

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

November 14, 2008

Welcome to the 11th and final International Market Report for the 2008 season. While temperatures remain slightly above normal in the mid 70's (~23 C), all peaches, plums, and nectarines have been packed out. Final production for 2008 exceeded 57 million boxes, a 3 percent increase over last year. Plums led the way with a 14 percent increase over 2007. White-flesh peach production increased 8 percent over last season to 6.1 million boxes, while white-flesh nectarines were down slightly to 5.3 million boxes. 2008 has been a difficult season for California growers and packers due to multiple factors including record high gas prices during the peak of the season in July. It should be noted that transportation from California to the U.S. east coast at certain times this summer was higher than shipping a container from Oakland to Taiwan. Still, the majority of the trade agrees that quality for 2008 was excellent, with ample supplies of large-sized fruit.

Current News

Outlook for Restaurant industry worsens

The National Restaurant Association's comprehensive index of restaurant activity fell to a new record low through September. According to Hudson Riehle, senior vice president of Research and Information Services for the Association, "The rapid deterioration in economic conditions is reflected in operator sentiment, with a record 42 percent of restaurant operators saying the economy is the number-one challenge facing their business."

Wal-Mart announces expansion of global sustainability initiative

In late October, Wal-Mart met with over 1,000 of its leading suppliers in Beijing, China and announced new goals to further its effort at global sustainability. To reach those goals, suppliers would be required to demonstrate compliance with environmental laws and regulations. The company will also aim to partner with suppliers to improve energy efficiency and use fewer natural resources. In addition to higher standards of product safety and quality, they will also seek greater transparency and ownership among their supplier base.

Early estimates for 2009 California water deliveries disappointing

According to the California Department of Water Resources, preliminary allocations for the 2009 season will be only 15 percent. The allocation is the second lowest initial allocation in the history of the State's Water Project. The announcement was based on drought conditions this past summer and the incredibly low carryover storage level in the state's major reservoirs. Last year, the initial allocation was 25 percent, although it was increased to 35 percent based on early winter rains.

Market Reports

Mexico

The border to Mexico for California peaches, plums, and nectarines officially closed on Saturday, November 8. The rapid devaluation of the Mexico peso against the US dollar has impacted all imported fruit prices and volumes have also taken a hit at the end of the season. While California peaches can still be found in the market, prices have risen although the trade reports steady sales as long as supplies remain. Nectarines were the first of the three stone fruits to find dwindling supplies, although plums were still available in the three key markets of Mexico City, Monterrey and Guadalajara. At the end of the season, plums had the highest market share of the three fruits.

Hong Kong

The global financial crisis has certainly affected Hong Kong, where retail chains are pessimistic about declining consumer confidence. Chinese food safety scares have spread from milk to eggs, with fears about pork products emerging. Supplies of California Tao Lee were light and declining, although sales movement has been steady. Both yellow and white-flesh peaches and nectarines could be found in supermarket chains and wet markets at the end of the California season, although sizes on offer were markedly smaller at the supermarket level. Plums and IS plums were the most popular fruits from California at the beginning of November and wholesalers reported movement was good. Some Chinese stone fruits were available, in particular yellow nectarines and black plums. Australian and New Zealand kiwifruit had the widest distribution among imported fruits.

Taiwan

Importers in Taiwan are certainly feeling the effects of the rapidly declining stock market and the devaluation of the NT dollar. Imported fruits, including California Tao Lee, were cheaper than local fruits in the past month due to the damage caused by the many late season typhoons and declining local supplies. No Japanese or Washington peaches were available in the market at the end of October, and arrivals from California also declined. Few wholesalers were still carrying ocean-shipped peaches and nectarines, and plums were difficult to find. Imported fruits available in Taiwan included Korean and Japanese pears, Japanese pomelos, Washington apples, and California grapes.

China

The availability of California plums in Guangzhou declined since the end of October, while ample supplies of Chinese peaches, persimmons, grapes, dates, and melons could be found. According to the trade, Chinese citrus, including grapefruits and mandarins, would be the dominant fruits as autumn, along with lower temperatures arrived. Fewer varieties of Chinese stone fruits were spotted in the market, in particular Chinese black plum supplies declined in the past few weeks. According to the trade, retailers were beginning to carry fewer Chinese stone fruits. Quality of California plums was superior to Chinese plums, although still faced strong price competition. Only a few importers in Shanghai were carrying California plums at this late point in the season, and arrivals continued to be made via Guangzhou and not direct.

