



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 4/30/2008

GAIN Report Number: CH8028

China, Peoples Republic of

Stone Fruit

Annual

2008

Approved by:

Mark Petry
AGBEIJING

Prepared by:

Chanda Beckman, Wu Bugang, and Freddie Xu

Report Highlights:

China's MY 2008 production is forecast to increase for all types of stone fruit. Despite increased production, stone fruit prices are likely to remain stable or slightly increase during MY 2008, driven by increasing prices of other food items and escalating costs of agricultural inputs. The central government has taken actions to help farmers cope with rising production costs. Imports of U.S. cherries are expected to increase as well, encouraged by opportunities offered by the Olympic games.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Beijing [CH1]
[CH]

Table of Contents

Executive Summary	3
Production	3
Peaches.....	3
Plums	3
Apricots.....	4
Cherries.....	4
Price	4
Despite Price Increases for Staple Foods, Stone Fruit Prices Stable.....	4
Consumption.....	5
Moderate Growth in Stone Fruit Consumption	5
Trade.....	5
Olympics May Encourage Increase in U.S. Exports	5
Increases in Production and Quality May Lead to Increased Exports	6
Policy	6
Government Actions to Mitigate Increased Production Costs	6
Farmer Cooperatives	6
Reduced Tariffs for Chile and New Zealand	6
Marketing	7
Market Size	7
Cherries	7
Plums	7
Distribution	7
Consumer Education/Promotional Activities	8
Opportunities	8
Challenges	8
Cherries	8
Plums	8
Peaches, Nectarines, and Apricots.....	9
Tables.....	10
Import Tariff and VAT for Fresh Stone Fruit in 2008	10
2003-2006 China Peach Acreage and Production by Province.....	10
Production, Supply, and Demand (PSD) Table for Fresh Peaches and Nectarines	11
Trade Matrix for Fresh Peaches and Nectarines	12
Export Price for Fresh Peaches and Nectarines	13
PSD Table for Fresh Plums and Prunes	14
Trade Matrices for Fresh Plums and Prunes	15
Export Price for Fresh Plums and Prunes	16
PS&D Table for Fresh Apricots.....	17
Trade Matrix for Fresh Apricots.....	18
Export price for Fresh Apricots.....	19
PS&D Table for Fresh Cherries.....	20
Trade Matrix for Fresh Cherries	21

Executive Summary

Peach production is forecast to increase by eight percent to 8.6 million metric tons (MMT) in MY 2008. Plum production is forecast at 2.2 MMT, up 10 percent from the previous year, as earlier plantings have begun bearing fruit and come into full production. Apricot production is forecast at 1.7 MMT in MY 2008, up nearly 14 percent from the previous year, mainly attributed to an increase in planted area. Cherry production is forecast at 174,000 MT in MY 2008, an increase of 16 percent, as more cherry plantings have also reached their full production cycles. Despite increased production, stone fruit prices are likely to remain stable or slightly increase during MY 2008, driven by increasing prices of other food items and escalating costs of agricultural inputs. The central government has taken actions to help farmers cope with rising production costs, especially the huge increases in fertilizer prices. Imports of U.S. cherries are expected to increase in MY 2008 because of increased market access and anticipated increased demand during the Olympics in August.

Production

Peaches

Peach production is forecast to increase by eight percent to 8.6 million metric tons (MMT) in marketing year (MY-January-December) 2008¹, if normal weather conditions persist during the flowering and bearing periods (April and May) in major producing areas. Although the weather in northern China is dryer than normal this spring, recent rains have alleviated this to some extent. MY 2007 production was revised down to 7.98 MMT, a three percent decrease from the previous year, the result of a drought in the north and excessive rain in the south during late spring and early summer. Post reporting trips confirm that peach acreage continues to decline because of continued lower peach prices stemming from stagnant demand for fresh peaches. As a result, the planted area is forecast at 650,000 hectares in MY 2008, down one percent from the previous season. MY 2006 and 2007 planted area have also been revised down to 669,500 and 656,000 hectares, respectively. Despite this slight decrease in acreage, peach production is expected to increase marginally in the next three to five years given better farm management techniques.

