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China, Peoples Republic of

Citrus

Annual

2007

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Report Highlights:
China's total MY 2007 citrus production is forecast at 17.6 million MT, an increase of 10 percent from MY 2006, because of new bearings and favorable weather. Citrus production, especially oranges, is expected to grow at a quick pace in the next few years as a result of increased plantings. MY 2007 FCOJ production is forecast to double, driven by high world prices and increased availability of local oranges for juicing. Imports of oranges are forecast to rebound to 60,000 MT, up from 36,000 MT in MY 2006, when a freeze in California tightened world supplies. Recent rapid growth of citrus exports, however, may slow following stricter food safety control over fruit exports.

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

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Executive Summary

Citrus production in marketing year (MY) 2007 is forecast at 17.6 million tons (MT), an increase of 10 percent over MY 2006, because increased plantings beginning in 2002 have started bearing fruit. The expected increase in production is also attributed to favorable weather conditions in most producing provinces throughout the crop year. Orange acreage is expanding in Jiangxi and Hunan Provinces, and Chongqing Municipality. Fruit quality is generally improved, the result of enhanced field management and increased inputs. China's citrus production is expected to grow quickly in the next few years as a result of the new plantings. Despite the increased production costs, the bumper harvest will likely result in slightly decreased prices because of increased supplies.

Encouraged by high world prices and the increased availability of domestically produced oranges, frozen Concentrated Orange Juice (FCOJ) production is forecast at 20,000 MT in MY 2007, double MY 2006 production. However, the supply of juicing oranges is still insufficient relative to China's processing capacity. Production of canned citrus is expected to remain unchanged, but exports are forecast to decrease slightly because of the recent anti-dumping investigation on Chinese canned citrus by the European Commission.

Citrus consumption continues to grow in tandem with rising incomes. As consumers pay more attention to maintaining a healthy lifestyle, the demand for high quality fruit grows stronger. Consumption of juice, especially juice drinks, is growing rapidly in large and medium size cities. Canned citrus consumption, however, remains stagnant because of ingrained dietary habits.

Imports of oranges are forecast to rebound to 60,000 MT in MY 2007, up from 36,000 MT in MY 2006. U.S. exports fell in MY 2006 because U.S. orange production dropped significantly after a freeze in California that resulted in tightened world supplies. Despite a bumper harvest, MY 2007 exports are only expected to see moderate growth because of tightened regulations on all exported fruit.

Production

More Plantings, Crop Recovery, and Good Weather Result in Increased Production

Citrus production in marketing year (MY) 2007 is forecast at 17.6 million metric tons (MT), an increase of 10 percent from MY 2006, because increased plantings since 2002 have started bearing fruit. The expected production increases are also because of a crop recovery in Chongqing Municipality and parts of Sichuan Province that lost a significant portion of production to a severe drought in the summer of 2006. The weather has also been favorable in other major citrus-producing provinces, such as Guangdong, Guangxi, Sichuan, Hunan, and Hubei throughout the crop year. This is expected to lead to a bumper harvest for all types of citrus.

MY 2007 (November-October) orange production is forecast at 5.5 million MT, up 14 percent from the previous season because new plantings in Jiangxi, Hubei, Hunan, and Chongqing have begun bearing fruit. Tangerine production is forecast at 9.7 million MT in MY 2007 (October-September), up eight percent from MY 2006 because of increased yields. Increased plantings are also likely to boost pomelo (MY October – September) and lemon (MY October – September) production, forecast at 2.2 million MT, an increase of 10 percent, and 0.2 million MT, up 50 percent, respectively. Citrus production, especially orange production, is expected to continue increasing at a quick pace over the next five to ten years, because of the government-encouraged increase in planting area that began in 2002 when the Ministry of Agriculture published its citrus plan. Jiangxi Province planted more navel oranges from 2000-2004, and industry sources predict production there will increase by an annual rate of 30 percent until 2010-2012. Expansion of citrus acreage is occurring in other producing areas, such as Guangdong and Hunan Provinces.

Good Returns Result in Increased Acreage

Orange acreage is forecast at 660,000 hectares (HA) in MY 2007, up five percent from MY 2006, largely because of new plantings in Jiangxi and Hunan Provinces and in Chongqing Municipality. The planting area for tangerines is forecast to increase slightly to 775,000 HA in MY 2007, up from 767,000 HA in 2006, with new plantings focused on replacing old trees with early maturing or consumer-favored varieties. A similar situation applies to pomelo and lemon plantings. Farmers continue to increase citrus plantings because of good returns.

Farmers and Private Companies Investing More in Citrus

MY 2007 citrus quality has improved overall because farmers have improved orchard management and increased inputs such as pesticides and fertilizers. Guided by provincial governments, farmers in some citrus-producing provinces such as Zhejiang are optimizing the planted varieties and adopting wholesome farming practices that help improve overall fruit quality. Additionally, enhanced involvement of private companies in citrus production is also playing a role in fruit quality improvement. These firms are building more packing houses and processing facilities that source citrus from contracted orchards where agro-chemicals and farming technologies are provided by the company to ensure product quality and safety.

