

International Market Report

MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

October 1, 2004

Contact: David Miller
international@caltreefruit.com

YTD Season Packout Totals

PEACH:	15,355.7
PEACH SW:	4,814.2
PLUM:	9,774.6
NECTARINE:	14,958.5
NECTARINE SW:	4,912.2

Taiwan

Steven Chu & Associates

GENERAL COMMENTS

The jobless rate rose to 4.67 percent in August-the highest in nine months-from 4.62 percent in July, partly as a result of summer season work coming to an end, according to the Directorate-General of Budget, Accounting and Statistics figures.

National Central University officials said people are bullish about the market for the next six months, after investment sentiment bottomed out in August. The consumer confidence index edged up by 1.82 points from August to 75.68 in September.

At least seven typhoons hit the country and created new record this year, the Central Weather Bureau said that more typhoons are forecasted to hit Taiwan during this fall. Agricultural losses brought to the increases of retail prices for both fresh vegetables and fruits especially during the heavy consumption period of "Moon Festival".

MARKET SITUATION

There were only a small volume of California Tao Lee been brought into Taiwan market during the reporting period. According to the trade, the overall sales performance of fresh fruits was not as good as expected due to the weak market demand so that the retail prices for fresh fruits, especially for imported fruits, did not increase much compared to the period before "Moon Festival".

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

California Tree Fruit	Grade	Size/ Counts	Wholesale Price US\$	Retail Price US\$
PEACH SW	CWM	16-25/1 lyr	14.75-28.02	0.56-2.31/pc
NECTARINE SW	CWM	45-48/vf	28.02-32.45	0.44-1.47/pc
PLUM	CWM	32-50/vf	22.12-23.59	0.25-0.96/pc

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	Japan	10-16	29.49-38.35	2.36-3.83/pc
Peach	WA	16-20	25.07-29.49	1.77-1.92/pc
Apple	WA	64-72	47.19-50.15	0.59-1.03/pc
Apple	Chile	56	50.15-53.09	0.44-0.88/pc
Pear	Japan	10-12	30.97-35.39	3.24-4.60/pc
Pear	Korea	6-8	20.65-22.12	3.35-3.79/pc

COMPETITION

California Tao Lee, imported Japanese peaches and Washington peaches were found in the market but all in very small supplies during the reporting period. Asian pear imported from Japan and Korea were the major gift-box pack to meet the heavy demand during "Moon Festival". Locally grown fruits been seriously affected by the flood and typhoon recently in a negative way on the volume, quality as well as the retail prices. Seasonal fruits such as pomelo and persimmons plus imported apples and kiwi were found in a big volume during the festival.

QUALITY

The quality of California Tao Lee been brought into Taiwan market was unstable during the reporting period according to visited traders, but still, California peaches were in better taste, sweeter and bigger than Washington peaches.

ARRIVALS

Light arrivals of California Tao Lee were brought into Taiwan during the reporting period including Snow Fall peaches; Arctic Snow and Arctic Mist nectarines and a small volume of Flavor Fall Plums.

TRADER FEEDBACK

Many visited traders indicated that they would like to carry more California Tao Lee in the upcoming season as they lose the good sales opportunity to make big profit this year due to the short supplies. Especially for the "Ghost Festival" and "Moon Festival" at second half of the supply season.

FEATURE SECTION -

Report on Moon Festival sales

Due to short supplies of California Tao Lee, most major hyper/supermarket chains were having the gift-box pack of Japanese, Korean and local pears to replace California peaches for the sales during "Moon Festival". Since the weather was unstable and it rained almost everyday through the whole festival week, the market demand was weak and the

overall sales performance was not as good as expected by the trade.

Mexico

Grupo PM S.A. de C.V.

GENERAL COMMENTS

General fruit sales were fair for this period having consumers arguing on the constant price shifts. Still market turnout continues to maintain, but sales decreased slightly. Constant rain affected the retail and traditional market, but at the end of the month situation improved having more variety of fruits available in the market affecting imported fruits like apples, table grapes and peaches. California Summer Fruits® availability is low as the end of season is close.

MARKET SITUATION

Plums: California plums availability has maintained at the wholesale market due to its good quality and attractive prices. Availability at the wholesale market is 95% and 5% for the local plums. Average sales are of 2 to 3 loads per week and wholesalers are pleased with results. At the retail market availability is lower but still with good results due to attractive prices.

Peaches: Availability at the wholesale market is lower, but demand and sales maintain constant. Prices match the quality and market share with local peaches is 50-50% due to a lower availability of local peaches also.

While no summerwhite peaches were available at the wholesale market. For this season summerwhite varieties had a larger demand, but still market is used to yellow varieties, but wholesalers will continue to handle this relatively new varieties to give consumers more purchase options.

Nectarines: Nectarines availability was irregular and supply was not constant at the wholesale market. This inconstant supply benefits the wholesalers handling this variety and although prices are slightly high it does not affect sales. Average sales per week were of 1 load, but these are expected to decrease as season is ending.

Summerwhite nectarines were available in Gigante. Exhibitions and sales were small for peaches have higher demand, which limits sales for this variety. They usually exhibit and sell summerwhite and yellow nectarines together and had sales of 2 to 3 boxes per week. Prices were slightly high and sales increase during price promotions.

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

California Tree Fruit	Grade	Size/ Counts	Wholesale Price US\$	Retail Price US\$
Peach SW	CWM	64	--	--
Nectarine SW	CWM	70-74	-	1.34
Plum	CWM	40-50	20.89	0.88
Peach	CWM	36-52	17.41	0.95
Nectarine	CWM	40-64	16.10	0.63

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peaches	MX	33 lb.	13.14-15.67	0.79-1.00/lb.