Production costs continue to rise, especially since the second half of 2007. Most agricultural inputs (fertilizer, pesticides, labor, and fuel costs) are increasing rapidly. Current prices of compound fertilizers have increased by 30-70 percent from the previous year and some poorer farmers are choosing to apply less expensive and sometimes less effective fertilizers that may result in lower quality fruit. Seasonal labor costs in Shandong Province have increased to U.S. \$5.00 a day, up 20 percent from 2006, and intensive work like bagging and harvesting has increased to U.S. \$7.00 a day. Water availability for peach production is also a challenge, especially in China's Northern provinces where dropping water tables and the encroachment of the Gobi Desert are a concern. Many rivers and reservoirs in the north are drying up. In most areas, fruit production is now dependent on rainfall and underground water.

Plums

Plum production is forecast at 2.2 MMT in MY 2008 (, up 10 percent from the previous year, as earlier plantings have begun bearing fruit and coming to full production. Previous acreage expansion has slowed in recent years, mostly because of less profitable market prices. The planted area is forecast at 418,200 hectares, up two percent from the previous year. Plum production is expected to experience moderate growth in the next three to five years because of this slight increase in planted area. Plums produced in northern China are mainly

¹ "Marketing year 2008" in this report refers to indicator year 2008, which begins January 2009 for all varieties of stone fruit.

destined for domestic fresh consumption and a large portion of the plums grown in southern China are processed into dried or preserved plum products bound for domestic consumption.

Apricots

Apricot production is forecast at 1.7 MMT in MY 2008, up nearly 14 percent from the previous year, mainly attributed to an increase in planted area. Acreage is forecast at 430,000 hectares in MY 2008, up nearly 10 percent from MY 2007. The quick expansion is largely attributed to government encouragement, including free or subsidized seedlings in poor areas of north China such as Inner Mongolia, where water is lacking and apricots seem to be one of the few cash crops that can survive the environment and generate income for farmers. Most apricots grown in these areas are processed into paste and dried fruit, or their seeds are sold as ingredients for herbal supplements. Apricot production is expected to continue growing at a relatively fast pace with the increase in acreage and continued government support.

