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China, Peoples Republic of

Fresh Deciduous Fruit

Annual

2008

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Report Highlights:
China's apple production is forecast at 28.5 million MT in MY 2008, up 15 percent from the previous year, the result of a high year in the production cycle. Concentrated apple juice production is forecast at 600,000 MT in MY 2008, down 50 percent from the previous year, attributed both to large quantities of carry-over stock and weakening demand in the world market. Industry sources believe that crushers held at least 300,000 MT of stocks at the end of MY 2007, as sky-rocketing prices limited sales from major world buyers. Apple exports are forecast at 870,000 MT in MY 2008, while CAJ exports are forecast at 700,000 MT in MY 2008, down 13 percent from the previous year, given expected lower demand from Europe and the United States.

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

China's apple production is forecast at 28.5 million metric tons (MT) in marketing year 2008 (MY, July-June), up 15 percent from the revised figure for MY 2007, the result of a high year in the production cycle. Apple acreage in MY 2008 is forecast at 1.98 million hectares, an increase of only one percent from the previous year. Acreage expansion is expected to slow in the wake of falling market prices due to a bumper harvest this year.

Concentrated apple juice (CAJ) production is forecast at 600,000 MT in MY 2008, down 50 percent from the previous year, attributed both to large quantities of carry-over stock and weakening demand in the world market. Industry sources believe that crushers were still holding at least 300,000 MT of stocks by the end of MY 2007, as sky-rocketing prices set by Chinese juice producers at the beginning of the previous season limited sales from major world buyers, especially those in Europe.

China's pear production is forecast at 13 million MT in MY 2008, an increase of only one percent over the revised estimate of 12.8 million MT in MY 2007, despite the fact that acreage decreased slightly. Grape production is forecast at seven million MT in MY 2008, up five percent from the previous year on increased acreage, which is forecast at 460,000 hectares in MY 2008. Grape production is also up as a result of better returns compared with other deciduous fruits.

Apple imports are forecast at 42,000 MT in MY 2008, up six percent from the revised estimate of 39,782 MT the previous year. Table grape imports are forecast at 52,000 MT in MY 2008, up 12 percent from the previous year, given strong demand for this fruit. Apple exports are forecast at 870,000 MT in MY 2008, down 15 percent from the revised estimate in the previous year, as a result of reduced demand due to the worldwide economic slowdown. CAJ exports are forecast at 700,000 MT in MY 2008, down 13 percent from the previous year, given expected lower demand from Europe and America. Pear exports are forecast at 450,000 MT in MY 2008, up seven percent from the previous year as strong demand, mainly in Asia, is driving strong purchases of Chinese pears.
China's table grape exports are forecast at 72,000 MT in MY 2008, up more than 30 percent over the previous year, thanks to strong demand from neighboring countries in Asia.

Production

Apples

China's apple production is forecast at 28.5 million metric tons (MT) in marketing year 2008 (MY, July-June), up 15 percent from the revised figure for MY 2007, the result of a high year in the production cycle. Favorable weather conditions in major production areas such as Shaanxi and Shandong, the top two apple-producing provinces, have also contributed to the production increases. While apple quality is generally desirable this year, fruit size appears to be smaller than the previous season. To echo industry expectations, the MY 2007 apple production figure is revised up to 24.8 million MT from the earlier estimate of 23 million MT. China's Ministry of Agriculture reported a record crop of 27.8 million MT in 2007; however, high market prices indicate these production figures might have been overly optimistic.

Apple acreage in MY 2008 is forecast at 1.98 million hectares, an increase of only one percent from the previous year. Acreage expansion is expected to slow in the wake of falling market prices due to a bumper harvest this year. Increases to the planted area are mainly occurring in the Yellow Plateau area that encompasses Shaanxi, Shanxi, and Gansu Provinces. Fuji apples account for 51 percent of China's total planted area, followed by Ralls Janet (14 percent), Red Delicious (10 percent), Gold Delicious (6 percent), Jonathan (3 percent), and Gala (3 percent).

The costs of inputs required for apple production continue to rise. Yields averaged 37.5 MT per hectare in Shandong province in 2007, according to an agricultural product cost and profit report compiled by the National Development and Reform Commission (NDRC). For example in Shandong Province the average price of fertilizer reached $1,362 (9,330 RMB) per hectare in 2007, up 28 percent over 2006. The price of pesticides was reported at $811 (5,547 RMB) per hectare in 2007, up 12 percent from the previous year, while labor costs rose to $5.26 (36 RMB) per day, up 32 percent from 2006. Although China's Consumer Price Index continues to decline from the peak of 8.7 percent in February 2008 to 4.6 percent in September, the Producer Price Index was still high at 9.1 percent. For these reasons, the cost of production in 2008 has significantly increased over that of 2007.

Specialization has become more common in the apple industry. Enterprises and individuals now tend to focus on one or two segments of the production and distribution chain that includes production, purchasing, packaging, storing, marketing, and export. Resources are better consolidated in the specialization process. A major exporter in Shandong Province, for instance, is no longer exporting apples and has instead become a supplier who sources and packages apples for many exporters across the country.

