



MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

## September 22, 2006

In a more typical season, the eighth International market report for California peaches, plums, and nectarines would be released before the end of August, but this year is far from typical. The late harvest and the short crop have certainly impacted the distribution of California exports in 2006. With October around the corner, daily packouts continue to fluctuate. Most nectarines will be in the box before the end of the month and will come in very close to the pre-season estimate. Plums should continue into the first few weeks of October but in small volumes, and peaches will slowly come in through October and even into the first week of November.

Thank you for your support of the International market report for the California peach, plum, and nectarine industry. If you have any questions or comments, please free to contact Gordon Smith at [gsmith@caltreefruit.com](mailto:gsmith@caltreefruit.com).

## Current News

### **Thailand pressures foreign retailers to curtail store expansion**

Thailand's Commerce Ministry has been under pressure from small local retailers and suppliers to curtail the expansion of large retail chains, including convenience store and discount hypermarkets. The small operators claim they can not compete with the large retailers who differentiate themselves through price, selection and amenities. 15 modern retailers refused to sign a memorandum of understanding to stop expansion voluntarily. The Ministry delayed the proceedings until the beginning of October.

### **EU/Japan pressure U.S. to restart Doha Round trade negotiations**

At a meeting in Australia among agricultural exporting countries, Japanese and EU officials increased the pressure on the U.S. to reduce domestic subsidies to restart WTO talks. A U.S. trade representative attending the meeting as an observer said Washington would certainly consider the request so long as EU agreed to put greater tariff reductions on the negotiating table.

## Market Reports

### Mexico

Nectarines from California are widely available in Mexico at this late stage in the season. Demand has been good with nectarines facing no direct competition. White-flesh nectarines, with excellent quality, were found in

only a few warehouses during the reporting period. Nearly all these nectarines were sent to retail outlets. Consumer awareness of white-flesh fruit remains relatively low in Mexico. California peaches can be found in all major urban centers throughout Mexico, although in Guadalajara local peaches dominate in terms of quantity. The quality of California peaches has improved to excellent recently benefiting the distribution to all the major retail outlets. Supplies of Chihuahua peaches have increased in the past two weeks, and now most supermarkets are displaying both California and the local peaches. Short supplies of local plums have resulted in a 20 percent increase in prices. Quality of California plums is excellent and demand has been high. Distribution at supermarket chains has been very good, and most are displaying multiple varieties. Large sizes from California are also available which has been attractive to both the wholesale and retail sectors. Chilean plums are expected to arrive in Mexico by the end of October.

## Hong Kong

California peaches, plums, and nectarines were available throughout Hong Kong including wholesale markets, wet markets, and retail outlets. Red, black plums, and fresh prunes were in good supplies, but green plums were not spotted during the reporting period. Pluots and specialty plum varieties were in high demand. Quality of California Tao Lee was above average in good sizes, although the fresh prunes were generally smaller recently. Chinese peaches are currently in peak supplies in Hong Kong and provide the primary competition to California Tao Lee. Some supermarket chains were promoting both California peaches and Chinese peaches at the same time. Sizing has increased from China recently and supplies were available at competitive prices at not only modern retail but also wet markets. Other popular fruits at the wet markets and supermarkets were table grapes, oranges, bananas, and watermelons.

## Taiwan

Market conditions slowed the sales movement of fresh fruit in Taiwan during the past two weeks. According to the trade several factors contributed to this lull including more wet weather, political uncertainty, and the anticipation of heavy market demand for the Moon Festival which begins October 6. The political scene in Taiwan has dominated much of the local news recently with 300,000 people protesting the ruling party in Taipei on September 15. Despite the slow market, nearly all retailers continued to feature California Tao Lee in good supplies and in prime locations in the fresh produce sections.

Quality of the most recent arrivals from California was only average, especially in terms of shelf life, but feedback from the trade indicates increased shipments are expected for the Moon Festival. Concerns about availability of California supplies to meet the heavy demand during the Festival were alleviated during a recent visit by CTFA staff to Taipei. Those importers interviewed reported no problems filling orders from their suppliers in California. No local stone fruit was available in Taiwan, and small supplies of Japanese peaches could be found in boutique retail outlets. The main imported fruits found in Taiwan were pears, apples, table grapes, and kiwifruit. Local fruits include pomelos, persimmons, pineapples, guava, dragon fruits, and papayas.

