



MARKET NEWS FROM CTFA REPRESENTATIVES AROUND THE WORLD

September 2, 2005

The beginning of September has arrived with much cooler nights. Now that the packout has begun to slow down, it is clear that autumn is almost here. Based on earlier crop estimates and packout to date, the 2005 season for California peaches, plums, and nectarines was approximately 85 percent complete at the end of August.

Marketing programs continue in those markets which are still receiving California peaches, plums, and nectarines. While a smaller 2005 crop for California stone fruit presented some challenges for the International trade, overall demand remains stable to good.

Current News

Update

Finally, Japan's restrictions against US Apples are lifted

U.S. Trade Representative Rob Portman and US Secretary of Agriculture Mike Johanns announced the development on Wednesday, August 31. After more than twenty years of restrictions, largely aimed at the prevention of importing fire blight, Japan has lifted the ban against U.S. apples. The threat of importing fire blight via export quality U.S. apples was tenuous at best and the WTO ruled in favor of the U.S. because fire blight is found on trees and generally not on the actual fruit. "Japan's compliance with the final WTO panel finding on the fire blight case represents a clear victory for the U.S. apple industry and for the international trading system", said Secretary of Agriculture Johanns. "Resolution of this issue is another clear indication that the WTO process works for America's farmers and ranchers."

Reminders

Mexico to enforce new wood-packaging rule September 16th

As of September 16th, all un-manufactured solid wood packaging material, including pallets, bound for Mexico must be treated with approved phytosanitary measures and certified with an approved identity mark. Please contact CTFA or the California Grape and Tree Fruit League for further information.

California plums and Chinese fragrant pear negotiations delayed until December

While originally requested for September, the meetings have been delayed until December. China continues to be full of promise and totally frustrating. CTFA will continue to monitor this issue.

Market Reports

Mexico

During the two-week reporting period ending September 2, no quality issues were reported in the three major markets of Mexico: Mexico City, Guadalajara, and Monterrey. Importers had no problems distributing the product, despite relatively higher prices and strong direct competition from Chihuahua peaches. These local peaches while below average in appearance, have been well-received by wholesalers and retailers because of low prices and good flavor. Also, reports from the trade indicate these are more resistant to temperature issues and handling problems. In terms of other competition, California nectarines have no direct competition in the market currently. Plums from Puebla are only now beginning to show up in the market, and these first loads have only been spotted in the wholesale markets.

The supply of California peaches and plums are starting to decrease. Higher prices and low supplies are responsible for the decline of peaches, while importers have reported receiving less plums recently. Stepping back and looking at the California season as a whole, the issues with fumigation were not as bad as 2004, due to constant rotation.

Hong Kong

Supplies of fresh produce continued to feel the impacts of a rough monsoon season. The majority of items impacted were fresh vegetables from mainland China. However, sales at all wet markets were down.

Volumes of California peaches and yellow nectarines are starting to decline, but white flesh nectarines (e.g. Arctic Blaze), green plums (e.g. Flavor Grenades), and fresh prunes were found in good supplies in Hong Kong. The most common California Tao Lee varieties were black plums, red plums, and pluots. Feedback from consumers during a recent promotion at a local supermarket chain was very positive, with numerous comments about the willingness to pay a premium for the sweet, juicy taste of California Tao Lee.

Chinese longans remain abundant, and numerous types of watermelons from various origins can be found in the market. Currently, apples and oranges are the most popular fruits in Hong Kong, but significant volumes of kiwis, durians, and papayas are also available. The Mid-Autumn Festival has nearly arrived as can be indicated by growing supplies of starfruits and Chinese grapefruits.

Taiwan

Market conditions for California Tao Lee sales continues to be very good, and most hyper-market and supermarket chains continue to carry multiple varieties of California peaches, plums, and nectarines. During the last two week reporting period there were no concerns regarding quality from importers, wholesales, and retailers. The only concern remains whether enough California stone fruit can be secured for the traditionally strong late summer season. The Moon Festival which begins September 18th is a heavy consumption period for not just California Tao Lee but all fruits.

The demand for imported fruits remains extremely high due to the extremely short supplies and quality concerns for local peaches and plums. Prices for these Taiwanese fruits are at historically high levels, as are watermelons, pineapples, pears, and mangoes. Japanese peaches are still found only in high-end specialty retailers and at luxury prices.

Singapore

There was a slight improvement in the quality of California stone fruit received in Singapore during the last two weeks which is a positive development. However, some white-flesh peaches which arrived by air had shorter than expected shelf lives. Recently arrived white-flesh nectarines had good flavor and exhibited less scarring. Most plums had better than average quality, both appearance and eating. The reports on quality and sales reflects the regular weekly shipments that have arrived by air. In addition to those shipments, there were two recent container loads of white-flesh nectarines, prunes, plums, and pluots. At most retail chains visited, California peaches, nectarines, and three or more varieties of plums/ fresh prunes were a common sight. The

major wet market fruit vendors have three varieties of California stone fruit including plums, prunes, and either peaches or nectarines.