Apple Juice

Concentrated apple juice (CAJ) production is forecast at 600,000 MT in MY 2008, down 50 percent from the previous year, attributed both to large quantities of carry-over stock and weakening demand in the world market. Industry sources believe that crushers were still holding at least 300,000 MT of stocks at the end of MY 2007, as sky-rocketing prices set by Chinese juice producers at the beginning of the previous season have limited sales from major world buyers, especially those in Europe. Encouraged by the fact that Poland's CAJ production would drop by 50 percent due to a severe frost and further fueled by strong world demand in the second half of MY 2006, Chinese crushers bought as many apples as possible in MY 2007. This rampant buying pushed juicing apple prices higher than $215 per MT (it requires about seven MT of raw apples to make one MT of CAJ). As a result, CAJ prices were at one point quoted at $1,800-2,000 per MT. Given the large amount of carry-over stocks, China's Juice Chamber of Commerce has instructed juicing companies postpone this year's crushing season by six weeks. A major Chinese juicing company recently announced China's industry will cut production by 35 percent in MY 2008, but industry sources indicate that China's CAJ production will fall by more than 50 percent, especially given the current

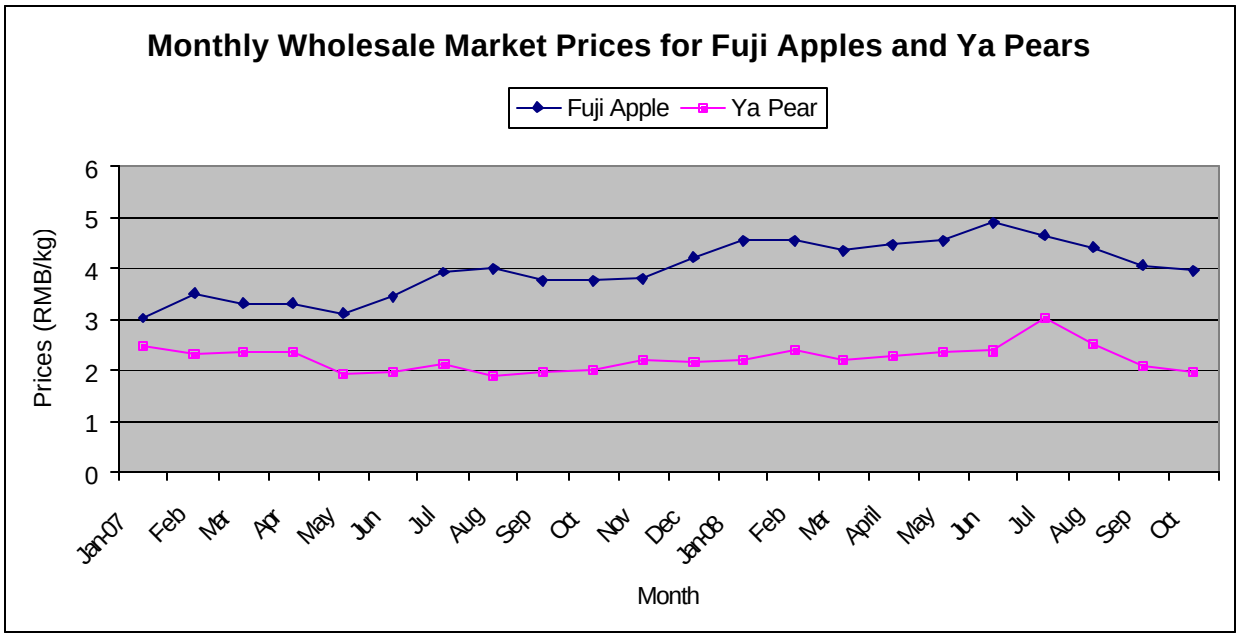
worldwide economic slowdown. China's processing capacity is reported to have reached 4,885 MT per hour.

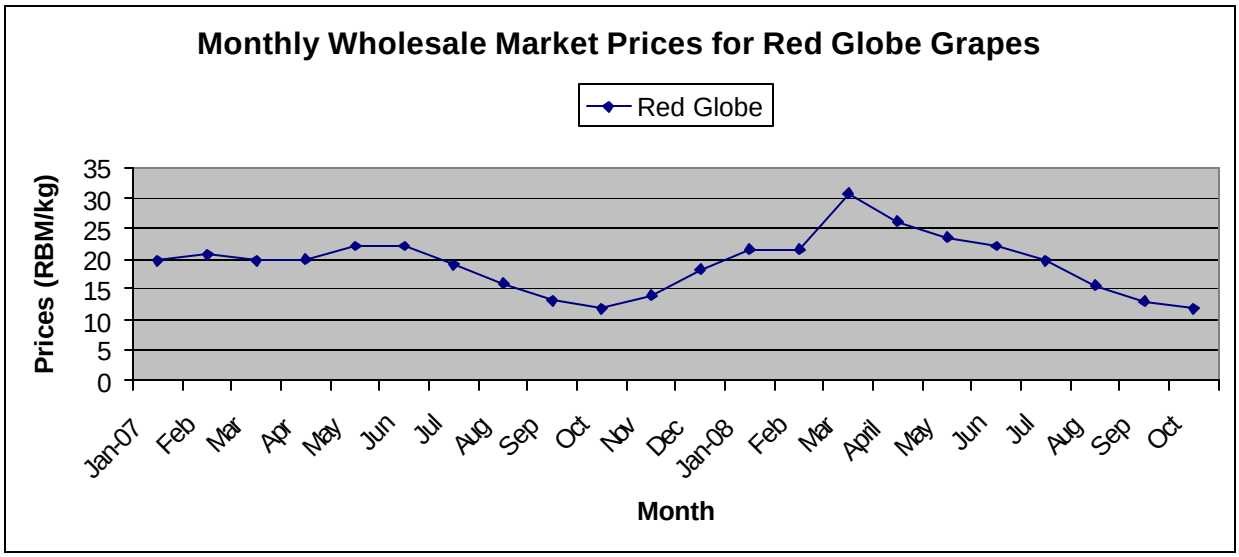
Pears
China's pear production is forecast at 13 million MT in MY 2008, an increase of only one percent over the revised estimate of 12.8 million MT in MY 2007. Pear acreage is forecast at 1.06 million hectares in MY 2008, down one percent from the previous year. The pear planted area has continued its slight decline over the past few years as a result of weak market prices. Major varieties being planted include: Su pear (24 percent), Ya pear (12 percent), Cuiguan (10 percent), Fengshui (7 percent), Golden pear (6 percent), Huanghua (6 percent), Nanguo (6 percent), and Xiang (or fragrant) pear (5 percent).

