

# International Market Report

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

August 20, 2004

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### YTD Season Packout Totals

PEACH:	12,711.9
PEACH SW:	4,262.0
PLUM:	7,888.8
NECTARINE:	13,583.9
NECTARINE SW:	3,821.4

### Taiwan

*Steven Chu & Associates*

#### GENERAL COMMENTS

Merrill Lynch forecasts that the weak stock market in Taiwan may rebound in the third quarter as investors were overly pessimistic and excessively depressed some stocks led by electronics shares and followed by financial shares.

The market demand for fresh fruits during the reporting period was pretty strong due to the "Ghost Month" started from August 16, this year. The traders including both importers and wholesalers indicated that they need more fruits for the next following weeks but they also concerned on the unstable supply of California Tao Lee and the increase of their purchased cost. Some importers are sourcing peaches, especially gift-box for Moon Festival need from other supply origins.

#### MARKET SITUATION

California peaches and nectarines were found almost every where in the market but plums and prunes could only be found at hyper and supermarket outlets during the reporting period. Most of the major super / hypermarkets chains participated in the In-store promotion confirmed on the activity was successfully conducted and were satisfied with the sales increase during the promotion period. However, they all have difficulties getting plums and prunes for the next two weeks not mentioning for Moon Festival's heavy demand.

CURRENT ACTIVITY Exchange Rate US\$1.00 = NT\$34.1

California Tree Fruit	Grade	Size/ Counts	Wholesale Price US\$	Retail Price US\$
PEACH SW	CWM	16-25/1 lyr	21.99-29.32	0.56-2.34/pc
NECTARINE SW	CWM	56-64/vf	19.06-27.86	0.44-1.03/pc

PLUM	CWM	32-50/vf	19.06-27.86	2.61/10pcs
PRUNE	CWM	56/vf	39.58	0.73/pc

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	Local	24-36/2lyr	8.79-23.46	0.43-0.88/pc
Peach	Japan	8-10	23.46-29.32	3.51-5.86/pc
Grape	CA	20 lbs.	17.59-28.18	1.11-2.01/lb.
Apple	Chile	20 kgs.	23.46-43.98	0.42-0.83/pc
Apple	NZ	20 kgs.	17.59-41.12	0.35-0.83/pc
Kiwi	NZ	20 lbs.	8.79-11.74	0.26-0.43/pc
Mango	Local	40 lbs.	5.86-10.25	0.26-0.43/pc

#### COMPETITION

As before, both locally grown and Japanese imported peaches were in small supplies during the reporting period and did not affect seriously to the sales of California peaches. Local mango, pineapple and watermelon plus imported apples, kiwi and grapes were found in big volume and brought competition to California Tao Lee during the reporting period.

#### QUALITY

The overall quality of all California Tao Lee was good for both air and sea shipments from season beginning according to visited traders. Unfortunately, some traders complained of the poor flavor and less sweetness of some particular varieties of CTL which were not well accepted by local consumers.

#### ARRIVALS

Medium-heavy arrivals of California Tao Lee during the reporting period by both air and sea freight including: Snow Gem, Pink Moon, Snow Giant, Autumn Snow peaches: Arctic Blaze and August Pearl nectarines plus Kelsey, Fortune, Emerald Beauty and Black Amber of California Plums and some small Sierra Sweet and Fresh Sugar Prunes.

#### PROMOTION ACTIVITIES

Date	City	Chain	Stores	Days
07.08 / Aug.	Taipei	Sogo	1	2
07.08 / Aug.	Taipei	Far-Eastern	1	2
07.08 / Aug.	Taipei	Song Ching	1	2
07.08 / Aug.	Taipei	Wellcom	1	2
07.08 / Aug.	Taipei	Hyper-Geant	1	2

07.08 / Aug.	Taipei	Carrefour	2	5
07.08 / Aug.	Taichung	Carrefour	5	10
07.08 / Aug.	Kaohsiung	Carrefour	2	4
07.08 / Aug.	Kaohsiung	Dollars	1	2
14.15 / Aug.	Taipei	Sogo	1	2
14.15 / Aug.	Taipei	Song Ching	1	2
14.15 / Aug.	Taipei	Wellcom	3	6
14.15 / Aug.	Taipei	Hyper-Geant	2	4
14.15 / Aug.	Taipei	Carrefour	4	8
14.15 / Aug.	Taipei	RT Mart	1	2
14.15 / Aug.	Taipei	Tesco	2	4
14.15 / Aug.	Taichung	Carrefour	4	8
14.15 / Aug.	Taichung	RT Mart	2	6
14.15 / Aug.	Kaohsiung	Carrefour	4	8
14.15 / Aug.	Kaohsiung	RT Mart	1	2
14.15 / Aug.	Kaohsiung	Tesco	1	2
14.15 / Aug.	Kaohsiung	Dollars	3	6

#### UPCOMING PROMOTIONS

##### Trade Activities

- The merchandising to retailers will be continued till end of August. Budget for September will save to next year.

##### Consumer Activities

- More sampling days will be conducted at the best sales performed outlets of major hyper / supermarket chains to push for the sales movement of "Ghost Month".

#### TRADER FEEDBACK

Many importers complained on the short supplies of California Tao Lee this year, especially while the demand was quite strong for both Ghost Festival on August 30 and Moon Festival on September 28. They were rather upset since they all lose a good opportunity to make big profits by carrying US cherries this year and once more now for the short supplies of CTL.

#### MERCHANDISING / TECHNICAL ACTIVITIES

During the merchandising visit, merchandisers helped to the use of POS materials, to educate on the product knowledge in order to encourage the visited retailers to carry more CTL through the whole supply season and to the preparations for the outlets participated in the In-store sampling activity.

#### FEATURE SECTION -

##### Ghost Festival and Moon Festival plans

Due to the shorter supplies of California Tao Lee during Ghost Festival, the In-store sampling promotion will be conducted only at the best sales performed outlets of major super / hypermarket chains and to display all items is requested.

As there will be only a limited supply of CTL for Moon Festival the UES budget after August will be saved for next year.

##### Success stories July promotion

1. The TV ads for two waves been on-aired and obtained 389 GRPs from the forecasted 368, 75 % Reach from the forecasted 70 %, 6.3 frequency from forecasted 5.7 and total 10" CPRP is NT\$4,917.

2. Over 10 major super / hypermarket chains participated in the In-store sampling promotion and over 200 % sales increase been achieved.
3. 4 of five star hotels across the island participated in the Joint promotion and 4 Press Conference been held separately in Taipei, Hsinchu, Taichung and Kao Hsiung with over 60 participated. There were 1 TV news report, 4 newspaper reports, 6 internet reports been generated till today. More media exposures are expected.

## Mexico

### Grupo PM S.A. de C.V.

#### GENERAL COMMENTS

California Summer Fruit® sales were fair to good for this period. However, this trend was affected by back to school expenditures, which generally affected fine fruit consumption over the month. Consumer's turnout continues to be fair but this situation is temporary according to importers, and they expect fine fruit demand increases as warm weather benefits fresh fruit consumption.

#### MARKET SITUATION

California Summer Fruit® demand continues to be good at the retail market. Nectarines showed low availability and demand due to an increase in California peaches availability and sales, which in most cases substitute nectarines consumption, as consumers prefer peaches.

Availability and demand for California plums continues to be good in the wholesale and retail market due to a lower availability of local fruit. Prices are attractive for retailers; in fact that increased their confidence in this product and fair availability is expected for the next weeks. Average sales per week 1.5 loads.

Peach demand continues well in the retail and wholesale market. Market prices for peaches are reasonable showing an excellent quality. Average sales per week were of 2.5 loads, placing California peaches with a 45% market share and 55% for local peaches. Nectarine availability has decreased considerably in the wholesale and retail because supply is not constant. Only a few warehouses have them available and because there is no direct competition available in the market sales were good over the period. Average sales per week were of 2 loads.

Summerwhite® nectarines are no longer available in Gigante, which was the only supermarket chain that regularly offered this type. According to produce managers sale results were not as expected although price promotions because Mexican consumers are not used or recognize this relatively new variety in the market. Quality was not the best due to fumigation so they do not expect to have this variety available in the coming weeks.

