
	Peaches	Tunisia		\$4.10	\$6.02
	Peaches	KSA		\$1.59	\$2.44
	Peaches	Egypt		\$1.89	\$2.91
	Peaches	Morocco		\$3.75	\$5.20
	Nectarines	USA	84	\$5.83	\$7.77
	Nectarines	Tunisia		\$4.10	\$5.75
	Nectarines	Syria		\$2.90	\$4.65
India	Peaches	CA	36-40	NA	\$4.85/lb-\$5.82/lb
	Nectarines	CA	36-40	NA	\$4.85/lb-\$5.82/lb
	Plum	India (Shimla)	60-70	\$8.56 per 5 Kg Box	\$1.16/lb-\$1.74/lb
	Peaches	India (Shimla and Kashmir)	60-70	\$7.49 per 5 Kg Box	\$0.97/lb-\$1.45/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
	CMM	Ca Well Mature®		TW	Taiwan
	EC	Ecuador		USM	US Mature
	GT	Guatemala		Vf	Volume fill
	JP	Japan		VZ	Venezuela
	Lyr	Layer		WA	Washington