Grapes
Grape production is forecast at seven million MT in MY 2008, up five percent from the previous year on increased acreage, which is forecast at 460,000 hectares in MY 2008. Production is also up as a result of better returns compared with other deciduous fruits. MY 2007 production is revised down three percent from the previous estimate to 6.6 million MT. Grapes are planted in many provinces across China but production is increasing faster in southern provinces like Jiangsu, Zhejiang, Yunnan, and Guangxi that are close to major domestic consumption markets in China. Red Globe is the most popular variety being planted across China.

Prices
Currently, the best quality Fuji apples are priced at $0.38 (2.6 RMB) per kg in Xixia, Shandong Province, down 40 percent from the previous year. In the beginning of MY 2007, many traders and cold storage owners paid between $0.59-0.70 (4-4.8 RMB) per kg for the same grade apples, encouraged by reduced production and in anticipation of strong consumption before and during the Beijing Olympics in August 2008. The highly anticipated consumption boom, however, did not happen and apple prices began to decline in June 2008. As a result, many fruit dealers were left holding a significant amount of stocks after the new season began in July, and these companies are now more cautious about making offers. Meanwhile, juicing apples are priced at about $88 per MT, down more than 60 percent from the previous season due to the delayed crushing season.

Farm gate prices for Ya pears are quoted at $0.14-0.23 (1-1.6 RMB) per kg in Hebei, the top pear producing province, stable compared with previous year prices. Unlike other fresh deciduous fruits, grape prices vary significantly from place to place.





Note: Wholesale market prices compiled from the Ministry of Agriculture's database. Prices reflect the average wholesale price in markets across China.

Consumption

Consumption of fruit represents an increasing share among total food expenditures in urban households in China, along with rising income and enhanced consciousness about health and food nutrition. Ministry of Agriculture data indicates the per capita consumption of fruit in urban areas reached $35.31 (240.15 RMB) per year in 2006, accounting for 7.7 percent of total food expenditures. The share increased by 1.8 percent from ten years ago and is expected to continue this upward trend in 2007 and 2008. Top grade apples are priced much higher than regular apples and though more expensive, are selling well. Given the fact that this year's apples are sized smaller than the previous year, the best quality apples will likely be in short supply. The consumption volume in southern China is generally greater than in northern China, but the consumption of apples in northern cities like Beijing is catching up.

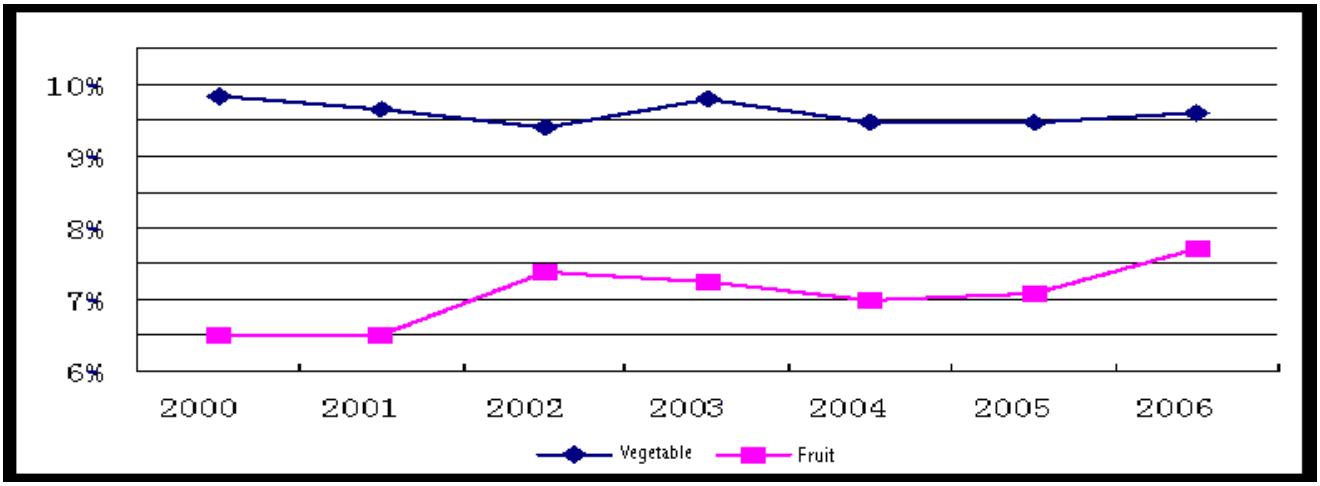
Compared with staple foods like rice, the consumption volume of fruit in China is more dependent on price. Lower apple prices are likely to boost domestic apple consumption. In addition, an outbreak of citrus fruit fly in Sichuan Province has already adversely impacted the buying interest of Chinese consumers who will likely substitute with apples.

Pear consumption remains relatively stable and is likely to maintain at the current level in the foreseeable future. At present, the per capita consumption of pears reached 9 kg, higher than the world average of 6.3 kg. Grape consumption is expected to grow steadily as Chinese consumers traditionally enjoy this fruit. Improvements in cold storage facilities have also helped extended the supply season and thus further boost overall grape consumption.

Juice and juice drink consumption has grown in double digits in recent years. China's production of juice and juice drinks reached 10.8 million MT in 2007, overtaking carbonated soft drinks for the first time and becoming the second largest beverage consumed next to bottled water. Apple juice is the third largest juice consumed next to orange and peach juice in China. Young consumers in urban areas are reportedly the drivers behind the juice consumption growth. Industry sources are predicting large increases in juice consumption, as very few of China's 800 million rural residents currently consume juice.

China's State Statistics Bureau reported third quarter GDP growth of nine percent, down from the peak of 12.7 percent in the second quarter of 2007. The growth rate has declined for five consecutive quarters. Although the economic slow-down is not having an immediate impact on food consumption, it certainly creates uncertainties over the consumption of fruit products in the future if the economic situation continues to worsen in China.