#### CURRENT ACTIVITY Exchange Rate US\$1.00 = Pesos \$11.45

California Tree Fruit	Grade	Size/ Counts	Wholesale Price US\$	Retail Price US\$
Peach SW	CWM	70	15.43	0.90
Plum	CWM	40-50	13.10	1.13
Peach	CWM	36-52	14.85	0.81
Nectarine	CWM	40-64	14.85	0.98

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peaches	MX	33 lb.	8.95	0.81/lb.
Apples	Wa,Ch.	80-150	27.07	1.05/lb.
Kiwifruit	Chile	22 lb.	16.59	1.35/lb.
S-berries	CA, MX	12 lb.	7.42	1.58/lb.
Grapes	MX, Ch	18-20 lb.	13.54	1.04/lb.

#### COMPETITION

Chihuahua peaches continued with good availability in the market, selling 2 loads per week. Local peaches showed good demand and quality offering attractive prices making wholesalers and retailers to have good expectations for this product in the coming weeks.

Production will continue to be good; Amarillo peaches have lower availability and higher price.

Local plums showed low availability in the market and strong demand. However, lack of constant supply resulted on low sales.

Quality was good, but available sizes are small. Due to size differences between local and California plums, target markets are different and don't compete directly.

Indirect competition available in the market was the California table grapes, USA and Argentinean pears and Chilean apples.

#### QUALITY

California Summer Fruits® general quality was good over the period. Importers received fruit with firm pulp and good ripeness. Exhibitions in the retail and wholesale market showed good quality, only vendors from traditional markets commented on black spots in some of the fruit.

Plum quality was good, given firm pulp and uniform color. Retailers commented on the good quality reporting only problems with over ripeness occasionally.

Wholesalers commented that nectarines showed high quality, good appearance and had no ripeness problems.

#### ARRIVALS

Arrivals for California Summer Fruits® were steady - especially for peaches and plums. Nectarines continue with limited arrivals.

Wholesalers expect California Summer Fruits® to increase sales as the children are back to school.

#### PROMOTION ACTIVITIES

Activity	# of visits	Market	Comments
Merchandising	85	Supermarket stores	
	125	Traditional markets	POS distribution and exhibitions

#### Public Relations Activity

A total of 10 new recipes and pictures were developed for the three California Summer Fruits®. PR negotiated with magazine Kena Cocina which has 16 different magazines. Total printed issues of Kena Cocina were \$75,000 distributed nationwide in closed establishments and street stalls. Kena included all 10 recipes in its August edition.

CTFA also participated with 6 pages in the "Caprichos y Antojos" magazine August edition, which prints 50,000 issues distributed

nationwide. Participation was achieved in conjunction with other 5 commodity groups.

#### UPCOMING PROMOTIONS

Start Date	CITY	CHAIN	STORES	DAYS
28-Sep	CUERNAVACA	MEGA	1	6
August 22	MEXICO	WALMART	5	6
August 24	GUADALAJARA	GIGANTE	10	6
August 24	MEXICO	GIGANTE	10	6
August 24	MONTERREY	GIGANTE	10	6
August 25	CHIHUAHUA	WALMART	2	5
August 25	CD JUAREZ	WALMART	1	5
August 25	MONTERREY	WALMART	4	5
August 25	MEXICO	B. AURRERA	2	5
August 25	SALTILLO	WALMART	1	5
August 25	MATAMOROS	WALMART	1	5
August 25	MONTERREY	HEB	10	6
August 25	REYNOSA	HEB	1	6
August 25	NUEVO LAREDO	HEB	1	6
August 25	SALTILLO	HEB	1	6
August 25	MATAMOROS	HEB	1	6
August 25	TAMPICO	HEB	1	6
August 30	CUERNAVACA	SUPERAMA	1	6
August 31	CHIHUAHUA	AL SUPER	4	7
Augsut 31	CD JUAREZ	AL SUPER	1	4

#### TRADER FEEDBACK

According to importers from Guadalajara, California Summer Fruits® increased availability and sales in the market during this period having a higher market participation. For them, nectarines are not as attractive as peaches for consumers prefer peaches and handling nectarines have higher risks, which limited demand.

#### FEATURE SECTION -

In-store promotions were carried with Futurama-Al Super in Chihuahua and Cd.Juarez covering a total of 25 stores from July 21 to 26. This special promotion called "Del Campo a su Mesa" Fruit Festival is going to be carried monthly and support was achieved in conjunction with other two commodity groups to maximize results. According to purchase managers, sales results were good and specific results will be reported in the following report.

**Hong Kong**  
*Michael Wong & Co.*

#### GENERAL COMMENTS

A survey conducted by The Economist showed that the cost of living of Hong Kong dropped out of the top 10 among major cities for the first time in seven years. While Tokyo and Osaka still occupied the first and second positions, Hong Kong ranked the twelfth compared with the fifth last year. The drop in ranking was attributed to the weakening of the pegged US Dollar, prolonged deflation, salary

freeze and falling property prices. Though the strong Euro makes Hong Kong a much more attractive place for investment and leisure traveling, its cost of living remained higher than neighboring cities such as Singapore, Seoul and Shanghai.

#### MARKET SITUATION

There was a slight lack of supply of traditional peaches and nectarines in the market, being available only in supermarkets. Summerwhite® nectarines were widely available in both wet markets and supermarkets. Fire Pearl and Arctic Sweet were the most popular varieties. Donut peaches were also in supermarkets. The supply of red and black plums has been steady with consistent quality and movement. Plums are currently available with more sizes compared with the last reporting period. Prunes continued to be flown in. Small-sized Pluots have only just arrived into the market.

#### CURRENT ACTIVITY Exchange Rate US\$1.00 = HK\$7.7

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH SW	CWM	20-72	45.45-49.35	0.64-3.43/pc
PEACH	CWM	48-72	-*	0.60-1.36/pc
NECTARINE SW	CWM	48-80	10.39-11.67	0.26-0.60/pc
NECTARINE	CWM	56-72	9.09-10.39	0.26-0.49/pc
PLUM	CWM	25-72	16.88-18.18	0.19-0.43/pc
PRUNE	CWM	45-90	41.55-51.95	1.43-3.25/lb

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH	China	48-72	12.99-15.58	0.19-0.26/pc
NECTARINE	China	72-80	9.09-10.39	0.15-0.26/pc
CHERRIES	CA	28lb.	41.56-45.45	2.40-3.38/lb
S-BERRY	CA	12lb.	27.27-29.87	2.60-3.38/lb
APPLE	USA	80-100	15.58-22.08	0.19-0.22/pc

#### COMPETITION

There was a steady supply of China peaches in the market. China nectarines packed in box with English labels were also available in supermarkets at very low price, but were reported to be very sour. As autumn approaches, crystal pears from China are appearing in the market. Indirect competition also comes from other seasonal fruit such as longan, watermelon, papaya and others.

#### QUALITY

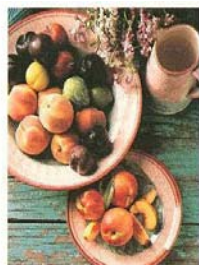
Overall the quality of California Tao Lee at the wet market was good. Prunes continued to be well received by consumers due to the consistent quality. A small number of supermarket outlets were reported to place CTL in fridge due to space constraints, affecting both flavor and aroma.

#### PROMOTION ACTIVITIES

PARKN'SHOP Magazine, Food Page

### 夏日桃李當造

飽覽烹飪書籍取完靈感，我便會創作新菜式。夏天鮮果當造，新鮮頂級的加州桃李——加州黃肉水蜜桃及白肉水蜜桃、桃駁李、加州青、紅、黑布林、甜布林及西梅，還有一些特別的品種，如新穎的「扁桃」及「恐龍蛋」布林，用來做夏日鮮果菜式，一定會增加全家人的胃口。



After years of limited stone fruit promotional activity, Park N' Shop was a great supporter of California peaches, plums and nectarines this season using a variety of means. Besides running an article in their store magazine touting the good harvest and all the new types of stone fruit California offers, the chain will also be participating in a "California Tao Lee" brand sponsored coloring contest and in-store sampling adventure.

#### Other Promotions:

Date	Chain	Stores	Days
July 9-Aug 5	Wellcome	250	28
July 9-July 21	Jusco	6	13
July 23-Aug 5	City Super	3	14
Aug 6-12	SOGO	1	7
Aug 11-24	UNY	1	14

#### UPCOMING PROMOTIONS

Date	Chain	Stores	Days
Aug 25-31	Wellcome	250	7
Aug 25-Sep 7	Park'N Shop	240	14

Wellcome will feature Pluot plums together with other CTL commodities at the end of August as part of their soft fruit promotion. Sampling will be offered in 30 Park'N Shop superstores with newspaper advertising support.