## China

New arrivals of California plums were found mainly in Guangzhou, but some red plums did arrive in Dalian during the past two weeks. In the target urban centers, Chinese plums were very competitive in terms of quantity although California plums had superior quality. Most of the importers and wholesalers visited in Shanghai expressed interest in handling more California plums after mid-September when the Chinese plum season ends. In Dalian, California red plums were found in several large retail outlets including Carrefour and Parkson supermarkets, and also in the wholesale market. This is a recent development in Dalian and is encouraging because it indicates California plums are beginning to penetrate multiple retail outlets in the fruit distribution channel.

In Shenzhen, only limited supplies of red and green plums from California were spotted. Chinese plums made up the majority of the market, and had below average quality and with low prices. The black plums found were of Chinese origin but presented as imported varieties, and priced according to size. The small sizes were much cheaper than the larger plums. In Guangzhou, there were consistent arrivals of California red plums,

mostly of 25/30/35 counts. Despite the relatively stable prices and large sizes, competition remains severe with Chinese product. The vast majority of orders for California plums came from retailers operating high-end department store and supermarkets.

## Singapore

Air shipments of peaches and nectarines have decreased in the past two weeks, while 4 mixed containers of California plums, fresh prunes, and pluots were imported with other fruits. The feedback from the importers was mixed with some expecting more shipments of white-flesh nectarines due to consumer demand, and others cautious about arrival quality. During a merchandising visit to Brunei from September 12-15, select retail outlets featured CTFA POS materials. Most of the retailers visited in Brunei carried two or more plum/prune varieties, while California nectarines were found at only certain retail fruit shops and a few hypermarkets. Almost all of the California PPN found were supplied by exporters in Singapore.

It should be no surprise that the most popular fruit among consumers in Singapore is the Malaysian durian. Chinese peaches remain the direct competition for California PPN, and in terms of indirect competition, supplies of Thai mangoes and longans have increased recently.

## Malaysia

Supplies of California peaches and nectarines have shortened in the past two weeks, and sales, especially for nectarines, have begun to tail off. Shipments of plums continue to arrive with good quality, although several importers have commented on the relative short shelf life this year. Still, most importers are eager to record higher sales of California plums if supplies are available. In terms of competition, Chinese nectarines and Chinese fresh prunes have both penetrated the Malaysian market, which are both relatively recent developments. CTFA's in-country representative will continue to monitor this situation. The quality of those Chinese nectarines found was decent, while the Chinese prunes had tart flavor and poor sales.

## Thailand

As more supplies of plums and prunes from California arrive in Thailand, supplies of peaches and nectarines decrease. Those white-flesh peaches and nectarines spotted during merchandising visits were of good quality, although they were featured with green plums mainly at higher-end supermarkets. Black and red plums were the main varieties found in wet markets. No Chinese peaches were found in the market in the last two weeks, but several imported fruits including California table grapes were widely available. Apples and pears from several countries rounded out the imported indirect competition.

## Indonesia

Distribution of California peaches and nectarines in Indonesia has decreased and is limited to fruit boutiques and high-end retail outlets, and the only stone fruits available at importer's cold storages are plums. The four main varieties spotted during the past two weeks include Catalina, Fortune, Emerald Beauty, and Sugar plums. In terms of quality, the California PPN found looked good and fresh. There were only a few comments regarding shelf life. No other competing stone fruits are currently available in Indonesia

## Philippines

A return of heavy monsoon rains, which caused flooding in Manila, affected both supermarket and wet market sales. According to several supermarket managers, lower sales over the past two weeks were recorded due to less consumers, because would be customers hurried home to avoid the flooding. Green plums from California were received with mixed enthusiasm from the trade. Based on their feedback, it appears consumers still prefer the red and black plums. The quality of recent shipments has been only average, but several importers are expecting new supplies from California to arrive by early October. The continuation of the peso's appreciation against the US dollar is seen as a key driver in encouraging exports.

## New Zealand

The New Zealand dollar has risen to its highest level against the US dollar since March thanks to higher than expected retail numbers for July and a hawkish monetary policy statement from NZ's Reserve Bank. The arrival of spring conditions with warmer weather appears to be impacting people's purchasing decisions including altered eating patterns with fresher, lighter options. California PPN was priced at the higher end of the market during the past two weeks; however the much improved quality of recent arrivals has offset most price concerns. 3 of the 4 major importers in New Zealand plan on importing more supplies of California PPN before the end of the season.

Kiwifruit and NZ navels are the leaders in the fresh fruit market based on price. However, California PPN and California table grapes, even though priced at the upper-end, are available in decent quantities. Imported Australian strawberries are priced moderately but do not have excellent quality. As stated earlier, the quality of the most recent arrivals from California has been very good. On the whole, plums have been quite firm, with average to above average taste and good appearance. One importer mentioned that the quality of the most recent nectarines was outstanding leading to very strong demand. In terms of peaches, no quality issues were reported and movement was very quick.