Share of Fruit and Vegetables in Urban Household Food Expenditures



Trade

Imports

Apple imports are forecast at 42,000 MT in MY 2008, up six percent from the revised estimate of 39,782 MT from the previous year. The U.S. Red Delicious variety is consumed by a relatively stable group of consumers who favor the color, shape, and size of this fruit. Imports of fresh apples from Chile and New Zealand, the other two major apple suppliers to China, are expected to increase. China does not maintain varietal restrictions over apple imports from these two countries as it does with the United States (currently, only Red and Golden Delicious varieties from the Pacific Northwest are allowed market access). Additionally, Chile and New Zealand have both signed free trade agreements with China and

enjoy lower apple import tariffs as a result. Chinese importers, however, are expected to be very cautious about placing orders in the wake of the uncertain economic situation across the globe. According to China Customs data, in 2007 around 65 percent of total apple imports came through South China ports, most of these apples were from Chile ($11.5 million), the United States ($8.8 million) and New Zealand ($3.8 million). These figures do not account for grey channel trade.

Table grape imports are forecast at 52,000 MT in MY 2008, up 12 percent from the previous year given strong demand for this fruit. MY 2007 imports are also revised up 16 percent to 46,464 MT echoing industry estimates. Grapes are one of Chinese consumers' favorite fruits and a growing number of middle class consumers are driving China's import volumes of fresh grapes up. The availability of more varieties, like seedless grapes, is also expected to boost imports. Chile remains the top supplier of table grapes to China, followed by the United States and Peru. Though official data indicates total table grape imports valued at $63 million in 2007, down nine percent from 2006, many industry sources believe additional imports transshipped through grey channels (from Hong Kong and Taiwan) should not be ignored.

Exports

Apple exports are forecast at 870,000 MT in MY 2008, down 15 percent from the revised estimate in the previous year, as a result of reduced demand due to the worldwide economic slowdown. Russia, for example, is the top export market for China's fresh apples, and has canceled some contracts signed earlier this year. Many buyers, including those from Southeast Asia, have also become very cautious about placing orders and are purchasing smaller amounts by the month or week in each order. India is an emerging market for exports of Chinese apples that has shown strong buying power in recent years.

CAJ exports are forecast at 700,000 MT in MY 2008, down 13 percent from the previous year, given expected lower demand from Europe and America. China exported 893,680 MT of CAJ in MY 2007, similar to the amount of 893,437 MT in MY 2006, largely due to strong demand from the United States, whose CAJ imports from China increased by nine percent in MY 2007 over MY 2006. CAJ imports from European countries declined by 25 percent in MY 2007, mainly attributed to high prices. The United States is unlikely to maintain strong demand this year given the current financial crunch. Chinese CAJ enters the U.S. market under a zero tariff, while Chinese exporters to the EU have to pay import duties of 22.5 percent.

Pear exports are forecast at 450,000 MT in MY 2008, up seven percent from the previous year as there is strong demand, mainly in Asia, for Chinese pears. It is difficult to predict whether this momentum will continue for the remainder of the year given the current worldwide economic situation.

China's table grape exports are forecast at 72,000 MT in MY 2008, up more than 30 percent over the previous year, thanks to strong demand from neighboring countries in Asia. China exported 33,365 MT of fresh grapes between June and September, up 58 percent on a yearly basis. This rapid pace of growth is expected to slow down in the months to come given the worsening world economy. While China's export volume for fresh table grapes is relatively small, price advantages have allowed it to rapidly increase.

Policy

In September 2008, the Ministry of Agriculture (MOA) released a new "Layout Plan for China's Advantageous Agricultural Products (2008-2015)." The plan provides guidelines for the layout and development goals for 16 agricultural products that the government believes will have a competitive advantage in the coming eight years. According to the plan, the government will support development of apple production in two key areas: Bohai Bay and

the Yellow Plateau. Bohai Bay, which encompasses parts of Shandong, Liaoning, and Hebei Provinces, will focus on production of apples for fresh-consumption, while the Yellow Plateau, which covers parts of Shaanxi, Shanxi, Gansu, and Henan Provinces, will become a production base for both fresh-consumption and juicing apples.

Efforts will be made to facilitate fresh apple exports and processing, stabilize acreage, and increase yields. Specific strategies include 1) reforming seedling breeding/cultivation system and applying pest and disease control; 2) establishing good agricultural practices (GAP) and a traceability system; and 3) supporting top fruit-processing enterprises and developing the cold chain.

The plan has also set development goals for China's apple industry. By 2015, apple acreage is expected to reach 1.33 million hectares in the two areas above and apple production is expected to exceed 28 million MT, accounting for 82 percent of the nation's total production. About 40 percent of all apples produced in these two areas will be for processing. Exports of fresh apples and CAJ in Bohai Bay and the Yellow Plateau are expected to account for 70 percent and 99 percent of production, respectively.

In addition to policy guidance, the central government is also expected to provide tangible support to the apple industry. After publishing the first Layout Plan for China's Advantageous Agricultural Products (2003-2007), in 2005 the Ministry of Agriculture began providing subsidies to farmers in the two areas to begin bagging their apples on the tree. About $3.7 million was allocated in 2008 to subsidize bagging on a total of 8,333 hectares of orchards in Henan, Hebei, Shanxi, Shandong, Liaoning, and Shaanxi Provinces. Most of the support, however, has been provided by provincial and/or lower level governments. By the end of the first layout plan, the two areas combined accounted for 50.7 percent of China's total apple acreage, 63 percent of total apple production, and 54 percent of China's fresh apple exports.

The Free Trade Agreement (FTA) between China and New Zealand took effect on October 1, 2008. According to the tariff schedule, China's import duties for New Zealand fresh apples will be reduced by two percent each year over the next four years and will be eliminated by 2012. New Zealand is currently the third largest supplier of fresh apples to China behind Chile and the United States.

Marketing

With China's continual double-digit GDP growth over the last five years, the retail sector has also expanded. Rising incomes and continued urbanization have led to a more diverse diet and greater consumer receptiveness to imported foods, including fresh deciduous fruits. Well off consumers in wealthy, urban cities are less price sensitive than others. These consumers also pay closer attention to fruit characteristics and presentation such as flavor, freshness, color, and appearance. With concerns over food safety and healthy diets in mind, nutritional benefits are new selling points for retailers when promoting fresh fruit.

