



A REPORT FROM THE CALIFORNIA TREE FRUIT AGREEMENT

# International Market Report

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MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

## September 14, 2009

Temperatures in California continue to feel very much like summer in the upper 90's, but October is around the corner, and the final varieties of California peaches, plums and nectarines are coming in to view. Daily packout volumes continue to decline, particularly for nectarines, as the last varieties are nearly complete. In terms of plums, Angelenos are winding down, with Flavor Falls continuing, and then September Yummy® and Autumn Beauts taking the lead. Peaches will continue throughout the month of October, with a few Summerwhite® varieties out there.

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 Denise Junqueiro at [djunqueiro@caltreefruit.com](mailto:djunqueiro@caltreefruit.com).

### Current News

#### Forecast: China's RMB to slowly appreciate against the Dollar

Prior to the economic collapse nearly one year ago, there had been significant pressure on China to strengthen its currency against the US dollar to narrow its trade surplus with the US. Once Lehman Bros. and the global financial network, came to a screeching halt, that pressure declined of its own accord because all global trade declined, not least of all the pipeline from China's manufacturing sector to US consumers. As the global economy begins to turn around now, the pressure for China to strengthen its currency has reappeared and China has agreed to do so gradually. According to marketwatch.com, China's RMB will go from 6.82 yuan per USD to 6.22 by the end of 2011.

#### Progress made on Free Trade talks between Costa Rica and China

According to [insidecostarica.com](http://insidecostarica.com), officials from Costa Rica and China made significant progress on negotiating a Free Trade Agreement (FTA) between the countries in Beijing last week. Costa Rica severed more than 50 years worth of ties with Taiwan to negotiate with China, and once the FTA is finalized as expected, Costa Rica will be the third Latin American market to have an FTA with China, following Chile and Peru.

### Market Reports

#### Mexico

California PPN is widely available in both retail and wholesale sectors. California peaches have 85% market share and California plums carry 93% of the market share. 70% of the nectarines in the market are California Summerwhite® varieties. The availability of local peaches is irregular and local plums can only be found in certain retail markets. Indirect competition in the market is local strawberries, apples, and grapes, along with cherries and apples from Washington, kiwifruit from New Zealand with California pears.

## Hong Kong

California peaches, donut peaches, Summerwhite® nectarines, and plums are currently available in Hong Kong although in somewhat limited supplies. The quality of California Tao Lee according to the trade is excellent with great flavor. Direct competition in the market is Japanese red plums and Chinese peaches, prunes and black plums. However, volumes of Chinese stone fruits have decreased in the last few weeks. Other popular fruits in the market are oranges, melons from Xinjiang and California grapes.

## Taiwan

Local fruit supplies are still extremely limited and as a result imported fruits dominate the market, since before the Ghost Festival, and since. In the past few years, worship offerings during the Ghost festival and other important holidays have slowly shifted from fruits to less expensive snacks and beverages. However, this season California nectarines were still one of the most popular worship offerings and sold out at retail and wholesale levels. Supplies of California plums continue to be limited and available mostly at hyper/supermarkets. Air shipments of California peaches have increased in recent weeks. Direct competition in the market is Washington and Japanese peaches. Imported fruits featured in the market are US grapes, New Zealand kiwifruit, Japanese and Korean pears, along with Southern Hemisphere apples and citrus.

## China

California plums are available in limited volumes in several key markets throughout China. In Guangzhou volumes of California plums have increased over the past two weeks, although Chinese plums continue to dominate the market. Shanghai has had increased shipments of California plums both from the Jiagnan wholesale market in Guangzhou and direct from California. The new arrivals in Shanghai included black, red, and interspecific plums. While Shanghai is currently dominated by Chinese plums, according to retailers their consumers prefer the flavor of California plums. Small volumes from California can also be found in Shenzhen and Beijing. Beijing has experienced increased imported fruit volumes for the Mid-Autumn Festival and National Day. Trade intelligence shows that the volume increase is four times higher than normal for this time period. Imports are predicted to stay stable in coming weeks for the Beijing market.

## United Kingdom

Only minimal volumes of California Summerwhite® nectarines were available in the UK over the past two weeks, although the trade was expecting an increase in California peaches and nectarines over the next month. European stone fruits continue to dominate at retail but the end of their season is rapidly approaching. Local plum growers continue to struggle with moving their bumper crop. This has resulted in a standoff of sorts between the National Farmers' Union and the retail sector, with the former accusing the latter of favoring imported plums over locally produced plums due to the opportunity for higher margins.