#### TRADER FEEDBACK

A shipment of Pluot plums arrived. Sizes were small and some were too soft according to wholesalers. Summerwhite® nectarines were quite popular and movement was quite good.

#### MERCHANDISING / TECHNICAL ACTIVITIES

The merchandising team continued to gather market information at both the retail and wholesale levels. They encouraged traders to use CLT POS and massive display to enhance the appeal of CTL. They also inspected the performance of promoters in the supermarkets. A seminar on CTL proper handling and storage was held on August 19, for 50 fresh produce and purchasing staff of Park'N Shop superstores. Some fresh produce staff said that the California nectarines they received from storage had coarse or soapy surface. This was attributed to improper storage and repeated back-and-forth transfer from fridge to dry table. It was further explained that fridge storage was detrimental both to the texture and aroma of CTL.

#### FEATURE SECTION -

##### GHOST FESTIVAL AND MOON FESTIVAL PLANS

Plans for Moon Festival were held back due to short supply of CTL by September as confirmed by supermarket chains.

#### SUCCESS STORIES JULY PROMOTIONS

##### Jusco American Food Fair (July 9-21)

Jusco stores were located at middle class residential districts which were suitable target segment for CTL. As part of their American Food Fair, seven CTL commodities were promoted and displayed at prime in-store locations. The promotion generated excellent sales which could be maintained at a satisfactory level even after the promotion. Sales increase for black plums reached 7538% compared with pre-promotion periods. Summerwhite® peaches also enjoyed sales increase of 1,412%, while that of red plums was 4,797%.

**PUBLIC RELATIONS EVENTS**  
**Fruit Basket Media Launch still paying dividends!**

The newspaper page clipping to the right resulted from the fruit basket and press release that was sent to key media throughout Hong Kong in early July. The headline reads "California Tree Fruit Sweet and Delicious". Besides the recipes and artwork, the article states: "California Tree Fruit have a new logo and a new name – California Tao Lee. Studies have shown that California peaches, plums and nectarines contain phyto-nutrients which act as antioxidants. Antioxidants protect the skin from the sun's damaging ultraviolet rays, an important consideration during the hot summer months. Fresh tastes of quality California Yellow Fresh and California White peaches and nectarines California green red and black plums as well as "sugar plums" or prunes are all available in Hong Kong now. This year you can also find the California "Doughnut" Peach and the California "Pluot" plum in Hong Kong. " A little something for everyone!



**Back on the Menu**

- the MIX promotion was launched on August 16 in their four outlets; CTL featured in salads, wraps, smoothies, juices and bakery items
- Steak Expert, a steak house chain, will launch a promotion of CTL in salad and dessert items in around 10 of their outlets; the chain will support with newspaper ad
- further promotions will be arranged with one hotel and one club; their menu will be publicized as part of the "Ultimate CTL Menu"

**Back in the Bag Loyalty Program**

- coverage generated in three dailies and four weeklies

**Back in the Box Coloring Competition**

- terms and condition of competition developed with prizes arranged
- results to be announced in Park'N Shop magazine

**Ongoing News Bureau**

- media list compiled for food, health, family and lifestyle publications; press release development

**NSA Region: Colombia, Venezuela, Ecuador - Consultores 27, Ltd.**

**GENERAL COMMENTS**

Venezuelan President Hugo Chavez won the referendum and offered on Monday to open a dialogue with his opponents, while vowing to intensify the reforms at the heart of the nation's political conflict.

World oil prices eased on hopes the clear result would end more than two years of confrontation between the populist leader and his critics. Venezuelan oil industry officials said operations were running normally after the vote as oil prices slipped from record highs close to \$47 to about \$46 a barrel. Energy traders say Chavez's victory eased the threat of disruptions to exports.

Colombia reduced its central government fiscal deficit in the first five months of the year, as growth in tax revenue outpaced spending. The figure means the government had used up 36 percent of the \$5.3 billion deficit to which it agreed for all of 2004 under the country's \$2.2-billion standby loan accord with the International Monetary Fund. Total revenue grew by 16.9 percent compared with January-May last year to \$6.26 billion, thanks partly to changes to laws which expanded the tax base and provided incentives for tax debtors to pay up. Higher economic growth also boosted revenues. In Ecuador, the first stage of court inspections in a lawsuit filed by local residents against ChevronTexaco over alleged environmental damage to Ecuador's Amazon region ended Thursday with the collection of water and soil samples. The inspections began Wednesday in the case filed by some 30,000 Indians and local inhabitants, who are seeking \$6 billion in reparations, though that figure could increase once the scale of the alleged environmental damage is determined. The oil giant Texaco, prior to its merger with Chevron, drilled in the Amazon region of Ecuador for 20 years, but denies all responsibility for the alleged pollution, noting that it left the area 14 years ago

**MARKET SITUATION**

Medium volumes of California stone fruits are finally available in Venezuela. About three containers of plums and nectarines arrived in excellent shape during the period. Most importers have been doing weekly visits to the Ministry of Agriculture to follow-up their import permit requests and many have still not being granted. They believe that the President's referendum delayed this process and are hopeful that since the referendum things will get back to normal. 70 percent of points of sale have now California stone fruits and once more permits are released, more will keep arriving. On the retail side, though consumers complain about the high prices of California stone fruits and sales have been slow supermarkets are happy that in-store sampling promotions will start the week of August 20, because they know how much more they will sell. Simultaneously, Venezuelan stone fruits are available in high volumes with good quality overall in peaches and plums and low prices.

Large volumes of California stone fruits are now available in Colombia with very good quality. Imports have been flowing without any restriction. The largest volumes are found at the Corabastos wholesale Terminal market of Bogotá and most supermarkets have now California peaches, nectarines and plums.

The largest volumes of California stone fruits in Ecuador are found in the main supermarkets of Quito and Guayaquil. Prices of California stone fruit, as reported by supermarket chains have been higher during this period and this is the reason for not selling larger volumes in municipal markets and fruit stores where each buying stand can spend a whole week selling just two boxes of fruits.

**CURRENT ACTIVITY COLOMBIA US\$1.00 = Pesos 2,300**

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH	CWM	60 -50	18.3	4.13
<i>Rich Lady</i>				

NECTARINE <i>Summer Brite</i>	CWM	60	24.48	4.43
PLUM <i>Catalina Friar</i>	CWM	80-90	19.89	3.30

Other	Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
KiwiFruit	Chile	N/A	13.00	2.41
Peach	Colombia	N/A	17.59	1.40

**CURRENT ACTIVITY VENEZUELA US\$1.00 = Bolivars1,920**

California Tree Fruit	Grade	Size/Count	Wholesale Price US\$	Retail Price US\$
PEACH <i>Rich Lady</i>	CWM	60-64 18 Lbs.	24.28-25.00	3.57-4.28
PEACH <i>Rich Lady</i>	CWM	60-64 18 Lbs. box	24.28-25.00	3.57-4.28
NECTARINE <i>Rubi Diamond, Summer Grand.</i>	CWM	60-64-72 18 Lbs. box	25.00	2.46-3.30
PLUM <i>Catalina, Black Amber, Friar.</i>	CWM	64-70-78 18 Lbs. box	25.00	2.46-2.89

Other	Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Peach Melocotón	Venez	5.5-Kg. Box	3.57-4.28	1.21-1.37
Peach	Venez	30-Kg. Box	8.92-21.42	0.85-1.07
Plums (Huesito)	Venez	5-Kg. Box	5.35	1.32-1.70
Apple	Chile	64 al 198	21.42-23.21	1.53-1.76
Apple	Wash	Size: 193	14.28	1.28
Strawberry	Venez	4-Kg. Box	4.28	2.42
Grape	Venez	5-Kg. Box	5.35	1.28
Grape	Venez	5-Kg. Box	7.14	2.03
Pears	Chile	60 al 100	25.00	2.00
Kiwifruit	Chile	10-Kg. Box	17.14-17.85	3.17-3.46
Mango	Venez	30-Kg. Box	5.35	0.33-0.39

**CURRENT ACTIVITY ECUADOR US\$1.00 = 25,000 Sucre**

California Tree Fruit	Grade	Size/Count	Wholesale Price US\$	Retail Price US\$
PEACH <i>Rich Lady</i>	CWM	56	18.00-20.00	2.40-2.53
NECTARINE <i>Summer Grand</i>	CWM	64	20.00-22.00	2.70-2.91
PLUM <i>Black Amber</i>	CWM	60	22.00	2.83

**COMPETITION**

The only competition for California stone fruits in Venezuela is from

peaches and stone plums from Venezuela with a good quality and lower prices.