Regional Markets

South China plays an important role in marketing fresh deciduous fruits, especially imported apples and table grapes. In South China, Guangzhou and Shantou are two key ports for importing U.S. and Chilean fruits. Key consumption markets are in Guangzhou and Shenzhen. Emerging markets include cities in the Pearl River Delta such as Dongguan, Foshan, Zhuhai, Changsha in Hunan Province, and Xiamen in Fujian province.

China's East and North have also witnessed increasing demand for imported fruits in recent years. Direct shipments to local ports have increased, and help reduce transportation costs and facilitate trade. In North China, Dalian and Qingdao are emerging markets in addition to the well-developed Beijing market. In 2007, around 24 percent of China's total fresh apple

imports went directly to the North. Shanghai is historically one of the leading markets in East China, while other emerging markets in the East include Nanjing, Hangzhou, Wenzhou, and Wuhan.

Limits to Cold Chain
Cold chain storage and proper handling are essential for keeping fruits fresh. Limits to China's cold chain system have resulted in significant losses to both traders and retailers. Thus retailers, wholesale markets, and distributors are now paying greater attention to these issues. However, in general there is much room for improvement on cold chain management in a country as large as China. More efforts should be invested on infrastructure construction and education.

Wholesale Markets Handle the Largest Amount of Imported Fruit
The Jiangnan Fruit and Vegetable Wholesale Market in Guangzhou is the largest wholesale market in China in terms of total sales and the volume of imported fruit transactions. Industry sources estimate that 60-70 percent of all of China's imported fruits come through this market. About 50 percent of those imports are consumed in Guangdong Province alone. The Longwu Fruit and Vegetable Wholesale Market in Shanghai is another key hub for imported fruit trade in the East. Many of China's wholesale markets are expected to invest in upgrading their facilities and image over the next few years.

The best venues for U.S. apples and table grapes in the East and North are the modern retail outlets, while in the South, imported apples and grapes can be found not only in hypermarkets and supermarkets, but also at many smaller fruit stalls. In order to attract more traffic and differentiate from competitors, fruit gift baskets and boxes were introduced into retail stores. Waterfall displays at store entrances, color breaks, in-store sampling, theme promotion, and nutritional guidance have also helped boost sales. Recently some emerging produce chain stores began offering on-line internet ordering services. Though the volume is limited, this trend is likely to catch on in the major cities of Beijing, Shanghai, and Guangzhou.

IPR Concerns
IPR issues are still is a problem for fresh deciduous fruits. Plastic packages printed with "California table grapes" sometimes are misused to pack domestically produced table grapes or those sourced from other countries. Consumers and some local retailers have little awareness of varietal differences for imported fruit. Few retailers will mark individual variety names on their price tags/tickets. The common practice is to indicate origin of country only.

How Apples are Marketed
Red Delicious apples from Washington State, available year-round in the market, show up in modern retail venues and family-owned fruit stalls, mostly in China's larger cities. Industry insiders believe Red Delicious are a good choice for gift-giving because of their shiny dark red color and unique, uniform shape. These are most commonly offered as gifts during national holidays such as the Mid-Autumn Festival, National Holiday, Spring Festival, and other special occasions.

There is increasing demand for U.S. Granny Smith and aromatic sweet Gala varieties. These two varieties are not allowed market access to China, but can often be found on the market, coming in via grey channels. They are available from August through March. Chilean Grannies and Galas are allowed into China and are available from March to September. In addition, apples from New Zealand arrive in China in March as well. Industry insiders foresee a promising market prospect for U.S. Granny Smith and Gala varieties once the market access challenges can be resolved.

How Table Grapes are Marketed

South China is also China's largest fresh table grape consumption region, followed by the East and North regions. Over 85 percent of imported table grapes enter China through South China ports. Key exporting countries are Chile, the United States, and Peru. U.S. grapes are consumed mainly during the Mid-Autumn Festival (September) and National Day (October) holidays, while Chilean grape exporters target China's Spring Festival (January or February).

In 2007, South China ports (Guangzhou, Shantou, and Shenzhen) imported $22 million of U.S. fresh grapes, accounting for 89 percent of China's total grape imports. California table grapes are one of the favorite fruits for Chinese consumers. These are available from late September through December. Retail demand for U.S. seedless varieties is also increasing, though the retail price may be much higher than the seeded varieties. Red Globe is the most popular seeded grape variety with highest sales volume.

Although China produces a large amount of Red Globes, U.S. grapes are firmer, look and taste better, and the size is larger with more consistent quality than the local product. Other varieties such as Crimson and Thomson are gaining ground. North China is the key production region for table grapes. In that region, the price of domestic table grapes is as low as one-sixth of the price of imported grapes.

