



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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The 2009 California peach, plum and nectarine (PPN) season is underway which means it is time for the first bi-weekly International Market Report. This report covers market conditions and promotional activities in more than 20 countries throughout the Asian Pacific Rim, Latin America, Canada, and the United Kingdom. Movement is slow but is increasing along with packout and quality is perceived to be fantastic for California PPN. Rain and below average temperature last week slowed down packout considerably, but beautiful sunshine and warmer temperatures here in the San Joaquin valley are driving an increase in packouts. Peaches are currently running a day later than last year, nectarines are starting two days later, and plums are on target with 2008 timing. After producing the 2nd largest crop in California history last year, PPN crop estimates for 2009 are reduced. Please visit our website for crop estimates by using the following link: <http://www.eatcaliforniafruit.com/ppn/industry/researchreports.asp>

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.

Current News

Mexico trucking dispute still unresolved

Mexican trucking organizations are suing the US government for an estimated \$6 billion over North American Free Trade Agreement (NAFTA) violations. Mexico feels the decision by the US to shut down US road ways to Mexican truckers is the violation of NAFTA. In retaliation Mexico is enforcing tariffs on US exports such as grapes, pears and cherries just to name a few. There is serious concern that the U.S. Administration is not acting quickly enough to resolve the issue.

Australian imports expected to reach \$8.5 billion

According to the Australian government, total imports for Australia are increasing at a rapid rate. Total imports are estimated to increase by \$1 billion this year. Currently the fruit and vegetable category is \$1.7 billion of the \$8.5 billion. This is potentially good news for California stone fruit growers, as the industry continues to work on gaining market access to Australia for 2010. Source: www.news.com.au

Market Reports

Mexico

Shipments in to Mexico are steady for this early part of the season, and current sales movement is solid with increasing demand. Peaches are currently available at the retail and wholesale levels, while nectarines were received at the wholesale level with strong widespread movement. The first plums arrived during the last week in May on the Mexico City wholesale market, supply is expected to be distributed to retail level markets. In terms of direct competition, local peaches have good quality which has resulted in strong movement and great sales. Also in the marketplace are Washington apples and pears, local apples and strawberries, along with Chilean kiwifruit. Currently the US dollar/peso exchange rate is stabilizing.

Hong Kong

Small quantities of California Tao Lee, including yellow-flesh nectarines and Summerwhite® peaches arrived by air recently in Hong Kong with good quality. In terms of competitive fruits, in the market you can find are Chilean black plums although quality is below average. Chinese white-flesh nectarines in small sizes and are found but in low volumes. Japanese peaches are available at the wholesale markets and in local retail, but at high prices. Currently the market is dominated by the Chinese stone fruit but traders are looking forward to switching to California Tao Lee when additional volumes are available.

Taiwan

The California Tao Lee season started in Taiwan during early May with the arrival of Summerwhite® and donut peaches just in time for Mothers Day gift giving. The demand was high for Mothers day with solid movement. Currently sales movement is average, even though California peaches are available at retail markets. Limited volumes of Japanese peaches are in the marketplace with two MRL violations likely playing a role. Volumes of local peaches and plums are quite high with local lychees, mangos, watermelons, and pears available. Also found in the market are New Zealand kiwifruits and apples, Chilean grapes and apples, US citrus and California cherries.

China

No California plums have arrived in China yet, although that is not surprising at this very early stage of the season considering the market in China is dominated by local stone fruit with some small Chilean plum supplies available as well. Local supply is fresh with firm texture and low brix, while Chilean stone fruit was viewed as unstable. Domestic peaches have much improved volume compared to the same period a year ago.

Singapore

The first California Summerwhite® peaches and nectarines arrived by air during mid-May and the quality is reported to be excellent. Chilean plums are still available and supplies are expected to last until the end of June. Indirect competition in the market is US strawberries, apricots, and cherries along with persimmons from New Zealand. Durians from Malaysia have gained momentum in the market place in addition to other tropical fruits such as rambutants, mangoesteens, and mangos.

Malaysia

Limited shipments of California peaches and nectarines have arrived by air in Malaysia during the past few weeks with great quality. In terms of other imported fruits US cherries, blueberries, strawberries, passion fruits, and persimmons pose as indirect competition. Supermarkets are currently promoting apples, oranges, grapes, and pears because of the popularity with consumers. There is presently no direct competition for California peaches and nectarines, but Chilean plums are still available.