Just very low volumes of Colombian peaches are available to compete with California stone fruits, but the season is almost finished.

It seems that Peruvian peaches have temporarily disappeared from Ecuador as the traditionally large trucks that are usually parked in wholesale terminal markets selling these fruits are no longer there. Therefore, there is no competition at this time for California stone fruits.

**QUALITY**

The overall quality of California stone fruits during this period has been excellent with good color, larger sizes and very sweet flavor. Venezuelan stone fruits are in good shape, but they tend to be less sweet than California stone fruits as the acid content is higher. And their price lower.

The overall quality of California stone fruits in Colombia has been very good. Only one importer complained about the presence of fungus in a shipment from California. Many sizes of California stone fruits are now available in large volumes.

Overall quality of California stone fruits is very good in Ecuador. Just some nectarines that we tried were a little acid.

**ARRIVALS**

Venezuela: Plums and nectarines

Colombia: All three fruit are arriving into the Corabastos wholesale terminal market.

Ecuador: One container of California stone fruits arrived to Quito during this period. More are expected for the week of August 20.

**PROMOTION ACTIVITIES**

Date	City	Chain	Stores	Days
August 19 – 22,	Caracas -	Plaza's	8	32
August 19 – 22,	Caracas -	Excelsior Gama	2	8
August 19 – 22,	Caracas -	Luvebras	2	8
Colombia				
August 10 - 14,	Bogotá -	Carulla Vivero	15	75
Ecuador				
August 10 – 22	Quito - Ecuador	Mi Comisariato	2	26

**UPCOMING PROMOTIONS**

**VENEZUELA**

Date	City	Supermarket	Stores	Days
August 26 – 29	Caracas	Plaza's	8	32
August 26 – 29	Caracas	Excelsior Gama	6	24
September 2 – 5	Caracas -	Plaza's	8	32
September 2 – 5	Caracas -	Excelsior Gama	6	24
September 9 – 12	Caracas -	Plaza's	8	32
September 9 – 12	Caracas -	Excelsior Gama	6	24

**COLOMBIA**

Date	City	Supermarket	Stores	Days
August 17 – 21	Bogotá	Olimpica	6	30
August 17 – 21	Bogotá	Pomona	5	25
August 17 – 21	Bogotá	Cafam	4	20
August 24 – 28	Bogotá	Éxito	4	20
August 24 – 28	Bogotá	Ley	3	15

August 24 – 28	Bogotá	Carrefour	3	15
August 24 – 28	Bogotá	Surtifruver de la Sabana	3	15
August 31–Sept 04	Bogotá	Carulla Vivero	14	70
September 7 – 11	Bogotá	Olimpica	5	25
September 7 – 11	Bogotá	Pomona	5	25
September 7 – 11	Bogotá	Cafam	4	20
September 14 – 18	Bogotá	Éxito	4	20
September 14 – 18	Bogotá	Ley	3	15
September 14 – 18	Bogotá	Carrefour	4	20
September 14 - 18,	Bogotá	Surtifruver de la Sabana	3	15

## ECUADOR

Date	City	Supermarket	Stores	Days
August 13 – 26, 2004	Quito –	Supermaxi	5	70
August 23 - September 05, 2004	Quito -	Santa María	5	70

## TRADER FEEDBACK

Importers in Ven3ezuela continue to be worried about not having official dollars to import fresh fruits. Besides the fact that they have to pay a much more expensive dollar to import from the United States as compared to the official dollar obtained for imports from Chile through ALADI, they have to also pay a higher import duty. This makes the price of California stone fruits more than double of the price of Chilean stone fruits. Import permits continue to be slow to being issued. Supermarkets complain about high prices of California stone fruits as they reflect direct concerns of consumers who cannot buy so much at these price levels.

There is nothing new to report. in Colombia or Ecuador.

## MERCHANDISING / TECHNICAL ACTIVITIES

### VENEZUELA

Action	# of Times	Sector	Comments
Merchandising	1	Importers & Wholesalers	Representaciones Dole
Merchandising	1	Importers & Wholesalers	Vidinter
Merchandising	1	Importers & Wholesalers	Friosa
Merchandising	1	Retail (Supermarkets)	Central Madeirense Av. Fuerzas Armadas
Merchandising	1	Retail (Supermarkets)	Unicasa Cumbres de Curumo
Merchandising	1	Retail (Supermarkets)	Hipermercado Éxito
Merchandising	3	Street Vendors Street markets	Puestos del Mercado Popular de Quinta Crespo
Merchandising	2	Street Vendors Street Markets	Buhoneros del este de la City.

### Colombia

Action	# of Times	Sector	Comments
Merchandising	1	Importers & Wholesalers	The first Fruits
Merchandising	1	Importers & Wholesalers	Imporfenix
Merchandising	1	Importers & Wholesalers	Frutcom
Merchandising	1	Retail (Supermarkets)	Carulla Vivero
Merchandising	1	Retail	Cafam

		(Supermarkets)	
Workshop	August 28	Importers & Wholesalers	Surtifruver de la Sabana,
Workshop	August 29	Retail (Supermarkets)	Exito
Workshop	August 29	Retail (Supermarkets)	Pomona
Seminar-Workshop	August 30	Importers & Wholesalers	Central de Abastos
Technical Visits	August 31	Importers & Wholesalers	Vigomez
Workshop	August 2	Retail (Supermarkets)	Ley
Workshop	August 2	Retail (Supermarkets)	Exito
Workshop	August 3	Importers & Wholesalers	Frutícola de Colombia
Workshop	August 3	Importers & Wholesalers	Imporfenix
Workshop	August 4	Importers & Wholesalers	Vigomez
Workshop	August 4	Retail (Supermarkets)	La 14
Workshop	August 5	Retail (Supermarkets)	Ley
Workshop	August 5	Retail (Supermarkets)	Pomona
Workshop	August 6	Importers & Wholesalers	Vigomez
Workshop	August 6	Retail (Supermarkets)	Éxito
Workshop	August 9	Retail (Supermarkets)	Olimpica
Workshop	August 9	Retail (Supermarkets)	Carulla
Workshop	August 10	Retail (Supermarkets)	Éxito
Workshop	August 10	Importers & Wholesalers	Vigomez
Workshop	August 11	Retail (Supermarkets)	Carulla
Workshop	August 11	Retail (Supermarkets)	Olimpica

### Ecuador

Action	# of Times	Sector	Comments
Merchandising	1	Importers & Wholesalers	Mercado Mayorista.
Merchandising	1	Importers & Wholesalers	Rueda y Salinas.
Merchandising	2	Retail (Supermarkets)	Santa Maria
Merchandising	2	Retail (Supermarkets)	Mi Comisariato
Merchandising	2	Retail (Supermarkets)	Supermaxi
Merchandising	2	Street Vendors Street Markets	Mercado Municipal Carolina. Mercado Municipal Santa Clara.
Merchandising	2	Fruit Stores	Frutería Portugal. Frutería América.

Workshop	16/07/04	Retail (Supermarkets)	Supermaxi
Workshop	16/07/04	Retail (Supermarkets)	Supermaxi Distribution Center
Workshop	17/07/04	Retail (Supermarkets)	Supermaxi
Workshop	17/07/04	Importers & Wholesalers	Rueda & Rueda
Workshop	17/07/04	Importers & Wholesalers	Mercado Iñaquito
Workshop	19/07/04	Retail (Supermarkets)	Santa María
Workshop	19/07/04	Retail (Supermarkets)	Santa María
Workshop	20/07/04	Retail (Supermarkets)	Supermaxi
Workshop	20/07/04	Retail (Supermarkets)	Supermaxi
Workshop	20/07/04	Importers & Wholesalers	Frutera del Litoral
Workshop	21/07/04	Importers & Wholesalers	Transmariner
Workshop	21/07/04	Importers & Wholesalers	Permanbau
Workshop	22/07/04	Importers & Wholesalers	Basesur
Workshop	22/07/04	Retail (Supermarkets)	Santa Isabel

## New Zealand

*Sue Knowles Ltd.*

### GENERAL COMMENTS

Over the past two weeks New Zealand has been hit with terrible winter weather, especially the South Island which has had a lot of snow thus affecting travel throughout the Island. Many of the airports have been closed including Wellington where there was the worst wind in many years. At times the wind reached 180 miles per hour! Wellington was declared under civil emergency earlier this week. There has been no transportation open between the two Islands for the last 2 days. This has greatly affected the flow of products up and down the Islands. Fortunately Auckland, the largest population center, in the north seems to have escaped the worst of it.