Processing

High Prices Push FCOJ Production Up

Frozen concentrated orange juice (FCOJ) production is forecast at 20,000 MT in MY 2007, double that of MY 2006, because of high world market prices and the increased availability of domestic juicing oranges. However, the supply of domestic juicing oranges is insufficient to supply China’s processing capacity. MY 2006 production is also revised up to 11,000 MT, based on industry figures. Although world FCOJ prices have dropped to U.S. $2,100-2,200 per MT from a peak level of $2,700 in 2005, producing FCOJ from local oranges is still profitable. For example, farm gate prices for locally-produced oranges in Chongqing are quoted at around U.S. $120 per MT. Since 13 MT of oranges are required to produce one MT of FCOJ, the total input cost is only $1,560 per MT.

Production of processing oranges is increasing rapidly because of government policies, including the relocation of immigrants from the Three Gorges area who are being encouraged to plant orange trees. Juicing companies and local governments have also worked together to encourage farmers to grow oranges through the provision of free or subsidized seedlings and other technical services. Industry sources indicate Chongqing's orange acreage will increase by 6,700 hectares in each of the next five years because of such government programs. Domestic processing companies have built several large juicing facilities in Chongqing, Hubei, and Fujian, but they are not running at full capacity because of the lack of sufficient fresh oranges. Processors hope the situation will change in five to ten years after these new plantings reach peak production age.

An Emerging Market for NFC Production in China

Some domestic processors have begun to eye an emerging market for not-from-concentrate (NFC) juice. One NFC juice facility built in Chongqing has an annual production capacity of 50,000 MT. Although it processed a mere 3,000 MT of NFC orange juice in MY 2006, the company expects production to triple in the coming season, when many more oranges are harvested in the region. According to industry sources, a U.S. company and the Zhongxian County Government of Chongqing signed an MOU to invest U.S. $150 million in a new NFC facility. The facility is expected to be built in the next two years with an annual production capacity of 150,000 MT. Major international firms have also expressed interest in building juicing facilities in China to take advantage of the growing demand for juice and juice drinks and to connect to existing distribution networks. However, finding a sustainable supply of raw fruit may be a challenge to these multi-national companies.

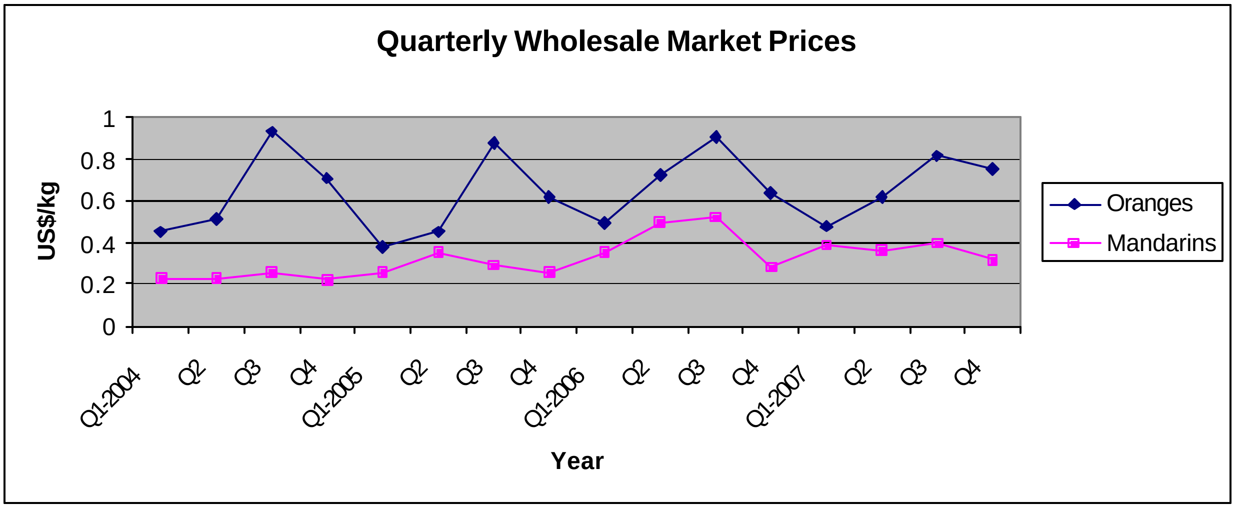
Canned Citrus Production Remains Stable

Canned citrus production is forecast at 400,000 MT in MY 2007, unchanged from MY 2006. However, some local canneries that primarily export to EU countries may reduce production in anticipation of a negative finding after the European Commission launched an anti-dumping investigation into China's canning industry on October 20, 2007. With the EC's initial ruling scheduled to be released by the end of November 2007, industry sources predict the results will probably limit China's canned citrus exports to the EU countries. At Spain's request, the EU implemented a tariff rate quota (TRQ) for China's canned citrus exports from April 2004 through November 8, 2007. The TRQ was originally set at 30,843 MT per year, or about half of the total export volume to Europe. The TRQ was set at 20,738 MT for the period between April 11 and November 8, 2007. Because of consumer preference for fresh fruit over canned fruit, China's canning industry is heavily dependent on the world market for exports. While the export volume of canned citrus is forecast at 300,000 MT in MY 2007, down from 330,000 in MY 2006, industry sources indicate total consumption in the domestic market will remain stable at between 50,000 and 100,000 MT.