United Kingdom

Limited volumes of California PPN are available, although quality has been excellent compared to European stone fruits of lower quality and low brix levels. Currently there is a big push to buy local seasonal fruit by the European Government. European stone fruit growers expect to have a larger crop at an estimated 15% over 2008. Indirect competition in the market is US cherries, and UK strawberries.

New Zealand

No California peaches, plums, or nectarines have arrived yet in New Zealand, although the first shipments are expected to arrive before the next International Market Report. Small volumes of quality Chilean plums, Chilean and Australian grapes, California navel oranges, and local apples, pears, kiwifruit, fejoas and persimmons are currently dominating the market. New Zealand had a great summer fruit season with excellent quality and great sales. A good perception of the New Zealand summer fruits season by consumers has been known to positively influence the market for the California season.

Central America Region

Limited supply of California peaches, plums, and nectarines are available in the market and Chilean volumes of plums and peaches are declining. Mexican product is reportedly filling the gap between the Chilean and California season. Local product from Costa Rica and Guatemala has significant volumes in the market. In terms of other imported fruits, Chilean grapes and apples are also found in the region with significant volumes and movement.

South America

California PPN is currently not available in Colombia, Ecuador, Venezuela, or Panama. The Chilean stone fruit season in Ecuador ended the beginning of May. The Ecuadorian government is implementing a new import tax instead of using import quotas. This new regulation does not apply to stone fruits and the import duty remains the same at 17%. In Venezuela, the government has temporarily cancelled the issuance of import permits for fruit from other countries. Importers and wholesalers believe the restrictions on permits for imported fruit is because of the shortage in US dollars faced by the government due to the reduction of its petroleum income. Venezuelan peaches and plums are available in large volumes, but with poor quality. Chilean plums can be found in the Venezuelan market and are considered to be of good quality. Panama's market also has Chilean plums, but the market is considered slow.

Canada

All PPN found in the Canadian market place currently is from California with the exception of the Sobeys division in the Atlantic region featuring Georgia peaches. "Buy local" trends have a strong influence on Canadian consumer especially peaches grown in B.C., Ontario and Nova Scotia. The government is putting pressure on retailers to buy from local farmers even though the quality is not as good. The Canadian market volumes are good and are predicted to increase with packouts.

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 started and will continue to increase over the next month as more fruit enters the international markets.

*Be sure to visit the International section on the PPN Network Download Center at 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 or (559) 638-8260

Mexico

Media newsletters were sent via email to media contacts throughout Mexico. The media contacts included newspapers, magazines and specialized media outlets. Print media has been picked up in nationwide media that reaches 775,500 consumers which is an equivalent space value of \$34,585.60 and media costs of \$121,049.60.

Hong Kong

Market-wide trade "Lucky Draw" promotion starts this month to encourage wholesalers and retailers to expand on varieties they carry of California Tao Lee. The effort of this campaign is to push high volumes of California Tao Lee through the market.

Taiwan

Wholesaler visits have been conducted, distributing POS materials and trade incentives. In all there will be 360 wholesalers visited by CTFA representatives. An incentive program called "Bid the Best" targets importers and "Lucky Draw" program targets wholesalers to encourage handling of higher volumes of California Tao Lee. In addition, the first retail joint promotion has begun in department stores.

New Zealand

The 2009 campaign is a promotion program working with 40 schools to encourage consumption of California peaches, plums, and nectarines, while supporting and working with the community. Many retail stores are involved and supporting the campaign with store sampling and promotion.

Canada

For 26 days during June 13, stores will be promoting and sampling breakfast options for busy people. In efforts to increase awareness of the program a "DriveAway with Breakfast" trailer will be offering fast breakfast samples and ideas for busy people. The "DriveAway with Breakfast" trailer will be stopping at high commuter traffic areas in the Greater Toronto area to draw in the targeted audience of "busy people."

