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## **China, Peoples Republic of**

### **Competitor**

## **Iranian Pistachios Continue to Flood the China**

### **Market**

## **2001**

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#### **Report Highlights:**

**Iranian pistachios continue to flood the China market. The main reasons for this situation are low price and some marketing efforts on the part of Iranian producers.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Guangzhou [CH3], CH

Iranian pistachios continue to flood into the China market. Both China's customs statistics and Hong Kong re-exports to China figures for last year showed that Iranian-origin pistachio imports were greater than American ones in terms of volume. Local industry participants cite price as the major factor for the switch. However, at the same time, Iranian exporters have started their own promotional efforts in China, albeit limited.

According to the Hong Kong re-exports to China statistics, the Iranian share of the market in 1999 dramatically started to increase and overtook the U.S. in terms of volume. Last year, China's customs import statistics confirmed this trend. In 1998, China's customs statistics showed that China's imports of U.S. pistachios were significantly higher than those from Iran. U.S.-origin imports equaled 6,377 tons, while the Iranian amount was only 527 tons. In 1999, U.S.-origin imports were 8,764 tons, but the Iranian amount had reached 2,218 tons. By the end of the year 2000, the two countries switched positions with imports from the U.S. equaling only 3,795 tons and from Iran 5,124 tons. According to Hong Kong re-exports to China figures, Iran surpassed the U.S. in 1999 and the numbers for the first nine months of 2000 continued to indicate Iran's lead over the U.S. One difference between the two sets of China import numbers is that, while for Hong Kong re-exports to China statistics import leadership was the same in terms of both value and volume, in China's customs statistics the U.S. even during the year 2000 continue to lead in terms of value versus Iran.

Although U.S. branding still seems to be important among many local pistachio distributors, the degree of importance has started to wane. Years before, nearly all local pistachio distributors made certain that their product boxes for distribution to domestic customers indicated U.S. or Californian origin regardless of the nuts' actual source, but now some distributors do not appear to care and have even begun to print "product of Iran" on some of their boxes. One example is "Blue Sailor" brand pistachios. A local Guangzhou nut distributor created this brand and has a drawing of the U.S. cartoon character "Popeye" on the box. The box claims that the pistachios inside are Iranian-origin nuts, but the box's colors and general design is similar to one which had earlier been used for Californian pistachios. Another Guangzhou distributor currently offers "Haohua" brand whose generally plain boxes all state that the nuts are from Iran.

Local nut importers and processors say that the main reason for Iran's current position is price. In November 2000, Guangzhou nut distributors said that Iranian pistachios were less expensive than Californian ones by two to eight Yuan RMB per kilogram. They claimed that the price differential was most noticeable among nuts in the 28 to 32 size range. One distributor stated that the import price of Iranian pistachios was U.S.\$ 2,700 per ton CIF Hong Kong. A few nut distributors even claim that the nut meat of Iranian pistachios now is better looking and tasting than that of Californian nuts. A distributor also added that the nut meat of Iranian pistachios seems to fill up the inside of the nut shell better than Californian ones. However, some distributors admit that quality sometimes is a problem with Iranian nuts.

Iranian pistachio producers have started to make efforts in promoting their product. For example, at Food and Hotel South China 2000, one Iranian pistachio producer, the Habibi Company, participated in the exhibition. In addition, a few Guangzhou distributors with offices/store fronts along Yide Road have also put up posters and flags promoting Habibi brand pistachios from Iran.

## Tables:

China's Official Pistachio Imports (HS 0802.5000) (Quantity: Tons, Value: Thousands of US Dollars)						
Country	1998		1999		2000	
	Quantity	Value	Quantity	Value	Quantity	Value
United States	6,377	4,136	8,764	5,258	3,795	3,056
Iran	527	244	2,218	1,099	5,124	2,787
Australia	34	14	74	47	134	52
Hong Kong	11	10	53	48	11	7
Others	140	91	106	25	15	29
TOTAL	7,089	4,495	11,215	6,477	9,079	5,931
Source: China's Customs Statistics						

Hong Kong Re-Exports to China, Pistachios (HS 0802.5000) (Quantity: Tons, Value: Thousands of US Dollars)						
Country	1998		1999		2000(JAN.-SEP.)	
	Quantity	Value	Quantity	Value	Quantity	Value
United States	8,771	25,455	6,585	15,157	1,778	5,018
Iran	2,915	7,482	7,103	17,478	3,124	9,505
Others	201	407	597	1,493	251	728
TOTAL	11,887	33,344	14,285	34,128	5,153	15,251
Source: Hong Kong Bureau of Census						