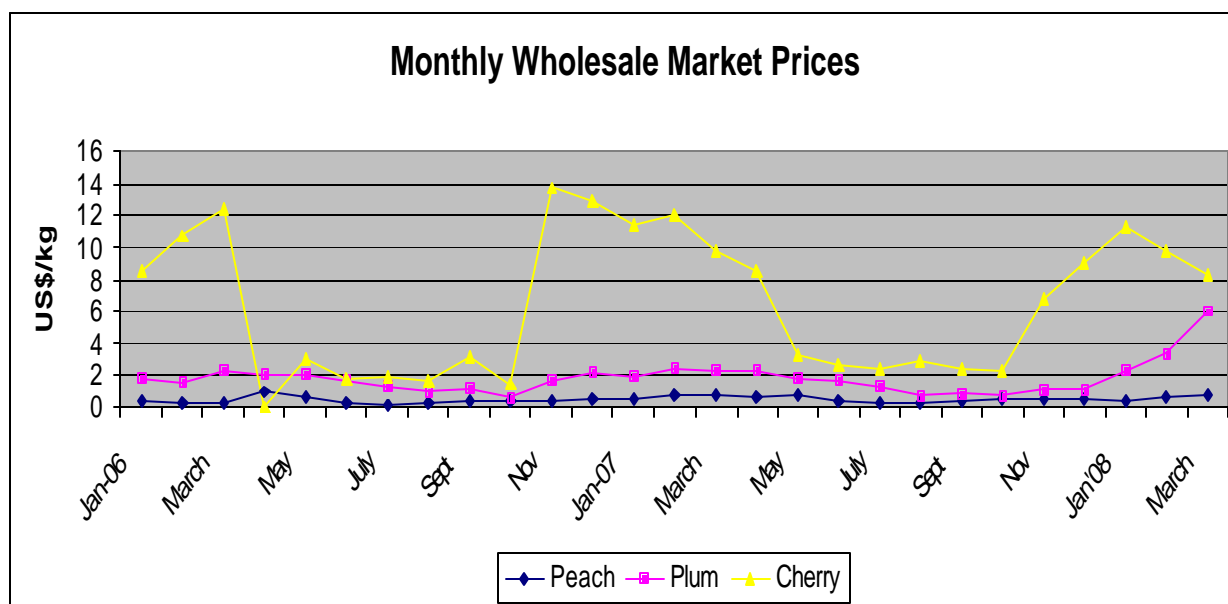
Cherries

Cherry production is forecast at 174,000 MT in MY 2008, an increase of 16 percent, as more cherry plantings have reached full production. Many farmers in Yantai, Shandong Province and Dalian, Liaoning Province have replaced traditional fruit crops like apples with cherries because of the increasing popularity of the fruit among domestic consumers. However, the pace of expansion has shown signs of slowing because the availability of land suitable for growing this delicate fruit is limited. Cherry planted area is forecast at 55,000 hectares in MY 2008, up four percent from the previous year. Cherry acreage is expected to maintain moderate growth in the next three to five years in Shandong, Hebei, and Shaanxi provinces, and will result in continued production growth increases as earlier plantings become productive.

Price

Despite Price Increases for Staple Foods, Stone Fruit Prices Stable

Despite increased production, stone fruit prices are likely to remain stable or slightly increase during MY2008, driven by increasing prices of other food items and escalating costs of agricultural inputs like fertilizer and pesticides in China. On April 16, China's National Bureau of Statistics announced that the Consumer Price Index (CPI) for the first quarter of 2008 grew eight percent, compared with 2.7 percent the first quarter of 2007. Food prices, which account for one-third of the CPI, rose 21 percent in the first quarter of 2008 alone. These increases are mostly attributed to inflation, increased consumption, and greater demand for food products throughout China. Prices of staple foods like pork and grains have increased 69 and 18 percent on average in February. However, prices of fresh fruit, including stone fruit, experienced only minor increases largely because price surges of agricultural inputs occurred after most fruit farmers had already finished farming activities. In addition, fruit is placed at the bottom of the average consumer's priority food basket after staples such as grain, meat, and vegetables. When people are forced to spend more money on basic food items like grain, they will cut spending on fruit, thus limiting fruit consumption.



Source: Ministry of Agriculture

Consumption

Moderate Growth in Stone Fruit Consumption

Although there is a great potential for fruit consumption in China, the actual growth has been moderate and most fruit is still consumed in wealthier urban areas. The per capita consumption of fresh fruit and melons in urban areas is posted at 60.2 kg in 2006, up five percent from 2000, according to China's National Bureau of Statistics. The per capita consumption of fruit in rural areas is about one-third the amount in urban areas. When it comes to stone fruit, the consumption growth in all areas of China is even slower because of the short shelf life. In addition, plums and apricots are not traditionally favored by Chinese consumers, because it is believed eating too many will make you sick.

Therefore, fresh stone fruit is mainly consumed in cities that are close to production areas. The one notable exception is cherries, which are widely popular throughout China and consumption is increasing rapidly, especially in emerging city markets like Wenzhou, Changsha, and Nanning.

Consumption of processed stone fruit is increasing faster than consumption of fresh products because of lifestyle changes. Overall consumption of juice and juice drinks, including peach beverages, increased overall by more than 18 percent from January-July 2007, according to industry reports. Dried fruits, especially plums and apricots are traditional snack foods among young female consumers. Other processed products like canned peaches, apricot paste, and seeds are mainly produced for overseas markets.

Trade

Olympics May Encourage Increase in U.S. Exports

U.S. cherries are popular in China during the off-season between June and August, and imports are likely to double in MY 2008 because of anticipated increased demand during the Olympics in August. U.S. cherry producers have invited major Chinese importers to visit the United States on a trade mission in June 2008, hoping to capitalize on the Olympic opportunity. The Olympics aside, the majority of cherries and plums are imported during Chinese New Year, which falls in January or February each year. This creates opportunities for southern hemisphere producers like Chile and New Zealand, especially now that both

countries have signed Free Trade Agreements (FTA) with China (see Policy section). Imports of Chilean plums, for example, jumped to 8,420 MT in MY 2007, up from zero before the FTA came into force. Chilean plums now account for 78 percent of China's fresh plum imports. While Guangzhou and Hong Kong remain the major cherry import ports, cherries entering through Shanghai are increasing at a rapid pace.