Singapore

Peach shipments by air continued to decline in the past two weeks, and currently the majority of stone fruits from California are plums, fresh prunes and white-flesh nectarines. A single shipment of white nectarines from China was reported with large sizes and good appearance, and Chinese peaches continue to be available in limited supplies. Distribution for California stone fruits remains good with most retailers carrying three or more varieties of plums and prunes, and some white-flesh nectarines.

California peaches, both white and yellow, are found mostly at the high-end retail outlets. At the wet market level, it is common for hawkers to display 2 or more varieties of plums and prunes.

Malaysia

The Malaysian Health Ministry announced plans to test all Chinese fruits and vegetable imports due to concerns over food safety, largely stemming from the recent detection of melamine in Chinese vegetables in South Korea. No Chinese fruits and vegetables are to be released until the Ministry determines they are "safe for consumption". This has had an immediate impact on importers confidence in Chinese products, and many in the trade are focusing on California stone fruits until the situation becomes clearer. California plums dominate in terms of volumes, although some importers continue to carry some nectarines. Some Chinese plums from the Heibei region can be found, but the trade indicates no further shipments are expected for the time being. It is clear that the stone fruit season is winding down, but retailers continue to express interest in promoting California plums.

Thailand

According to the trade, the final shipments of the season from California arrived recently, as most retailers already have existing stocks on hand. Red and black plums are currently on offer at most supermarkets and hypermarkets, and some peaches, particularly large sizes, can be found at upscale retail outlets. Fresh prunes are available at wet markets and street hawkers. In terms of competition, Chinese peaches can be found with good volumes although feedback indicates the Chinese stone fruit season is nearly complete. Supplies of local tropical fruits continue to decline, but imported grapes and apples are widely distributed throughout the market.

Indonesia

California peaches, plums, and nectarines continue to be the only stone fruits available in Indonesia, although stocks declined since the last report. Fruit sales did increase during the days leading up to the Hari Raya festival, but the bulk of those gains were made in staples. Additional supplies, although limited, are expected in the next week. Local mangoes and mandarins present competition, along with Thai longans, and Chinese and California grapes.

United Kingdom

The British pound continued its stunning decline since early September with it falling to 1.49 US dollars as of Friday, November 14. Financial markets continue to react to the prospect of a deep recession, and there are certain to be ramifications for US food exports to the UK. Over the past several years, the vast majority of shipments to the UK occur after the U.S Labor Day, and the total impact of the drastic turn in the exchange rate is not yet known. Some stored Italian plums were spotted at retail in recent weeks, although the vast majority of peaches and nectarines were from California.

New Zealand

Only minimal supplies of California stone fruit remain in the New Zealand market. During recent merchandising visits plums were the primary stone fruit available with only a few nectarines spotted. According to the trade, this has been an above average season, with some traders reporting a significant increase in volume over 2007. The primary reasons cited were quality and larger sizes on offer. As the counter-seasonal stone fruit winds down, the primary competition in the market is California grapes, New Zealand kiwifruit and mandarins, and Australian pears. The New Zealand dollar The NZ dollar has followed most major currencies by declining drastically against the US dollar. Prospects for a recession in New Zealand are significant, although NZ exporters are expected to make the most of their lowered currency.

Central America Region

Strong late season supplies of California peaches and plums were available throughout the region, while the final shipments of the season were to arrive in the past 10 days. Plums have the highest distribution of the three fruits, particularly in Costa Rica and Honduras. In Guatemala and El Salvador, peaches are found mostly at the retail level with above average quality. In terms of competition, US apples and California grapes make up approximately 80 percent market share.

South America

Nectarine imports increased significantly this season, particularly in Colombia, as the trade has noticed increased consumer demand for nectarines. Historically, according to consumer surveys, nectarines had the lowest awareness of the California stone fruits. Consumer awareness increased slightly last year, and increased even more this season. Several trade members noted a shift from peaches to nectarines in terms of overall volume this season. In Bogota, nectarines and plums were available at key supermarket outlets at the end of October, although the final arrivals were expected by early November. Excellent supplies of peaches, plums, and nectarines especially for this late point in the season could be found in Ecuador. The trade continues to be impressed with quality at this stage of the season. The final shipments from California to Panama and Venezuela have arrived.