Apples	WA, Ch.	80-150	18.71-23.66	0.71-0.82/lb.
Kiwifruit	Chile	22 lb.	12.40-15.77	0.95-1.10/lb.
S-berries	CA, MX	12 lb.	12.62-14.89	1.58-2.21/lb.
Table grapes	MX, Ch	18-20 lb.	10.88-14.02	1.03-1.06/lb.

COMPETITION

Major competition for all fine fruits was the local peach from Chihuahua. This origin showed good quality, sweet flavor and juiciness. It is available in 70% of the wholesale warehouses and 90% at the retail stores. At the traditional market this origin is the only one available showing good volume and lower prices than the California peaches. Quality was equal and during some periods better than the California peaches.

Local plums continue to be available showing good quality and attractive price. Volumes available are low and do not covers market demand so retailers prefer to go for peaches.

Fine fruits availability has increased in the last days mainly: California table-grapes, local apples and USA Pears which showed good size exhibitions, good availability and an increasing demand from both the wholesale and retail market.

QUALITY

Importers commented on the good quality of peaches. At the retail market good quality resulted on good sales and no major quality problems. Quality available was "CA Well Mature"

General quality of plums was good. At the retail market this variety showed good quality, slightly soft pulp, which for most consumers is attractive. Shrinkage is low for sales are constant and exhibition periods are no long.

Nectarines available in the market showed good quality at the wholesale market. Wholesales had no major problems with this variety. Supermarket stores handling this fruit show no major quality problems and firm pulps.

Summerwhite nectarines were available in Gigante showing an improvement in quality compared to past weeks. No negative comments were made towards this fruit.

ARRIVALS

California Summer Fruit® arrivals had no significant changes compared to past week. Average arrivals per week were of 2 to 4 loads of plums, 2 of peaches and 1 of nectarines. Arrivals for this origin are expected to decrease in the coming weeks, as end of season is close.

PROMOTION ACTIVITIES

Date	City	Chain	Stores	Days
Sep-14	MONTERREY	HEB	10	4
Sep-14	REYNOSA	HEB	1	4
Sep-14	NUEVO LAREDO	HEB	1	4
Sep-14	TAMPICO	HEB	1	4
Sep-14	SALTILLO	HEB	1	4
Sep-14	MATAMOROS	HEB	1	4
Sep-15	MONTERREY	SORIANA	1	9
Sep-17	MEXICO	CARREFOUR	7	4
Sept 15,17-18	TAMPICO	ARTELI	10	6

UPCOMING PROMOTIONS

A few final promotions will be run as volume dictates in early October.

TRADER FEEDBACK

Wholesalers from Guadalajara that has been handling Summerwhite varieties commented on lower volumes of this variety due to a higher demand of yellow peaches. They will continue to handle Summerwhite varieties while demand is good and it is good to have promotions with retailers to introduce them to these new varieties and also get consumers to taste and purchase this fruit.

MERCHANDISING / TECHNICAL ACTIVITIES

Action	# of Times	Sector	Comments
Merchandising	212	Traditional and wholesale market	Improve exhibition techniques
Technical seminars	8	Retail market	3 cities
Technical visits	30	Retail & wholesale market	3 cities

FEATURE SECTION -

California tree fruit availability has decreased as the end of season is approaching. Still in-store promotions were carried to support supermarket chains with fruit available like Soriana, HEB and Wal-Mart.

Hong Kong
Michael Wong & Co.

GENERAL COMMENTS

The unemployment rate dropped by 0.1% to 6.8% from June to August, a 30-month record low. New jobs mainly arose from retail, commercial services, welfare and community services. Apart from bolstering the tourism industry through relaxing visa application requirement for Mainland travelers, the Central Government also allowed Mainland enterprises to apply for branching in Hong Kong. Capital influx is expected to increase due to this policy.

MARKET SITUATION

A limited supply of peaches was available at selected gourmet supermarkets. Supply of both traditional and Summerwhite nectarines increased before the Moon Festival, with a wide range of sizes for consumers to choose from. A small number of wet market retailers also introduced nectarines of heavy sizes to cater for the Moon Festival.

Pluot overtook prunes as the most prevalent CTL these two weeks. Pluot were sold at high prices but consumers were willing to buy them due to the consistent quality. Emerald beaut was also quite popular, known as "emerald lee" among retailers. Consumers consider that good value because of the overwhelming sweetness. Movement of prunes slowed down and practically leveled out after the Moon Festival. A light steady supply of black plums was also available. The wholesale market was very quiet after the Moon Festival, since the market would be closed for the National Day on Oct 1.

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	9-48	--*	1.29-3.36/pc
PEACH	CWM	20-56	--*	1.29-1.52/pc
NECTARINE SW	CWM	48-72	14.29-15.58	0.26-0.65/pc
NECTARINE	CWM	9-72	11.67-18.83	0.26-1.56/pc
PLUM	CWM	25-72	21.08-28.57	0.16-1.95/pc

*Peaches were only available in supermarkets.

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH	China	30-70	10.39-12.99	0.19-0.43/pc
BROWN PEAR	China	20-24	10.39-13.00	0.43-0.65/pc
ORANGE	CA	20-32	22.08-23.38	0.32-0.65/pc
APPLE	China	32-56	12.99-15.58	0.25-0.43/pc
PAPAYA	Hawaii	20	9.09-11.04	0.65-1.68/pc
Strawberry	US	12lb	19.48-22.08	2.34-3.00/box

COMPETITION

Supply of China peaches was light during the reporting period, overtaken by the heavy supply of festive fruits. Some retailers used China peaches for fruit gift baskets. China brown pear was at its peak season and was the most prevalent item in the wholesale market.

