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Report Highlights:

China's MY 2008 citrus production is forecast at 21 MMT, up 10 percent from the revised MY 2007 figure, the result of favorable weather conditions throughout the major citrus producing areas during the crop development period. Orange production is forecast at six MMT in MY 2008, up 10 percent from the previous year, as new plantings from a few years earlier have gradually reached full production. Production costs continue to rise in the wake of increased prices for inputs such as fertilizer, pesticides, electricity, fuel, water, and labor.

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Executive Summary

China's marketing year (MY) 2008 citrus production is forecast at 21 million metric tons (MMT), up 10 percent from the revised MY 2007 figure, the result of favorable weather conditions throughout the major citrus producing areas during the crop development period. Orange production is forecast at six MMT in MY 2008 (November-October), up 10 percent from the previous year, as new plantings from a few years earlier have gradually reached full production. Production costs continue to rise in the wake of increased prices for inputs such as fertilizer, pesticides, electricity, fuel, water, and labor. Frozen Concentrated Orange Juice (FCOJ) production is forecast at 14,000 MT in MY 2008 (October-September), down 22 percent from the revised estimate of 18,000 MT in MY 2007, because local juicing companies have grown cautious about producing large quantities, out of general uncertainty about the future of the market.

China's orange imports are forecast at 55 MT in MY 2008, a decrease of 11 percent from the previous year, due to increased domestic production and higher prices of U.S. oranges. Imports of mandarins are forecast at 18,000 MT in MY 2008, up 12 percent from the previous year. Grapefruit imports are forecast at 3,300 MT in MY 2008, consistent with the previous year. Lemon imports are forecast at 5,000 MT in MY 2008, up seven percent from the previous year, mainly attributed to lower priced U.S. lemons that are 30 percent lower in 2008 compared to the previous year. FCOJ imports are forecast at 43,000 MT in MY 2008, a decrease of 15 percent from last season, as a result of stagnant consumption growth in orange juice and uncertainties over China's juice market.

Mandarin exports are forecast at 340,000 MT in MY 2008, down 40 percent from the previous year, mainly due to a fruit fly outbreak in Sichuan Province and food safety concerns about China-origin fruit following the melamine contamination scares. The global economic recession may also reduce demand for citrus. Similarly, orange and grapefruit exports are forecast at 100,000 MT and 90,000 MT in MY 2008, down 19 percent and 11 percent, respectively, from the previous season. Lemon exports, however, are forecast at about 12,000 MT in MY 2008, slightly higher than the previous year as a result of increased production of price-competitive Chinese lemons.

Production

China's MY 2008 citrus production is forecast at 21 MMT, up 10 percent from the revised MY 2007 figure of 18.9 MMT, the result of favorable weather conditions throughout the major citrus producing areas during the crop development period. Low temperatures and snow storms in southern China in the beginning of 2008 affected 896,467 hectares, nearly half of China's total citrus planted area, in the major citrus producing provinces of Hunan, Jiangxi, Hubei, Guangxi, Zhejiang, and Chongqing. The disaster damaged many infant trees and some of the branches on mature trees, but did not kill the mature trees.

Oranges

Orange production is forecast at six MMT in MY 2008 (November-October), up 10 percent from the previous year as new plantings from a few years earlier have gradually reached full production. Industry sources predict orange production in Jiangxi Province will continue increasing at a rapid pace over the next five years. The orange harvest started two weeks later than usual this year due to cold winter temperatures that delayed flowering and slowed the fruit maturation process. Fruit quality, however, appears less desirable because of warmer than average temperatures during the summer and fall. As a result, orange sizes in Jiangxi are generally smaller than the previous year and some fruit have surface stains.

Orange acreage is forecast at 680,000 hectares, an increase of three percent from the previous year. The limited amount of land suitable for orange production has slowed the rapid increases in orange planted area seen over the past few years. Juicing oranges,

primarily in Chongqing special administrative region, and Sichuan and Hunan Provinces, are developing at a faster pace than fresh-consumption oranges that are mainly planted in Jiangxi, Sichuan, and Guangxi Provinces.

Production costs continue to rise in the wake of increased prices for inputs such as fertilizer, pesticide, electricity, fuel, water, and labor. In Jiangxi, the largest navel orange producing province, fertilizer prices in 2008 increased by nearly 70 percent over 2007 prices and current labor costs have doubled since last year, reaching USD 7.3-8.8 a day. It is estimated that total costs for producing one kilogram of navel oranges in Ganzhou city of Jiangxi Province is USD 0.12.

Tangerines/Mandarins

Tangerine production is forecast at 12.3 MMT in MY 2008 (October-September), up 12 percent from the previous year as a result of increased planted area, primarily in Guangdong, Hunan, and Hubei Provinces. Planting area in Zhejiang and Fujian, the other two major tangerine producing provinces, remain relatively stable. Tangerine/mandarin acreage is forecast at 798,000 hectares in MY 2008, an increase of three percent over the previous year.