### MARKET SITUATION

All importers have reported that the market has strengthened over the last two weeks. Overall quality of fruit continues to be very average. Quality issues in previous shipments have made wholesalers hesitant to purchase large quantities, resulting in short supply however there is good customer demand for quality fruit. Over the last two weeks nearly all of the importers have reported some quality problems with the fruits however the issues don't appear to be as bad as the previous fortnight. The biggest problem continues to be with peaches as nectarine quality has been better and plum quality has been very good. It is really exciting to see three importers have imported Pluots this season. Both Foodstuffs and Progressive have advertised promotions with the Pluots and quality is very good.

### CURRENT ACTIVITY Exchange Rate US\$1.00 = NZ\$1.58

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH SW	CWM	64	\$ 20 - 24	NA
PEACH	CWM	48 56 64	\$5 - \$25	\$2.26
NECTARINE	CWM	56 64	\$28 - \$31	\$2.04
NECT SW	CWM	48 64	\$30 - \$34	\$2.04
PLUMS	CWM	45 65 70	\$30 - \$38	\$1.35 - \$2.72

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Grapes	Cal		\$2.00 - \$ 2.10	\$2.72- \$3.63
Oranges	Aust	72/18k	\$0.72	\$1.39
Mandarin	Aust		\$0.90 - \$1.09	-
Apples	NZ	100 ct	NA	\$1.13-\$1.43
kiwifruit	NZ	-	\$0.40 - \$0.54	\$1.35 - 1.55

### COMPETITION

California grapes are now being promoted heavy. Quality is still a bit mixed, as the seedless greens and reds are not holding well at retail

### QUALITY

Surprisingly, plum sales have slowed in spite of the fruit tasting fantastic and quality is very good. Importers have reported that the fruit is arriving slightly soft: Varieties in the market: Friars, Catalina, Simka, Black Diamond, Fortune, and Dapple Dandy Pluots. Peach quality ranges from excellent to very poor. This season we do not seem to be seeing the really good quality late season varieties, like we did last year. The main issues are, staining, rots, and dryness. Varieties in the market: Zee Lady, Snowking, Elegant Lady, Early O'Henry.

The nectarines are variable but generally okay. There has been noticeably more white flesh fruit in the market over the last two weeks. Varieties in the market: Summer Fire, August Pearl, July Red, Artic Queen, July Red, Artic Blaze, August Pearl

### ARRIVALS

Similar to previous weeks. Although shortening crops in California has impacted some arrivals.

### PROMOTION ACTIVITIES

- Last week of in-store demos in the South Island this week
- Demos continue in Wellington
- Progressive have pre-packed approx half their Pit Poppers and have had a good response from sales
- Fruit World display competition has gone very well over the last two weeks 15 stores participated. We will judge the best displays next week and draw the shopper prize also.

### TRADER FEEDBACK

Generally a quiet fortnight, stone fruit has moved reasonably well. Good demand for quality fruit. Most importers are a little hesitant about buying as they have experienced quality problems. One importer again reported all shipment arrivals this week had to be fumigated.

### FEATURE SECTION -

Successes this season.

New Zealand retailers and wholesales have been incredibly supportive this season. Most of the fruit used in the in-store demonstrations has been supplied free of charge from participating retailers. Post-demo feedback has also been positive as stores have reported very good sales during the demos *and* over the weeks following the promotions. This is the first year we have had the confidence to use fresh fruit for the demos, as opposed to using fruit prepared in recipes as was done in past years, and the response has been rewarding.

This is my first season and where possible we have tried to tailor the promotional program to suit what each supermarket chain requested. Overall I think this has gone very well, it has been a lot of work, but most of our chains have been involved in some way this year.

**Malaysia**  
*Lieu Marketing*

**GENERAL COMMENTS**

The Malaysian Institute of Economic Research (Mier) has forecast a minimum of 7% growth for the country's economy in the second quarter of 2004, but a string of weaker economic indicators for May released this month points to a figure lower than the 7.6% attained during the first quarter. With downside risks to growth intensifying in the longer term, Mier has forecast a further moderation in growth to 5.5% next year.

With the present economic situation, Malaysia will not change its policy on ringgit even if it is facing pressure from other countries to do so. International Trade and Industry Minister Datuk Seri Rafidah Aziz said, given the strong environment of the domestic economy, there is no urgency for the country to re-peg the ringgit. She also said that Government had no plans to reevaluate the ringgit at the moment and would see the movement of yuan, baht and rupiah of which the countries are our competitors in export markets for certain products.

With regard to retailers performance, The Store chain of supermarkets and departmental stores has reported a compounded average growth rate of about 25% in its net profits over the last three years. This is due mainly to the decision they took to concentrate in the secondary cities and towns in Malaysia, where there are fewer or no Tesco, Carrefour or Jaya Jusco stores.

With its proven formula, The Store has expanded into a chain of 38 stores throughout the peninsula. It has retail presence in all the states in West Malaysia and they are so confident in the Malaysian economy that they have just purchased more retail space in the East Coast of Malaysia.

**MARKET SITUATION**

With better presence now for California peaches in the Malaysian market, there is a big challenge in obtaining a consistent supply of the fruits of late. The feedback from some importers is that their shippers have advised them that there was going to be a supply shortage of California peaches and nectarines this season. As a result, there has been a very inconsistent supply for California peaches and nectarines especially this week regardless of the size count.

California nectarines have gained better awareness and demand this season. There are more supermarkets carrying the California nectarines this season compared to previous seasons. With the growing affluence of the Malaysian consumers and the better economic scene, there is now an increasing demand for "new imported fruits." The good quality of the California nectarines this season has helped instill the consumer preference for the fruit. However, during a recent market visit, there were some complaints of poor arrivals of nectarines.

To further increase the awareness of California peaches and nectarines as well as build the preference for these fruits, we have been working very closely with the importers and supermarkets to secure more fruits to enable us to conduct GWP promotions with the Pit-poppers. The supermarkets will highlight these premiums in their mailers as well as signage in their supermarkets. Demonstrators have been engaged to sample the fruits and to demonstrate the use of the Pit-poppers.

California plums are generally popular among the Malaysian consumers. As has become the usual practice, supermarkets are now carrying at least 2 to 3 varieties of plums. It is encouraging to note that a foreign supermarket chain has even imported the new Wickson variety and is having a prominent in-store display. The importers are now bringing in varieties such as Kelsey, Friar, Catalina and Fortune. However, some wholesalers noted the California plums that they received were not very firm and worried that the plums would not be able to last in the hot weather.

California plums are also now widely found in the fresh fruit stores. Merchandisers are reporting that the displays are bigger this year. They have, however, found presence of China plums in some of these stores, due to their lower prices. The China plums are predominantly in the secondary cities where price is a bigger purchasing factor. It is important that we continue to educate the consumers on California fruit quality and taste, to build the preference for the fruits.

We have begun our first session of the plum school sampling program. The students were excited and happy to learn about the different summer fruits from California as well as sampling California plums. It is important to educate consumers the benefits of eating California summer fruits from young, as they will continue to have a strong preference for the fruits as they grow. There is also the children "pester power" to get the parents to buy the fruits.