QUALITY

Quality of black plums was considered acceptable among wholesalers; retailers were also satisfied in terms of sweetness. While retailers were satisfied with the taste of traditional nectarines, the Summerwhite varieties tended to have scarred surfaces. Pluot was the late season favorite. Traders were willing to buy them due to the consistent quality and good movement

PROMOTION ACTIVITIES

Date	City	Chain	Stores	Days
Aug 11-24	Hong Kong	UNY	1	14
Aug 25-31	All territories	Wellcome	250	7
Aug 25-Sep 7	All territories	Park'N Shop	220	14

According to UNY's promotion report, sales on average increased by 52% across the seven commodities promoted. Sales performance was maintained at a satisfactory level after the promotion, with an average increase of 39% compared with pre-promotion periods.

MERCHANDISING / TECHNICAL ACTIVITIES

The merchandising team continued their second round of retailer visits to distribute trade incentive upon continual display of CTL POS. Most retailers liked the appearance of our trade incentive and considered it effective for conveying the "CTL as a brand" message. Market information was gathered at both the retail and wholesale level regarding festive sales.

FEATURE SECTION -

REPORT ON MOON FESTIVAL SALES

Since the overall supply of CTL was light, sales was not very significant or bolstered by the Moon Festival as only about 20% of retailers carried CTL. Though consumers usually chose more traditional fruits like oranges and apples for festivals, Pluot was considered a treat among consumers.

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

GENERAL COMMENTS

Venezuela's government approved this week a six-month extension of a labor freeze barring companies from dismissing workers in a job protection measure that has been criticized as restrictive by business leaders. The government also approved an easing of tight curbs on domestic credit card use under a tough currency control regime imposed last year to halt capital flight from the country. The labor measure, which forbids public and private companies from firing workers who earn less than twice the minimum monthly salary -- the bulk of the nation's workforce -- was imposed in 2001 and has been extended several times. Venezuela's minimum salary is around \$167 a month at the current fixed exchange rate of 1,920 Bolivars to the dollar. Unemployment dipped to 14.2 percent in August, nearing the official target of 12 percent for 2004. Critics of the government say policies such as the labor controls and the currency curbs are hampering growth. The government on Thursday approved a further easing of the foreign exchange controls related to use of domestic credit cards for purchases overseas and on the Internet. The cap on overseas purchases with credit cards was lifted to \$4,000 from \$3,000 a year and to \$3,000 from \$1,500 a year for Internet transactions in foreign currencies. Chavez has steadily eased the curbs, but the populist leader has said the control regime will not be lifted any time soon. Businesses must still apply to a state currency board for dollars to pay for imports and external debt.

The Colombian government said on Thursday it would postpone the end of subsidies for gasoline and diesel, due to rising international fuel prices. The announcement came as the government tries to convince truck drivers - angry about rising fuel prices and road tolls - to end a 17-day-old strike which is beginning to reduce key coffee exports. The subsidies, due to be phased out this year, will now stay until the end of 2005 for gasoline and until the end of 2006 for diesel. Colombia had planned to reduce fuel subsidies as part of its plan to limit its fiscal deficit under the terms of its loan program with the International Monetary Fund. Colombia is a net oil exporter.

According to the government's National Statistics Department, the unemployment rate in Colombia's main cities fell to 15% in August from 15.3% in July. The tough security policies of President Alvaro Uribe have been hailed from Bogota to Wall Street as helping economic growth. Gross domestic product is expected to expand by at least 4 percent this year and next. Uribe enjoys an approval rating of more than 70 percent and Colombia's international bonds have outperformed in 2004 as investors bet the government's market-friendly policies will pay off.

Colombia is seeking to renew a two-year loan accord with the International Monetary Fund that expires in January to boost investor confidence as the country seeks to lower its public debt. Renewing the IMF accord should help President Alvaro Uribe muster support in Congress for legislation such as pension and tax bills aimed at lowering a public debt equal to about half the country's \$90 billion gross domestic product. Colombia informed a visiting IMF team on Sept. 2 that it was considering extending the IMF accord, while the IMF delegation said the Washington-based lender was willing to continue its "close ties" with Colombia. Colombia is set to achieve its deficit target of 2.5 percent of GDP this year, and is likely to reach

2.4 percent next year. The lower deficit will help reduce the public debt load to 51 percent of GDP next year from a projected 52 percent at the end of this year. The IMF says it expects Colombia's economy to grow 4 percent this year, compared with 3.9 percent last year. The economy shrank 4.2 percent in 1999, the year Colombia signed its first IMF accord.

MARKET SITUATION

In Venezuela Import permits for imported fruits continue to be granted but only after great insistence by importers, because it takes a long time to obtain responses from the Ministry of Agriculture. The California stone fruit season is over in Venezuela. During this period the last two containers of Angelino plums arrived to the country through one large importer and no more are expected. In the meantime the Venezuelan market still has medium volumes of California nectarines and plums in almost all points of sale from the two containers containing California peaches, plums and nectarines which arrived at the end of August. California peaches are no longer available and there still a high resistance from importers to buy more peaches, as they fear their short shelf life. On top of this, the import situation is not entirely normal and the importers prefer to buy fruit that can hold in the event of delays at the port. The quality of all California stone fruits imported at the end of August and during this period has been excellent, with firm fruits, nice colors and great flavor. However, prices are still considered high for the average consumer. Venezuelan stone fruits are also available in large volumes with small peaches and melocotones (large peaches). Both have good quality, especially the melocotón and their prices are lower than those of imported stone fruits.