Fruit quality has generally improved from last year. Ironically, the devastating snow storms of early 2008 killed many pests harmful to citrus trees and fruit. Enhanced orchard management following the snow storms also contributed to quality improvement. However, an outbreak of fruit flies in Guangyuan county of Sichuan Province in September resulted in 1,200 MT of tangerines being disinfected or buried and destroyed. This is the only reported incident of disease or pest outbreaks in citrus production areas in MY 2008.

Pomelos and Lemons

Pomelo and lemon production in MY 2008 is forecast at 2.5 MMT and 230,000 MT in MY2008 (October-September), up 10 percent and 15 percent, respectively, from the previous year as new plantings began bearing fruit. Pomelo and lemon acreage appears to have stabilized, but production is expected to continue increasing in the near future because earlier plantings have not yet reached full production potential. Pomelos are planted primarily in Fujian, Guangdong, and Guangxi Provinces, while lemons are predominantly grown in Anyuan of Sichuan Province. Anyuan accounts for more than 70 percent of China's total lemon production.

Processed Citrus

Frozen Concentrated Orange Juice (FCOJ) production is forecast at 14,000 MT in MY 2008 (October-September), down 22 percent from the revised estimate of 18,000 MT in MY 2007, because local juicing companies have grown cautious about producing large quantities. Orange juice consumption has shown stagnant growth in China due to lack of new products. Moreover, world FCOJ prices are declining as a result of weak world demand, further contributing to Chinese processor uncertainty about future domestic production. Huiyuan Juice, China's top orange juice producer is not focusing on juice production but waiting for Ministry of Commerce clearance for acquisition by beverage giant Coca Cola. On September 3, Coca Cola offered USD 2.4 billion dollars to acquire Huiyuan. The case is being reviewed by the central government on whether the acquisition violates China's antitrust law. All these factors create uncertainties over juice production during this crushing season. Despite these uncertainties, local juicing companies continue to expand juicing capacity. Industry sources report another multi-national company is also eyeing China's juice market and has decided to invest more in non-carbonated soft drink production in China.

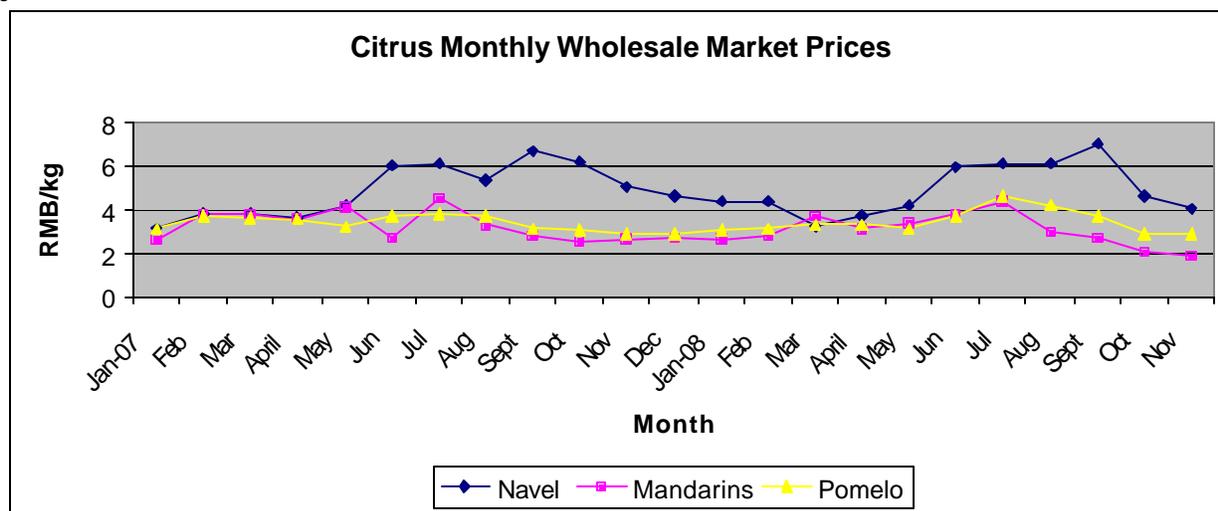
China's canned mandarin production is forecast at 360,000 MT in MY 2008, down 14 percent from the previous year, in the wake of anti-dumping duties imposed by the European Union

(EU) and expected weaker demand from the United States and other major buyers following the global economic recession. At the request of Spain's canned citrus industry, the EU announced on July 6, 2008 that anti-dumping duties would be levied against China-origin canned citrus for a period of six months. Chinese canneries have to pay additional duties of 330-482 euro for each MT of canned citrus entering EU countries within the stated period. Although the final decision has not yet been announced, many believe the EU is unlikely to change its position. China exports 50,000-60,000 MT of canned citrus, on average, to EU countries each year. Other major importers of China's canned citrus such as the United States and Japan are also likely to reduce their purchases from China, as the economic recession will probably reduce their demand for the product. The United States and Japan were the top two buyers of China-origin canned citrus in MY 2007, importing 180,000 MT and 52,200 MT, respectively.