Increases in Production and Quality May Lead to Increased Exports

Although export volumes of stone fruit account for a small portion of China's total production, the number is expected to continue growing because of overall production increases and improved fruit quality. More farmers have started bagging peaches to attain better looking fruit with less pesticide residues. Increased production costs and the appreciation of the Chinese Yuan against the U.S. dollar, however, are likely to hinder the strong growth momentum. As part of its effort to curb inflation, China has allowed the Yuan to rise 4.18 percent against the dollar in the first quarter of 2008, compared to a rise of seven percent during 2007. On April 23, the exchange rate between the Yuan and the dollar was quoted at 6.98:1. Another factor limiting stone fruit exports is the short shelf life of the fruit (about two weeks without cold storage, a little longer for plums) and current available technology does not preserve stone fruit for an extended period of time, even in cold storage. Therefore, China's exports of peaches, plums, and apricots are concentrated in the harvest season between June and September and primarily go to neighboring areas like Russia, Vietnam, and Hong Kong.

Policy

Government Actions to Mitigate Increased Production Costs

China's financial support for agriculture is primarily aimed at maintaining stable grain supplies, not fruit production. The central government, however, has taken actions to help farmers cope with rising production costs, especially the huge increases in fertilizer prices. One policy initiative eliminated the VAT on domestically produced and imported diammonium phosphate (for fertilizer) on January 1, 2008. On April 17, the government also announced a 100 percent special export duty on fertilizer and related material exports between April 20 and September 30, 2008. This is the second such action in 2008. Fertilizer manufacturers now also enjoy discounts on fuel and electricity rates, as well as subsidized rail transportation fees. These measures are aimed at ensuring the supply and stabilizing the price of fertilizers on the domestic market.

Farmer Cooperatives

The central government encourages the establishment of farm cooperatives and published a farmer cooperative law that went into effect July 1, 2007. The government has yet to formulate implementation details with respect to financing these groups. It is reported that China has around 1.4 million farmer cooperatives in various forms, but only about one-tenth of these organizations are actually functioning. Most often these cooperatives are loosely organized and operating on the production side, rather than the marketing side of the equation. In fact, many small-sized farmers are not mentally or financially capable of forming effective cooperatives. While many of China's fruit growers are willing to work together to increase or improve individual production, Post contacts indicate that they are uncomfortable with the idea of collective marketing or branding of their fruit. This is mostly attributed to the perception of high up-front costs to start such an organization and the ease of selling directly to a broker or trader rather than marketing the fruit yourself.

Reduced Tariffs for Chile and New Zealand

The Free Trade Agreement (FTA) between China and Chile took effect on October 1, 2006. Under the FTA, Chilean fruit is imported into China at tariff of four percent in 2008, and that rate will drop to zero by 2010. This arrangement has benefited the fruit farmers in this

South American country as their supply season falls right on Chinese New Year (in January or February), a period when consumption of imported fruit reaches its peak. On April 7, 2008, China signed an FTA with New Zealand. Under this agreement, import tariffs on fruit will be eliminated within five years after the agreement comes into force, which is expected to be October 1, 2008.

Marketing

Market Size

Cherries

A growing middle class and increasing incomes in China has led to consumer demand for greater quality and more variety of fruits. Imported fruits are also benefiting from improved infrastructure, cold-chain storage facilities, and transportation in China. In 2007, U.S. cherry exports increased in value to U.S. \$1 million, up 99 percent from the previous year. 2007 was also the first year since 2003 California cherries enjoyed market access in China. Prior to 2007, market access was not granted because of phytosanitary concerns related to Mediterranean Fruit Fly detections in shipments of U.S. cherries from California.

Plums

Plums are currently a small niche market in China. In 2007, U.S. plum exports decreased in value to U.S. \$0.8 million, down 60 percent from the previous year. However, Chinese consumers do seem willing to pay premium prices for high quality imported fruit. 2007 is the second year of official access for California plums to China. Initial excitement about the opportunities in this market may have been outweighed by new shipping procedures, direct shipments rather than grey channel shipments, and other difficulties. One difficulty appears to be a general reluctance of traders to handle specialty fruit because of the risks associated with such high value products.