Due to the 17-day truck strike in Colombia, there have been delays in the arrival of imported fruits from the Buenaventura port to the largest cities of the country. Most of the importers had to cancel some import plans because they don't want to have fruit at the port at this time. However, some other importers have found ways to transport some of the fruit using other alternatives, but with great risk for them because the transportation unions are very strong in Colombia and could do damages to whoever is trying to help companies to transport their goods. Truck unions are requesting higher transportation rates; they are also requesting that road tolls be frozen for the rest of the year, and are also complaining about the high price of gasoline. Therefore, many containers with imported fruits are still at the port and shortages of several basic products are starting to be observed in different points of sale of the country.

On the other hand, we have some good news for USA fruits. The Chilean government has not been complying with the bilateral agreement that they have with Colombia in the sense that they are not buying the sugar quotas promised under the agreement. Therefore, the Colombian government will start enforcing an import tax of 15% to all products from Chile, including fresh fruits. This is almost confirmed but has not started yet. This will place USA fruits on the same grounds of Chilean fruits which enter Colombia free of customs duties for several years now.

California stone fruits are disappearing from Ecuador as importers report that they were no longer available from California. Volumes of California stone fruits are low now only in supermarkets. On the other hand, Peruvian peaches are still available in municipal markets and fruit stores with good quality and low prices. The price of California stone fruits has been high during this period. Only peaches are still available and nectarines have been completely sold. Trade

mentioned that they felt this California stone fruit season as an unusually short one. The season for Ecuadorian peaches is now over.

CURRENT ACTIVITY COLOMBIA US\$1.00 = Pesos 2,100

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	50-56	25.00	3.92
Nectarine	CWM	56-64-67	21.15	3.76
Plum	CWM	50-54-55-60	27.60	4.15

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
KiwiFruit	Chile	N/A	11.53	2.61
Peach	Colo	N/A	17.30	1.84
Nectarine	Spain	Small/Med	16.9 (8-kg box)	N/A
Plums	Spain	Small/Med	28.4 (9-kg box)	N/A
Peaches	Spain	Small/Med	28.4 (9-kg box)	N/A

CURRENT ACTIVITY VENEZUELA US\$1.00 = Bolivars

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Nectarine	CWM Us Mat	64-70	26.15-26.92	2.90-4.03
Plum	CWM	40-45-75	26.15-26.92	3.00-4.69

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Melocotón	Venez	5.5-Kg. Box	3.84-4.61	1.34-1.65
Peach	Venez	30-Kg. Box	9.61-23.07	1.03-1.30
Huesitos	Venez	5-Kg. Box	5.76-6.53	1.80-1.92
Apple	Chile	19-Kg box	21.15-25.00	1.65-2.11
Black Grape	Venez	5-Kg. Box	2.69-3.07	1.23-1.53
Green Grape	Venez	5-Kg. Box	6.92-7.30	2.19-2.40
Grape Other	Calif	8.2-Kg. Box	30.77-32.69	5.73-6.15
Strawberry	Venez	4-Kg. Box	4.61-5.76	1.34-2.42
Pears	Chile	18-Kg box	23.07-26.92	2.11-2.30
Kiwifruit	Chile	10-Kg. Box	19.23-23.07	2.75-3.96
Mango/a	Venez	30-Kg. Box	5.76-6.53	1.15-1.34

CURRENT ACTIVITY ECUADOR US\$1.00

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH	CWM	56	20.00-22.00	2.53-3.14

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	Peru	150	11.00	1.00

COMPETITION

In Venezuela, the only competition for California stone fruits comes from Venezuelan peaches and melocotones and the last "huesito" plums. All of them have excellent quality.

In Colombia, Nectarines from the Spanish firm Cachirulo have been available during this period but in small volumes and with higher prices than California as they are quoted in Euros. Their quality is

very good and only medium sizes have been imported. Also small imports of peaches and nectarines from the firm Rivoira Giovanni of Italy have been available during this period. However, since they had just arrived, prices were not available yet for supermarkets. One of the Colombian importers was planning to import 5 containers of Italian stone fruits per month while they were still available with good quality.

Peruvian peaches are the strongest competition for California stone fruits in Ecuador at this time with affordable prices and good quality.

QUALITY

Excellent quality for the nectarines and plums from California available are Venezuela. Venezuelan plums and peaches are also very good.

Excellent quality for the California stone fruits available at the points of sale in Colombia during this period. However, there is some concern to how the truck strike will affect the quality of the stone fruits that are still at the port.

Some of the California stone fruits are already soft and with bruises, but most of them are very good.

ARRIVALS

While a couple of containers of Angeleno plums arrived into Venezuela during this period, no more are expected for this season.

In Colombia, as the supplies in California are smaller, the main importers will still do some last imports from California but at the same time they are also buying from Italy.

The stone fruit season has essentially been finished in Ecuador.

TRADER FEEDBACK

Venezuelan importers are very concerned about the growing corruption to obtain import permits at the Ministry of Agriculture. Rumors say that each importer needs to pay an average of US\$1,153.00 per container and not everybody is willing to pay this price. Supermarkets complain that due to the high prices of California stone fruits, sales are rather low.

Colombian importers are concerned over the new high transportation costs which will result from the negotiations between the truck unions and the Colombian government. Also importers are concerned that they will be forced to lower the price of the stone fruits that are still at the port held by the transportation strike, which will be too ripe by the time that they receive the fruit.