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CA	64-72 VF	23.90	1.75
	Plums	CA	80	33.65	2.06
	Nectarines	CA	64, 72	21.80	1.69
	Plums	CUG	65	22.47	1.35
	Peaches	MX	22 lb	11.94	1.10
	Apple	WA	56,88-100-125-135	26.02	1.11
	Apricots	CA	8,12-60	22.55	1.25
	Kiwifruit	CH	22 lb	25.51	1.68
	Mangoes	MX	25 kg	10.87	0.42
	Pears	Arg, WA	36-44lb; 70-100	30.71 - 30.89	1.00 - 1.01
	Strawberries	CA, WA	12 - 19.2 lb	7.29 - 14.12	1.07 - 1.78
Grapes	MX, CH, CA	18 - 21 lb	15.05 - 16.45	1.29 - 2.92	
Hong Kong	SW Peach	CA	44 pcs	32.5/box	4/2pcs
	Nectarines	CA			4/2pcs
	Yellow Apricot	Aus			3.3/4pcs
	Pluots	CH	44pcs	18.18/box	2.6/4pcs
	Peach	Sp, China	44pcs	36.4/box	2.45/100g; 1.04/1pcs
	Plum	China	33LB	16.2/box	1.04/1LB
	Plum	China	75-140	7.69 - 12.82	0.64 - 1.54/LB
	Pluots	CH			1.94/1LB
Taiwan	SW Peach	CA	#20 - 25	27.75 - 37.00	1.51 - 2.47/pc
	Peach	JP	#4-6 / 2Kg	40.08 - 55.50	9.87- 20/pc (usually sold in a giftbox set with 4-6 peaches inside)
	Peach	TW		N/A	0.27-0.30/pc
	Plum	TW		N/A	0.46 - 0.77/1.32lb
China-Shanghai	Nectarine	China	Medium/5KG	5.89/BOX	0.88/500G
	Black Plum	China	Medium/5KG	10.31/BOX	1.39/500G
	Red Plum	China	Medium/5KG	11.25/BOX	1.82/500G
	Peach	China	Big/10KG	44.18/BOX	3.31/500G
	Green Plum	China	Small/15KG	6.63/BOX	0.33/500G
China-Guangzhou	Nectarine	China	Medium/13KG	11.75/17.65	1.17-1.77/500G
	Peach	China	Medium/Bulk	0.37-0.59/500G	1.00?1.76/500G
	Black Plum	CH	Small/52	19.12 - 23.53	1.88?2.35/500G
Singapore	SW Peach	CA	56/64 2Lyr	56.55.78	1.38
	Peach Donut	CA	48 2Lyr	44.13	1.38
	SW Nectarine	CA	72 Vf	55.34	2.00 (2pcs)
	Plums	CA	55-60	29.63	3.77kg
	Appricot	US	10 kg	59.31	5.17 500g
	Cherry	CA	10	59.03	11.03 kg
	Strawberry	US	454g x8	26.21	4.76
	Grapes	AUS	10kg	29.62 - 35.86	4.37 - 5.85
	Black Plum	Chile	50/55	22.06	2.69 kg
	Persimmon	NZ	16	16.24	1.72
	Malaysia	Peach	CA	56-64 vf	56.0-60.0/carton
Nectarines		CWM	56-64 vf	56.0-60.0/carton	1.20-1.60/pc
Cherries		CA	8.2kg	78-80/lug	1.50/100g
Grapes		Aus, Chile, SA	4.5 - 10 kg	8.10 - 28.50	2.20 - 3.50/kg
Plum		Chile	48 - 78	13.0 - 15.0	0.22 - 0.35/pc
Orange		CA, Aus	125 - 180	23.20 - 28.32	0.16 - 0.30/pc
Pear		SA, CN	36 - 72	6 - 12.50	0.10 - 0.39/pc
Apples		NZ, SA, WA, CN	36 - 180	10.00 - 30.00	0.15 - 0.60/pc