## Singapore

Air shipments of California PPN continue to arrive weekly. Sales and movement have been above average. Wholesalers reported increased sales for all imported fruits since the start of the Hungry Ghost Festival. The trade remains optimistic amid expectations for strong and consistent sales through the end of the festival on October 3<sup>rd</sup>. While most retailers continue to carry California peaches, nectarines, plums, and prunes, there are Chinese peaches and white peaches available in addition to some Italian white nectarines. Indirect competition is local durians, longans, mangosteens, watermelons, dragon fruits, and mangoes. US citrus and grapes, kiwifruit from New Zealand, Chinese pears, and persimmons from South Africa are available in the market.

## Malaysia

Shipments of California PPN have slowed down in recent weeks especially by sea. A few air shipments are still arriving by importers to meet the demand of their customers. As a result of the decrease in supplies from California, higher volumes of Chinese plums are available. Feedback from the trade indicates a strong preference for California plums because of the higher quality and flavor, although with the shorter crop this year that has been difficult. Indirect competition in the market is dates, papayas, and dragon fruit.

## New Zealand

As the weather turns from winter to spring, the warmer temperatures have had a positive impact on fruit sales over the past few weeks. Volumes dropped over the past two weeks, mostly in nectarines, but shipments of California PPN are expected to continue through the end of the month, and maybe into October depending on availability in California. Indirect competition in the market at the moment is US grapes in good volumes, Australian mandarins, apples, pears, and strawberries, along with mangos from Mexico..

## Central America Region

Availability of California PPN in Guatemala, El Salvador, and Costa Rica is good in all market sectors. Quality is perceived to be great and trade has provided very positive feedback. Despite the political situation in Honduras, volumes of California PPN still have a strong presence in the market. Peaches, plums, and nectarines from Spain are now present in Guatemala and Costa Rica. Local peaches and plums are present in Guatemala and El Salvador markets. Other fruits found in the markets are local apples, grapes, and pears, along with Chilean kiwifruit and citrus.

## South America

Availability for California PPN in Colombia is excellent, especially at the supermarket level. There are limited volumes of California peaches but large volumes of California nectarines and plums. The only direct competition in Colombia at the moment comes from Spanish plums. In Ecuador, California PPN volumes have increased along with strong sales movement. Direct competition for California PPN is peaches from Peru, Chilean plums and nectarines. Also available in market are Chilean pears, apples, and grapes. Local markets in Panama are featuring California PPN with excellent quality, and currently California enjoys no direct competition. Importers are still having trouble obtaining permits to import from certain origins in Venezuela. A website that indicates what fruits are currently on hold from being imported into the market and the duties for specific fruits has been set up by Ministry of Food (MINAL). Since the import duties are on hold importers can't proceed to obtain the phytosanitary permits.

## India

California PPN has a good presence in the Delhi and Mumbai markets. California plums are currently available at both retail and wholesale markets. California peaches and nectarines are currently only available in small volumes, with shipments being primarily been by air. The trade is providing very positive feedback about the quality of California PPN and the season this far has been a very positive experience.

# 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 a few brief descriptions of in-country activities. Promotional programs have started and will continue over the duration of the season.

\*Be sure to visit the International section on the PPN Network Download Center at [www.eatcaliforniafruit.com](http://www.eatcaliforniafruit.com). On the download center you will find downloadable POS material from many different countries. Additional file formats may also be available upon request. Contact Denise Junqueiro for assistance [DJunqueiro@caltreefruit.com](mailto:DJunqueiro@caltreefruit.com) or (559) 638-8260

## Taiwan

The first consumer lucky draw promotion winner was announced on August 31 with members of the trade present, with the second winner to be announced before the end of September. Joint promotions

continue in Taiwan to bridge the gap between Ghost and Moon Festivals, although there has been some comments from retailers that volumes from California may not be sufficient.

## Mexico

Sampling promotions and in-store demonstrations continue throughout Mexico. In terms of the public markets, CTFA conducted 96 sampling events in 48 public and street markets in Mexico City and Guadalajara. In-store promotions covered 2 chains, 34 retail stores in 11 different cities and 88 sampling days, while CTFA's interactive promotions featuring local chefs covered 4 chains in Mexico City, Culiacan, Cuernavaca, and Monterrey.