Prices

As Production Costs Increase, Purchase Prices Expected to Slightly Decrease

Production costs for pesticides, fertilizers, water, and labor continue to increase. According to the State Statistic Bureau, the cost of citrus production in 2006 increased by 7.1 percent from the previous year. Industry sources report the current production cost of navel oranges in Ganzhou, Jiangxi Province is about U.S. $0.14 per kilogram. Despite improved quality, these increased costs and the bumper harvest are likely to force MY 2007 citrus prices down slightly from the previous season. In Zhejiang Province, the farm gate price for early mature mandarins is U.S. $0.16-0.19 per kilogram, slightly lower than MY 2006. Purchase prices for navel oranges are quoted at U.S. $0.38 per kilogram in Jiangxi Province, down 15 percent from the previous year.



Consumption

Consumption Growing in Medium and Large Size Cities, not as Great in Rural Areas
Consumption of fresh fruit continues to grow with increasing incomes. Most fresh fruit is consumed in large and medium size cities. The State Statistic Bureau estimated 2006 per capita consumption of fresh fruit in urban areas at 60 kilograms, up from 41 kilograms in 1990. This contrasts with per capita rural consumption at only 20 kilograms. As Chinese consumers become more health-conscious, they will seek higher quality fruit. To the average consumer, quality fruit is most often characterized by its sweet taste, appearance (especially color), and in most cases, larger size. While an increasing number of consumers are choosing to buy fruit in supermarkets because the quality and safety are deemed more reliable, the majority of consumers continue to prefer wet markets because they are significantly less expensive and more convenient. This is especially true for China's older generations, who are accustomed to buying all fruits and vegetables in wet markets. Some high-end consumers prefer imported citrus even though the quality of some domestic citrus has caught up with its imported counterparts. With current storage technology, Chinese citrus cannot be stored beyond February, so imported citrus becomes popular during the off-season between March and October.

Juice and Juice Drink Consumption Increase in Popularity
While juice consumption continues to grow, industry sources believe its pace is slower than that of juice drinks. A recent Chinese Central Television (CCTV) survey about juice consumption showed only 35 percent of China's total urban households drink 100 percent juice. However, it has seen significant growth in a few large cities like Shanghai and Beijing, because consumers are more aware of the nutritional benefits. The study stated that juice consumption in Shanghai is growing by 40 percent annually. Juice is not a traditional Chinese beverage and many consumers remain unaware of its nutritional value, believing juice is too sweet and that fresh fruit is healthier. The survey sampled six large cities: Beijing, Shanghai, Guangzhou, Wuhan, Qingdao, and Chengdu. It also found that per capita consumption of juice is less than 1 liter per year, and 54 percent of China's juice consumers drink juice after dinner, unlike Western consumers who normally drink juice at breakfast.

Consumption of juice beverages is also increasing rapidly. An industry report revealed that Chinese beverage factories produced a total of seven million MT of juice drinks in January-

August, 2007, up 21 percent from the same period in 2006, when juice drinks accounted for nearly 80 percent of the total volume of juice and juice drinks. Much of the orange juice consumed in China continues to be made from imported concentrate and then reconstituted into juice drinks. Orange juice is still the dominant juice flavor and is favored by 58 percent of consumers. Industry sources predict that consumer preferences will move toward higher fruit content beverages as consumers become more familiar with the product and its nutritional value.

New Packaging May Contribute to Increase in Canned Citrus Consumption
Domestic consumption of canned citrus has grown slowly because Chinese consumers have long believed canned fruit contains preservatives that are harmful to health. As a result, Chinese canneries have always focused their attention on the international market and are reluctant to try to change consumer perception because of limited resources. A few processors, however, have introduced new packaging materials that make canned fruit easier to carry and open than the traditional glass jars. They hope this "package revolution" may help boost the volume of canned fruit sales in the domestic market.

Trade

Imports

Lower World Prices and Recovery in California Lead to Increase in Orange Imports
China's imports of fresh oranges are forecast at 60,000 MT in MY 2007, up 67 percent from 36,000 MT in MY 2006. This increase represented a recovery of U.S. orange exports to China that fell sharply from October 2006 to September 2007 to 28,164 MT, down 45 percent from 50,947 MT from the year before because the California freeze reduced U.S. orange production and exports. In MY 2006, orange prices of other world suppliers increased dramatically following the crop failure in the United States. As a result of higher world prices, China's MY 2006 orange imports from other countries also declined. With increased production and improved quality, Chinese oranges are posing a greater challenge to U.S. oranges, especially during the local supply season from November - February. U.S. oranges become more popular beginning in March but compete with South African oranges, which enter China's market beginning in June. South African oranges are priced lower than their U.S. counterparts. According to a trader at the Guangzhou Jiangnan Fruit and Vegetable Wholesale Market, Guangzhou distributes between 85 and 90 percent of all imported fruit to the rest of the country.

