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## China, Peoples Republic of

### Competitor

### Ya Pears

### 2005

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**Report Highlights:**

As China's #2 fruit produce, Ya Pears and its exports have become a matter of national pride for exporters and government officials. The U.S.'s current production of Asian pears is sufficiently supplying current U.S. market demand for Asian pears, including Ya pears. China currently exports less than 15% of the country's fresh pear production to the world. The average American citizen eats only 3 pounds of fresh pears a year compared to 19 pounds of fresh apples.

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### China and the World's Pear Market

China is the world's top producer and consumer of pears. In 2004, China produced 10,642,287 metric tons (MT), or 65%, of the world's pears. Although China produces a high volume of pears, the majority of the pears are domestically consumed. In 2004 only 15%, or 318,030 MT were exported to the world.

Most of China's pears are of the Asian pear family, different from their western counterparts. As a result they do not compete directly with U.S. pears or apples, although these are the closest substitutes. China primarily exports pears to countries in the Southeast Asia region of the world. There are many types of pears that are considered Asian pears; among them is the Chinese Ya pear, which is the variety focus for this report. The pears are named Ya, which means duck in the Mandarin dialect of Chinese due to the way the stem of the plant grows.

In 2004, while Ya pears accounted for 20% (2,114,721 MT) of China's total pears produced, only 7% (155,070 MT) were exported and the rest consumed domestically. However, according to export figures Ya pears made up an impressive 49% of the total exported pears. Similar to other Chinese varieties, Ya pears are primarily exported to neighboring countries in Southeast Asia. As of October 2005, China exported \$31.6 million of Ya Pears; nearly half of which was imported by Vietnam (\$9.6 million) and Indonesia (\$7.2 million).

#### Ya Pear Export Figures Years: 2002-2004 January - October Comparison: 2004-2005 (Export Value in Millions \$)

Rank	Country	Jan-Dec			Jan-Oct		% Change
		2002	2003	2004	2004	2005	04-05
0	--World--	31.1	39.2	35.6	25.4	31.6	24.5
27	United States	3.2	4.1	0.1	0.1	0.0	-100.0
1	Vietnam	4.7	7.1	8.6	6.3	9.6	52.7
2	Indonesia	4.8	4.5	7.7	6.1	7.2	18.0
3	Malaysia	5.6	5.4	4.0	3.2	3.4	3.7
4	Netherlands	1.1	1.9	2.2	1.3	1.4	4.8
5	Australia	0.7	1.6	2.0	1.22	0.79	-34.83

Source of Data: China Customs, 2005: January to October

#### Ya Pears China Export to World

	1997	1998	1999	2000	2001	2002	2003	2004
Volume Exported KG	43,880,249	42,275,355	58,431,603	81,759,031	102,277,498	140,122,024	158,750,775	155,070,233
Price Per KG	0.38	0.30	0.25	0.23	0.21	0.22	0.25	0.23
Value in Million \$USD	16.705	12.473	14.508	19.189	21.436	31.099	39.19	35.599

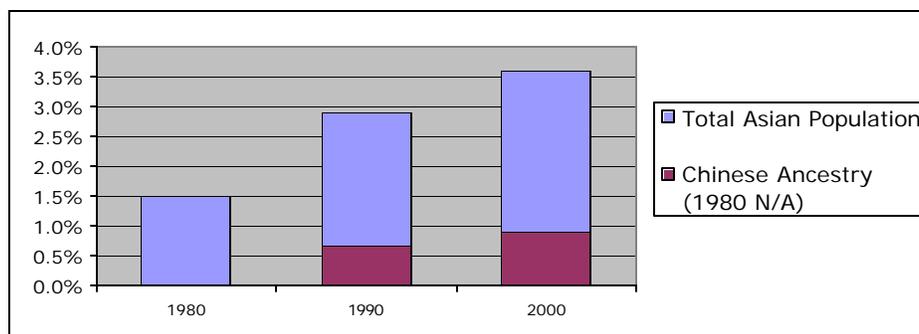
Source of Data: China Customs

### American Demand for Asian Pears & Competing Fruits

Due to the current suspension and short export history of Ya Pears to the United States, the consumer demand for Ya Pears is based upon consumer trends of Asian pears, apples, and other pear varieties.

As America's Asian population more than doubled since the 1980's, the demand of Asian pear has also increased. Typically immigrant consumers prefer commodities and goods from their home country.

Asian Population in United States  
Years: 1980, 1990, & 2000



Source of Data: U.S. Census Bureau, Decennial Census 1990 & 2000

A change in consumer preference has also been a factor in increased demand for Ya pears and other Asian pears. Unlike typical varieties of pears popular in the U.S., Asian pears are considered ready to eat once harvested; they do not have to ripen further before consumption. In addition, they can remain crisp if stored in cold storage several months after harvesting. This characteristic of Asian pears adds to its appeal to consumers who want fruits that are convenient to eat at the time of purchase and do not over ripen quickly. Furthermore, consumers are increasingly demanding for a wider variety of tropical and temperate climate fruits.

While apples are considered the closest competing fruit group, its production in the U.S. is expected to decrease by 9% during MY 2005/2006. In addition, apple consumption is expected to drop 10% as consumers have increasingly greater choice in fruits. On the other hand, despite facing the smallest forecasted harvest since 1996, Asian pear demand would continue to rise as competing domestic fruits decrease in availability. However, apple consumption in the United States is still far greater than any other fruits; comparing per capita consumption of noncitrus fruits, pears have the lowest consumption rate.

### Ya Pear Production

Ya pears are primarily produced in Hebei. In 2004, Hebei produced 1,563,453,000 kilograms of Ya pears. The second largest producer of Ya pears is Shandong follows at a distant figure, only producing 287,979,000 kilograms of Ya pears in 2004. China primarily exports pears from Tianjin.

Although there has been a decrease in overall pear production in the United States, Asian pear production has increased over the past four years. As Bartlett pears forecast an 11 percent decrease in production, other pears, including Asian pears in the U.S. are expecting a 4 percent increase. Moreover, U.S. production of Asia pears is ample enough to meet the current market demand from U.S. consumers.

### U.S. Ya Pear Trade History

Ya pears were first introduced to the United States in 1997. However, its import was suspended in December 2003 after a number of pears found infected with an organism that is not common in America. As of December 2005, Ya Pears cannot be shipped to the U.S. Ya Pears are considered to be an important export commodity for China for a number of reasons. China's pear production has shown significant signs of increased investment. In the past ten years production has doubled. Ya pears make up half of China's pear produced and exported.



Valued at \$3 million, Ya pears represented China's only significant fresh fruit export to the U.S. prior to its ban. It is an important export for China in the international fresh fruit commodities trade. In addition, Ya pears face no direct competition in the U.S. market, only substitute competitors. It should be noted that importing Ya pears to the U.S. would only provide a larger variety of Asian pears available to U.S. consumers. Additionally, political pressure to open the U.S. market for Ya pears is believed to come directly from Hebei and Shandong, where Ya pears production make up a large part of the local economy. Currently there are on going progress made to resolve the issue and increasing the possibility of Ya pears exported the U.S. in the near future.