Tables

China Apple Production (1000 Ha and MT) by Province 2003-2007

Province	2003		2004		2005		2006		2007	
	1000 ha	MT	1000 ha	MT	1000 ha	MT	1000 ha	MT	1000 ha	MT
Shandong	357.30	6,118,563	340.5	6,690,553	342.5	6,716,634	311.1	6,930,492	304.9	7,249,227
Shaanxi	401.50	4,617,921	412.1	5,552,054	426.3	5,601,167	462.2	6,499,755	484.9	7,015,682
Henan	164.50	2,509,614	164.7	2,869,272	165.8	3,006,245	167.7	3,227,885	182.3	3,523,310
Hebei	276.40	2,002,769	266.5	2,142,882	263.9	2,202,273	253.1	2,357,620	250.0	2,478,845
Shanxi	154.10	1,801,786	152.7	2,021,372	151.4	1,648,413	146.0	1,867,049	144.3	1,872,681
Liaoning	115.10	1,089,937	111.8	1,222,119	110.3	1,299,595	109.1	1,301,399	107.1	1,514,871
Gansu	167.50	829,959	173.2	799,650	183.8	1,012,568	207.4	1,254,141	247.6	1,424,253
Jiangsu	38.90	494,611	38.0	560,871	38.4	552,794	36.5	572,600	35.1	618,453
Anhui	17.10	221,317	16.1	283,524	13.9	278,143	13.4	341,828	13.3	403,627
Xinjiang	27.80	263,418	28.9	293,850	28.6	330,206	31.1	327,886	32.5	388,881
Sichuan	26.80	225,384	26.4	240,481	26.6	242,923	26.2	248,022	27.8	296,977
Ningxia	20.40	154,927	18.3	156,333	19.1	222,126	20.3	200,694	21.5	275,525
Yunnan	33.70	13,414	33.1	141,239	31.5	159,396	30.3	201,962	31.1	234,855
Heilongjiang	18.40	169,115	16.1	160,003	15.5	177,432	13.3	159,759	13.2	150,534
Jilin	25.30	190,133	20.4	241,491	18.6	252,298	17.7	268,055	14.2	133,153
Beijing	13.20	134,815	12.9	134,753	10.8	138,447	9.5	131,071	10.3	119,459
Inner Mongolia	18.80	51,940	21.4	59,327	22.5	62,319	22.9	65,961	21.3	61,672
Tianjin	7.30	68,069	6.2	64,721	6.4	66,039	6.2	64,076	5.5	59,709
Guizhou	4.80	9,262	6.0	10,263	5.7	10,230	6.0	10,628	6.4	11,023
Hubei	4.20	13,458	3.6	10,934	3.3	12,437	3.2	11,866	3.0	10,351
Chongqing	2.70	6,441	1.8	6,854	1.9	6,094	1.7	6,326	1.8	6,693
Qinghai	3.90	8,246	5.3	7,198	2.8	7,316	2.9	5,939	2.7	5,804
Tibet	0.60	5,577	0.6	5,327	0.7	5,674	1.0	3,934	1.0	3,994
Fujian	0.00	151	0.1	244	0.0	198	0.0	189	N/A	201
Shanghai	0.00	139	0.0	158	0.0	114	0.0	158	N/A	154
Zhejiang	0.20	810	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0
Jiangxi	0.00	0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0
Hunan	0.00	0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0
Guangdong	0.00	0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0
Guangxi	0.00	0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0
Hainan	0.00	0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0
National Total	1,900.50	21,001,776	1,876.7	23,675,473	1,890,300	24,011,081	1,898.8	26,059,298	1,961.8	27,859,935
Source: China Agriculture Statistical Report										

Pear Production (1000 Ha and MT) by Province 2003-2007

	2003		2004		2005		2006		2007	
Province	1000 ha	MT	1000 ha	MT	1000 ha	MT	1000 ha	MT	1000 ha	MT
Hebei	213.1	2,820,702	213.3	3,131,868	215.0	3,246,220	215.0	3,334,972	200.9	3,459,772
Shandong	74.1	982,562	70.6	1,000,938	69.9	1,061,389	59.6	1,103,481	54.9	1,172,162
Anhui	36.5	583,091	38.4	601,134	38.6	638,058	37.4	803,652	36.4	929,719
Sichuan	71.2	547,714	78.9	620,276	83.0	684,593	80.5	746,048	82.3	819,776
Henan	36.7	433,413	36.4	544,554	39.2	654,680	41.1	695,950	43.2	799,939
Liaoning	85.5	515,892	88.5	605,679	91.6	690,354	87.7	705,232	79.6	762,452
Jiangsu	44.2	502,033	44.7	542,455	47.3	556,158	40.2	614,252	36.4	627,634
Shaanxi	57.3	689,816	59.8	669,327	59.6	621,224	60.4	650,028	55.1	618,962
Xinjiang	47.7	249,537	53.3	285,703	66.8	367,808	69.2	435,203	70.5	541,451
Hubei	40.9	563,895	39.7	548,759	35.9	501,856	38.1	518,020	35.5	493,185
Zhejiang	24.1	244,454	25.7	285,751	26.6	310,375	26.5	329,753	27.9	360,524
Shanxi	27.9	154,901	28.5	197,298	30.0	246,247	29.6	184,207	31.1	326,969
Gansu	51	286,128	50.0	251,516	49.5	283,345	48.4	314,798	46.8	294,239
Yunnan	39.7	176,285	38.6	189,396	39.7	197,028	41.7	216,936	43.4	240,519
Chongqing	24.4	142,901	26.3	161,200	28.0	180,049	29.0	171,962	30.8	206,088
Fujian	22.5	129,980	22.8	142,254	23.0	147,755	22.4	152,309	22.3	164,479
Guangxi	13.3	82,088	14.3	97,452	16.7	120,741	17.8	135,582	18.0	156,428
Beijing	12.5	130,766	10.9	137,563	11.2	145,759	11.0	153,566	10.4	154,368
Guizhou	31	97,867	33.9	108,368	36.5	123,740	36.8	139,412	38.5	148,008
Hunan	24.1	70,750	25.5	84,435	27.5	108,417	30.9	117,613	36.9	133,225
Jilin	26.3	120,215	21.4	156,736	17.8	134,833	17.1	137,690	16.0	129,540
Jiangxi	21.8	45,181	24.0	65,685	26.2	74,538	26.7	80,651	23.5	89,012
Inner Mongolia	13.6	93,020	11.4	68,425	10.8	77,602	8.9	79,391	8.9	85,216
Guangdong	6.3	38,760	6.4	42,097	7.3	42,963	6.9	43,808	7.0	51,035
Heilongjiang	5.7	35,379	5.4	47,149	5.4	48,422	4.9	49,124	5.1	46,524
Shanghai	2.1	17,931	2.4	17,710	2.0	18,794	2.0	31,639	2.0	31,855
Tianjin	4.1	25,851	3.5	25,182	3.5	22,553	3.5	25,719	36.4	28,870
Ningxia	2.6	12,430	2.4	7,502	2.3	12,081	2.7	9,242	2.7	17,174
Qinghai	1.2	4,418	1.6	5,362	1.2	5,105	1.1	4,912	1.1	4,894
Tibet	0.1	464	0.1	513	0.1	836	0.1	931	0.1	987
Hainan	0	0	0.0	0.0	0.0	0.0	0	0	0.0	0.0
National Total	1,061.5	9,798,424	1,078.7	10,642,287	1,112.0	11,323,514	1,087.1	11,986,083	1,71.3	12,895,005
Source: China Agricultural Statistical Report										