Low Quality Australian Tangerines Result in Fewer Imports Overall
MY 2007 tangerine imports are forecast at 20,000 MT, down 26 percent from the previous year. Traders are expected to import fewer Australian tangerines because last season's quality was lower than usual. Australian tangerine exports to China in MY 2006 have more than tripled since gaining access to China's market in MY 2005. Imported tangerines are available during the off-season from May to October and are very popular during the Mid-Autumn Festival in September. Chinese customs figures show a dramatic increase of New Zealand tangerine imports in MY 2006. However, industry sources believe these tangerines could have been sourced from other countries and falsely labeled as New Zealand fruit. This could be because fruit from New Zealand rarely has difficulty clearing customs.

Increased Domestic Production and High Prices Reduce Imports of FCOJ
Imports of FCOJ are forecast at 50,000 MT, down 12 percent from the revised MY 2006 figure of 56,991 MT, because of high world market prices and increased domestic production. World FCOJ prices are currently quoted at U.S. $2,100-2,200, higher than domestically produced juice, which is priced at nearly U.S. $1,900. Chinese juicing companies are expected to double FCOJ production this season given increased production of fresh oranges, but the quantity of juicing oranges is still insufficient to supply China's current processing

capacity. This will also limit further production expansion. While revised up 18,991 MT from the previous estimate, MY 2006 imports of FCOJ also dropped by 12 percent to 56,991 MT. The shortfall was filled by domestically produced FCOJ when production tripled to exceed 10,000 MT.

Exports

Bumper Citrus Harvest, but Only Moderate Export Growth

China is only expected to see moderate growth in MY 2007 citrus exports despite the bumper harvest, because China's quarantine agency, AQSIQ, issued a new directive requiring all exported fruit be sourced from registered packing houses and orchards (see Policy below). Tangerine and orange export volumes are forecast at 390,000 MT and 85,000 MT, up five percent and eight percent, respectively, from MY 2006. China exported 371,000 MT of tangerines and 79,000 MT of oranges in MY 2006, up 10 percent and 55 percent from MY 2005. Exports of pomelos are forecast to more than double in MY 2007 to 110,000 MT, because exports to Europe and Hong Kong already follow AQSIQ's new export requirements.

Policy

Direct Support from Provincial or Municipal Governments

While the central government provides guidance for citrus planting, direct support for citrus production occurs at the provincial or lower levels of government. In Chongqing Municipality, however, a central government fund to relocate immigrants from Three Gorges area is closely connected with citrus production. The central and municipal governments have built citrus orchards, mostly orange farms, to give to relocated immigrants (see CH6111). The Chongqing Municipal Government attaches great importance to citrus production within the municipality, which has been designated as the center of processing oranges under the national plan for citrus production (see CH3132). Working with private juicing companies who have built several large-scale citrus nurseries, the government provides subsidized seedlings to farmers to plant orchards. In Zhongxian County, for example, the government gives farmers four Renminbi to buy a five Renminbi seedling (U.S. $0.67). It is reported that the Chongqing Municipal Government will spend 300 million Renminbi (U.S. $40.5 million) in each of the next five years to support citrus development.

Law on Specialized Farmer Cooperatives

China recently passed a new Law on Specialized Farmer Cooperatives to support the establishment and operation of these entities. The new law, effective July 2007, allows various levels of government to provide financial support for farming and marketing to these organizations (see CH6113). The State Council is working on detailed policies regarding tax privileges and other financial support to farmer cooperatives. Meanwhile, a guarantee fund was established by China Development Bank in 2006 to help farmers receive loans. The government has also formed credit-guarantee companies backing farmers on financial services and a few small-scale pilot programs in areas like Chongqing Municipality.

Food Safety Concerns Increase Regulation of Exported Citrus

In a bid to ensure export fruit safety, China's inspection and quarantine authority, AQSIQ, recently issued a directive to its local branches (CIQs) requiring that all export fruit originate from CIQ-registered orchards and packing houses as of November 1, 2007. The new policy is likely to affect Chinese citrus exports in the near term because previously, citrus destined for Southeast Asian countries and Russia, the main export destinations of Chinese citrus, were sold through different types of packing houses or agents not registered at CIQs. Registration requires stringent inspection and review by CIQ officials on agro-chemical use and pest control. Many smaller packing houses and orchards are unlikely to meet the criteria, at least in the short term. Currently, fruit exports to the United States, Canada, Australia, New Zealand, Japan, South Korea, Hong Kong, and Macau are already sourced from CIQ-registered packing houses and orchards as requested by the importing countries. The directive also requires local CIQ's to step up inspection on imported fruit.