## Central America Region

The stone fruit market in Central America has been very competitive recently with Spain supplying all three commodities and Georgia peaches being found in decent supplies. Nearly all supermarket chains continue to carry all three California commodities, but only limited distribution in some traditional markets. Quality of Spanish fruit continues to be only average with limited shelf-life. Georgia peaches reportedly have decent maturity but lack color. The quality of the most recent arrivals from California has been good, with only a few comments regarding the maturity of some plums. Sizing is no longer an issue in the region at this point in the season, and the quality of California peaches is reported to be good. Importers expect to continue to carry California PPN until supplies are no longer available provided market conditions continue to be stable. Still, volumes are expected to decrease because most arrivals will be mixed loads with other fruits.

## South America

Limited supplies of California peaches, plums, and nectarines could be found in Venezuela, Colombia, and Ecuador during the past two weeks. Moderate volumes of California plums are the only commodity from California currently available in Venezuela. The only nectarines available are from Spain, but they are in very poor condition, and Spanish plums are no longer available. Venezuelan peaches and plums have good quality and are being offered at much lower prices than the imported fruits. In Colombia, unstable supplies from California throughout the season led to some opportunities for Spanish and Italy stone fruit. Recently, California peaches and nectarines with average to above average quality and in large sizes have been available. In Ecuador, California peaches and Peruvian peaches are being offered at similar prices with similar quality. Some small quantities of California nectarines could also be found in Ecuador.

# 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 key holidays or festival dates in some of the markets, and brief descriptions of in-country activities.

## Hong Kong

### Holidays/ Festivals

- October 2 National Day
- October 6 Mid-Autumn Festival

## Taiwan

### Holidays/ Festivals

- October 6 Moon Festival

Steven Chu, the California PPN industry's representative in Taiwan, appeared on the popular fashion TV program, 'Shopping Master', along with the Grand Formosa Regent Hotel's chef to introduce California Tao Lee and to demonstrate some recipes featuring peaches, plums, and nectarines.

## China

In Dalian, a series of California plum promotional activities is scheduled for September 18 through September 27, covering a total of 8 modern retail outlets. In Shenzhen, two retail training seminars are scheduled the last week of September. Several in-store promotions are also being finalized with the leading retail chains in Shenzhen.

## Malaysia

CTFA in-store and sampling promotions are ongoing with the major supermarkets and hypermarkets. Due to the delay in harvest in California, especially for plums, this year's joint promotion with supermarket retailers are currently in full swing because retailers are finally able to source more California plum varieties for sampling activities.