MERCHANDISING / TECHNICAL ACTIVITIES

RECENT WORKSHOPS

Location	Date	Company	Attendees
Venezuela - Edo. Miranda	August 19th, 2004	UNICASA - Los Valles del Tuy	16
Venezuela - Caracas	September 21, 2004	UNICASA - Caracas	8
Venezuela - Caracas	September 22, 2004	UNICASA - Caracas	10
Venezuela - Caracas	September 24, 2004	LUVBRAS - Caracas	10
Venezuela - Caracas	September 28, 2004	EXCELSIOR GAMA - Caracas	12

Other markets have had merchandisers meeting with traders to obtain market feedback and details.

New Zealand

Sue Knowles Ltd.

GENERAL COMMENTS

Importers did not mention wharf disputes impacting the last two weeks arrival which is good.

The last two weeks have been school holidays and sales have slowed a little over this period. The season is at the tail end. Most importers have their final shipments now here. Two importers have one last shipment to arrive.

Over the last two weeks there has been voting for local government. The New Zealand dollar has risen slightly to NZ\$1 = US\$0.67. This is a jump from 0.64 – 0.65.

MARKET SITUATION

The last shipments are now arriving. While one importer, Freshmax Auckland, has finished; the other importers still have limited volumes arriving over the next two weeks.

Importers are generally happy with the plums and happy with the quality of the plums. Pretty much 100% of the plums are not Angeleno's. Generally the fruit is large, sweet and selling well. The nectarines are also still eating well in most cases, although there is not a lot of colour on the fruit. One importer felt this may be a barrier for sales. Just a few peaches remain and the quality is generally quite poor. A number of rots are appearing and eating quality is marginal.

CURRENT ACTIVITY Exchange Rate US\$1.00 = NZ\$1.49

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
PEACH SW	CWM	64	\$30	\$2.26 - \$2.72
PEACH	CWM	50	\$30	\$2.26 - \$2.72
NECTARINE	CWM	64	\$25 - \$32	\$2.26 - \$2.72
NECTARINE	CWM	56	\$35 - \$40	\$2.26 - \$2.72
PLUMS	CWM	60 65	\$38 - \$42	\$2.26 - \$2.72

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Grapes	Cali		\$1.50	\$2.72- \$3.17
Pears	Ausi	18kg	\$0.95	\$1.81
Oranges	Aussi	72/18	\$0.86	\$1.81
Mandarin	Aust		\$0.68	\$1.81
Banana	Ecuad	18kg	\$0.36 - \$0.45	\$1.13- \$1.35
Apples	NZ	100 ct	NA	\$1.13 - \$1.43
kiwifruit	NZ	-	\$0.40 - \$0.54	\$1.35 - 1.55

COMPETITION

New Zealand citrus have now pretty much finished. This is being replaced with the first of the Australian Ellendale Mandarins. California grapes continue to be a major player, although mixed quality of the product is not helping sales. The first of the Australian pears are now in the market.

QUALITY

Plums: Sales have been very good. General appearance and colour of the fruit is excellent and eating quality continues to be very good. Now 100% of fruit is now Angeleno. The fruit is arriving firm and remains juicy and sweet to eat

Peaches: There are not a lot of peaches now in the market. MG Wellington and Auckland had some White flesh September Snow, quality is generally average. Eating experience is dry and mealy. There are also some September Flame, these are very average, a lot of rots appearing in the fruit.

Varieties in the market: September Snow, September Flame

Nectarines: Not the colour of earlier arrivals however the fruit is selling well and eating well. Most fruit eaten this week was sweet and juicy.

Varieties in the market: August Fire, September Red

ARRIVALS

Industrial issues in California continue to impact arrivals. The season is also shortening and arrivals have reduced. One importer has finished with nectarines and peaches and has just a few plums still to arrive over the next two weeks. Arrivals have generally been made up of yellow nectarines and plums and a small amount of peaches.

TRADER FEEDBACK

Quality is generally good, particularly the nectarines and plums. Sales are steady - some traders have reported sales are slow due to schools holidays. Supply has improved over the last 2 weeks.

Final deliveries are expected over the next two weeks with predominantly nectarines and plums

Malaysia

Lieu Marketing

GENERAL COMMENTS

Malaysia is on track to achieve the 7% gross domestic product (GPD) growth forecast for this year, said Minister in the Prime Minister's Department Datuk Mustapa Mohamed. In the first and second quarters of 2004, the country had recorded 7.6% and 8% GDP growth respectively.

Competition in the retail sector is growing fierce but The Store Corp Bhd, which owns a supermarket chain in Peninsular Malaysia, is not overly concerned. The group's new outlet in Kota Baru in the east coast will be opened in early October, and the one in Northern Malaysia, Alor Star, by year-end. These two stores will expand the group's retail chain to 40 outlets. The Store also owns Pacific Hypermarkets Group Sdn Bhd that owns two hypermarkets in Alor Star, Kedah, and Prai, Penang.

MARKET SITUATION

Overall sales in the fresh fruit industry were reported slow in the past two weeks, owing to the rain and wet weather. The importers and wholesalers were experiencing slow fruit movement. They expected big pick-up during the recent Mid-Autumn festival did not live up to the traders' expectation.

Ms Sheri Mierau, VP of Marketing and Mr David Miller, International Programme Director of CTFA were in Kuala Lumpur for a trade visit from September 28 and 29. The visitors met up with importers, wholesalers and supermarket buyers to find out the happenings in the Malaysian market. They also visited the traditional retail wet markets to get a feel of the market.