## China

Promotions with major retail chains in Guangzhou throughout August were successful according to retailer feedback despite unstable supplies. 8 different retail chains have agreed to conduct additional promotions from September 15 through the end of the month. One major retail chain in Shanghai has agreed to conduct promotions in store for the third week in August, and discussions continue with 2 other Shanghai-based chains waiting to secure supplies.

| Country         | Fruit                     | Grade/ Origin   | Size/Count           | Wholesale Price US\$       | Retail Price US\$ |
|-----------------|---------------------------|-----------------|----------------------|----------------------------|-------------------|
| Mexico          | Peaches                   | CA              | 40-72 VF             | 17.93                      | 1.24              |
|                 | Nectarines                | CA              | 56-64-70             | 21.32                      | 1.43              |
|                 | SWNectarines              | CA              | 60-70                | 22.86                      | 1.41              |
|                 | Plums - Red               | CA              | 30-40-46-50-55-65,64 | 25.54                      | 1.44              |
|                 | Plums - Black             | CA              | 35-50-55 - 65        | 21.22                      | 1.37              |
|                 | Plums - Red               | CUG             | 80                   | 21.22                      | 1.33              |
|                 | Peaches                   | MX              | 33lb                 | 17.96                      | 1.06              |
|                 | Apple                     | WA              | 88to 135             | 23.79                      | 1.00              |
|                 | Apricots                  | CA              | 88                   | 14.99                      | 1.36              |
|                 | Kiwifruit                 | CH,NZ           | 22-30lb              | 19.37 - 25.92              | 1.29 - 1.59       |
|                 | Mangoes                   | MX              | 25kg                 | 11.28                      | 0.38              |
|                 | Pears                     | CA, Arg, WA, CH | 70-80-90-100-110-120 | 26.48 - 30.05              | 1.01 - 1.22       |
|                 | Strawberries              | CA, WA          | 12 - 19.2 lb         | 9.80 - 14.03               | 1.02 - 2.03       |
|                 | Grapes                    | MX              | 21lb                 | 14.03                      | 1.02              |
|                 | Plums-Green               | MX              | 36-32                | 22.91                      | 1.32              |
| Hong Kong       | SWPeach                   | CA              | 18pcs                | 31.20                      | 3.2/1pcs          |
|                 | Peach Donut               | CA              |                      |                            | 5/2pcs            |
|                 | SWNectarine               | CA              | 25lb                 | 28.60                      | 2/2pcs            |
|                 | Nectarine                 | CA              |                      |                            | 6.5/1lb           |
|                 | Plum                      | CA              | 28lb, 28-32pcs       | 23.40 - 39.00              | 1.6 - 1.95/1pcs   |
|                 | Black Plum                | CA              |                      |                            | 1.3/1lb           |
|                 | Prune                     | CA              | 28lb                 | 40.30                      | 4/1lb             |
|                 | Peach                     | JP              | 13pcs                | 65.00                      | 5.5-6/1pcs        |
|                 | Prune                     | China           |                      |                            | 2.6/3b            |
|                 | Peach                     | China           | 70                   | 14.30                      | 1.6/1lb           |
|                 | Plum                      | China           |                      | 6.50                       | 1.3/7pcs          |
| Taiwan          | SWPeach (ocean-freighted) | CA              | #14-18; #40-50       | 15.31 - 26.02              | 0.71-1.98/pc      |
|                 | SWPeach (air-freighted)   | CA              | #14-17               | 26.02 - 36.73              | 2.12 - 3.74/pc    |
|                 | Peach (air freighted)     | WA              | #14-18               | 30.61 - 41.32              | 2.30 - 4.44/pc    |
|                 | Peach (air freighted)     | JP              | #15/ 5Kg             | 70.40-73.46                | 6.58 - 7.65/pc    |
|                 | SWNectarine               | CA              | #36-64               | 33.67 - 48.97              | 0.61 - 1.07/pc    |
|                 | Plum                      | CA              | #30-65               | 36.73 - 41.32              | 0.31-0.67/pc      |
|                 | Prune                     | CA              | #110-120             | 33.67 - 39.79              | 1.27 - 2.30/lb    |
| China-Guangzhou | Plum                      | CA              | Large/30-45          | 32.40- 42.70               | 1.88-2.92/500G    |
|                 | SWNectarine               | CA              | Big/56               | \$37                       | \$ 2.47           |
|                 | Prune                     | CA              | Small/110            | \$47                       | \$ 4.13           |
|                 | Nectarines                | China           | Medium/13KG          | 11.75, 16.18/10KG          | 0.96-1.77         |
|                 | Peach                     | China           | Medium               | 0.37-0.66/500g             | 0.58-1.76         |
|                 | Plum                      | China           | Medium               | 0.26-0.29/500g             | 0.41-0.44         |
|                 | Prune                     | China           | Medium               | 8.83/10KG                  | 0.41-0.88         |
|                 | Black Plum                | China           | Medium               | 0.37-0.59/500g, 17.67/10KG | 0.43-0.88         |
|                 | Red Plum                  | China           | 70/75(10KG)          | \$18                       | 1.18-1.25         |