Distribution

Guangzhou remains the hub for stone fruit imports from the United States, with Shanghai and Dalian not far behind. In 2007, direct shipments of U.S. Northwest cherries to China increased in volume by 116 percent to 670 MT, of which 381 MT went to Guangzhou, 263 MT to Shanghai, and 26 MT to Beijing. It is important to note that direct shipments to Shanghai increased by 130 percent from 2006 to 2007 and that 2007 was the first year for direct shipments to Beijing. In 2007, China imported 12 MT of California cherries. This amount is expected to increase with continued market access in 2008. Most U.S. plums arrive in China through Guangzhou, and are then shipped to major cities like Shanghai and Beijing where disposable incomes facilitate the sale of high-end imported products.

Post estimates that only 20 percent of total cherry consumption in China is from direct exports from United States, while the remaining 80 percent enters through grey channels. More effort should be spent to establish stronger trade relationships with local traders in China in order to encourage direct trade. Education about U.S. product characteristics and health benefits remains critical to expanding distribution networks in China. Characteristics such as availability and varieties of U.S. cherries, packaging offerings, attributes that differentiate from domestically produced cherries and imports from other countries, and storage and handling techniques should be highlighted. In addition, trade/buying missions to visit production areas and meet with exporters can enhance relationships with local traders and build confidence in importing U.S. cherries.

Retail stores remain the predominant venue to sell U.S. cherries. Industry data shows that about 80 percent of U.S. cherry imports are sold at retail chains like Carrefour and Walmart and 20 percent at traditional wet markets or smaller fruit stores. Imported U.S. plums are

found in high-end retail outlets, restaurants, and four- and five-star hotels. Four different colored plums (red, yellow, black, and green) are available on the market.

Consumer Education/Promotional Activities

Consumer education is always an indispensable factor in driving demand for imported products. In-store promotions, tastings, and display of point-of-purchase materials have proven to be effective in increasing product awareness among Chinese consumers. Sales of U.S. plums have doubled and sometimes tripled during these promotion periods. Industry sources indicate that taste preferences for different plum varieties vary geographically. Generally, northern China prefers sweet plums while southern China prefers a more tart tasting fruit.

In addition to on-site promotional activities, reaching targeted consumers through media exposure also plays an important role in raising consumer awareness of the premium quality of U.S. cherries. The incomparable growing conditions for cherries, health benefits, and high U.S. food safety standards make U.S. cherries appealing to China's affluent middle class.

Opportunities

The upcoming 2008 Beijing Olympic Games provide unprecedented opportunities for imported products. Serving as a catalyst to speed the pace of infrastructure upgrades, the Olympics have pushed China to improve its transportation system and cold chain management, issues that are important for highly perishable products like cherries and plums. Thousands of foreign visitors and athletes will also boost the demand for imported high quality fruits.

Emerging city markets (ECMs) such as Hangzhou, Wenzhou, and Chengdu also offer untapped opportunities for U.S. cherries. The growing population of well-off citizens in ECMs has had limited exposure to imported food products, when compared to exposure to high-end or luxury imported products like automobiles and handbags. Once distribution channels are identified and consumer education increased in these ECMs, they will become the next wave escalating imports of U.S. cherries.

Challenges

Cherries

U.S. cherries compete with local cherries from the end of May to June. In north China increased production, improved quality of local cherries, and low prices make local cherries very competitive and can adversely impact demand for U.S. cherries. Although China's cold chain management cannot yet transport large quantities of cherries from production areas to coastal areas like Shanghai and Guangzhou, the situation is expected to improve as China continues to invest in infrastructure improvements. Major cherry orchard owners, together with newly established farm cooperatives, are considering different ways to preserve cherries long enough so they arrive at retail locations as though they were just picked.

Although Chilean cherries do not compete for shelf space with U.S. product, as they are mainly available during January or February, they do have some impact on U.S. cherries. U.S. cherries are typically sold at double the price of Chilean product, so some distributors and retailers sell Chilean cherries but claim they are of U.S. origin. Faced with misleading sales tactics, distributors, retailers, and consumers who lack knowledge about the actual availability of U.S. cherries are easily confused.

Plums

Competition for U.S. plums mainly comes from local plums that share the same season. China began planting U.S. plum varieties in Northern provinces several years ago. The overall quality of locally produced plums has improved dramatically in recent years with

increased farmer inputs. New Zealand and Chilean plums are available from January through February, making them a festival/holiday gift item for the flourishing Chinese Spring Festival market.