In addition to in-store promotions, CTFA's School program in Malaysia will cover 10 primary schools this year and will reach approximately 11,000 students. The program will focus on the health benefits of California PPN and encourage students to enjoy the benefits of a fun, active lifestyle by incorporating sweet, healthy fruits from California.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CWM	48-56- vf	17.74	1.13
	Nectarines	CWM	40-56vf	17.90	1.29
	Plums	CUG	46-50-55 vf	19.43	1.22
	Peaches	MX	22 lb.	13.60	0.91
	Apple	WA,MX,	100-125-135	29.81	1.17
	Kiwifruit	Chile	22 lb.	18.52	1.16
	Strawberries	CA,MX	12 lb.	13.61	2.23
	Table-grapes	MX, Chile	18-20 lb.	12.00	1.27
	Plums	MX	18 kg	11.86	0.89
	Mango	MX	25 kg	8.20	0.47
	Pear	CA-Arg	36-44 lb	24.00	1.14
Hong Kong	Peach	CWM	18-48	32.46 - 45.45	1.04 - 3.38/pc
	Nectarine	CWM	48-64	15.58 - 23.37	0.38 - 1.56/pc
	Plum	CWM,CUG	40-70	15.58 - 38.96	0.43 - 1.3/pc
	Prune	CWM	21 - 28 lbs	28.57 - 38.96	1.56 - 2.60/lb
	Peach	China	60-90	11.68 - 14.29	0.26 - 0.43/pc
	Grape	USA	19 lbs	12.98 - 20.78	1.03 - 2.20/lb
	Apple	WA, China	40-72	14.29 - 23.38	0.26 - 0.52/pc
	Orange	USA	56-72	25.97 - 34.41	0.32 - 0.65/pc
Taiwan	Peach	CWM	15-21 lyr	21.3-30.5	1.1-3.0/each
	Peach	CWM	36-48/vf	18.2-27.4	0.8-1.1/each
	Peach	Japan	12-15/box	45.7-60.9	4.5-7.6/each
	Nectarine	CWM	48-84/vf	18.2-30.4	0.3-0.8/each
	Plum	CWM	35-45/vf	18.2-31.9	0.3-0.8/each
	Prune	CWM	80-110/vf	30.5-33.5	0.3-0.4/each
	Kiwi	NZ	30-33	9.1-13.7	0.3-0.5/each
	Apple	Chile	56-113	36.6-54.8	0.3-1.1/each
Singapore	Peach	CWM	56	43.33	1.00 - 1.20
	SW peach	CWM	40	44	1.67 pc
	SW Nectarine	CWM	64	29.4	0.87 - 1.00 pc
	Plum	CWM	35	60	1.20 - 1.33 pc
	Prune	CWM	70	42	5.33 - 6.00 kg
	Pluot/Plum	CWM	80	46.67	.87 - 1.00 pc
	White Peach	China	72	16.8	1.20/3 pcs
	Strawberry	Australia	12x250g	16.66	2.00 - 250g
	Golden Pear	China	32	10	0.60 pc
	Mango	Pakistan	12	10.67	1.33
	Grapes	Cal USA	9kg	29.4	4.60 kg
Malaysia	Peaches	CWM	56-64 vf	30.0-38.0/carton	0.78-1.25/pc
	Nectarines	CWM	62- 70vf	30.0-38.0/carton	0.78-1.25/pc
	Peach sw	CWM	56-64/vf	30.0-38.0/carton	0.78-1.25/pc
	Nectarine sw	CWM	64-88/vf	30.0-38.0/carton	0.78-1.25/pc
	Nectarines	China	9.9kg	73.0-79.0/kg	0.8-0.92/pc
	Apple	WA	88-135	16.2-22.0/carton	0.14-0.23/pc
	Grapes	USA	9kg	22.0-26.0/carton	1.36-1.68/lb.
	Orange	USA	113-180	16.1-21.0/carton	0.13-0.25/pc
	Plum	CWM	28lb.	22.0-26.0/carton	1.10-1.58/lb.

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Philippines	CA Grapes	USA		21.00-27.00/box	3.40-5.40/kg
	Longgan	Thailand		15.00-16.00/box	1.80-2.20/kg
	Ponkan	Argentina	56	13.00-13.50/box	0.30-0.35/kg
	Grapefruit	Argentina	#48-66	13.85/box	2.16/kg
	Pears	China	#24-96	9.60-13.00/box	1.26-3.50/kg
	Apples	China	#48-144	8.60-19.00/box	3.60-5.00/kg
	Watermelon	Philippines		0.66-0.94.00/box	0.80-1.20/kg
	Rambutan	Philippines		0.78-0.92/kg	1.32-1.74/kg
	Lanzones	Philippines		0.90-1.40/kg	1.28-1.80/kg
	Mango	Philippines		1.30-1.70/kg	1.60-2.5/kg
	Pineapple	Philippines		0.15-0.75/kg	0.30-1.70/pc
	Banana	Philippines		0.58-.1.30/kg	0.42-1.80/kg
Thailand	Peach	CWM	18-22/2lyr	58.85-72.50	2.72-3.75/pc
	Nectarine	CWM	30-40	61.25-65.0	6.22-7.37/kg
	Black Plum	CWM	25-40	41.05-48.64	3.5-7.47/kg
	Red Plum	CWM	25-40	67.50-75.0	3.5-7.47/kg
	Green Plum	CWM	40-45	25.0-30.0	11.87-13.0/kg
	Prune	CWM	70-80	58.54-65.80	8.87-9.97/kg
	Pear	China	20/1lyr	8.64-11.64	0.72-0.97/pc
	Grape	US	13/kg	41.88-76.98	5.37-9.87/kg
	Apple	China	20/2lyr	10.80-18.0	0.45-0.75/pc
	Apple	NZ	20/2lyr	9.60-19.20	0.4-0.8/pc
	New Zealand	Nectarine	CWM	72	0.96/lb
Nectarine		CWM	56	1.02/lb	3.92
Nectarine		CWM	64	0.94	3.92
Peach		CWM	64/48	1.05	4.55
Plum		CWM	40/50	0.9	3.27
Plum		CWM	Large	0.96	3.90
Plum		CWM	50	0.88	3.90
United Kingdom	Peaches	SPAIN	Loose	\$6.65	\$1.12 or 3 for \$1.90
	Peaches	ITALY	Tray	\$6.65	\$3.78 x 4
	Peaches	SPAIN	Tray	\$6.17	\$3.78 x 4
	Peaches	FRANCE	Tray	-	\$4.33 x 4
	Peaches	SPAIN	Punnet	\$4.27	\$2.81 x 6
	Peaches	ITALY	Punnet	\$7.60	\$2.45
	Nectarines	SPAIN	Loose	\$6.65	\$1.12 or 3 for \$1.90
	Nectarines	FRANCE	Loose	\$6.17	\$0.93
	Nectarines	ITALY	Tray	\$5.70	\$ 3.78 x 4
	Nectarines	FRANCE	Tray	\$7.98	\$4.73 x 4
	Nectarines	SPAIN	Tray	\$6.65	\$4.73 x 4
	Nectarines	ITALY	Punnet	\$7.98	\$3.38 x 5
	Red Plums	ISRAEL	P/kg	\$8.55	\$7.56
	Red Plums	UK	P/kg	\$1.70	\$7.58
	Red Plums	SPAIN	P/kg	\$5.22	\$3.76
Yellow Plums	SPAIN	P/kg	\$	\$7.58	