In terms of competition, Chinese honey peaches and Israeli white peaches continue to be available in Singapore. Chinese pluots arrived in the last week for the first time. Grapes from California and Saudi Arabia are now in the market, along with Thai longans, and a variety of apples and pears.

Malaysia

The haze caused by the fires in Indonesia has improved considerably, and supermarkets have reported improved sales over the last two weeks of August. Consumer demand for California peaches, plums, and nectarines remains strong, and the promotions conducted recently have had positive results. Fruit sampling was very popular, and the resulting strong sales have encouraged supermarket managers to place additional orders with their suppliers. All supermarkets visited are selling California plums which continue to be the most popular stone fruit among consumers. California peaches and nectarines are mostly available in the upper-end hyper- and supermarket chains, and white nectarines are more prevalent of the two. California plums have also been found in most morning and night fresh fruit stalls.

Importers generally have been pleased with promotional efforts by CTFA this year, but they are starting to find some difficulty in sourcing fruit from California suppliers. The main concern is whether the condition of the fruit will be acceptable on arrival at the Malaysian port. In recent weeks, some importers have had some problems with soft fruit and some mold with plums.

Thailand

During this reporting period, the full range of California stone fruit are still available in Thailand, including peaches, nectarines, prunes, and plums. In fact three varieties of plums, including green plums were available in the wholesale and retail markets. A few importers have commented on the short crop in California and are planning on receiving a new shipment the first week of September. In terms of quality, most plums were in good shape while some prunes could be soft. Supermarkets were the outlets where three or more varieties of California stone fruit were more likely found, whereas plums and prunes were more readily available at the wet markets.

Chinese peaches were found during the last week and appear to be the only direct competition being imported. The prices of the Chinese product was incredibly low and the taste was inferior. Numerous comments were received that the Chinese peach will ripen very fast in the hot, humid weather of Thailand and turn brown after a short period on display. One interesting development was a Chinese trader who held a promotion for Chinese peaches, black plums, and nectarines and shipped the fruit by air to Thailand. The trader attempted to market the fruit in Thailand, but was unable to find a distributor. While the appearance of this fruit was decent, the taste does not compare.

New Zealand

California plums and nectarines continue to move well throughout New Zealand, but most fruits are in relatively short supply. The overall quality has improved for plums and nectarines, but shipments of peaches have been halted as one major player has had too many quality issues with peaches in the most recent shipments. Several varieties of nectarines, including Red Jim had good appearance. Reports from the other importers and traders indicated some shipments of nectarines, peaches, and plums are due in mid-September.

Central America Region

At supermarkets in the region, California plums and peaches can be found with supplies of plums exceeding peaches, but both generally with modest supplies. The presence of direct competition from Spain and Guatemala is the determining factor in the success of California stone fruit at this point in the season. The traditional sector remains more susceptible to intense price competition, and any fluctuation in prices reduces product rotation and movement. The price situation along with short California supplies have not been favorable recently.

Northern South America Region

Venezuela. Demand for California peaches from importers in Venezuela is non-existent as the quality of the local peaches is unusually good this year and the prices are extremely low in comparison to California peaches. California plums and nectarines are available in Venezuela with plums being more prevalent. Some Spanish plums and nectarines can be found in Venezuela but in low volumes and in poor quality. Venezuelan importers are expecting the approval of more import permits for California plums and nectarines.

Colombia. Good volumes of California peaches, plums and nectarines can be found in most markets in Colombia, which has contributed to good sales in various supermarket chains. Spanish stone fruits from the same packing house as those found in Venezuela (Cachirulo) are available but have not had any promotional support. This has been a good development for California stone fruit as the in-store promotions and sampling for consumers has prevented some supermarkets from carrying the Spanish competitors. Reports over the last two weeks have Colombian importers expecting more shipments of California stone fruits in the coming weeks.

Ecuador. California plums and nectarines are available in this market in larger volumes than peaches. The quality of peaches has been the issue because of some internal breakdown and poor appearance. Overall sales have been poor recently due to school vacations, but the trade is expecting better sales in coming weeks once schools start up again.

Promotional Highlights

General

Listed below are several key holidays or festival dates in some of the markets. Promotional programs will continue through the end of August as peak supplies of California peaches, plums and nectarines can be found in all of our International markets.

Hong Kong

Media advertising with the new California Tao Lee commercial featuring California Governor Schwarzenegger is complete. Consumer surveys have begun which will evaluate the new TV commercial and to assess the California Tao Lee brand.