| Country         | Fruit          | Grade/Origin       | Size/Court      | Wholesale Price US\$ | Retail Price US\$       |
|-----------------|----------------|--------------------|-----------------|----------------------|-------------------------|
| Singapore       | S/W Peach      | CA                 | 14;44           | 39.28-60.71          | 2.07 - 3.57             |
|                 | Peach          | CA                 | 562yr           | 60.71                | 2.14                    |
|                 | S/W Nectarine  | CA                 | 56Vf            | 31.23-39.28          | 0.57 - 3.92             |
|                 | Nectarine      | CA                 | 562yr           | 60.71                | 2.14                    |
|                 | Plums          | CA                 | 50,55           | 23.57-57.14          | 0.22, 3.21/5pcs         |
|                 | Plums          | CA                 | 60              | 60.00                | 6.43kg                  |
|                 | IS Plums       | CA                 | 32,36           | 34.39                | 1.79pc                  |
|                 | Strawberry     | Aus                | 454gx8          | 26.21                | 4.76                    |
|                 | Grapes         | US, CA             | 86kg            | 30-51.97             | 3.50-7.07               |
|                 | Peach - white  | China              | 60              | 35.72                | 0.68                    |
|                 | Kiwi (green)   | NZ                 | 10kg            | 33.10                | 2.07(4pcs)              |
|                 | Apple          | NZ                 | 80              | 33.79                | 0.62                    |
|                 | Persimmon      | SA                 | 16              | 16.24                | 1.72                    |
| Malaysia        | Nectarines     | CA                 | 642lys          | 45.0-50.0            | 0.80-1.10               |
|                 | S/W Peach      | CA                 | 56              | 45.0-50.0            | 0.80-1.10               |
|                 | S/W Nectarine  | CA                 | 56              | 45.0-50.0            | 0.80-1.10               |
|                 | Plums          | CA                 | 50-55           | 35.00                | 0.50-0.60               |
|                 | Nectarines     | CHN                | Medium          | 2.20                 | 0.50                    |
|                 | Plums          | CHN                | Medium          | 15.0-20.0            | 0.30                    |
|                 | Strawberries   | CA                 | 45kg            | 40.0-50.0            | 5.00-6.00/pkt           |
|                 | Table Grape    | Aus                | 95kg            | 22.20-28.50          | 2.75-3.50kg             |
|                 | Table Grape    | SA                 | 45kg            | 8.10-11.79           | 2.20-3.20kg             |
|                 | Packham Pear   | SA                 | 38-56           | 11.32-12.50          | 0.23-0.39/pc            |
|                 | Apples         | NZ                 | 60-163          | 18.00-22.00          | 0.15-0.40/pc            |
|                 | Apples         | CN                 | 36-100          | 10.00-12.00          | 0.15-0.45/pc            |
|                 | Apples         | NZ, SA, WA, CN     | 36-180          | 10.00-30.00          | 0.15-0.60/pc            |
|                 | United Kingdom | Nectarine          | Sp, Italy       | 45pack               | 1.24-1.40/kg            |
| Nectarine-white |                | Italy              | 4pack(67-73mm)  | NA                   | \$3.28(Special)         |
| Peach           |                | SP, Italy          | 45pack(61-73)   | 1.36-1.44/kg         | 1.65-7.24               |
| Peach-white     |                | Sp                 | 4pack(61-67mm)  | NA                   | \$3.28(half price)      |
| Peach           |                | SP, Egypt          | 4pack(61-67mm); | 2.07/kg              | 0.63-1.31 ea; 3.28      |
| Plum            |                | Fr, Isreal, SP, UK | 6pack(50-55mm)  | 1.09-2.19/kg         | 1.65-3.28               |
| Blackberries    |                | UK(Loch Ness)      | 150g            |                      | \$3.28(or 2 for \$4.95) |
| Blueberries     |                | Poland(Bluecrop)   | 200g            |                      | \$3.28(or 2 for \$4.95) |
| Cherries        |                | US(Lapins)         | 250g            |                      | \$3.28(or 2 for \$4.95) |
| Grapes          |                | SP, Greece         |                 |                      | 3.30-4.11               |
| Raspberries     |                | UK(Discoll)        | 225g            |                      | \$3.28(or 2 for \$4.95) |
| Strawberries    |                | UK(Camarillo)      | 400g            |                      | \$2.89(or 2 for \$4.95) |