Small volumes of California plums are also still available during this reporting period. At the wholesale market, importers and wholesalers still have two varieties of plums from previous shipments

with Angeleno plums being the majority variety available. As for California nectarines, there are not much fruits left in the importers and wholesalers' cold rooms. The quality of these fruits is also getting soft. However, we still can find some better quality California nectarines sold at some of the higher-end supermarkets.

The displays for California Summer Fruits are getting smaller in the market, especially at the supermarkets, as we move towards the end of the season. Almost all the displays of California Summer Fruits in the supermarkets are now made up of California plums. California peaches are no longer found during our market visits although there were still small quantities of California nectarines.

Retailers remarked that it was unfortunate that supply of California plums are becoming lesser as there is still good consumer demand in the Malaysia market. The situation has made the importers switch to handling some Chinese plums to meet the market demands, despite the lower quality Chinese plums commented by the trade as compared to California plums.

The CTFA display contest with the two major supermarket chains was over and we are now in the process of arranging judging with the participating supermarket managers. The senior managers of the supermarkets are being invited together with the local CTFA local representative, to conduct the judging to decide on the winners. Creative display using more CTFA POS materials, in store signage with CTFA logo, correct country of origin and labeling of multiple varieties of California peaches, nectarines, plums and prunes were some of the judging criteria.

CURRENT ACTIVITY Exchange Rate US\$1.00 = 3.8 Ringgit

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Nectarine SW	CWM	25lb	23.50	0.40-0.79/pc.
Plum	CWM	28lb	21.00-31.00	0.97-1.10/lb

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Plum	China	8kg	9.46	1.70-1.85/kg
Apple	WA,	130-150pc.	18.9-21.62	0.17-0.35/pc.
	China	113pc.	9.45	0.18-0.20/pc.
Grapes	USA	8.6kg	21.08	2.60-3.23/kg
Kiwifruit	Chile	140pc.	15.0-18.0	0.13-0.18/pc.

COMPETITION

California plums are facing competition from Chinese plums. The major variety of Chinese plums available is Angeleno and there are also some other black skinned, unnamed, Chinese plum varieties being sold in the market.

QUALITY

The importers generally comment that the California plums that they have been receiving are soft. Importers and wholesalers prefer harder California plums as they are more durable and have a longer selling period. California plums offer better taste as compared to the Chinese plums because they are sweeter. Chinese plums generally have a flat taste but they have good appearance.

ARRIVALS

Generally, importers responded that they have no importation of California Summer Fruits anymore.

PROMOTION ACTIVITIES

All the promotion activities have ended and the supermarket retailers are generally satisfied with the results. The supermarkets were

happy with the responses and the promotion effectiveness. Some felt that the promotion results would have been better if they did not face supply problems of the fruits due to crop shortage.

TRADER FEEDBACK

Importers and wholesalers are fairly happy with the market demand of California Summer Fruits and were confident that the sales could be better if there was a sufficient supply of the fruits throughout the season. Importers, wholesalers and supermarket retailers are positive towards the demand for California nectarines this season especially the Summer White.

FEATURE SECTION -

Due to the minimal supply of California Summer Fruits for their end season, sales were not very encouraging. Rainy season was another factor that contributed to poorer sales for most of the other fruits as well.

Singapore *Lieu Marketing*

GENERAL COMMENTS

Singapore's Minister of Trade and Industry, Heng Chee How expressed confidence in the country's economic growth of between 8 and 9 per cent for this year is still on track in spite of the recent sharp increases in oil prices. Analysts and economists, however, have warned that soaring oil prices could dampen Singapore's economic growth.

MARKET SITUATION

During this reporting period, three full container loads of California Summer Fruits and four mixed loads of plums and prunes with other fruits were imported. Amongst the arrivals reported were two containers of SW peaches that came in before the moon Cake Festival. California SW nectarines and plums /prunes were also imported. All the arrivals have Cal Mat grade. One importer reported that they have more shipments of California plums confirmed to arrive in October.

In store sampling promotions continue during the second half of September to support trade importation and request from supermarket retailers to help them sell more fruits. Pit Poppers were given out during the promotions to encourage multiple purchases of California peaches and nectarines.

CTFA International Programme Director Mr. David Miller and Ms Sheri Mierau, Vice President of Marketing were in Singapore for trade visits on September 24. They visited the traditional wet market retail fruit vendors, importers and wholesalers and supermarkets buying managers to find out how the season was going. The visitors also host a joint lunch reception and met traders to thank them for their support on California Summer Fruits.

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

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach SW	CWM	40 / 2lyr	22.90	0.76-1.09/each
Peach	CWM	56 v/f	37.57	1.09/each
Nectarine	CWM	56 v/f	37.57	1.09/each
Nectarine SW	CWM	56 v/f	22.90	0.51 - 0.55/each

Plum	CWM	30-50	22.90 – 28.63	0.15 - 0.36/each
Prune	CWM	90-110	35.00 – 37.55	4.18 – 4.79 /kg

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	France	20	8.62	0.97
White Peach	China	48 (4 x12 punnet)	15.15	2.36 (4pcs)
Grapes	USA	8.6 kg	20.36	3.56 /kg
Strawberry	CND	9 kg	82.73	12.12 /kg

COMPETITION

Chinese white peaches and white peaches from France remained as the main competition for California white peaches. According to trade information, movement of Chinese peaches was slow. However movement of French peaches was moderate owing to its better quality than Chinese peaches.

QUALITY

Most SW peaches and nectarines arrived in above average condition with the exception of a few pallets of White peaches that were reported soft on arrival that may have caused by technical problems. Most plums arrived well and were firm when checked. Some prunes on display were found soft with some decays at random check.