Holidays/ Festivals

- Sep 19 Moon Festival
- October 1 National Day
- October 11 Chung Yeung Festival

Taiwan

Reports back from the trade and retailers have been very positive about the impact the new TV ad had on sales during Ghost festival. In addition to the TV commercial, CTFA representatives conducted over 420 merchandising visits in August to monitor fruit handling and displays, and to assess 2005 marketing efforts.

Singapore

Holidays/ Festivals

- September 03 –11 Term 3 School Vacation
- September 18 Moon Festival
- November 01 Deepavali
- November 03 Hari Raya Pusa
- November 19 – December 31 Year End School Vacation
- December 25 Christmas Day

Country	Fruit	Grade/ Origin	Size/Count	Wholesale Price US\$	Retail Price US\$
Mexico	Peaches	CWM	48-56-72 vf	20.25	1.07
	Nectarines	CWM	56- vf	22.1	1.27
	Plums	CUG	48-56 vf	18.99	1.35
	Peaches	MX	22 lb.	14.5	0.75
	Apple	WA,MX,	88-135	24.06	0.8
	Kiwifruit	Chile	22 lb.	18.32	1.27
	Strawberries	CA,MX	12 lb.	13.64	1.45
	Plums	MX	18 kg	10.16	0.73
Hong Kong	Peach	CWM	30-64	14.03 - 45.45	0.26 - 2.86/pc
	Nectarine	CWM	48-64	13.64 - 18.18	0.26 - 1.43/pc
	Plum	CWM	35-50	16.88 - 35.06	1.04 - 3.51/lb
	Prune	CWM	28 lbs	35.06 - 42.86	2.08 - 3.38/lb
	Peach	China	115-125	8.18 - 9.74	0.19 - 0.43/pc
	Apple	WA	110-140	15.58 - 19.48	0.22 - 0.49/pc
	Papaya	Thailand	9	4.94 - 5.84	0.71 - 1.56/pc
	Longan	China	30 lbs	14.03 - 15.32	0.91 - 1.30/lb
	Orange	USA	72-113	18.18 - 22.08	0.19 - 0.52/pc
Taiwan	Peaches	CWM/CM	15-25/1 lyr	26.48-37.38/box	0.47-3.12/pc
	Nectarines	CWM	56-72/vf	23.36-28.04/box	0.37-1.25/pc
	Plums	CWM	24-50/vf	18.69-29.59/box	0.31-0.78/pc
	Prunes	CWM	60-80	23.36-40.49/box	0.62-1.09/pc
	Peaches	Japan	16-May	49.84-68.54/box	3.74-6.23/pc
	Peaches	Local	24-36/1 lyr	9.36-18.69/box	0.25-1.25/pc
	Mango	Local	24-Sep	31.15-62.31/box	1.87-3.74/pc
	Watermelon	Local	15-30 lbs	15.58-31.15/each	0.62-0.93/lb
Singapore	Peaches SW	CWM	18/ 1yr	30	2.19 pc
	Peaches SW	CWM	42 /2lyr	26.25	0.94
	Nectarines SW	CWM	56 /2lyr	25	0.94 pc
	Nectarines SW	CWM	64 vf	21.88	0.47 - 0.63 pc
	Plums	CWM	40 -50	18.75	0.15 pc
	IS Plums	CWM	28 -32	27.5	1.56 pc
	Prunes	CWM	80 - 100	46.88	4.94 kg
	White peach	Israel	4x 1kg	11.03	3.47/kg
	White nectarine	China	900g	1.41	1.84
	Pluot	China	6	1.19	1.62
	Honey peach	China	6	1.56	2.06
	Grapes	California	8.2kg	22.5	3.69 kg
Malaysia	Peaches	CWM	56-64 vf	18.0-23.0/carton	0.9-1.5/pc
	Nectarines	CWM	62- 70vf	18.0-23.0/carton	0.9-1.5/pc
	Peach sw	CWM	56-64/vf	19.0-24.0/carton	0.8-1.5/pc
	Nectarine sw	CWM	64-88/vf	19.0-24.0/carton	0.8-1.5/pc
	Apple	NZ	88 – 100	17.0-20.8/carton	0.35-0.76/pc
	Apple	Chile	56 – 125	18.0-20.0/carton	0.35-0.69/pc
Thailand	Peach	CWM	18/1lyr	37.50-45.0	3.22-3.50/pc
	Nectarine	CWM	44	32.50-37.50	4.50-6.25/kg
	Black Plum	CWM	40-45	30.0-37.50	4.50-7.22/kg
	Red Plum	CWM	40-45	30.0-45.0	4.50-7.47/kg
	Green Plum	CWM	45	32.50-40.0	4.97-6.25/kg
	Prune	CWM	65-100	50.0-75.0	7.47-9.97/kg
	Grape	USA	10/kg	40.0-55.0	6.12-8.87/kg