Peaches, Nectarines, and Apricots

China currently does not offer market access to U.S. fresh peach, nectarine, or apricot imports.

Tables

Import Tariff and VAT for Fresh Stone Fruit in 2008

HS Code	Description	Tariff	VAT
08091000	Apricots, fresh	20%	13%
08092000	Cherries, fresh	10%	13%
08093000	Peaches/nectarines, fresh	10%	13%
08094000	Plums and sloes, fresh	10%	13%

Source: China Customs

2003-2006 China Peach Acreage and Production by Province

China Peach Production (1000 Ha and MT) by Province 2003-2006								
Province	2003		2004		2005		2006	
	1000 ha	MT	1000 ha	MT	1000 ha	MT	1000 ha	MT
Shandong	125.9	1,576,537	125.3	1,828,331	126.6	2,011,740	114.3	2,156,308
Hebei	98.5	1,133,773	101.6	1,223,842	99.0	1,248,910	94.0	1,316,853
Henan	47.4	424,846	55.4	536,342	60.2	601,029	64.4	650,108
Hubei	38.3	404,180	44.7	428,076	43.5	468,766	39.3	483,510
Liaoning	19.3	229,149	19.0	311,140	20.1	346,978	21.2	417,828
Jiangsu	29.8	317,105	32.6	326,451	32.8	318,699	31.3	349,959
Sichuan	28.7	269,816	31.9	310,240	34.2	319,039	36.5	330,331
Shaanxi	19.1	153,007	22.0	216,680	25.4	280,971	26.9	326,387
Zhejiang	21.7	210,067	23.8	259,595	24.6	285,842	24.5	311,648
Beijing	17.4	264,585	16.8	296,409	17.4	306,210	17.9	299,783
Anhui	15.2	167,674	20.4	188,630	20.6	212,186	20.1	226,789
Fujian	26.3	195,809	26.3	190,248	25.7	199,653	25.6	198,336
Shanxi	8.7	102,927	9.9	129,935	9.9	132,355	10.9	161,768
Gansu	11.5	75,254	13.7	74,933	14.2	102,261	14.2	139,340
Guangxi	10.8	72,172	13.2	93,589	15.5	122,080	15.9	125,757
Yunnan	16.9	95,803	18.0	104,939	18.2	113,385	20.6	118,974
Shanghai	8.9	101,543	10.0	95,277	7.6	102,818	7.2	113,167
Hunan	17.3	74,305	20.9	83,591	21.6	94,888	21.7	102,296
Guangdong	N/A	61,173	6.6	67,258	7.6	86,860	7.5	87,352
Xinjiang	8.9	31,939	10.8	49,390	10.6	56,877	10.1	72,038
Guizhou	11.2	54,254	12.4	58,865	15.7	65,468	16.1	70,621
Chongqing	8.0	46,295	9.3	48,719	10.0	55,554	10.4	52,649
Tianjin	4.3	49,071	4.4	49,006	4.0	48,997	4.2	52,399
Jiangxi	9.0	26,994	9.6	28,386	10.7	37,392	10.8	40,496
Ningxia	3.7	8,241	3.7	8,312	1.0	2,913	3.6	7,693
Tibet	0.1	850	0.1	1,259	0.2	1,412	0.1	1,148
Jilin	0.3	391	0.5	1,121	0.2	612	0.2	676
Qinghai	N/A	340	N/A	421	N/A	412	N/A	486
National total	607.2	6,148,100	662.9	7,010,985	677.1	7,624,207	669.5	8,214,700

Source: China Agricultural Statistical Report

Production, Supply, and Demand (PSD) Table for Fresh Peaches and Nectarines

PSD Table									
Country	China, Peoples Republic of								
Commodity	Fresh Peaches & Nectarines						(HA)(1000 TREES)(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		01/2007	01/2007		01/2008	01/2008		01/2009	01/2009
Area Planted	715000	715000	669500	697500	697500	656000	0	0	650000
Area Harvested	0	0	0	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0	0	0	0
Commercial Production	8200000	8200000	8199700	8805000	8805000	7965000	0	0	8585000
Non-Comm. Production	15000	15000	15000	15000	15000	15000	0	0	15000
Production	8215000	8215000	8214700	8820000	8820000	7980000	0	0	8600000
Imports	120	120	0	0	0	122	0	0	0
Total Supply	8215120	8215120	8214700	8820000	8820000	7980122	0	0	8600000
Fresh Dom. Consumption	7076620	7076620	7006000	7448000	7448000	6820000	0	0	7300000
Exports, Fresh	18500	18500	20196	22000	22000	24386	0	0	28000
For Processing	1120000	1120000	1188504	1350000	1350000	1135736	0	0	1272000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	8215120	8215120	8214700	8820000	8820000	7980122	0	0	8600000