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.

Canada

The final round of cross-country store audits was conducted mid-September with the following results. An increase in over all display size vs. 2007 and a 50%+ in primary placement may be considered quite an accomplishment for California given the tremendous push by retailers for local products this summer.

Mexico

During the last two weeks of October, in-store promotions were conducted in 15 cities throughout Mexico with multiple retail chains, reaching 58 outlets for a total of 116 sampling days.

United Kingdom

Late season in-store promotions have been completed with several key retailers. To support sampling at retail, various POS and recipe leaflets have been produced to educate consumers on the many benefits of California peaches, nectarines, and plums.

If you have any suggestions or comments, please contact Gordon Smith at gsmith@caltreefruit.com or Denise Junqueiro at djunqueiro@caltreefruit.com.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	64-72 vf	15.25	1.04
	SW Nectarines	CA	SW/25lb	9.35	0.57
	Nectarines	CA	50-64	16.25	0.94
	Plums	CA	64-80	18.17	1.10
	Peaches	MX	14kg	13.29	1.00
	Apples	WA, CH, CA, MX	88-135	32.56	1.01
	Kiwifruit	CA, NZ	20lb	21.16-25.00	1.27-1.48
	Strawberries	CA, MZ	7kg - 12lb	5.02 -12.52	0.80 - 2.21
	Table grapes	CA	19-21lb	14.42	0.99
	Mangoes	MX	25kg	8.86	0.20
	Pears	CA, WA	36-44lb	12.56-29.84	0.77-1.12
Hong Kong	SW Peach	CA	16 - 56	33.33 - 44.87	1.14 - 3.20/pc
	Peach	CA	24 - 64	28.21 - 41.15	0.63 - 3.20/pc
	SW Nectarines	CA	44 - 64	20.52 - 30.76	0.63 - 1.92/pc
	Nectarines	CA	40 - 72	20.52 - 28.20	0.63 - 1.56/pc
	Plum	CA	20 - 90	15.58 - 38.46	0.19 - 1.92/pc
	Peach	China	48 - 88	11.54 - 16.67	0.26 - 0.52/pc
	Plum	China	75-140	7.69 - 12.82	0.64 - 1.54/lb
	Grape	USA	21 - 28 lbs	20.51 -30.76	1.27 - 2.05/lb
	Watermelon	Taiwan	2	5.37 - 7.89	0.19 - 0.34/lb
	Orange	USA	56 - 113	21.15 - 32.05	0.25 - 0.77/pc
	Apples	WA, China	40 - 100	12.82 - 44.87	0.21 - 0.77/pc
Kiwi	AUS, NZ	36 - 39	5.78 - 7.05	0.21 - 0.38/pc	
Taiwan	SW Peach	CA	#36	17.91-20.89	0.67- 0.75/pc
	Nectarine	CA	#15-16	14.92-16.4	1.15- 1.3/pc
	SW Nectarine	CA	#44-48	17.91-32.83	0.47-0.95/pc
	Red Plum	CA	#30-40	23.85-35.82	0.29-0.58/pc
	Plum	CA	#30-40	23.85-35.82	0.29-0.58/pc
China-Shanghai	Plum	CA	Big/12.8KG	44.12/BOX	5.29-6.15/500g
	Red Plum	CA	Medium/12.8KG	32.35-38.24/BOX	3.21-3.71/500g
	Peach	China	Medium/5KG	3.68/BOX	0.48/500G
	Red Plum	China	Medium/5KG	5.29-5.52/BOX	0.85-0.93/500G
	Black Plum	China	Medium/5KG	4.78-5.15/BOX	0.74-0.77/500G
China-Guangzhou	SW Nectarine	CA	Medium/48	33.82/25LB	2.65/500G
	Black Plum	CA	Medium/35	38.24/28LB	2.03-2.53/500G
	Red Plum	CA	Small/Medium 20-30	29.41-38.24/28LB	
	Nectarine	China	Large,70/75	8.82/BOX	1.03/500G
	Peach	China	Medium/Bulk	0.51-0.63/500g	1.02-1.25/500G
	Black Plum	China	Medium/Bulk	0.28-0.43/500g	0.72-0.87/500G
	Red Plum	China	Big / Bulk pack	7.35/BOX	0.00/500G
	Prune	China	Medium/4.5KG	0.29-0.52/500G, 5.88/BOX	0.44-0.96/500G