China produces 70 percent of the world's total canned citrus and most of its production is exported. Domestic consumption is stable, between 50,000 MT and 100,000 MT each year. Previously, Zhejiang Province was the top producer and exporter of canned citrus, but increasing labor costs and fruit prices are forcing the industry to move to more economically-feasible provinces like Hunan. The number of Zhejiang citrus canneries is projected at 25 in 2008, down from 33 in 2007, but canning companies in Hunan are expected to increase to 20 this year with canning capacity each exceeding 5,000 MT per year. Zhejiang supplies 60-70 percent (on average) of China's canned citrus exports.

Prices

Early mature mandarins in MY 2008 were purchased at USD 0.18-0.20 (RMB 1.2-1.4) per kg, down more than 10 percent from the previous year. Prices further declined to as low as USD 0.06 per kg following the outbreak of a fruit fly infestation in Sichuan Province in September 2008. After the central government clarified through the media that there was no risk to human health, market prices of mandarins have begun to rebound. Farm gate prices for navel oranges in Jiangxi Province are quoted at USD 0.30-0.35 per kg, down 20 percent from last year's USD 0.38-0.44 per kg. Pomelo prices were quoted at USD 0.18 per kg in Meizhou city of Guangdong Province, down 25 percent over the same period the previous year.



Source: Ministry of Agriculture (Exchange rate USD 1 = 6.8 RMB)

Consumption

At present, per capita consumption of citrus in China is reported at 10.5 kg, 35 times the rate of consumption 30 years ago. The number continues to grow in tandem with increasing incomes. In 2008, however, consumption of mandarins was hindered by an outbreak of fruit

flies in Sichuan Province. The news caused panic among consumers across the nation, as consumers warned friends and family not to buy mandarins via cell phone text message. Many consumers, especially those in northern China, stopped buying mandarins even if the fruit did not originate in Sichuan. After the central and provincial governments joined with academia to ensure consumers that the pest is of no threat to human health, consumption of mandarins is gradually returning to normal levels. The incident will probably not affect the consumption of oranges as harvest of the fruit has just begun.

As consumers have the financial ability to pay more attention to their health and food safety, they tend to choose better quality fruit. Consumers buy citrus most frequently at supermarkets, where fruit quality and safety is considered more reliable compared with traditional wet markets. Top grade citrus, including imported citrus, is selling well in large cities like Beijing and Shanghai. Second tier cities in the Yangtze and Pearl River deltas also show strong buying power for this type of fruit.

Although juice and juice drink consumption have both been growing quickly in recent years in urban areas, consumption of orange juice is likely to decline this season as consumers, mainly young urban residents, are growing tired of the limited orange juice products available in the marketplace. Most orange juice products feature low content drinks (less than 25 percent orange juice) and 100 percent juice has yet to be accepted by the majority of consumers.

Trade

Imports

China's orange imports are forecast at 55 MT in MY 2008, a decrease of 11 percent from the previous year, due to increased domestic production and higher prices of U.S. oranges. The bumper harvest of locally produced navel oranges is likely to further squeeze the U.S. market share, currently priced higher than in 2007 due to a reported smaller crop. In 2007, U.S. orange exports to China dropped 26 percent from USD 32.17 million to USD 23.70 million partially because of the poor growing season. Imports of U.S. Valencia oranges, which become available in China's market during the local off-season, are expected to remain stable or decrease slightly. Importers are taking a cautious approach about making offers in the wake of the economic slowdown. The United States remained the top supplier of oranges to China in MY 2007, with the volume accounting for more than 80 percent of China's total orange imports. Oranges account for more than 90 percent of all U.S. citrus fruit exports to China.

China's imports of mandarins are forecast at 18,000 MT in MY 2008, up 12 percent from the previous year. Safety concerns of Chinese consumers about locally produced mandarins after the outbreak of quarantine pests in Sichuan may possibly encourage some high-end consumers to switch to imported mandarins, rather than domestically produced. Uruguay and Thailand were the top two exporters of fresh mandarins to China in MY 2007.

Grapefruit imports are forecast at 3,300 MT in MY 2008, consistent with imports the previous year. Imported grapefruit is consumed by hotels that use the fruit for juicing and the quantities remain quite stable. Lemon imports are forecast at 5,000 MT in MY 2008, up seven percent from the previous year, mainly attributed to lower priced U.S. lemons that are 30 percent lower in 2008 compared to 2007. The United States exported 1,250 MT of lemons to China in MY 2007, down 40 percent from MY 2006, due to historic high prices. Imported lemons are consumed by hotels and restaurants.

FCOJ imports are forecast at 43,000 MT in MY 2008, a decrease of 15 percent from last season, as a result of stagnant consumption growth in orange juice and overall uncertainties over China's juice market. China's imports of FCOJ declined to 50,600 MT in MY 2007, down

11 percent from 56,670 MT in MY 2006. Brazil dominates orange juice supplies to China, followed by Israel.