**CURRENT ACTIVITY** Exchange Rate US\$1.00 = 3.8 Ringgit 3.7

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	56 / 2 lyr	19.50-25.0	0.40-0.65/pc.
Nectarine	CWM	56 / 2 lyr	19.50-25.0	0.35-0.60/pc.
Nectarine SW	CWM	25lb	18.90	
Plum	CWM	28lb	17.90-19.80	0.82-0.95/lb

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Plum	China	2.27lb	6.50-7.80	0.68-0.80/lb
Peaches & Nectarines	China	900g Punnet	2.02/900g	2.70/900g
Apple	WA, China	130-150pc. 28pc.	18.9-21.62 7.4-7.80	0.33-0.65/pc. 0.18-0.20/pc.
Grape	Australia	4.5lb	5.5-7.30	0.72-0.85/lb
Kiwifruit	Chile	140pc.	15.0-18.0	0.13-0.18/pc.
Longan	Thailand	4.5lb	8.0-9.5	0.4-0.6/lb

#### COMPETITION

Chinese peaches, nectarines and plums are the direct competitors with California. However, their quality is not as good as California as they do not have a good taste and aroma. Most of the Chinese peaches turned moldy shortly after been displayed on the shelves.

#### QUALITY

The quality of California peaches and nectarines was generally acceptable. Feedback is that the consumers are happy with the good aroma and taste. There was some feedback on the quality of California plums that were not as firm upon receipt.

#### ARRIVALS

The arrivals of California peaches and nectarines were moderate as the supply was rather inconsistent. The importation for California plums is rather encouraging and there are now more varieties of California plums being imported into the country.

#### PROMOTION ACTIVITIES

California Summer Fruits promotions are being carried out as planned and we have been working closely with importers and supermarkets to ensure sufficient supply of the fruits to run each promotion. Pit-poppers are being used for the promotions with California peaches and nectarines.

#### TRADER FEEDBACK

Although the Chinese peaches, nectarines and plums are now found in the market, importers, wholesalers and supermarkets in general, prefer California Summer Fruits. The feedback was that the CTFA should be more active and aggressive to preserve the market share, as the Chinese fruits will improve their quality over the years.

#### MERCHANDISING / TECHNICAL ACTIVITIES

Action	X's	Sector	Comments
Trade Merch.	30/wk	Importers/Wholesalers/Supermarket Retailers	Be more aggressive to promote California Summer Fruits to compete with the Chinese.
Retail Merch.	80/wk	Traditional retail fruit vendors' outlet	Promote multi variety of plums/prunes and encourage them to sell peaches and nectarines

#### UPCOMING PROMOTIONS

Date	Chain	# of Stores	Promo/Fruit
9 <sup>th</sup> – 25 <sup>th</sup> July 04	Jaya Jusco	11	Promotion Demo / P & N
13 <sup>th</sup> – 22 <sup>nd</sup> Aug 04	Jaya Jusco	11	Promotion Demo / P & N
30 <sup>th</sup> Jul -- 11 <sup>th</sup> Aug 04	Cold Storage	8	Promotion Demo / P & N
13 <sup>th</sup> -- 31 <sup>th</sup> Aug 04	Giant	54	Promotion Demo / PL
September	Giant	54	Promotion Demo / N
12 <sup>th</sup> – 31 <sup>st</sup> August 04	Fajar (Kamunting)	1	Promotion Demo / PL
20 <sup>th</sup> -- 31 <sup>st</sup> Aug 04	Fajar (DU)	1	Promotion Demo / N & PL
13 <sup>th</sup> -- 31 <sup>th</sup> Aug	Fajar	1	Promotion

04	Superstore (Summit)		Demo / N & PL
21st Aug – 5 <sup>th</sup> Sep 04	Fajar (Melaka)	1	Promotion Demo / N & PL
28th Aug -- 12th Sep 04	Fajar (Taiping)	1	Promotion Demo / PL
28th Aug -- 12th Sep 04	The Store (Nation-wide)	35	Promotion Demo / N & PL
14th -- 29th Aug 04	The Store (Melaka)	1	Promotion Demo / N & PL
14th -- 31st Aug 04	Bintang (Selayang)	1	Promotion Demo / N & PL
18th -- 31st Aug 04	Makro	8	Promotion Demo / PNP
13th Aug -- 2nd Sep 04	Xtra Supercenter	4	Promotion Demo / PN
26th Aug -- 2nd Sep 04	Tesco	5	Promotion Demo /PNP
13th -- 31st Aug 04	Sogo	1	Promotion Demo / N & PL
21st Aug -- 12th Sep 04	Carrefour	8	Promotion Demo / N & PL
20th Aug -- 2nd Sep 04	Isetan	2	Promotion Demo / N & PL
27th Aug -- 16th Sep 04	Cosmart (Penang)	1	Promotion Demo / PL
27th Aug -- 12th Sep 04	Suiwah Group (Penang)	4	Promotion Demo / PL
21st Aug -- 5 <sup>th</sup> Sep 04	Gama (Penang)	1	Promotion Demo / PL
28th Aug -- 19th Sep 04	Fajar (Prai)	1	Promotion Demo / PL
27th Aug -- 10th Sep 04	Superkinta (Ipoh)	1	Promotion Demo / PL
6 <sup>th</sup> Aug -- 5 <sup>th</sup> Sep 04	SenyumSuper (Melaka Raya)	1	Promotion Demo / PL
6 <sup>th</sup> Aug -- 5 <sup>th</sup> Sep 04	SenyumHyper (Bt Berendam)	1	Promotion Demo / PL

#### FEATURE SECTION -

There were promotions tied in to jive with the Hungry Ghost month festival. The CTFA promotions will definitely drive sales, as the Chinese will buy peaches and nectarines for prayers. Supermarkets were happy with our arranged promotions and our efforts to promote the fruits during the festival.

The feedback from the supermarket manager is that the July promotion was very encouraging especially as the supply of California peaches and nectarines was consistent and the quality was good. There was a lot of trial purchase, especially at the outlets with promoters. The purchase quantity per consumer was also higher than normal during the promotion period. They are looking at more promotions for this season to further increase the consumer purchase of California Summer Fruits.

**Singapore**  
*Lieu Marketing*

#### GENERAL COMMENTS

Singaporeans celebrated 39 years of nation building on August 09, 2004. Outgoing Prime Minister Goh Chok Tong brought good news on the strong and growing economy to the citizens on his last

National Day speech to the nation. The Singapore economy grew by 12.5% in the second quarter, from the same period this year. The Ministry of Trade and Industry has readjusted its full year growth forecast to 8 to 9 per cent growth for the whole year.

Deputy Prime Minister, Lee Hsien Loong was sworn in to office as the new Prime Minister of Singapore on August 12, 2004. The change of leadership was in line with the government self renewal policy to let more younger generation ministers groomed to run the country. During the new cabinet reshuffle, some junior ministers were promoted to full minister while former PM Goh became the Senior Minister.

#### MARKET SITUATION

In the last two weeks, more California Summer Fruits were imported. Traders reported four full container loads and another five mixed loads of California plums, peaches, nectarines and prunes with other fruits were imported. There were more plum varieties, white nectarines and white peaches in these shipments. Most current imports have average to above average condition. We received reports of short shelf life on some SW peaches and nectarines that arrived by sea. Some importers expressed concern that their profit margin would be eroded if they were faced with poor quality fruit arrival. Other isolated reports on soft plums during arrivals were also received.

CURRENT ACTIVITY Exchange Rate US\$1.00 = S\$1.65

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach SW	CWM	34 / 2lyr	22.27	0.76-1.09/each
Peach SW	CWM	18 1lyr	27.27	2.12/each
Nectarine SW	CWM	64 v/f	22.37	0.51 - 0.55/each
Plum	CWM	50/55	22.90	0.15/each
Prune	CWM	100	34.36	5.15/ kg

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
White peach	China	900g X 10 punnet	18.45	2.36/900g
White nectarine	China	900g X 10 punnet	19.73	2.36/900g
Donut peach	China	900g X 10 punnet	19.09	2.73/900g
White peach	China	48 (4 x12 punnet)	15.15	2.36 (4pcs)
Grapes	USA	8.6 kg	20.36	3.56 /kg
Strawberry	Canada	9 kg	82.73	12.12 /kg

#### COMPETITION

China donut peaches, white peach and nectarines continue to have presence in the wholesale and retail markets in direct competition with California Summer Fruits. Australian strawberry and Washington Donut peaches continue to be available in most supermarkets. US cherries, strawberries and grapes from California and Egypt added to the competition for market share. More Malaysian durians have also been imported.

#### QUALITY

Most current arrivals have average to above average quality. Some shipment of SW peaches and nectarines have shorter shelf life than others. Decayed peaches nectarines found in selected carton at random check. Plums and prunes were mostly average firm on arrival. However, some feedback on soft plums was reported during trade visits.