ARRIVALS

A total of three full container loads and five mixed loads of SW peaches and nectarines and three varieties of plums /prunes were imported during this reporting period in moderate volume. Some traditional peaches and nectarines were imported via airfreight to supplement sea shipment fruits.

MERCHANDISING / TECHNICAL ACTIVITIES

Action	# of Times	Sector	Comments
Trade Merchandising	25 per week	Import/ wholesale/Supermarkets	Activity on going
Retail Merchandising	30per week	Retail fruit vendors	POS display set up

Thailand

Lieu Marketing

GENERAL COMMENTS

Financial markets across the world reeled from the bad news that oil prices are expected to further hurt oil-importing economies. The Stock Exchange of Thailand index shed 1.37 per cent to end the day at 637.9 points. Record high oil prices and growing fears over the recent outbreak of bird flu with the first possible case of human-to-human transmission of bird flu sent Thai stocks and share market to slide to another new low. With the return of the bird flu, Thai consumers are more cautious of what they eat as more people were reported to eating more fresh fruits and vegetables as to improve their immune system.

MARKET SITUATION

As the season has come to the tail end of the season, California Summer Fruits can only be found in selected wet markets and fruit shops in the populated areas in the city during the last two weeks. In the supermarkets and hypermarkets, only two to three California plum varieties, prunes and white nectarines were being sold.

More Thai consumers are aware of the presence of California Summer Fruits in the last two or three months following the marketing and promotional activities this season. Many shoppers who sampled the fruits bought after trying. The pit poppers also worked well with our promotions as it encouraged consumers to purchase more peaches and nectarines during promotions. Traders mentioned that owing to the smaller crop this year, the volume of California Summer Fruits imported this year is expected to be lower than last year. However, most reported that the overall quality of the fruits is better than last year. Importers, wholesalers and supermarket retailers are looking forward to continue receiving promotion support from CTFA next year.

CURRENT ACTIVITY Exchange Rate US\$1.00 = Baht

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	18-15	22.5-27.0	2.47-2.87
Nectarine	CWM	55	50.0-62.5	7.37-7.47
Black Plum	CWM	50	35.0-40.0	3.97-5.72
Red Plum	CWM	55	45.0-50.0	5.37-6.97
Prune	CWM	100	58.5-70.0	6.22-7.37

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	China	20	6.25-7.5	0.97-1.25
Rambutan	Thai	10kg	0.2-0.25	0.37-0.5
Mangosteen	Thai	10kg	0.75-0.87	1.0-1.25
Grape	USA	8.5kg	30.0-45.0	3.75-8.73

COMPETITION

During this reporting period, we found more Chinese peaches in the market. The quality depending on the shipping mode was described from good to poor. However their appearance and taste were still far below the standard of California peaches. With the return of bird flu, people tend to consume more fruits and vegetables for their health protection.

QUALITY

Even it is almost end of the season, the quality of most California Summer Fruits in the market was still in above average condition in both supermarkets and wet market outlets.

CAM Region

Grupo PM S.A. de C.V.

GENERAL COMMENTS

During the last years Central America has been looking for several mechanisms that will lead all the countries to merge into a region. On one side, trade integration between the countries has been one of the issues that the governments have been taken more care of, an example of this is the Puebla-Panama agreement. On the other side, for the last days all the countries have been talking about a financial integration. This can be translated in a complete integration of all the

financial systems into one, creating an electronic negotiation system that will allow everyone involved to buy and sell stock from any region as if it was only one.

Another important event that has been an issue in the region is the book published by former ECLA secretary. On this book the secretary points out several important aspects of the Central America region. First he indicates that in order to get more foreign investment to all the countries, it is completely important to have political stability, social union, to strong institutions, increase the level of trustable companies, and social security.

It is important to understand the impact all this has in the region and in the international perspective the region is getting worldwide. Now the region is being looked as a potential growth market not only for the neighbor countries but for every country around the world.

MARKET SITUATION

California Summer Fruit® availability has maintained during this last fortnight. On one side, at supermarkets availability levels continue to be the same and consumers are still buying. Beside this, several promotions have been planed in order to convince consumers to continue buying. On the other hand, at the traditional sector more peaches and plums are available, more than at supermarkets.

Nevertheless it is important to point out that Guatemalan peaches also had significant volume in Guatemala and El Salvador.

CURRENT ACTIVITY THROUGHOUT THE REGION

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peach	CWM	56-84 vf	19.44-24.00	0.63-1.67/lb
Peach SW	CWM	64 vf	22.00-23.00	1.61-1.76/lb
Nectarine	CWM	60-72 vf	21.95-24.00	0.63-1.67/lb
Plum	CWM	50-80 vf	21.32-28.00	0.63-1.80/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-berry	CL, GT, CR	10 lbs	24.00-29.00	1.13-2.00/lb
Cherry	US		24.00-26.00	2.95/lb
Mandarin	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

As mentioned in previous reports, the competition in this market can be divided in two, foreign and local. On the foreign products, Costa Rica imported one container from Spain containing all three commodities. Importers mentioned that with this container they will cover 15% of the market.

On the local side, peaches are strong in the market at supermarkets as well as in the traditional sector. The quality is graded as regular because the color and shape are not good but the flavor is not bad. There is not any quality standard or regulation, so there is no consistency in what they are selling.

QUALITY

California Summer Fruits®'s quality has been graded as good, region wide. Only one country mentioned that some received prunes had small spots. Nevertheless this has not negatively affected sales because consumers relate this variety to pluots, and these are very well accepted.