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$	
United Kingdom	SW Peach	CA	4 pack (67-73mm)	N/A	3.28	
	Peach	CA	N/A	3.90/kg		
	Plum	CA	6 pack (50-55mm)	N/A	4.96	
	Nectarine	SP, Isreal, Morrocco	5-6 pack (56-67mm); Loose (61-73mm)	2.69/kg - 7.46/2.5kg	0.80-1.31 ea; 2,80-4.95	
	Peach	SP, Egypt, Morrocco	4 pack (61-67mm); Loose (61-73mm)	2.07/kg	0.63 - 1.31 ea; 3,28	
	Plum	CH, S Africa, SP, Aus, Arg	4-6 pack (50-55mm); Loose; 400g	11.60 - 12.26/5kg	1.66 - 5.45	
	Blackberries	Unspecified	150g	N/A	4.95	
	Cherries	USA (Bing)	275g	N/A	4.96	
	Strawberries	British	300g	\$1.07 /300g	1.66	
New Zealand	Plums	CH	64		1.94	
	Cherries	CA	10 Row		6.18	
	Grapes		sml/med		1.95	
	Grapes		Med/large		1.95	
	Kiwifruit		Med		1.12	
	Apples		med/large		1.12	
	Mandarins		med		1.40	
	Pears		med		1.12	
Central America	Peach	CWM	70		3.79	
	Nectarine	CWM	70		3.79	
	Peach	CH	52-56	22.44	1.56	
	Nectarine	CH	52-56	21.73	1.38	
	Peach	MX	73		2.55	
	Plum - Black	CH	56-70	24.05	1.38	
	Peach	GT	small	14.96	1.00	
	Plum - Red	GT, CR	small		0.88	
	Apple	CH, USA	88-175	31.03	1.05	
	Grape	CH	18 lbs	33.07	2.11	
	Pear	CH, USA	44-150	31.93	1.36	
	Kiwifruit	CH	33-36	22.73	1.46	
	Orange	USA	72-88	29.25	1.15	
	Strawberry	CR, HO, GT			2.07	
	Mandarine	USA	80	30.55	1.30	
	Grapefruit	USA	40-48	24.94	0.84	
Colombia	Peach	Chile	Box9k calibre 48	US 25.58	N/A	
	Nectarines	Chile	Box 9 klc calibre 64	US 22,32	N/A	
	Plums	Chile	Box 9kl Granel 64	US 23,25	US 1.29 LB	
	Mandarina 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	Plum	USA		28.00-30.00	3.85-4.20	
	Pineapple	Ecuador		12.00-15.00	0.60-0.70	
	Orange	Ecuador		100 u/\$5.00	0.07-0.09 u	
	Orange	USA		18.00-20.00	2.80-2.95	
	Papaya	Ecuador		10.00-12.00	1.06-1.31	
	Melon	Ecuador		15.00-18.00	1.50-1.60	
	Mango	Ecuador		18.00-20.00	1.88-2.10	
	Grapefruit	Ecuador			0.35-0.43	
	Watermelon	Ecuador		13.00-15.00	0.83-0.95	
	Mandarin	Ecuador/Peru		100u/\$5.00; 100u/\$7.00	0.06-0.07u; 0.10u	

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Panama	Plums	Chile	48U		0.42 per unit
Venezuela	Plum	Chile, VZ	40 - 50	46.51 - 60.46	4.88 - 13.48
	Peach	VZ			4.04 - 6.65
	Mango	VZ	N/A	N/A	1.40-2.95
	Watermelon	VZ	N/A	N/A	1.08-1.90
	Melon	VZ	N/A	N/A	1.75-3.02
	Pinneapple	VZ	N/A	N/A	2.10-3.55
	Strawberry	VZ	N/A	N/A	6.95-7.80
Papaya	VZ	N/A	N/A	1.85-2.90	
India	Plum (Angeleno)	CH	56-65	\$13.31/10 Kg box	\$1.90/lb - \$2.37/lb
	Peaches	India (Shimla and Nainital)	60-70	\$2.85/8 Kg box	\$0.76/lb - \$0.95/lb
Canada	SW Peach	CA	per pound		1.54 - 2.28
	Peach	CA	per pound		1.82
	SW Nectarine	CA	per pound		1.54
	Nectarine	CA	per pound		2.28
	Peach	Georgia	5# box		4.99
	Plumcots	CA	per pound		1.81
	Apple	NZ/CH, WA, ON	per pound; 4# Bag		0.91 - 1.55; 3.20
	Apricots	CA	per pound		1.72 - 1.82
	Avocadoes	MX	each		0.64
	Blueberries	U.S.	1/2 pint		2.29
	Blueberries	U.S.	pint		2.74
	Cantaloupe	U.S.	each		1.83 - 2.29
	Cantaloupe	U.S.	per pound		0.53
	Cherries	CA/MX	per pound		2.54 - 4.57
	Clementines	Arg	3# bag		4.57
	Grapes	CA/MX	per pound		1.35 - 1.82
	Grapefruit	S Af	each		1.18
	Honeydew	U.S.	each		2.74
	Kiwifruit	CH	1# bag; each; 1kg punnet		0.82; 0.30; 2.29
	Mangoes	MX	each		0.92 - 1.17
Pineapple	CR	each		3.65	
Raspberries	MX	1/2 pint		2.29 - 2.72	
Strawberries	CA	1# & 2# clam		2.29 - 3.39	
Watermelon	US	per pound; each		0.45; 2.29	
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