Exports

Mandarin exports are forecast at 340,000 MT in MY 2008, down 40 percent from the previous year, mainly due to the fruit fly outbreak in Sichuan Province and food safety concerns about China-origin fruit following the melamine contamination scares. The global economic recession may also reduce demand for citrus. Similarly, orange and grapefruit exports are forecast at 100,000 MT and 90,000 MT in MY 2008, down 19 percent and 11 percent, respectively, from the previous season. Lemon exports, however, are forecast at about 12,000 MT in MY 2008, slightly higher than the previous year as a result of increased production of price-competitive Chinese lemons. China exported 11,680 MT of lemons during MY 2007, a 20 fold increase over the previous season. Chinese citrus is mainly exported to neighboring Asian countries and Russia.

Canned mandarin exports are forecast at 300,000 MT in MY 2008, down 17 percent from the previous year following the EU's ruling on anti-dumping duties for China-origin canned citrus for six months beginning in July 2008. The United States and Japan, the top two buyers, are likely to reduce purchases of Chinese canned mandarins as well given the current economic slowdown. Their buying activities may also be contained by an estimated 10-20 percent price increase as a result of escalating production costs in China, which will in turn push export prices higher.

Policy

In September 2008, the Ministry of Agriculture (MOA) released a new "Layout Plan for China's Advantageous Agricultural Products (2008-2015)," which provides guidelines for the development of 16 agricultural products, including citrus, that are believed to have competitive advantages in the world market. The plan envisions consolidation of citrus production in five areas, mostly in the mid-upper reaches of the Yangtze River that encompasses the three gorges area within Chongqing, Hubei, and Sichuan. Development in this area will feature development of oranges for both fresh consumption and juicing as well as early and late mature citrus varieties. The south Jiangxi and northern Hunan/Guanxi Provincial area will focus on development of fresh-consumption navel oranges, while Zhejiang, Fujian, and Guangdong Provinces will develop mandarins, pomelos, and hybrid tangerines. Western Hubei and Hunan Provinces will focus on early and "extreme early" mature tangerines, and certain areas will be dedicated to specialty citrus like lemons.

The plan sets development goals for China's citrus industry. It is anticipated that within eight years at least three to five world-renown citrus production areas will be firmly established and that 8-10 brands with world competitive advantages will be launched. Citrus acreage and production within these designated areas are expected to reach 1.4 million hectares and 24.3 MMT, accounting for 70 percent and 80 percent, respectively, of China's total citrus area and production. The average yield is expected at 15 MT per hectare and processing citrus yield at 30 MT per hectare. Annual exports of fresh citrus and canned mandarins are to exceed 1.4 MMT and 700,000 MT, respectively.

This is the second time that the central government has released such layout plan. MOA published the first "Layout Plan for China's Advantageous Agricultural Products (2003-2007)" in 2003 and by the end of 2007 citrus planted area and production within the designated areas accounted for 54 percent and 58 percent, respectively, of the total citrus area and production. The central government has not provided substantial support to citrus production except for outlining guidance as specified in the layout plan. Provincial and local level governments within the selected areas have been providing tangible support for citrus production within their jurisdiction. In Jiangxi Province, for example, the government of

Ganzhou is allocating one million dollars a year to support citrus production and beginning in 2008 the city government will provide an additional two million dollars annually to help build juicing orange orchards from 2008-2010.

The central and provincial governments did provide emergent assistance during crises such as the snow storms in early 2008 and citrus pest outbreak in Sichuan. MOA and local governments sent expert teams to help farmers rescue the affected orchards. Because of this timely rescue work and improved orchard management, actual damage to affected citrus plants were limited. Local governments also subsidized fruit traders and processors in buying citrus from farmers during and after the snow storm. After the outbreak of citrus fruit flies in September, the government has made great efforts in helping ease the panic among the public by working closely with media.

Marketing

Citrus Market Faces Uncertainty in Wake of Economic Crisis

In recent years, citrus has been one of the fastest growing segments of China's fresh fruit market. As consumer incomes and preferences for high quality foods have increased, the demand for both domestic and imported citrus has grown considerably. However, this trend may be slowing down as Chinese consumers react to the global economic recession. As a result, many importers are more hesitant to sign long-term contracts with U.S. suppliers and to order large volumes of fruit while the market remains uncertain. Despite this, China's sustained economic growth has kept the imported citrus market in China relatively insulated, preventing an absolute decline in consumption. The majority of imported citrus is sold by major retailers to middle or upper income consumers. Hotels and restaurants also purchase a significant amount of imported fruit.

Chinese consumers place a strong emphasis on the taste, appearance, and shape of citrus fruit. According to local importers and retailers, Chinese consumers usually buy fruit based solely on its appearance, even if less expensive fruit of similar taste and quality is available. This makes presentation and color essential to maintaining high retail price levels. The most popular fruit tends to have a bright, consistent peel and a high Brix content. Chinese consumers are also attracted by innovative products, as evidenced by the willingness of consumers to try new fruit drinks and citrus varieties. Another important factor is convenience, with customers preferring juice and fruit that is easy to peel. There are some regional differences, with consumers in northern China focusing more on size and appearance. According to importers, these consumers are more likely to purchase larger fruit with smooth, shiny peels. Consumers in southern China on the other hand, tend to place less emphasis on appearance and more on taste.