Marketing

Citrus Growing Quickly in China's Fresh Fruit Market

Citrus is one of the fastest growing segments of China's fresh fruit market. As consumer incomes and preference for high quality foods increase, this trend is expected to continue, creating expanded opportunities for both local and imported citrus. Along with increasing demand for higher quality fruit, consumers place a growing emphasis on taste, appearance, and shape. According to local fruit importers and retailers, citrus with good color, a shinny peel, and a high Brix content are most popular. New and innovative products are especially appealing to today's Chinese consumers, as evidenced by the willingness of consumers to try new citrus varieties. At the same time, consumer lifestyles are changing and convenience is becoming an important consideration. As a result, consumers increasingly favor easy to peel citrus and citrus juice. Most imported citrus is consumed by mid to high income consumers or purchased as gifts. Chinese consumers usually buy fruit based on its appearance, even if less expensive fruit of similar taste and quality is available, making presentation and color essential to maintaining high retail price levels.

Oranges

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 Australia, South Africa, and Chile are the dominant suppliers of oranges during the summer and fall. Navel and Valencia oranges are the two top varieties in the market, with navel oranges being the most popular since they are seedless and easy to peel and break into segments.

Lemons

Lemons continue to evolve as an ingredient in cooking, especially in the food service sector, because of their colorful appearance and versatility in cooking. Imported lemons dominate China's fresh lemon market with most consumers purchasing lemons as a flavor enhancer, often in beverages, and a source of vitamin C. U.S. lemons can be found in China's market throughout the year, with Sunkist being the major supplier.

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. Because of recent supply problems in the United States, Israel currently dominates China's grapefruit retail shelves. However, there is growth potential for U.S. grapefruit in China if suppliers highlight the nutritional benefits and target mid-high income consumers with market development efforts.

Juice

Average per capita fresh juice consumption remains much lower in China compared to developed countries. According to a fruit juice consumption survey conducted by The Huiyuan Group, the largest fruit juice producer in China, a growing number of consumers recognize the health benefits associated with drinking fresh fruit juice, but it has not yet become a common purchase for many households. In addition, many consumers confuse 100 percent fresh juice with juice drinks, which often contain only limited percentages of fruit juice. Asian Citrus, China's largest orange plantation, sees the potential for a substantial orange juice market over the next five to ten years and is ready to introduce high value fresh-squeezed orange juice to the upper end of the market, targeting wealthier Chinese consumers.

Citrus Distribution

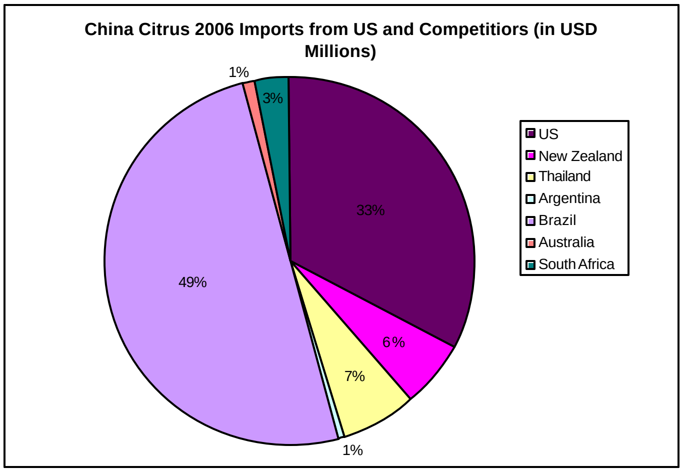
Traditionally, citrus is distributed via country fairs, and purchasing and wholesale markets. Country fairs are the oldest form of markets in rural areas and are where most locally produced citrus is sold. In this format, fruit peddlers buy citrus in the local market, and then transport it to sell in other locations. Additionally, citrus growers sell their products in purchasing markets, also known as primary or elementary markets, which have historically been state-owned trading companies. However, the market share of purchasing markets is declining as packing houses and processing enterprises have evolved and expanded. Wholesale markets play an important role in citrus distribution for both domestic and imported fruit. Xinfadi, the largest wholesale produce market in Beijing, distributed about 500,000 MT of domestic and imported citrus in 2006. Jiangnan Market, the largest produce wholesale market in China and the major distribution center for imported fruit, handled five million MT of fruit and vegetables (domestic and imported) valued at U.S. $2 billion in 2006.

Increasingly, retailers play an important role in citrus distribution to end-users. As supermarkets demand higher quality and quantities, they tend to build long-term relationships with preferred suppliers to guarantee continuous high quality supplies to meet demand. The modern, centralized high volume distribution systems of most major retailers provide citrus suppliers and exporters a larger target market with fewer layers of distribution to navigate. Continuing modernization of procurement practices has benefited many suppliers, enabling them to deliver higher quality product in a timely and price-competitive manner.