| Country         | Fruit                 | Grade/ Origin            | Size/Count         | Wholesale Price US\$ | Retail Price US\$ |
|-----------------|-----------------------|--------------------------|--------------------|----------------------|-------------------|
| New Zealand     | Nectarine             | US                       | 60/64              | 1.03                 | 1.83              |
|                 | SW Nectarine          | US                       | 60/64              | 1.03                 | 2.15              |
|                 | SW Peach              | US                       | Tray pack          | 1.33                 | 2.15              |
|                 | Black Plums           | US                       |                    | 3.38                 | 3.99              |
|                 | Grapes                | US                       | Med/large          |                      | 1.53              |
|                 | Kiwifruit             | NZ                       | Med                |                      | 1.12              |
|                 | Apples                | NZ                       | large              |                      | 0.84              |
|                 | Mandarins             | NZ                       | med                |                      | 1.23              |
|                 | Oranges               | NZ                       | med / large        |                      | 0.61              |
|                 | Pears - Packum        | AUS                      |                    |                      | 0.97              |
| Central America | Peach                 | CA                       | 60-70              | \$ 24.07             | \$ 2.01           |
|                 | Nectarines            | CA                       | 60-72              | \$ 25.90             | \$ 2.11           |
|                 | Peaches - Saturn      | CA                       | 30-32              | \$ 27.27             | \$ 5.04           |
|                 | Plums - Black         | CA                       | 50-70              | \$ 29.04             | \$ 1.46           |
|                 | Plums - Red           | CA                       | 50-70              | \$ 25.62             | \$ 1.44           |
|                 | Pluot                 | CA                       | 50-70              | \$ 27.80             | \$ 1.55           |
|                 | Nectarines            | Sp                       | 60-65              | \$ 24.91             | \$ 1.87           |
|                 | Peaches               | Sp, GT                   | 61-67              | \$ 24.91             | 2.10; 1.56        |
|                 | Plums                 | Sp, GT, CR               | 60-65              | \$ 23.65             | 1.71; 1.56        |
|                 | Apples                | CR, USA, CH              | 80-198             | 28.36                | 1.29              |
|                 | Grapes                | CA, CH                   | 18 lbs             | \$ 32.31             | \$ 2.38           |
|                 | Pears                 | CH,USA, Arg, Sp          | 88-135             | \$ 34.26             | \$ 2.74           |
|                 | Kiwifruit             | CH, NZ                   | 13, 21 lbs         | \$ 21.42             | \$ 2.31           |
|                 | Cherries              | USA                      | 15 lbs             |                      | \$ 8.68           |
|                 | Apricots              | USA                      | 10 M               | \$ 30.70             | \$ 1.30           |
| Grapefruit      | USA                   | 150-170                  |                    | \$ 1.61              |                   |
| Colombia        | Peach                 | Chile                    | Box9k calibre 48   | US 25.58             | N/A               |
|                 | Nectarines            | Chile                    | Box 9 k calibre 64 | US 22,32             | N/A               |
|                 | Plums                 | Chile                    | Box 9kl Granel 64  | US 23,25             | US 1.29 LB        |
|                 | Mandarina<br>Arrayana | Colombia                 | Box 22 kl          | US 16,27             | US 0.36 LB        |
|                 | Melon                 | Colombia                 | Box 10kl           | US 3,72              | US 0.186 LB       |
|                 | Mango                 | Columbia                 | Box 23 kl          | US 12,50             | US 0.27 LB        |
| Ecuador         | Peach                 | US                       | 64                 | \$24.00              | \$3.50-4.23       |
|                 | Nectarines            | US                       | 80                 | \$22.00              | \$3.08-3.95       |
|                 | Plum                  | US                       |                    | \$30.00              | \$3.93-4.30       |
|                 | Pineapple             | 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       |
|                 | Tangerine             | Ecuador                  |                    | 100u/\$5.00          | \$0.06-0.07u      |
|                 | Peach                 | Peru                     |                    | 100u/\$10.00         | \$0.15 u          |
|                 | Watermelon            | Peru                     |                    | \$10.00-12.00        | \$1.20-1.40       |
| India           | Black Plum            | CA                       | 70-80              | 1.76 - 1.87/lb       | 2.8 - 3.33/lb     |
|                 | Nectarine             | CA                       | 72                 | 5.80/lb              | 6.55 - 7.49/lb    |
|                 | Peaches               | CA                       | 72                 | 5.80/lb              | 6.55 - 7.49/lb    |
| 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        |