#### ARRIVALS

More varieties of plums, and SW California peaches, nectarines and prunes arrived in four container loads and another with another five mixed loads arrived in heavy volume reported. Light volume of peaches was imported via airfreight.

#### MERCHANDISING / TECHNICAL ACTIVITIES

Action	# of Times	Sector	Comments
Trade Merchandising	25 per week	Import/ wholesale/Sup retail	Activity on going
Retail Merchandising	60 per week	Retail from vendors	POS display set up

#### FEATURE SECTION –

##### Ghost Festival and Moon Festival

Most importers are optimistic that demand for peaches, nectarines plums and prunes will increase from the first half of August to mid September, following the starting of the Hungry Ghost Festival which commenced from August 16. California Summer Fruits are some of the selected fruits that were bought for prayers, other than apples and oranges.

As for the Moon festival which falls on September 28, there has not been a big impact on retail sales as only peaches and nectarines will see an increase in volume during the few days prior to the actual day of the festival.

##### Success Story for July Promotions

On July 25, CTFA participated in this community event organized by the Singapore Health Promotion Board to promote their 2+2 healthy lifestyle eating, in conjunction with the official reopening of a wet market. Demonstrators conducted sampling on California plums, nectarines and peaches to reach over 3,500 visitors during this weekend event. Nutritional and product information leaflets on California summer Fruits were distributed to all visitors to encourage them to eat more plums, peaches and nectarines and to answer queries from interested consumers who wanted to know more about California Summer Fruits.

At the nearby wet market, two retail vendors were doing brisk business as plums and nectarines were the best sellers of the day with sales exceeding 200% from their normal sales. By participating in this event, California Summer Fruits has gained high publicity with consumers and being associated with the local health authority was an indirect endorsement for plums, peaches and nectarines as a “recommended” healthy fruit for consumers.

## Thailand

### Lieu Marketing

#### GENERAL COMMENTS

Trade between Thailand and Peru is expected to triple once the free-trade agreement (FTA) between the two countries has been implemented. Negotiations for the FTA were completed recently, and the FTA would come into effect by next year. Bilateral trade between the two countries would likely be tripled from US\$55 million last year. Thailand imported US\$36 million-worth of goods from Peru last year, which included chiefly fruit and vegetables, automotive parts and textiles, while exporting US\$19 million-worth of automotive parts, rubber, plastic and chemical products to Peru.

Thailand is bracing for uncertainties and financial volatility as higher oil prices and rising interest rate are hurting the economic fundamentals. Higher oil prices have led to deterioration of the country's trade balance. In the first quarter, the value of imports grew by 35.3%, compared to 27.3% in the same period last year. Thai interest rates are also going to be on an upward trend, following rise in global rates. Rising oil prices are expected to hit several economic sectors.

#### MARKET SITUATION

Trade visits revealed that there was a full range of California Summer Fruits available at wholesale and retail level during this reporting period. Four varieties of plums, SW peaches and SW nectarines and prunes were being imported. Traders reported most imports have had average to above average quality. Distribution for California Summer Fruits has further improved with arrival of more fruits as compared to the last two weeks.

According to information from a couple of importers, California nectarines import volume for the next few weeks may decline as they have been informed by their US suppliers that they may not be able to supply new orders for SW nectarines. However, they said that their current inventory and those stocks committed earlier should be able to last until September.

Merchandisers reported that most major supermarket retail chains and hypermarkets are carrying three or more varieties of plums/prunes and peaches or nectarines. At selected outlets, large sized California white peaches were very prominently displayed as compared to smaller size Chinese peaches which were also on the shelves.

#### CURRENT ACTIVITY Exchange Rate US\$1.00 = Baht

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	15	20.0-25.0	2.5-3.75
Nectarine	CWM	60	25.0-37.5	2.5-7.48
Black Plum	CWM	55	20.0-40.0	3.0-8.73
Red Plum	CWM	55	20.0-45.0	3.0-9.13
Prune	CWM	100	50.0-80.0	7.5-8.37

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	China	18	6.25-7.5	0.97-1.25
Langan	Thai	10kg	3.75-6.25	0.87-1.37
Rambutan	Thai	10kg	2.5-3.75	0.62-1.0
Grape	USA	8.5kg	30.0-45.0	3.75-8.73

#### COMPETITION

Chinese peaches are available in the market now. Even its big size fruit, its skin color, taste and eating quality were much less desirable as compared to California SW peaches. USA cherries, grapes and pears dominated the market in the last two weeks. There were lots of Chinese apples, South Africa pears and New Zealand persimmon in competition.

#### QUALITY

The quality for most current imports was described as good to above average for peaches and nectarines. Most plums and prunes have good quality.

#### UPCOMING PROMOTIONS

Date	City	Chain	Stores	Days
Aug 13-24	Bangkok	Tops	7	12
Aug 18-31	Bangkok	Makro	6	14

#### US Food Fair

On August 18, there was the grand opening ceremony of "Greeting Foods of USA" at Tops supermarket. Mr. Russ Nicely, Agricultural Attache of Thailand USDA, was the guest of honor at the official opening for the two-week event that CTFA participated and supported.

## CAM Region

### Grupo PM S.A. de C.V.

#### GENERAL COMMENTS

The region will benefit from the San José Agreement. This Agreement contemplates a cooperation scenario between all the Central America countries and some Caribbean countries and should help finance social and economic development projects, as well as the commercial interchange of goods and services. Beside this, the Venezuelan and Mexican disposition of providing hydrocarbon to all participant countries.

The governments of the region are looking up different way of impelling all economic sectors, being the tourism the one that is catching more attention. For example, in Guatemala the new government wants to increase the number of developed countries flights to the country, as a result, IBERIA airline will realize direct flight from Spain to Guatemala.

In the next days, Panama will change the government. Mireya Moscoso will leave the presidency. With this change, the economy is expected to increase a 6% and break the barrier of the 4% of the past years.

#### MARKET SITUATION

In all the countries forming Central America region, California Summer Fruits® are having a significant presence. The California Fruit having a bigger display space is the Peach, followed by the plums. Nectarines are available in some supermarkets having a slower sales movement than peaches or plums.

The traditional sector has important sales movement of California peaches. Plums and nectarines have reported a slower movement in this market.

It is important to mention that in Costa Rica as well as in Panama, Spain origin fruit has a significant presence in the market. Spanish fruit is available in some supermarkets.

**CURRENT ACTIVITY THROUGHOUT THE REGION**

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	50-84 vf	16.00-23.00	0.63-1.70/lb
Peach SW	CWM	64 vf	18.00-19.00	0.75-0.85/lb
Nectarine	CWM	56-72 vf	18.00-23.00	0.63-1.70/lb
Plum	CWM	40-70 vf	18.00-25.00	0.84-1.70/lb
Plum	CUG	55-70 vf	21.50-23.41	0.63-1.29/lb

**COMPETING FRUIT THROUGHOUT THE REGION**

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	SP, GT, ES	50-110	20.00-18.00	0.80-1.70/lb
Nectarine	SP	55-60 vf	16.00-18.00	0.80-1.70/lb
Plum	SP, GT	55-120	7.25-20.00	0.40-0.90/lb
Apples	CH, WA, GT	72-198	15.50-28.00	0.40-1.36/lb
Pears	CA, SP, GT	45-120	12.50-29.00	0.63-1.86/lb
Kiwifruit	CH	22-33 #	18.00-21.00	0.60-1.53/lb
Grapes	CA, CH	18-25 #	21.00-31.36	1.00-1.90/lb
S-berries	CL, GT, CR	10 lbs	24.00-29.00	1.13-2.00/lb
Cherry	US		24.00-26.00	2.95/lb
Tangerine	CH	64 vf	19.60	0.63-1.37/lb
Orange	CA	56 vf	23.07	0.48/lb
Pluot	CA	65 vf	24.00	1.34-1.37/lb

**COMPETITION**

The competition can be divided in local, mainly from Guatemala and the imported fruit from Spain. Local peaches and plums are still present in all the markets of the region. Guatemalan peaches are available in supermarkets and at the traditional sector. These peaches are not of good cosmetic quality, but they taste good. On the other hand, the Spanish fruit has been entering into the market, and are available in some supermarkets. These peaches and plums have poor quality.

**QUALITY**

During this fortnight, all California Summer Fruits® received by the importers presented very good quality. CTFA fruit is offering good quality on all sizes and has not show any ripening problems.