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
China	Yellow Plum	CWM	25COUNT/box	35.00/BOX	2.25
	Red Plum	CWM	25-35COUNT	28.75/BOX	1.24-1.88
	Plums	CWM	45COUNT/box	26.25/BOX	/
	Prunes	CHINA	LARGE, 10KG	8.75/BOX	0.5-1.00
	Peach	CHINA	48 COUNT	0.63/500g	0.88-1.00
	Peach	CHINA	70 COUNT	0.48/500g	0.75-0.94
	Peach	CHINA	BULK PACK	0.25/500g	0.31-0.44
	Black Plum	CHINA	65/70 COUNT	9.38/BOX	0.94-1.25
	Red Plum	CHINA	LARGE,5KG	9.38/BOX	1.00-1.50
	Black Plum	CHINA	MEDIUM, 9 KG	8.13/BOX	0.69
	Black Plum	CHINA	BULK PACK	0.48/500G	0.94-1.25
	Nectarines	CHINA	BULK PACK	0.23/500g	0.31-0.44
	Nectarines	CHINA	70/75 COUNT	8.75/8.12/BOX	0.82-0.98
Central America	Peach	CA	56-64	27.11-28.45	0.90-1.65
	Nectarine	CA	64-72	27.07-29.47	1.14-2.17
	Plums	CA	60-80	24.03-30.97	1.47-2.64
	Peach	Spain	60-80	19.23-23.07	1.08-1.13
	Nectarine	Spain	60-73	19.23-24.03	1.09-1.34
	Plums	Spain	50-60	20.25-24.94	0.97-1.49
	Apples	WA	80-163	26.92-29.14	0.86-1.01
	Apples	Chile	113-175	33.06-31.74	0.82-1.18
	Pears	Chile	110-135	27.31-29.23	0.95-1.06
	Pears	Arg	90	30.76-32.06	1.28-1.76
	Pears	Spain	22 lbs	28.84-29.80	1.36-1.63
	Grapes	Chile	18 lb	23.07-25.00	1.22-1.74
	Grapes	CA	18 lbs.	24.91	1.45-1.71
South America	Plums	CWM/USA	45-70	32.55-37.21	4.60-6.97
	Nectarines (Fantas)	Spain	70	27.90-37.21	4.60-7.81
	Peaches	Venezuela	N/A	N/A	1.81-4.13
	Melocoton	Venezuela	N/A	N/A	3.23-6.00
	Plum	Venezuela	N/A	N/A	2.51-5.58
	Peaches-CO	CWM	64-72	22.99-25.08	1.46-2.09
	Nectarines-CO	CWM	64-72	22.99-24.24	1.67-2.09
	Plums-CO	CWM	80	20.90-22.15	1.46-2.15
	Nectarines	Spain	64-72	10.86-11.70	1.67-2.09
	Plums	Spain	80	17.97-18.81	1.46-2.15
	Nectarines	Italy	66-72	11.70	1.67-2.09
	Peaches-EC	Perú	100-120	15.00-17.00	1.50-2.00
	Apple-EC	Chile	113-125	14.00-15.00	1.13-1.33
	Kiwifruit-EC	Chile	10 kl	13.00-14.00	1.95-2.16
Legend	CWM	Cal Well Mat®		MX	Mexico
	USM	US Mature		Aus	Australia
	CUG	California Utility Grade		NZ	New Zealand
	EC	Ecuador		Sp	Spain
	CH	Chile		Thai	Thailand
	WA	Washington		Mal	Malaysia