Impact of Olympic Games

Despite high expectations for China's citrus market in the run-up to the Olympic Games, traders were hindered from taking full advantage of this opportunity because of increased costs and difficult logistics. The Chinese government enacted many temporary regulations that restricted domestic and international travel, which decreased tourism. Transporting the imported fruit to Beijing during the Games also proved problematic. Because Beijing is an inland city, all imported products must first go through ports in other cities. Because of the extra regulations and precautions, it was more difficult than usual for importers to transport their products into Beijing. This, combined with tightened quality and security inspections meant that some containers of citrus were left stranded at the ports during the Games.

Oranges

Oranges account for more than 90 percent of all U.S. citrus fruit exports to China. The two top varieties in the market are navel and Valencia oranges. Imports of navel oranges have declined because of increased domestic production. Currently, most U.S. navel oranges are

consumed by the HRI sector instead of the retail sector, which has become saturated by cheaper domestic oranges. In comparison, Valencia oranges, which have a later growing season, sell much better because of a lack of domestic competition. U.S. Valencia oranges are generally perceived to be better tasting than the South African equivalent, which is the other major international exporter. Fresh oranges are available in the Chinese market year-round with U.S. oranges normally in the market from December to July. Southern hemisphere suppliers such as South Africa and Australia are the dominant suppliers of oranges during the summer and fall.

Lemons

An increase in the quantity and quality of domestic production has reduced the demand for imported lemons, which often cost twice as much. Prices of U.S. lemons peaked in 2007. Lemons continue to evolve as an ingredient in cooking, particularly in the food service sector, because of their colorful appearance and versatility. Lemons are used as a flavor enhancer and a source of vitamin C. The market for imported lemons is mostly limited to major cities such as Shanghai, Beijing, and Guangzhou. A local distributor in Shenyang said that there is still very little demand in that city for imported lemons, because consumers there tend to be very price-sensitive. Fortunately, U.S. suppliers predict prices to drop 30 to 40 percent in 2008. Some local importers have expressed an intention to import more lemons, depending on the price. American lemons can be found in China's market throughout the year, with Sunkist being the largest supplier. Major international competitors in the lemon market include New Zealand and Uruguay.

Grapefruit

Grapefruit is still relatively unknown to China's consumers, and they often confuse the fruit with pomelos. Grapefruit are traditionally not sweet enough to appeal to the Chinese palate. Thailand and Taiwan were the top two exporters of grapefruit to China in 2007. The United States, however, has increased its share in this market, with exports to China increasing from USD 0.32 to USD 0.44 million in 2007. There remains considerable growth potential for U.S. grapefruit in China if suppliers highlight the nutritional benefits and target mid-high income consumers with market development efforts.

Sales of U.S. Citrus Fruit in China in 2006-07

(in million USD)

	2006	2007	Change	Percent Change
Oranges	32.17	23.7	-8.47	-26.33%
Lemons	2.87	2.67	-0.2	-6.97%
Grapefruit	0.32	0.44	0.22	37.50%

Source: *World Trade Atlas*

Juice

New varieties of juice products surfaced in the China market in 2008. Some of these are traditional products with new packaging while others are newly formulated products. Prices have increased sharply because of the increased costs of raw material, labor and transportation. Despite the rising prices, however, some of these new products have attracted a lot of attention from consumers. For example, the Nong Fu Juice Company has launched a new lemon beverage called "Dissolved Vitamin C 100%." The packaging claims that each bottle contains an amount of Vitamin C equivalent to five and a half fresh-squeezed lemons. The 445 ml product sells for USD 0.75 (RMB 5) per bottle, which is more expensive than similar products in the market. The company stated that its products are targeted at customers who value high quality and a healthy lifestyle. According to market feedback, the product has been selling well among young people and white-collar workers.

Competition in the imported juice market has become fierce. More juice products from Mexico and Europe have appeared on the shelves of upscale supermarkets in Beijing and Qingdao during the last year. These products have attractive packaging and are often cheaper than their U.S. counterparts. For example, the price of a liter of citrus juice from Mexico is less than USD 4.39 (RMB 30), while an equivalent liter from the U.S. is sold for more than USD 5.86 (RMB 40). Although the quality of U.S. products is higher, most consumers are still price-sensitive and prefer less expensive products. While some upper-middle class consumers buy imported products in order to show their social status, these consumers often do not seem to care where the products come from, as long as it is from overseas. In addition, most of the citrus juice from the United States is fresh squeezed, which means that these products usually have a shorter shelf life of about three months. It is tougher for importers to sell these products in the supermarkets, because most supermarkets require a shelf life of at least three months.

Citrus Distribution

Traditionally, domestic citrus growers sold their products through state-owned trading companies. These days, growers tend to sign long-term contracts with the trading companies and wholesalers directly. As incomes increase, more consumers are shopping in supermarkets instead of visiting wet markets. Supermarkets usually have stable suppliers of fresh fruit, enabling them to deliver higher quality and safer products in a timely and price-competitive manner.