Inadequate Cold Chain Still a Challenge

Despite growing demand and improved distribution channels, China's inadequate cold chain (storage facilities, poor handling) is still a challenge for U.S. exports. According to one citrus importer in Qingdao, even with a cold storage warehouse, it is difficult to consistently store products because of temperature fluctuations as products move from the port, during transport, and into cold storage. In addition, some retailers lack the knowledge on proper handling, which leads to deterioration in quality, appearance, and the taste of citrus before it reaches the consumer. The lack of quality controls in the cold chain will continue to affect domestic citrus supplies and restrict additional opportunities for imports.

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. Post 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 Australia, New Zealand, South Africa, and Chile. Additionally, citrus products from ASEAN countries have a price advantage over U.S. exports because of lower production costs. The following graph shows the break-down of China's citrus imports from the United States and competitor suppliers in terms of value.



Source: World Trade Atlas

Importance of Brand Awareness

In response to stiff domestic and international competition facing U.S. citrus producers, U.S. exporters must establish brand awareness with Chinese consumers. Suppliers should look for ways to enhance their brand, bond with Chinese consumers, and link products to lifestyle trendsetters. Chinese consumers are more focused on brand names than most of their Western counterparts. Consumers want to know which new trends will give them added status. There is no nationally dominant citrus brand in the current market, creating an opportunity for U.S. producers to pursue and claim the title. Sunkist is by far the most popular U.S. citrus brand among consumers in China.

Other Relevant Reports

FAS Beijing Reports

CH6111 - China Citrus Annual, 2006
CH3132 - China Citrus Annual, 2003
CH6113 - Presidential Order 57 Supports Farmer Cooperatives in China, 2006

Tables:

Historical Production Tables by Province

Orchard Area and Production by Province								
	2003		2004		2005		2006	
	1000 Ha	1000 MT	1000 Ha	1000 MT	1000 Ha	1000 MT	1000 Ha	1000 MT
Hunan	259.9	1,728	276.4	1,879	296.2	2,120	313.8	2,508
Fujian	164.0	1,944	165.6	2,068	170.3	2,153	170.2	2,267
Guangdong	149.9	1,351	175.7	1,591	195.5	1,827	224.5	2,244
Sichuan	191.7	1,862	201.5	1,988	206.9	2,137	215.6	2,058
Guangxi	122.0	1,521	134.3	1,719	141.3	1,877	151.5	2,055
Hubei	109.6	1,241	124.7	1,308	143.2	1,463	159.0	1,811
Zhejiang	125.0	1,767	124.1	2,010	123.0	1,481	120.2	1,805
Jiangxi	186.0	620	217.3	844	215.1	1,098	229.3	1,394
Chongqing	96.3	752	98.1	799	108.9	909	109.9	847
Yunnan	25.1	133	25.9	166	27.9	211	29.1	244
Shanghai	9.5	174	11.4	185	8.7	180	10.6	197
Guizhou	33.9	150	35.5	158	38.7	172	37.0	177
Shaanxi	16.6	99	18.1	117	19.7	168	21.5	163
Jiangsu	3.2	54	3.6	48	3.9	52	5.4	48
Henan	8.1	30	9.5	35	10.1	36	9.7	37
Hainan	2.5	15	3.1	23	3.7	20	3.6	27
Anhui	2.2	11	2.3	13	4.0	12	3.4	13
Gansu	0.2	3	0.2	3	0.2	3	0.2	3
Total	1,505.7	13,454	1,627.3	14,958	1,717.3	15,919	1,814.5	17,898
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)								
	2005	Revised		2006	Estimate		2007	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		11/2005	11/2005		11/2006	11/2006		11/2007	11/2007
Area Planted	612000	612000	612000	628000	628000	628000	0	0	660000
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 No. Of Trees	0	0	0	0	0	0	0	0	0
Production	4450	4450	4450	4800	4800	4800	0	0	5450
Imports	64	64	64	68	68	36	0	0	60
Total Supply	4514	4514	4514	4868	4868	4836	0	0	5510
Exports, Fresh	51	51	51	62	62	79	0	0	85
Fresh Dom. Consumption	4421	4421	4421	4661	4661	4612	0	0	5155
For Processing	42	42	42	145	145	145	0	0	270
Total Distribution	4514	4514	4514	4868	4868	4836	0	0	5510

Trade Matrices for Fresh Oranges

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Oranges, Fresh		
Time Period	Oct-Sept	Units:	MT
Imports for:	2005		**2006**
U.S.	50947	U.S.	28164
Others		Others	
New Zealand	8288	South Africa	5014
South Africa	3446	Taiwan	1317
Argentina	698	Argentina	1080
Thailand	266	New Zealand	1038
Uruguay	122	Uruguay	999
Taiwan	23	Thailand	834
Brazil	5	Egypt	220
		Australia	167
		Brazil	21
		Israel	19
Total for Others	12848		10709
Others not Listed	0		0
Grand Total	63795		38873