Grape Production (1000 Ha and MT) by Province 2003-2007

	2003		2004		2005		2006		2007	
Province	1000 ha	MT	1000 ha	MT	1000 ha	MT	1000 ha	MT	1000 ha	MT
Xinjiang	91.7	1,066,331	92.2	1,241,450	96.2	1,287,642	103.9	1,502,035	109.6	1,654,581
Hebei	52.1	803,418	53.3	840,916	54.2	863,938	58.1	878,417	57.9	946,886
Shandong	65.9	761,031	50.9	849,718	46.5	831,401	42.3	845,487	44.2	917,312
Liaoning	37.4	586,124	36.8	613,683	28.1	581,711	26.8	587,191	25.2	493,775
Henan	21.6	331,036	25.0	382,743	26.2	412,605	25.0	405,125	26.2	419,473
Zhejiang	8.2	172,714	9.3	203,076	9.8	219,942	10.4	238,389	12.1	269,051
Jiangsu	10.8	140,777	10.9	164,829	11.4	153,021	13.0	208,275	12.7	202,401
Shaanxi	11.4	89,925	12.7	110,842	13.9	139,372	14.7	168,353	15.1	185,261
Sichuan	11.1	144,409	11.7	142,587	12.1	160,827	12.9	170,534	13.4	180,134
Anhui	7.6	161,600	9.1	165,377	6.0	173,264	5.8	174,710	5.2	178,298
Guangxi	8.6	94,210	8.9	106,512	10.0	119,135	11.5	137,047	11.1	158,873
Jilin	13.8	107,362	10.6	108,831	10.2	109,971	11.0	110,948	11.1	138,885
Tianjin	5.9	140,060	5.6	132,084	5.1	93,229	5.2	104,103	5.4	109,545
Gansu	9.4	63,343	9.2	70,002	8.9	77,506	8.9	90,443	10.2	105,950
Shanxi	13.7	111,885	14.2	116,572	13.2	119,187	10.2	91,699	9.8	104,274
Yunnan	5.3	42,606	5.3	50,862	5.6	69,734	6.3	90,117	7.0	93,800
Fujian	4.5	55,801	4.8	67,449	5.0	59,066	5.5	85,010	5.2	86,808
Hubei	5.7	57,415	5.2	50,519	4.8	49,671	5.2	73,670	5.7	86,313
Hunan	9.8	36,944	11.7	46,153	12.4	52,255	13.0	59,502	18.9	73,180
Ningxia	7	41,407	6.9	37,688	7.8	48,154	8.8	64,796	10.2	70,576
Beijing	4.5	63,053	3.1	57,700	3.2	50,559	3.0	47,377	2.7	47,486
Shanghai	1.5	27,564	1.7	26,165	1.8	26,681	2.1	33,895	2.7	45,682
Inner Mongolia	3.5	20,789	4.9	23,339	5.3	29,119	4.5	35,386	4.8	40,989
Guizhou	3.4	15,895	3.8	17,346	4.5	21,050	4.5	22,516	5.9	32,793
Chongqing	2.6	17,413	2.1	17,183	2.3	20,727	2.6	18,919	2.7	22,666
Heilongjiang	2.1	19,122	1.6	27,404	1.7	20,720	1.6	22,728	1.8	21,847
Jiangxi	1.8	3,631	1.9	3,868	1.9	3,741	1.9	3,856	12.7	9,614
Tibet	0	0	0.0	318	0.0	103	0.0	114	0.1	250
Qinghai	0.1	74	0.1	102	0.0	80	0.0	114	N/A	112
Guangdong	0	0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0
Hainan	0	0	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0
National Total	421	5,175,939	413.5	5,675,318	408,100	5,794,411	418.7	6,270,756	438.4	6,696,814
Source: China Agriculture Statistical Report										

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

PSD Table									
Country	China, Peoples Republic of								
Commodity	Apples, Fresh						(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		07/2006	07/2006		07/2007	07/2007		07/2008	07/2008
Area Planted	1899000	1899000	1899000	1950000	1950000	1961800	0	0	1980000
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	26059298	26059298	26059298	23000000	23000000	24800000	0	0	28500000
Non-Comm. Production	0	0	0	0	0	0	0	0	0
Production	26059298	26059298	26059298	23000000	23000000	24800000	0	0	28500000
Imports	33671	33671	33671	50000	50000	39782	0	0	42000
Total Supply	26092969	26092969	26092969	23050000	23050000	24839782	0	0	28542000
Fresh Dom. Consumption	18329920	18329920	18329920	15170000	15170000	16058320	0	0	23172000
Exports, Fresh	970549	970549	970549	880000	880000	1021462	0	0	870000
For Processing	6792500	6792500	6792500	7000000	7000000	7760000	0	0	4500000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	26092969	26092969	26092969	23050000	23050000	24839782	0	0	28542000

Trade Matrices for Fresh Apples

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Apples, Fresh		
Time Period		Units:	MT
Imports for:	2006		**2007**
U.S.	11557	U.S.	14250
Others		Others	
Chile	14526	Chile	17338
New Zealand	4796	New Zealand	4515
Japan	135	Japan	292
France	22		
South Korea	21		
Thailand	17		
Total for Others	19517		22145
Others not Listed	0		1
Grand Total	31074		36396