**ARRIVALS**

According to the importers, the imports of California Summer Fruits® have followed a continuous pattern. This pattern will continue and future imports of California peaches, plums and nectarines are expected.

This decision is the result of the good sales levels these fruits have achieved in supermarkets and at the traditional sector.

**UPCOMING PROMOTIONS**

Date	Chain	Products	Stores	Type
3-8 August	Hiper Piaz	All	6	Promo
15-30 August	Mega Super	All	2	Promo
August	Selector	All	55	Ads
August	Costa Rica	All		Ads

**TRADER FEEDBACK**

One top importer of the region mentioned that for the moment they are not planning future nectarine imports, as a result of the price increase reported for the last containers.

**MERCHANDISING / TECHNICAL ACTIVITIES**

Action	# of Times	Sector	Comments	Action
Merchandising	250	▶ Traditional sector ▶ Supermarkets	Place POS materials in POS and gather market information.	

**Japan**  
*J. Brain Inc.*

**GENERAL COMMENTS**

Japan Administration made an announcement on August 13, that GDP during this April-June was 1.7% with an 0.4% increase compared to the previous term. However, the increase percentage became declined compared the previous term which was attributed to the decline of facility investments. Of the increase of 0.4%, the abroad demand was 0.3% and 0.1% for the domestic demand was reported.

**MARKET SITUATION**

Due to the continued hot weather, almost of all local summer fruits moved toward the end because of the advanced shipment. Peaches and watermelon were expected to complete its season with low supplies and higher market prices. Given the hotter season, autumn fruits have now started to appear on the market ahead of schedule. Local peaches from all major production areas were reported to be finishing earlier than normal. Instead, the local Asian pear has started to appear earlier and was reported to be of good quality and with high brix levels.

CURRENT ACTIVITY Exchange Rate US\$1.00 = ¥ 109

Other fruit	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peaches	JPN	5kG	19.26-26	1.82/pc
Pear	JPN	5KG	15-19.26	1.77-2.36/pc
Kyoho	JPN	1KG	11.55-12.52	3.65/pc
Watermelon	JPN	13KG	12.52-17.33	4.56/slice
G Kiwifruit	NZ	1KG	4.00	0.90
Plum	JPN	700g	2.22-2.41	0.35/pc
Nectarine	JPN	5KG	9.63-19.26	1.81/pc
Prune	JPN	400g	2.11-2.88	0.57/pc

**COMPETITION**

The number of retail chains who saved as wide sales space for Asian pear as peaches was getting increased as the season of the local peaches moved earlier toward to the end. Although the retail prices for Asian pears was still higher, demand was reported to be very good as the consumer preferred to eat juicer fruits in the hot weather. Simultaneously, most stores are currently displaying local nectarines, plums and prunes. However, most sales space was predominated with Asian pear and peaches.

**ARRIVALS**

Cartons of Summerwhite® arrived on Aug.18<sup>th</sup>.

#### PROMOTION ACTIVITIES

Prior to the in-store demonstrations planned during August 21<sup>st</sup> and 22<sup>nd</sup>, TV paid publicity, to be aired during the prime time lurch slot, was conducted on August 20<sup>th</sup>, to help increase the awareness of Summerwhite and to stimulate consumer purchases. Trade press release featuring this TV publicity and the in-store promotion with the participated retail chains was mailed to produce trade media and traders.

#### UPCOMING PROMOTIONS

Along with the import of Summerwhite on August 18<sup>th</sup>, 72 in-store demonstrations will be implemented among 10 retail chains during August 21<sup>st</sup> and 22<sup>nd</sup>.

#### TRADER FEEDBACK

A importer commented that they really wanted to develop the market for Summerwhites as they believed the fruit to be very potential based upon the favorable feedbacks from their customers who have handled them. They also considered importing another shipment depending on the sales outcome of the recent load. Simultaneously, another importer was still negotiating with the supplier if they could import additional shipments as they have also received positive feedback from their customers regarding sales.

#### MERCHANDISING / TECHNICAL ACTIVITIES

Consistent contacts with key importers who planned additional shipments in August were made to ensure which retail chains they wanted to promote, and the face-to-face meeting with them was held to discuss the details of the possible promotion supports from CTFA, Japan. Simultaneously, contact with one importer who imported in July was also made to check their import plans for August. Negotiation was also conducted with 10 TV programs that could introduce California nectarine during the day time was made to gain the paid publicity. As the result, one nationally-aired and popular TV programs among the housewives agreed to introduce Summerwhite as a sweeter nectarine variety with white flesh, a brand new variety grown in California and now available in Japan.

#### FEATURE SECTION -

Almost all retail stores which had participated in July promotions commented that they wanted to handle California nectarine again because the good sales. They added the flavor was well accepted from consumers according to the buyer survey conducted at the promoted stores. Some of them had already commented that they wanted to handle Summerwhite consistently next summer and asked importers to make offers on that basis next summer. Importers also received the additional order even from the non-promoted retailers because of the good taste and good price offer.

### The Philippines *Lieu Marketing*

#### GENERAL COMMENTS

The National Statistics Office said imports in the Philippines rose 18 percent in June from a year earlier to 3.455 billion dollars. The trade deficit for the month hit 142 million dollars from a surplus of 132 million dollars last year. For the six months to June, imports grew 7.2 percent to 19.938 billion dollars, against exports of 18.734 billion

dollars. This led to a lower deficit of 1.204 billion dollars for the first half, over last year's 1.344 billion dollars.

The National Price Coordinating Council said prices of basic goods remain stable and are not expected to go up, at least for the rest of the month. Prices of basic consumer products have been stable for several months despite continuing increases in oil prices. The Agriculture Secretary said if the prices of agricultural products go up significantly, authorities will take steps to ensure that consumers have access to basic commodities at affordable prices.

The private-sector Consumer and Oil Price Watch recently warned of further increases in consumer prices by the end of the July-October quarter, when the impact of increases in the oil prices and transport fares are expected to be felt. Local prices of gasoline have risen by as much as P4.85 a liter and of diesel by as high as P3.65 a liter since the beginning of the year. The increases in oil prices and transport fares resulted in an unexpectedly high inflation in July to 6.6 percent, the highest in three years.

#### MARKET SITUATION

Merchandising teams are continuously visiting importers, wholesalers, fruit concessionaires of supermarkets and wet market traditional retail fruit vendors to educate them on the proper way of handling and storage of California Summer Fruits. Point of sale materials were also being distributed and merchandising techniques were suggested.

During trade visits, two importers reported that they have shipments of California Summer Fruits arriving in the last two weeks. The importers said that the bulk of the shipments were plums with three varieties imported. Peaches and nectarines form the balance of imports. We handed out crop up date information to the trade and informed them of the supply situation in the US and convinced them to book their fresh orders early to avoid disruption of supplies. Retail trade merchandising visits are ongoing on as merchandisers covered wet markets in heart of Manila city to promote California Summer Fruits. Recent government's planning to create a new tax scheme as officers stepping up auditing business establishments for data. A lot of fruit vendors are afraid to give their names, and contact info to our merchandisers as they thought we are disguised government operatives doing the tax auditing. Our merchandising team however, left behind Point of Sale materials and business contact info for them and will make return visits over the next month.

#### CURRENT ACTIVITY Exchange Rate US\$1.00 = Peso 53

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	56/40	41.36	4.43-6.60/ kg
Nectarine	CWM	64	24.53	3.58-6.98/ kg
Plum	CWM	40	24.53	4.34/ kg

#### COMPETITION

Chinese peaches and plums were found in the wet markets and were of poor quality. In fact, some of the Chinese fruits on display were no longer fit for sale. Traders said they would no longer want to handle China peaches because of the very short shelf life.

#### QUALITY

California plums that arrived are of firm, good quality. As for nectarines and peaches, quality was reported as average for most recent imports

UPCOMING PROMOTIONS

Supermarket	outlets	Date	Comment
Unimart	1	Aug 14-Aug 23	Plum and nectarines available; No peaches
Makati Supermart Alabang	1	Aug 14-Aug 23	Plum and nectarines available; Very few peaches
Cash&Carry Supermart	1	Aug 14-Aug 23	Plum and nectarines available; No peaches
Shopwise	2	Aug 27- Sept 5	Everything on schedule
Rustan's Supermarket	3	Aug 27- Sept 5	Sister company of Shopwise