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**China, Peoples Republic of**  
**Market Development Reports**  
**Changsha (Hunan) Maojiaoqiao Fresh Fruit**  
**Wholesale Market**  
**2001**

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**Report Highlights:**

**Changsha, Hunan province, is the host of one of the biggest fruit wholesale markets in south China. Nine distributors at the Maojiaoqiao market sell imported fruit and all source their fruit from the Guangdong imported fruit markets.**

Changsha, the capital of Hunan province, is the home of one of the biggest fresh fruit wholesale markets in south China, the Maojiaqiao fresh fruit wholesale market. Nine different wholesalers at the market sell imported fruit and all source their fruit from the Guangdong imported fruit markets. Import variety at the Maojiaqiao market is extensive and no single country-of-origin seems to dominate. Hunan province is a major citrus producing region in China, but production is mostly centered in the province's southern areas and is not large in the north where Changsha is located. In 1999, Hunan accounted for 14 percent of China's citrus crop.

Import wholesaler numbers are large compared most other secondary markets in China's major cities outside of Guangdong province. While in most non-Guangdong locations the number of imported fruit wholesalers usually ranges between two to five per market, nine different wholesalers sell imported fruit at the Maojiaqiao market. Altogether an estimated seventy wholesalers operate at this market. Most of the market's imported fruit sellers purchase their fruit from the Huadu imported fruit wholesale market, north of Guangzhou. The Huadu market is one of two major imported fruit wholesale markets near Guangzhou, distributing a large amount of the imported fresh fruit every year. The other major imported fresh fruit market in Guangdong province is the Lishui market which is the larger of the two. The Huadu and Lishui markets often are the first stops for most of the imported fresh fruit that enters China.

Unlike at many other wholesale markets around China, imported fruit sellers at the Maojiaqiao market are not concentrated in one area of the market. Dispersed among the various sections, the wholesalers are usually only recognizable by the wider variety of fruit they sell, the imported fruit boxes at their store front, small cold storage units on their premises, and the occasional Point of Purchase poster on their walls. The only Point of Purchase materials seen at the market during Post's visit were for California table grapes, Zespri (New Zealand) kiwifruit, and Enza (New Zealand) apples.

Many domestic fruit wholesalers at the market only concentrate on a couple of varieties at a time. During Post's visit in late November, many different varieties of imported fresh fruit were on display: dragon fruit from Thailand, gala apples from New Zealand, grapefruit from Israel, kiwifruit from New Zealand, lemons from the U.S. and South Africa, oranges from South Africa, plums from the U.S., red delicious apples from the U.S., star fruit from Thailand, and table grapes from the U.S. The import wholesalers at the market say that no one variety among the imports sells far better than the others, but table grapes tend to do slightly better. One wholesaler claims that her margin on a box of table grapes averages around five RMB (US\$ 0.61). In late November, table grapes prices at the market ranged between 163 RMB to 170 RMB (US\$ 19.73 - 20.58) per 18 pound box. One U.S. Dollar currently equals about 8.26 RMB.

The Maojiaqiao market import wholesalers say that their main customers are small retailers, mainly individuals who sell the fruit at kiosks or on the street. Some hotel and restaurant buying also occurs, but amounts are relatively small. As for local supermarkets, the wholesalers say that these retailers are not frequent customers. At many of China's other wholesale markets, the situation is reverse. Hotels, restaurants, and supermarkets are the main customers.

The wholesalers say that this year sales to date have not been as good as during previous years.

They mostly blame the greater availability of local fruit for longer periods of time and the current poor economic conditions of the area. Although they generally feel that China's entry into the World Trade Organization will help their businesses by bringing down import prices, any positive impact will not come in the immediate future. One wholesaler said that a box of imported table grapes now sells for around U.S.\$ 20 per box, but if the price dropped to approximately U.S.\$ 10 per box sales would dramatically increase.

The wholesalers claim that their best sales period runs from the months preceding Chinese New Years to the months afterwards, but the reasons for good sales differ between the periods before and after Chinese New Year. Wholesalers cite increased general consumption and gift giving for Chinese New Year in the period before the holiday and low domestic fruit supplies during the period after the holiday. One wholesaler said that after the holidays he usually has a great amount of fruit from Argentina and Chile.

Sticker fraud is common at the market, but box fraud appears to be more prevalent. During Post's visit, the mislabeling of apple boxes was rampant. Apple boxes in many store fronts that had domestic fruit for sale were marked as either Enza (a New Zealand fruit marketing company) or New Zealand apples, but only contained local varieties and not Galas. The boxes were good copies of regular New Zealand gala apple boxes, but were bilingual and did not display any export distributor contact information. Some of these apples in the fraudulent boxes also had stickers which claimed that the fruit was from Japan or were Fuji apples.