Country	Fruit	Grade/Origin	Size/Count	Wholesale Price US\$	Retail Price US\$	
New Zealand	Peaches	CW M	56-64 tray	Not Available		
	Peaches sw	CW M	56 - 64 tray	Not Available		
	Plums	CW M	vf	\$19.72 - \$20	\$0.92 - \$1.85	
	Pluots™	CW M	vf	\$21 - \$25	\$0.92 - \$1.86	
	Nectarine	CW M	56-64 vf	\$17 - \$28	\$0.92 - \$1.87	
	Nectarine sw	CW M	56-64 vf	Not Available		
	Apple	NZ	88-135	\$13.60 - \$27.20	\$0.92 - \$1.23	
	Kiwifruit	NZ	9.09 lb.	\$5.44 - \$12.24	\$0.92	
	Table-grapes	California	18-20 lb.	\$23.40 - \$27.20		
	Bananas	Equador	8.18 lb	\$12.24 - \$18.36	\$0.60/lb	
Oranges	NZ/Aus	8.18 lb	\$14.6 - \$18.36	\$0.60/lb		
Central America (Guatemala)	Peach	CW M	40-56 vf	22.39-23.71	1.31-1.41	
	Nectarine	CW M	36-64 vf	27.66-30.96	1.45-1.78	
	Plum	CW M	50-60 vf	24.37-26.35	1.22-1.48	
	Peaches	GT	50 lbs	36.23	0.65-0.72	
	Plums	GT	50 lbs	20.30-40.61	0.78-0.92	
	Apple	Chile	70-175	21.55-23.71	0.59-0.80	
	Apple	W A	70-175	23.71-24.90	0.98-1.00	
	Pear	Chile	50-60	27.31	0.88-2.16	
	Kiwifruit	Chile	22 lbs	21.69-22.39	1.45-1.52	
Grapes	MX	18-20 lb	24.91	1.50-1.94		
Venezuela	Peaches	N/A	N/A	N/A	N/A	
	Nectarines	CW M	55-60 / 25 lb.	24.18-41.86	5.03-6.61	
	Plums	CW M	35-40-45-50 / 16 kg.	27.90-41.86	4.18-6.97	
	Peaches	Venezuela	30 kg.	27.90-46.51	1.63-1.85	
	Peaches	Venezuela	30 kg.	37.21-55.81	2.30-2.46	
	Nectarines	Spain	55-65 / 25 lb.	25.58-27.90	4.64-5.67	
	Plums	Spain	60-75 / 28 lb.	23.25-30.23	4.16-4.64	
	Apple	Chile	72-175 / 19 kg.	23.25-32.55	1.32-2.09	
	Apple	Fancy	72-88 / 19 kg.	23.25-32.55	1.85-2.81	
	Pear	Chile	60-100 / 18 kg.	22.32-37.21	1.85-2.46	
	Kiwifruit	Chile	10 kg.	23.25-32.55	3.62-5.17	
	Strawberries	Venezuela	5-10 kg.	8.37-9.30	1.74-2.08	
	Grapes	México	8.2 kg.	46.51	7.74-8.72	
	Grapes	Venezuela	8 kg.	4.65-7.44	3.23-4.03	
	Colombia	Peaches	CW M	56-64 vf	25.16 / 30.36	2.25 / 2.49
		Nectarines	CW M	62- 70vf	25.16 / 28.19	2.21 / 2.92
		Plums	CUG	90 vf	26.89 / 28.20	2.01 / 2.71
		Peaches	Spain	16 lb.	17.35	2.16
		Apple	W A,MX,	80 - 125	15.60 / 16.00	0.58 / 0.65
		Kiwifruit	Chile	22 lb.	12.85	1.12 / 1.19
Strawberries		CA,MX	12 lb.			
Table-grapes		MX, Chile	18-20 lb.			
Plums		Spain	16 lb.	17.35	2.08	
Nectarines		Spain	16 lb.	21.69	2.51	
Ecuador	Peaches	CW M	42-56 vf	22.00-24.00	2.62-2.84	
	Nectarines	CW M	42-56 fv	22.00-24.00	2.81-2.94	
	Plums	CW M	60 fv	23.00-25.00	2.84-3.15	
	Peaches	Peru	150	10.00-12.00	1.00-1.50	
	Apple	Chile	138	N/A	1.08-1.25	
	Kiwifruit	Chile	10 kl	N/A	1.44-1.50	
	Orange	Chile	N/A	N/A	1.44-1.50	
	Legend	CW M	CA Well Mat®		MX	Mexico
USM		US Mature		Aus	Australia	
CUG		California Utility Grade		NZ	New Zealand	
Ven		Venezuela		Phil	Phillipines	
CH		Chile		Thai	Thailand	
W A		Washington		Mal	Malaysia	