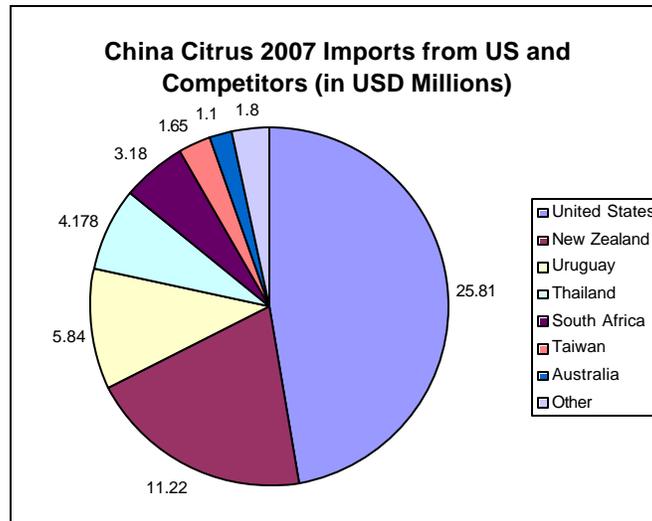
The top distribution market for imported fruit in China is Jiangnan market in Guangzhou, which also distributes most of the imported citrus. Some other citrus products are imported to the ports in Tianjin and Dalian. Local importers then sell the products directly to wholesalers or retailers. These wholesalers have signed contracts with local supermarkets and also supply the products to HRI sector. According to local retailers, the prices of most imported fruits in the retail sector have been relatively stable during the past two years, though others have increased sharply. For this reason, some importers have complained about shrinking profits in recent years.

Inadequate Cold Chain Still a Challenge

China's cold chain system has improved, but it is still under development. Most imported fruit is stored at cold storage and containers with air-conditioning. Unfortunately, 99 percent of the storage systems in China can not maintain a seamless connection in the cold chain. For example, most products are exposed to normal temperatures while being transferred between refrigerated trucks and cold storage. Domestic shipping is also an issue. According to local distributors, refrigerated trucks are not normally used when transporting products within one province – trips that can take several hours. Instead, they only use refrigeration when shipping the products to another province. In the retail sector, most of the supermarkets display the imported fruits in refrigerated areas because the imported fruits are more expensive and profitable than local products.

International Competition in the Citrus Market

As one of the world's major citrus producers and exporters, domestic citrus dominates China's market and is the primary competition for citrus suppliers in the market. FAS/Beijing estimates local citrus production will influence the future of imported citrus growth as well as citrus market prices. However, domestic fresh citrus is virtually absent in the market from April to August. The main competitors for U.S. citrus during this off-season are New Zealand, Uruguay, South Africa, and Australia. Additionally, citrus products from ASEAN countries such as Thailand have a price advantage over U.S. exports because of lower production costs. The following graph shows the breakdown of China's citrus imports from the United States and other competitors in terms of value.



Source: World Trade Atlas

Brand Awareness

Compared with customers in Hong Kong, mainland China’s customers are relatively less aware of brand names, although that is gradually changing. Some traders have said that customers in Shanghai are now paying more attention to branding when they purchase imported fruits. According to feedback from the retail market, oranges and lemons with the Sunkist label sell much better than the others because many customers believe the products to be fresher and healthier than the competition. The IPR situation in the citrus market has also improved in recent years. It is becoming harder to find non-Sunkist fruit falsely labeled as Sunkist in most distribution centers. Some sellers, however, continue to use Sunkist labels on products that came from other sources.

Tables*Citrus Historical Production Tables by Province*

Orchard Area and Production by Province

	2004		2005		2006		2007	
	1000 Ha	1000 MT						
Hunan	276.4	1,879	296.2	2,120	313.8	2,508	325.9	2,779
Guangdong	175.7	1,591	195.5	1,827	224.5	2,244	243.6	2,568
Fujian	165.6	2,068	170.3	2,153	170.2	2,267	170.4	2,386
Guangxi	134.3	1,719	141.3	1,877	151.5	2,055	165.3	2,347
Sichuan	201.5	1,988	206.9	2,137	215.6	2,058	223.3	2,325
Hubei	124.7	1,308	143.2	1,463	159.0	1,811	189.0	2,116
Zhejiang	124.1	2,010	123.0	1,481	120.2	1,805	122.5	1,987
Jiangxi	217.3	844	215.1	1,098	229.3	1,394	262.5	1,957
Chongqing	98.1	799	108.9	909	109.9	847	113.9	1,044
Yunnan	25.9	166	27.9	211	29.1	244	32.1	281
Shanghai	11.4	185	8.7	180	10.6	197	10.9	240
Shaanxi	18.1	117	19.7	168	21.5	163	23.3	224
Guizhou	35.5	158	38.7	172	37.0	177	37.9	191
Jiangsu	3.6	48	3.9	52	5.4	48	3.7	47
Henan	9.5	35	10.1	36	9.7	37	10.0	38
Hainan	3.1	23	3.7	20	3.6	27	3.7	30
Anhui	2.3	13	4.0	12	3.4	13	3.2	19
Gansu	0.2	3	0.2	3	0.2	3	0.3	3
Total	1,627.3	14,958	1,717.3	15,919	1,814.5	17,898	1,941.4	20,582