ARRIVALS

The last containers shipped into the region will be received on the next couple of days. But it is important to mention that some importers are expecting to continue importing CTF fruit only the last days of October, with this they will cover the market until November

PROMOTION ACTIVITIES

Ended September 30

MERCHANDISING / TECHNICAL ACTIVITIES

Action	# of Times	Sector	Comments
Merchandising	100	Supermarkets/ Traditional	Gather market information

Japan

J. Brain Inc.

GENERAL COMMENTS

Japan's retail sales slipped 1.8 % in August from a year earlier to 10.13 trillion yen, following a 1.0 % rise in July, as strong demand for digital consumer electronics in connection with the Athens Olympics peaked.

Sales by wholesalers rose 5.0 % to 32.02% trillion yen, for the third straight monthly increase according to the Ministry of Economy, Trade and Industry.

MARKET SITUATION

Fruits moved to the autumn fruits from the summer fruits. Market price in general became stronger due to the decreased supply volume damaged by typhoons and the strong demand from the equinoctial week when people visit their ancestor's grave with fruits. Although there were some damage to the local fruits, most of the autumn fruits such as grapes, persimmon, apple, pear were reported to be grown excellent due to the hot summer weather.

Other fruit	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Peaches	JPN	5kG	19-33.40	2-3/pc
Pear	JPN	10KG	28.63-33.40	1.43/pc
Kyoho	JPN	1KG	4.77-8.59	4/pc
Apple	JPN	10KG	33.40-38.18	1.16/pc
G Kiwifruit	NZ	1KG	4.00	0.90/pc
Mandarine	JPN	5KG	28.63-42.95	4.52/8pc
Nectarine	JPN	700g	2.86-3.15	4.36/pc
Prune	JPN	400g	1.90-2.39	5.27/13pc

COMPETITION

All competitive summer fruits have gone and shifted to the autumn fruits such as grapes, persimmon, apple. Most stores saved more sales space for grapes, persimmon and apples. Some stores started to featured the green house mandarin oranges.

The Philippines

Lieu Marketing

GENERAL COMMENTS

The government will bolster its sanitary and phytosanitary (SPS) policies under the World Bank-funded Diversified Farm Income and Market Development Program (DFIMDP) in an aim to facilitate trade and protect consumers. Department of Agriculture (DA), said that besides World Bank's financing, DA plans to hold a donors' forum in order seek financial assistance—whether through grant or loan for the SPS project. According to Department of Agriculture, governments or multilateral agencies interested in financing an SPS policy included Japan, European Union, South Korea, United States, China, and the local Food and Agriculture Organization.

In August, actual inflation hit 6.3 percent, influenced by rising world crude oil prices and transport fare increases. However despite the growing inflation, Monetary Board has kept its policy rates unchanged. The uptrend in is in line with the inflation forecast of the Philippines Central Bank, which has taken into consideration the effects of global crude oil prices. According to the Central Bank, the uptrend in inflation projection reflects the impact of supply-side factors, particularly the series of domestic oil price increase in recent months and the recent adjustment in power rates.

MARKET SITUATION

Ms Sheri Mierau, VP for Marketing and Mr David Miller, International Programs Director of CTFA visited the Philippines accompanied by Richard Lieu, CTFA ASEAN representative from September 21 – 23. The team visited wet market, supermarket fruit concessionaires, supermarket merchandising managers, importers and wholesalers. The visitors also visited a cold storage of a local fruit importer and shared information with other traders to educate them on the grading difference between California Well Mature over US Mature standard and other issues raised.

The team was able to see and hear from the trade the success of the promotions ran by CTFA and their willingness to continue handle California Summer Fruits. Most of the traders complained on the shorter season with smaller crops as they were unable to source more fruits for October. As the fruit season started late in the Philippines this year, traders will start to handle Summer Fruits earlier as they looked forward to receiving stronger support from CTFA during the next season. A trade education seminar was suggested for next year before the season starts so as to train the trade on handling, storage and marketing strategies on how to handle and promote California Summer Fruits.

CURRENT ACTIVITY THROUGHOUT THE PHILIPPINES

California Tree Fruit	Grade	Size/ Count	Wholesale Price US\$	Retail Price US\$
Plum	CWM	56 vf	11.57	1.15-1.57/lb.

Other	Origin	Size/ Count	Wholesale Price US\$	Retail Price US\$
Pluot, I.S.Plums	USA			1.49/lb.
Plums	China			0.99/lb.
Grapes	USA			1.49/lb.

COMPETITION

IS plums, Flavor Fall Pluots, Dapple Dandy pluot and China plums are the competitors in the market. The Pluots are believed to be parallel imported from Hong Kong. The China plums are becoming the alternative for California plums. Since our season ended earlier some vendors are not able to buy California plums from wholesalers anymore. The traders favor California plums over Chinese plums because of the flavor and sweeter taste.

QUALITY

The quality of plums arrived are of average quality.

ARRIVALS

There was light arrival of plums from Hong Kong transshipment. An importer said two scheduled arrivals of plums will be on September 9 and 16, with 80 boxes on each arrival.

TRADER FEEDBACK

Most supermarkets are asking for possible supply for the December month in time for Christmas. Some concessionaires complained on the size of plums available in the market, while an importer said that the size they are having is the best buy since the Philippines is a price sensitive market.

There were Chinese plums in the market on the day CTFA representatives arrived in Manila. It was believed to be parallel imported from Hong Kong. The wet market vendors like California plums for its flavor and taste but some vendors were unable to buy from wholesalers, so they opted to buy Chinese plums.