Country					
Singapore	SW Peach	CA	44 2ly / 15	49.38-51.03	1.69-3.08/pc
	Peach	CA	56 2lyr	50.76	1.34 pc
	SW Nectarine	CA	56/64 v/f	29.63	0.76 / *54
	Plums	CA	55-60	29.63	3.77kg
	White nectarine	China	M	24.62	2.31 (6 pcs)
	White peach	China	M	23.07	0.92 (3 pcs)
	Strawberry	Australia	454g x8	28.15	5.00 punnet
	Grapes	CA	8.2 kg	30.00-32.30	4.23-4.53 kg
	Kiwi	NZ	41pcs/6kg, 10kg	34.62-37.78	0.56-1.11/pc
	Persimmon	SA	8 - 9 pcs	2.39 box	3.00 box
Malaysia	SW Peach	CA	15/44 2lyr	36.0-42.0	1.90 - 2.10
	SW Nectarine	CA	56-64 vf	27.0-32.0	2.20-2.50
	Plums	CA	30-55	22.0-34.0	1.80-3.40/kg
	White Peach	China	900g x 12	12.0-14.0	1.00-1.10/900g
	Plum	China, CH	28b./ 48-78	1.00-1.20/lb, 15.0-16.0	0.80-1.0/lb, 0.30-0.40/pc
	Grapes	CA	9.5kg	66.00-74.00	7.00-8.50/kg
	Grapes	CH	10kg	19.30-24.10	2.25-2.89/kg
	Kiwi Gold	NZ	41pcs/6 kg	37.78	1.11/pc
	Orange	AUS	163	23.2	0.18/pc
	Gong Pear	CN	36-72	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	50-54	47.03-77.68	6.03-9.96/kg
	SW Peach	CA	28-30	79.87-99.21	10.24-12.72/kg
	Red Plum	CA	35-50	47.78-55.77	7.24-8.45/kg
	Black Plum	CA	35-50	39.79-57.94	6.03-8.78/kg
	Prune	CA	80-100	39.79-49.96	6.03-7.57/kg
	Peach	CHA	48-50	31.20-51.26	1.04-1.78/pc
	Peach	JP	30-32	261.69-267.45	13.63-13.93/pc
	Grapes	CA, CHA	9-10/kg	12.18-54.36	2.03-9.06/kg
	Long Kong	Thai	10/kg	16.94-21.0	2.42-3.0/kg
	Indonesia	SW Peach	USA	40	32
SW Nectarine		USA	45	32	10.5
Black Plum		USA	50-55	32	7.4-7.7
Red Plum		USA	35-55	32	5-6.4
United Kingdom	Peach	CA	4 pack (67-73mm)	N/A	3.84
	Nectarine	CA	3 pack (67-73mm)	N/A	3.14
	SW Nectarine	CA	4 pack (67-73mm)	N/A	3.84
	Nectarine	SP, France, Italy		4.74 - 9.48 per 4kg	
	Peach	SP, France, Italy		6.32 - 8.69 per 4kg	
	Plum	SP, France, Italy, Isreal	400 - 500g punnet (45-50mm)	7.42 - 12.16 per 5-6kg	1.58 - 3.94 on offer
	Mango	Puerto Rica	Single mango	N/A	2 for 4.74 on offer
Cantaloupe	SP	Single melon	N/A	2.51 each on offer	