Trade Matrix for Fresh Peaches and Nectarines

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Peaches & Nectarines		
Time Period		Units:	MT
Exports to:	2006		2007
U.S.	0	U.S.	0
Russia	8658	Russia	10566
Vietnam	6634	Vietnam	9501
Hong Kong	3970	Hong Kong	3123
Singapore	412	Singapore	354
Malaysia	209	Malaysia	326
Macau	203	Macau	159
Saudi Arabia	41	Kazakhstan	142
Kazakhstan	34	North Korea	99
Indonesia	30	Thailand	48
Thailand	2	Saudi Arabia	43
Total for Non-U.S.	20193		24361
Others not Listed	3		25
Grand Total	20196		24386

Export Price for Fresh Peaches and Nectarines

Prices Table			
Country	China, Peoples Republic of		
Commodity	Fresh Peaches & Nectarines		
Prices in	US\$	per uom	MT
Year	2006	2007	% Change
Jan	130	150	15%
Feb	290	130	-55%
Mar	150	490	227%
Apr	270	450	67%
May	240	290	21%
Jun	260	290	12%
Jul	300	260	-13%
Aug	300	340	13%
Sep	300	340	13%
Oct	320	270	-16%
Nov	150	140	-7%
Dec	130	130	0%
Exchange Rate	7.0/1.00	Local Currency/US \$	
Date of Quote	4/9/2008	MM/DD/YYYY	

PSD Table for Fresh Plums and Prunes

PSD Table									
Country	China, Peoples Republic of								
Commodity	Fresh Plums & Prunes						(HA)(1000 TREES)(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		01/2007	01/2007		01/2008	01/2008		01/2009	01/2009
Area Planted	360000	360000	395000	410000	410000	410000	0	0	418200
Area Harvested	0	0	0	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0	0	0	0
Commercial Production	1710000	1710000	1800000	1998000	1998000	1998000	0	0	2200000
Non-Comm. Production	8000	8000	8000	8000	8000	8000	0	0	7500
Production	1718000	1718000	1808000	2006000	2006000	2006000	0	0	2207500
Imports	7000	7000	2493	2000	2000	10824	0	0	8000
Total Supply	1725000	1725000	1810493	2008000	2008000	2016824	0	0	2215500
Fresh Dom. Consumption	1091000	1091000	1041000	1123000	1123000	1131942	0	0	1188600
Exports, Fresh	8560	8560	6195	7500	7500	7382	0	0	8100
For Processing	625440	625440	763298	877500	877500	877500	0	0	1018800
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	1725000	1725000	1810493	2008000	2008000	2016824	0	0	2215500

Trade Matrices for Fresh Plums and Prunes

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Plums & Prunes		
Time Period		Units:	MT
Imports for:	2006		2007
U.S.	1946	U.S.	608
New Zealand	547	Chile	8420
		New Zealand	1796
Total for Non-U.S.	547		10216
Others not Listed	0		0
Grand Total	2493		10824

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Plums & Prunes		
Time Period		Units:	MT
Exports to:	2006		2007
U.S.	0	U.S.	0
Vietnam	2421	Russia	3034
Russia	2230	Vietnam	3004
Hong Kong	1079	Hong Kong	856
Malaysia	200	Malaysia	156
Macau	141	Macau	82
UAE	43	Thailand	54
Singapore	41	Oman	43
Italy	15	UAE	43
France	14	Singapore	22
Thailand	6	Saudi Arabia	20
Total for Non-U.S.	6190		7314
Others not Listed	4		68
Grand Total	6194		7382