Source: Ministry of Agriculture Abstracts

Production, Supply, and Demand (PS&D) Tables

Fresh Oranges

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oranges, Fresh (HECTARES)(1000 TREES)(1000 MT)								
	2006	Revised		2007	Estimate		2008	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		11/2006	11/2006		11/2007	11/2007		11/2008	11/2008
Area Planted	628000	628000	628000	660000		660000	0	0	680000
Area Harvested	0	0	0	0		0	0	0	0
Bearing Trees	0	0	0	0		0	0	0	0
Non-Bearing Trees	0	0	0	0		0	0	0	0
Total No. Of Trees	0	0	0	0		0	0	0	0
Production	4800	4800	4800	5450		5450	0	0	6000
Imports	68	68	36	60		62	0	0	55
Total Supply	4868	4868	4836	5510		5512	0	0	6055
Exports, Fresh	62	62	79	85		123	0	0	100
Fresh Dom. Consumption	4661	4661	4612	5155		5144	0	0	5773
For Processing	145	145	145	270		245	0	0	182
Total Distribution	4868	4868	4836	5510		5512	0	0	6055

Trade Matrices for Fresh Oranges

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Oranges, Fresh		
Time Period	Oct-Sept	Units:	MT
Imports for:	2006		2007
U.S.	28164	U.S.	45854
Others		Others	
South Africa	5014	South Africa	4184
Taiwan	1317	Uruguay	3843
Argentina	1080	Argentina	1177
New Zealand	1038	Taiwan	428
Uruguay	999	Australia	302
Thailand	834	Egypt	291
Egypt	220	Spain	46
Australia	167	Brazil	4
Brazil	21		
Israel	19		
Total for Others	10709		10275
Others not Listed	0		0
Grand Total	38873		56129

Source: China Customs Data

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Oranges, Fresh		
Time Period	Oct-Sept	Units:	MT
Exports for:	2006		2007
U.S.	0	U.S.	0
Others		Others	
Hong Kong	33855	Vietnam	46577
Vietnam	14420	Hong Kong	30442
Malaysia	14257	Malaysia	16684
Russia	8009	Russia	7785
Canada	3480	Iran	7684
Singapore	1822	Singapore	4981
Macau	1700	Indonesia	2762
Indonesia	627	Thailand	1740
UAE	300	Macau	1589
Kyrgyzstan	142	Philippines	1486
Total for Others	78612	Kazakhstan	121730
Others not Listed	210		1930
Grand Total	78822		123660

Source: China Customs Data

Orange Juice (FCOJ)

PSD Table									
Country	China, Peoples Republic of								
Commodity	Orange Juice (MT)								
	2006	Revised		2007	Estimate		2008	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2006	10/2006		10/2007	10/2007		10/2008	10/2008
Deliv. To Processors	145000	145000	145000	270000		245000	0	0	182000
Beginning Stocks	12000	12000	8000	10000		10000	0	0	8000
Production	10000	10000	11000	20000		18000	0	0	14000
Imports	38000	38000	56991	50000		50624	0	0	43000
Total Supply	60000	60000	75991	80000		78624	0	0	65000
Exports	2000	2000	3302	3600		3770	0	0	3000
Domestic Consumption	58000	58000	62689	69000		66854	0	0	62000
Ending Stocks	0	0	10000	7400		8000	0	0	0
Total Distribution	60000	60000	75991	80000		78624	0	0	65000

Note: Numbers have been converted to concentrated orange juice using a ration of 6:1 between single strength and concentrate. Production under HS Codes 20091200 and 20091900 are both treated as single strength juice.

Trade Matrices for Orange Juice (FCOJ)

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Orange Juice		
Time Period	Oct-Sept	Units:	MT
Imports for:	2006		2007
U.S.	84	U.S.	1514
Others		Others	
Brazil	35737	Brazil	41829
Israel	18093	Israel	6603
Netherlands	1235	Italy	393
Italy	940	Netherlands	263
Greece	382	Hong Kong	50
Spain	154	Australia	20
Australia	124	France	14
Singapore	95	Spain	14
Hong Kong	35	Thailand	12
Thailand	18	Austria	11
Total for Others	56813		49209
Others not Listed	95		45
Grand Total	56992		50768

Source: China Customs Data

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Orange Juice		
Time Period	Oct-Sept	Units:	MT
Exports for:	2006		2007
U.S.	0	U.S.	0
Others		Others	
Thailand	1002	Hong Kong	1279
Hong Kong	950	Thailand	696
India	421	Pakistan	650
Taiwan	301	Kazakhstan	590
Kazakhstan	112	Taiwan	176
Mongolia	106	Indonesia	146
Indonesia	91	India	100
Algeria	76	Japan	73
Kuwait	73	Singapore	33
Tunisia	56	Russia	11
Total for Others	3188		3754
Others not Listed	115		16
Grand Total	3303		3770