Source: China Customs Data

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Oranges, Fresh		
Time Period	Oct-Sept	Units:	MT
Exports for:	2005		**2006**
U.S.	0	U.S.	0
Others		Others	
Hong Kong	17194	Hong Kong	33855
Vietnam	17099	Vietnam	14420
Malaysia	5962	Malaysia	14257
Russia	4573	Russia	8009
Singapore	1867	Canada	3480
Macau	1808	Singapore	1822
Canada	791	Macau	1700
Thailand	694	Indonesia	627
Indonesia	328	UAE	300
Philippines	177	Kyrgyzstan	142
Total for Others	50493		78612
Others not Listed	392		210
Grand Total	50885		78822

Source: China Customs Data

Export Prices for Fresh Oranges

Prices Table			
Country	China, Peoples Republic of		
Commodity	Oranges, Fresh		
Prices in	US$	per uom	MT
Year	2006	2007	% Change
Jan	400	510	28%
Feb	390	570	46%
Mar	320	460	44%
Apr	250	300	20%
May	260	250	-4%
Jun	330	280	-15%
Jul	130	170	31%
Aug	300	160	-47%
Sep	N/A	130	N/A
Oct	430	270	-37%
Nov	580	N/A	
Dec	470	N/A	
Exchange Rate	7.5/1.00	Local Currency/US $	
Date of Quote	11/26/2007	MM/DD/YYYY	

Source: China Customs Data

Frozen Concentrate Orange Juice (FCOJ)

PSD Table									
Country	**China, Peoples Republic of** Degrees Brix								
Commodity	**Orange Juice** (MT)								
	2005	Revised		2006	Estimate		2007	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		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Deliv. To Processors	42000	42000	42000	145000	145000	145000	0	0	0
Beginning Stocks	0	0	0	12000	12000	8000	0	0	10000
Production	3000	3000	3000	10000	10000	11000	0	0	20000
Imports	64653	64653	64653	38000	38000	56991	0	0	50000
Total Supply	67653	67653	67653	60000	60000	75991	0	0	80000
Exports	2168	2168	2168	2000	2000	3302	0	0	3600
Domestic Consumption	53485	53485	57485	58000	58000	62689	0	0	69000
Ending Stocks	12000	12000	8000	0	0	10000	0	0	7400
Total Distribution	67653	67653	67653	60000	60000	75991	0	0	80000

Note: Numbers have been converted to concentrated orange juice using a ratio of 6:1 between single strength and concentrate. Products under U.S. codes 20091200 and 20091900 are both treated as single strength juice.

Trade Matrices for FCOJ

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Orange Juice		
Time Period	Oct-Sept	Units:	MT
Imports for:	2005		**2006**
U.S.	48	U.S.	84
Others		Others	
Brazil	43918	Brazil	35737
Israel	18049	Israel	18093
Netherlands	1412	Netherlands	1235
Taiwan	279	Italy	940
Italy	277	Greece	382
Belgium	246	Spain	154
Spain	160	Australia	124
Australia	131	Singapore	95
Hong Kong	37	Hong Kong	35
South Africa	33	Thailand	18
Total for Others	64542		56813
Others not Listed	63		95
Grand Total	64653		56992

Source: China Customs Data

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Orange Juice		
Time Period	Oct-Sept	Units:	MT
Exports for:	2005		**2006**
U.S.	0	U.S.	0
Others		Others	
Thailand	865	Thailand	1002
Kuwait	509	Hong Kong	950
Hong Kong	437	India	421
Malaysia	132	Taiwan	301
Singapore	103	Kazakhstan	112
Taiwan	45	Mongolia	106
Indonesia	18	Indonesia	91
UAE	18	Algeria	76
Sri Lanka	8	Kuwait	73
Pakistan	6	Tunisia	56
Total for Others	2141		3188
Others not Listed	28		115
Grand Total	2169		3303

Source: China Customs Data

Export Prices for FCOJ

Prices Table			
Country	China, Peoples Republic of		
Commodity	Orange Juice		
Prices in	US$	per uom	MT
Year	2006	2007	% Change
Jan	1200	1790	49%
Feb	1130	1580	40%
Mar	1170	1600	37%
Apr	1140	1710	50%
May	1310	1630	24%
Jun	1230	1680	37%
Jul	1210	1680	39%
Aug	1200	1700	42%
Sep	1240	1890	52%
Oct	1430	1670	17%
Nov	1350	N/A	
Dec	1330	N/A	
Exchange Rate	7.5/1.00	Local Currency/US $	
Date of Quote	11/26/2007	MM/DD/YYYY	

Source: China Customs Data

Fresh Tangerines

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Tangerines/Mandarins, Fresh** (HECTARES)(1000 TREES)(1000 MT)								
	2005	Revised		2006	Estimate		2007	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		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Area Planted	760000	768000	760000	756000	0	767000	0	0	775000
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 No. Of Trees	0	0	0	0	0	0	0	0	0
Production	8050	8050	8050	9000	0	9000	0	0	9720
Imports	7	3	7	5	0	27	0	0	20
Total Supply	8057	8053	8057	9005	0	9027	0	0	9740
Exports, Fresh	338	405	338	407	0	371	0	0	390
Fresh Dom. Consumption	7169	7168	7169	7948	0	8006	0	0	8700
For Processing	550	480	550	650	0	650	0	0	650
Total Distribution	8057	8053	8057	9005	0	9027	0	0	9740