Export Price for Fresh Plums and Prunes

Prices Table			
Country	China, Peoples Republic of		
Commodity	Fresh Plums & Prunes		
Prices in	US\$	per uom	MT
Year	2006	2007	% Change
Jan	140	160	14%
Feb	300	300	0%
Mar	210	480	129%
Apr	230	400	74%
May	850	920	8%
Jun	240	370	54%
Jul	280	270	-4%
Aug	270	270	0%
Sep	390	310	-21%
Oct	520	280	-46%
Nov	230	180	-22%
Dec	140	450	221%
Exchange Rate	7.0/1	Local Currency/US \$	
Date of Quote	4/9/2008	MM/DD/YYYY	

PS&D Table for Fresh Apricots

PSD Table									
Country	China, Peoples Republic of								
Commodity	Fresh Apricots						(HA)(1000 TREES)(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		01/2007	01/2007		01/2008	01/2008		01/2009	01/2009
Area Planted	315000	315000	340000	391000	391000	391000	0	0	430000
Area Harvested	0	0	0	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0	0	0	0
Commercial Production	125000 0	1250000	1366400	1500000	1500000	1500000	0	0	1710000
Non-Comm. Production	16000	16000	16000	15000	15000	15000	0	0	15000
Production	126600 0	1266000	1382400	1515000	1515000	1515000	0	0	1725000
Imports	0	0	0	0	0	0	0	0	0
Total Supply	126600 0	1266000	1382400	1515000	1515000	1515000	0	0	1725000
Fresh Dom. Consumption	568000	568000	635000	651000	651000	651000	0	0	683500
Exports, Fresh	2000	2000	3249	4500	4500	3078	0	0	3500
For Processing	696000	696000	774151	859500	859500	860922	0	0	1038000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	126600 0	1266000	1382400	1515000	1515000	1515000	0	0	1725000

Trade Matrix for Fresh Apricots

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Apricots		
Time Period		Units:	MT
Exports to:	2006		2007
U.S.	0	U.S.	0
Russia	3249	Russia	2965
		Thailand	59
		Germany	24
		Netherlands	24
		Kazakhstan	5
		Hong Kong	1
Total for Non-U.S.	3249		3078
Others not Listed	0		0
Grand Total	3249		3078

Export price for Fresh Apricots

Prices Table

Country	China, Peoples Republic of		
Commodity	Fresh Apricots		
Prices in	US\$	per uom	MT
Year	2006	2007	% Change
Jan	N/A	N/A	N/A
Feb	N/A	N/A	N/A
Mar	N/A	N/A	N/A
Apr	350	480	37%
May	470	560	19%
Jun	570	480	-16%
Jul	490	500	2%
Aug	440	480	9%
Sep	600	N/A	N/A
Oct	300	630	110%
Nov	N/A	880	N/A
Dec	N/A	750	N/A
Exchange Rate	7.0/1.00	Local Currency/US \$	
Date of Quote	4/9/2008	MM/DD/YYYY	

PS&D Table for Fresh Cherries

PSD Table									
Country	China, Peoples Republic of								
Commodity	Fresh Cherries,(Sweet&Sour)						(HA)(1000 TREES)(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		01/2007	01/2007		01/2008	01/2008		01/2009	01/2009
Area Planted	44500	44500	47100	52700	52700	52700	0	0	55000
Area Harvested	0	0	0	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0	0	0	0
Commercial Production	116500	116500	120000	145000	145000	150000	0	0	174000
Non-Comm. Production	0	0	0	0	0	0	0	0	0
Production	116500	116500	120000	145000	145000	150000	0	0	174000
Imports	200	200	189	150	150	611	0	0	3300
Total Supply	116700	116700	120189	145150	145150	150611	0	0	177300
Fresh Dom. Consumption	116280	116280	119823	144650	144650	149954	0	0	176230
Exports, Fresh	100	100	46	100	100	57	0	0	70
For Processing	320	320	320	400	400	600	0	0	1000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	116700	116700	120189	145150	145150	150611	0	0	177300

Trade Matrix for Fresh Cherries

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Fresh Cherries, (Sweet&Sour)		
Time Period		Units:	MT
Imports from:	2006		2007
U.S.	151	U.S.	360
Chile	37	Chile	247
Thailand	1	New Zealand	4
Total for Non-U.S.	38		251
Others not Listed	0		0
Grand Total	189		611