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
New Zealand	Plums	CA	12.7kg large	0.89	1.70
	Nectarine	CA	11.3kg VF	0.88	1.70
	Mandarins	AUS			1.53
	Grapes	US	Flames		1.83
	Apples	NZ	NZ Rose		1.04
	Packum Pears	AUS	medium		0.78
	Kiwifruit	NZ	medium		0.78
	Strawberries	NZ	medium		1.57/punnet
Central America	Peaches	CA	56-64	25.68	1.87
	Nectarines	CA	56-64	25.68	1.88
	Plums - Red	CA	50-60	27.05	1.89
	Plums - Black	CA	50-60	27.05	1.77
	Apples	CH,USA	80-198	30.25	1.38
	Apples	CR	163		1.08
	Grapes	CA	21 lbs	23.86	2.06
	Pears - Anjou	Arg	90-120	29.85	1.25
	Pears - Bosc	CA	90-135	32.81	1.57
	Pears - Reds	CA	90-120	35.43	1.38
	Pears - Asian	CA	44	29.45	2.33
	Kiwifruit	CH	28-80	29.45	2.93
	Oranges	Chile	44-72	31.50	1.29
	Strawberries	CR			1.67
	Mandarin	Peru, CH	150		1.49
Colombia	Nectarines	CA	Box 11 kl calibre 64	US 27.30	US 2.42 LB
	Plums	CA	box 11kl calibre 64	US 21.45	US 2.20 LB
	Banana	Colombia	Box 25 kl	US 11.54	US 0.69 LB
	Granadilla	Colombia	box 15kl	US 18.22	US 1.16 LB
	Mango Tommy	Colombia	box 25 kl	US 22.99	US 1.60 LB
Ecuador	Peaches	CA	65-56	\$26.00-28.00	\$3.30-4.15
	Nectarines	CA	65-56	\$26.00-28.00	\$3.30-4.25
	Plums	CA	90-80	\$26.00-28.00	\$3.30-4.06
	Peaches	EC		\$28.00-30.00	\$3.00-3.42
	Pineapple	EC		\$12.00-15.00	\$0.60-0.70 u
	Orange	EC		100 u/\$5.00	\$0.07-0.09 u
	Papaya	EC		\$13.00-15.00	\$2.00-2.31
	Melon	EC		\$15.00-18.00	\$1.50-1.60
	Orange	CA		\$18.00-20.00	\$2.31-2.80
	Mango	EC		\$18.00-20.00	\$2.10-2.31
	Grapefruit	EC			\$0.35-0.43
Tangerines	EC/Peru		100 u/\$5.00-\$7.00	\$0.06-0.10 u	

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Panama	Peaches	CA	45-48U		0.45/u, 1.19-1.87/lbs
	Nectarines	CA	45-48U		0.35/u, 1.73-1.87/lbs
	Plums	CA	80U		0.20/u, 1.19-1.55/lbs
Venezuela	SW Peach	CA	36-45-64	55.81-69.76	8.37-16.27
	Nectarine	CA	35-64-65	55.81-69.76	8.37-13.95
	Plum	CA	25-60	55.81-69.76	8.37-11.62
	Peach	VZ			3.72-7.90
	Plum	VZ			3.25-5.58
	Mango	VZ			1.16-2.79
	Watermelon	VZ			0.93-1.86
	Meñn	VZ			1.62-2.79
	Pineapple	VZ			1.86-3.25
	Strawberry	VZ			5.58-6.97
	Papaya	VZ			1.67-2.79
Canada	Peach	CA, WA	per pound		1.29 - 2.69
	Nectarine	CA, WA	per pound		1.29 - 2.69
	Plum	CA	per pound	1.49	1.79
	Apple	WA, BC	per pound	1.99/3# bag	0.79 - 1.29/lb; 2.50/4# bag
	Pear	CA, NW, Local	per pound	0.79	0.79 - 1.89
	Grapes	CA	per pound	0.88 - 0.99	1.48 - 2.79
	Oranges	S. Afr	as indicated		5/1.99; 1.29/lb
	Strawberry	CA	1# clam		1.77 - 2.97
	Raspberries	U.S.	1/2 pint		1.67 - 2.98
	Cantaloupe	U.S.	Jbo each	0.99	1.79 - 1.99
	Honeydew	CA	Jbo each		2.99
	Watermelon	U.S.	each		2.99 - 3.49
	Kiwifruit	NZ	each		0.40 - 0.50
	Pineapple	Imported	each		1.99 - 3.98
	Papaya	Belize	as indicated		0.99/lb
	Mangos	MX, Brazil	each		1.79
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