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

Trade Matrices for Fresh Tangerines

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Tangerines/Mandarins, Fresh		
Time Period	Oct-Sept	Units:	MT
Imports for:	2005		**2006**
U.S.	214	U.S.	3
Others		Others	
Thailand	5439	New Zealand	16185
Australia	542	Uruguay	3974
Argentina	266	Thailand	3964
Chile	224	Australia	1850
Taiwan	104	Myanmar	505
New Zealand	26	Argentina	359
		Chile	358
		South Africa	103
		Taiwan	14
Total for Others	6601		27312
Others not Listed	0		1
Grand Total	6815		27316

Source: China Customs Data

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Tangerines/Mandarins, Fresh		
Time Period	Oct-Sept	Units:	MT
Exports for:	2005		**2006**
U.S.	24	U.S.	0
Others		Others	
Vietnam	100486	Vietnam	74232
Malaysia	76925	Malaysia	72652
Indonesia	40777	Indonesia	59300
Russia	36980	Russia	50637
Philippines	27375	Philippines	35616
Hong Kong	20465	Hong Kong	31902
Canada	18866	Canada	21774
Singapore	8188	Singapore	12189
Kyrgyzstan	2196	Kyrgyzstan	3672
North Korea	1714	Mongolia	1749
Total for Others	333972		363723
Others not Listed	3867		6855
Grand Total	337863		370578

Source: China Customs Data

Export Prices for Fresh Tangerines

Prices Table			
Country	China, Peoples Republic of		
Commodity	Tangerines/Mandarins, Fresh		
Prices in	US$	per uom	MT
Year	2006	2007	% Change
Jan	330	440	33%
Feb	280	420	50%
Mar	290	420	45%
Apr	330	390	18%
May	190	320	68%
Jun	170	300	76%
Jul	1340	230	-83%
Aug	790	840	6%
Sep	500	490	-2%
Oct	410	360	-12%
Nov	360	N/A	
Dec	400	N/A	
Exchange Rate	7.5/1.00	Local Currency/US $	
Date of Quote	11/26/2007	MM/DD/YYYY	

Source: China Customs Data

Fresh Grapefruit / Pomelos

PSD Table									
Country	**China, Peoples Republic of**								
Commodity	**Grapefruit, Fresh** (HECTARES)(1000 TREES)(1000 MT)								
	2005	Revised		2006	Estimate		2007	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		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Area Planted	0	0	0	0	0	0	0	0	0
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 No. Of Trees	0	0	0	0	0	0	0	0	0
Production	1867	1867	1867	2020	2020	2025	0	0	2230
Imports	4	4	4	5	5	3	0	0	3
Total Supply	1871	1871	1871	2025	2025	2028	0	0	2233
Exports, Fresh	27	27	27	60	60	51	0	0	110
Fresh Dom. Consumption	1844	1844	1844	1965	1965	1977	0	0	2123
For Processing	0	0	0	0	0	0	0	0	0
Total Distribution	1871	1871	1871	2025	2025	2028	0	0	2233

Trade Matrices for Fresh Grapefruit / Pomelos

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Grapefruit, Fresh		
Time Period	Oct-Sept	Units:	MT
Imports for:	2005		**2006**
U.S.	274	U.S.	408
Others		Others	
Thailand	2565	Thailand	1607
Taiwan	746	Taiwan	773
Argentina	24	South Africa	184
		Argentina	110
		Japan	100
		Spain	45
		Israel	3
Total for Others	3335		2822
Others not Listed	1		0
Grand Total	3610		3230

Source: China Customs Data

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Grapefruit, Fresh		
Time Period	Oct-Sept	Units:	MT
Exports for:	2005		**2006**
U.S.	0	U.S.	0
Others		Others	
Hong Kong	7127	Netherlands	17161
Russia	7044	Russia	15282
Netherlands	3836	Hong Kong	4481
Canada	3607	Belgium	2852
Belgium	1309	Canada	2671
France	669	Malaysia	1271
Macau	583	Romania	1144
Malaysia	504	Philippines	1046
Philippines	465	Germany	1013
Singapore	441	Singapore	725
Total for Others	25585		47646
Others not Listed	1200		2905
Grand Total	26785		50551

Source: China Customs Data

Export Prices for Fresh Grapefruit / Pomelos

Prices Table			
Country	China, Peoples Republic of		
Commodity	Grapefruit, Fresh		
Prices in	US$	per uom	MT
Year	2006	2007	% Change
Jan	350	580	66%
Feb	280	550	96%
Mar	180	400	122%
Apr	170	370	118%
May	140	160	14%
Jun	130	130	0%
Jul	130	130	0%
Aug	490	400	-18%
Sep	530	580	9%
Oct	530	620	17%
Nov	530	N/A	
Dec	540	N/A	
Exchange Rate	7.5/1	Local Currency/US $	
Date of Quote	11/16/2007	MM/DD/YYYY	

Source: China Customs Data