Source: China Customs Data

Fresh Tangerines/Mandarins

PSD Table									
Country	China, Peoples Republic of								
Commodity	Tangerines/Mandarins, Fresh (HECTARES)(1000 TREES)(1000 MT)								
	2006	Revised		2007	Estimate		2008	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2006	10/2006		10/2007	10/2007		10/2008	10/2008
Area Planted	756000	756000	767000	775000		775000	0	0	798000
Area Harvested	0	0	0	0		0	0	0	0
Bearing Trees	0	0	0	0		0	0	0	0
Non-Bearing Trees	0	0	0	0		0	0	0	0
Total No. Of Trees	0	0	0	0		0	0	0	0
Production	9000	9000	9000	9720		11000	0	0	12300
Imports	5	5	27	20		16	0	0	18
Total Supply	9005	9005	9027	9740		11016	0	0	12318
Exports, Fresh	407	407	371	390		486	0	0	340
Fresh Dom. Consumption	7948	7948	8006	8700		9850	0	0	11428
For Processing	650	650	650	650		680	0	0	550
Total Distribution	9005	9005	9027	9740		11016	0	0	12318

Note: Processing citrus covers mainly canned mandarins and producing one MT of canned mandarins needs about 1.5 MT of fresh mandarins.

Trade Matrices for Fresh Tangerines/Mandarins

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Tangerines/Mandarins, Fresh		
Time Period	Oct-Sept	Units:	MT
Imports for:	2006		2007
U.S.	3	U.S.	126
Others		Others	
New Zealand	16185	Uruguay	9465
Uruguay	3974	Thailand	4727
Thailand	3964	Australia	614
Australia	1850	New Zealand	398
Myanmar	505	South Africa	85
Argentina	359	Israel	57
Chile	358	Argentina	52
South Africa	103	Pakistan	26
Taiwan	14	Taiwan	14
Total for Others	27312		15438
Others not Listed	1		1
Grand Total	27316		15565

Source: China Customs Data

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Tangerines/Mandarins, Fresh		
Time Period	Oct-Sept	Units:	MT
Exports for:	2006		2007
U.S.	0	U.S.	0
Others		Others	
Vietnam	74232	Vietnam	132277
Malaysia	72652	Indonesia	96772
Indonesia	59300	Malaysia	83388
Russia	50637	Russia	55273
Philippines	35616	Philippines	45290
Hong Kong	31902	Canada	25917
Canada	21774	Hong Kong	15566
Singapore	12189	Singapore	13953
Kyrgyzstan	3672	Thailand	5758
Mongolia	1749	Kyrgyzstan	3163
Total for Others	363723		477357
Others not Listed	6855		8833
Grand Total	370578		486190

Source: China Customs Data

Fresh Grapefruit

PSD Table									
Country	China, Peoples Republic of								
Commodity	Grapefruit, Fresh (HECTARES)(1000 TREES)(1000 MT)								
	2006	Revised		2007	Estimate		2008	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2006	10/2006		10/2007	10/2007		10/2008	10/2008
Area Planted	0	0	0	0		0	0	0	
Area Harvested	0	0	0	0		0	0	0	
Bearing Trees	0	0	0	0		0	0	0	
Non-Bearing Trees	0	0	0	0		0	0	0	
Total No. Of Trees	0	0	0	0		0	0	0	
Production	2020	2020	2025	2230		2230	0	0	2500
Imports	5	5	3	3		3	0	0	3
Total Supply	2025	2025	2028	2233		2233	0	0	2503
Exports, Fresh	60	60	51	110		101	0	0	90
Fresh Dom. Consumption	1965	1965	1977	2123		2132	0	0	2413
For Processing	0	0	0	0		0	0	0	0
Total Distribution	2025	2025	2028	2233		2233	0	0	2503

Trade Matrices for Fresh Grapefruit

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Grapefruit, Fresh		
Time Period	Oct-Sept	Units:	MT
Imports for:	2006		2007
U.S.	408	U.S.	565
Others		Others	
Thailand	1607	Thailand	1798
Taiwan	773	Taiwan	735
South Africa	184	Israel	131
Argentina	110	Uruguay	93
Japan	100	South Africa	77
Spain	45	Argentina	22
Israel	3		
Total for Others	2822		2856
Others not Listed	0		1
Grand Total	3230		3422

Source: China Customs Data

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Grapefruit, Fresh		
Time Period	Oct-Sept	Units:	MT
Exports for:	2006		2007
U.S.	0	U.S.	0
Others		Others	
Netherlands	17161	Netherlands	43108
Russia	15282	Russia	24526
Hong Kong	4481	Belgium	10119
Belgium	2852	Romania	4720
Canada	2671	Germany	3766
Malaysia	1271	Hong Kong	3466
Romania	1144	Canada	2864
Philippines	1046	Ukraine	2015
Germany	1013	Lithuania	1257
Singapore	725	Philippines	717
Total for Others	47646		96558
Others not Listed	2905		4094
Grand Total	50551		100652

Source: China Customs Data