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Apples, Fresh		
Time Period		Units:	MT
Exports for:	2006		**2007**
U.S.	84	U.S.	0
Others		Others	
Russia	141232	Russia	206098
Indonesia	82204	Indonesia	111011
Philippines	75478	Philippines	79369
Vietnam	65029	Thailand	73710
Thailand	57591	Kazakhstan	66968
Kyrgyzstan	53152	Vietnam	52396
Malaysia	43180	Kyrgyzstan	50084
Kazakhstan	40627	Malaysia	49629
Bangladesh	26686	Bangladesh	43810
Hong Kong	26180	UAE	33689
Total for Others	611359		766764
Others not Listed	192875		252323
Grand Total	804318		1019087

Concentrated Apple Juice

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Apple Juice, Concentrated** (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		07/2006	07/2006		07/2007	07/2007		07/2008	07/2008
Deliv. To Processors	4970000	4970000	6792500	7000000	7000000	7760000	0	0	4500000
Beginning Stocks	1413	1413	1413	26513	26513	28603	0	0	300000
Production	970357	970357	970357	1000000	1000000	1213482	0	0	600000
Imports	354	354	270	120	120	1595	0	0	640
Total Supply	972124	972124	972040	1026633	1026633	1243680	0	0	900640
Exports	895611	895611	893437	930000	930000	893680	0	0	700000
Domestic Consumption	50000	50000	50000	45000	45000	50000	0	0	60000
Ending Stocks	26513	26513	28603	51633	51633	300000	0	0	140640
Total Distribution	972124	972124	972040	1026633	1026633	1243680	0	0	900640

Trade Matrix for Concentrated Apple Juice

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Apple Juice, Concentrated		
Time Period		Units:	MT
Exports for:	2006		**2007**
U.S.	221960	U.S.	367184
Others		Others	
Russia	92721	Netherlands	129688
Netherlands	82532	Russia	122993
Japan	68282	Germany	106772
Germany	63039	Japan	94711
Canada	29721	Australia	32612
Australia	28199	Canada	31428
Ukraine	17461	Ukraine	17754
Sout Africa	10491	Sout Africa	16569
Spain	6128	Poland	14458
U.K.	5752	Turkey	9899
Total for Others	404326		576884
Others not Listed	46341		87728
Grand Total	672627		1031796

Fresh Pears

PSD Table

Country	China, Peoples Republic of								
Commodity	Pears, Fresh						(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		07/2006	07/2006		07/2007	07/2007		07/2008	07/2008
Area Planted	1087200	1087200	1087200	1067200	1067200	1071300	0	0	1060500
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	11986000	11986000	11986000	12580000	12580000	12895000	0	0	13000000
Non-Comm. Production	0	0	0	0	0	0	0	0	0
Production	11986000	11986000	11986000	12580000	12580000	12895000	0	0	13000000
Imports	16	16	16	14	14	14	0	0	10
Total Supply	11986016	11986016	11986016	12580014	12580014	12895014	0	0	13000010
Fresh Dom. Consumption	10772126	10772126	10772126	11210014	11210014	11521746	0	0	11520010
Exports, Fresh	397890	397890	397890	420000	420000	423268	0	0	450000
For Processing	816000	816000	816000	950000	950000	950000	0	0	1030000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	11986016	11986016	11986016	12580014	12580014	12895014	0	0	13000010

Trade Matrix for Fresh Pears

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Pears, Fresh		
Time Period		Units:	MT
Exports for:	2006		**2007**
U.S.	9206	U.S.	15488
Others		Others	
Indonesia	71765	Indonesia	95556
Russia	47432	Hong Kong	43836
Malaysia	43334	Vietnam	40837
Hong Kong	37627	Malaysia	38734
Vietnam	36756	Russia	37589
Thailand	33009	Thailand	32244
Singapore	15118	Singapore	14435
Netherlands	13531	Netherlands	14260
Canada	13176	Canada	12218
Philippines	10247	Philippines	7940
Total for Others	321995		337649
Others not Listed	44097		51811
Grand Total	375298		404948

Table Grapes

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Grapes, Table, Fresh** (HA)(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		06/2006	06/2006		06/2007	06/2007		06/2008	06/2008
Area Planted	418700	418700	418700	443000	443000	438400	0	0	460000
Area Harvested	0	0	0	0	0	0	0	0	0
Commercial Production	6270756	6270756	6270756	6900000	6900000	6696814	0	0	7000000
Non-Comm. Production	0	0	0	0	0	0	0	0	0
Production	6270756	6270756	6270756	6900000	6900000	6696814	0	0	7000000
Imports	43900	43900	43900	40000	40000	46464	0	0	52000
Total Supply	6314656	6314656	6314656	6940000	6940000	6743278	0	0	7052000
Fresh Dom. Consumption	4354094	4354094	4354094	4838000	4838000	4638979	0	0	4932600
Exports, Fresh	35562	35562	35562	52000	52000	54299	0	0	72000
For Processing	1925000	1925000	1925000	2050000	2050000	2050000	0	0	2047400
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	6314656	6314656	6314656	6940000	6940000	6743278	0	0	7052000

Trade Matrices for Table Grapes

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Grapes, Table, Fresh		
Time Period		Units:	MT
Imports for:	2006		**2007**
U.S.	19184	U.S.	13775
Others		Others	
Chile	24638	Chile	23028
Peru	2123	Peru	5247
New Zealand	59	New Zealand	725
Total for Others	26820		29000
Others not Listed	0		0
Grand Total	46004		42775

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Grapes, Table, Fresh		
Time Period		Units:	MT
Exports for:	2006		**2007**
U.S.	0	U.S.	0
Others		Others	
Pakistan	7387	Russia	15700
Rusia	6881	Vietnam	9896
Hong Kong	6121	Hong Kong	7666
Vietnam	4439	Pakistan	7549
Malaysia	3215	Malaysia	6420
Indonesia	2666	Thailand	3584
Thailand	1862	Indonesia	2602
Philippines	315	Sri Lanka	577
Bangladesh	302	Philippines	262
Sri Lanka	297	Kyrgyzstan	236
Total for Others	33485		54492
Others not Listed	808		877
Grand Total	34293		55369