

Required Report: Required - Public Distribution

Date: December 27, 2023

Report Number: CH2023-0192

Report Name: Citrus Annual

Country: China - People's Republic of

Post: Guangzhou ATO

Report Category: Citrus

Prepared By: May Liu

Approved By: Jon Flemings

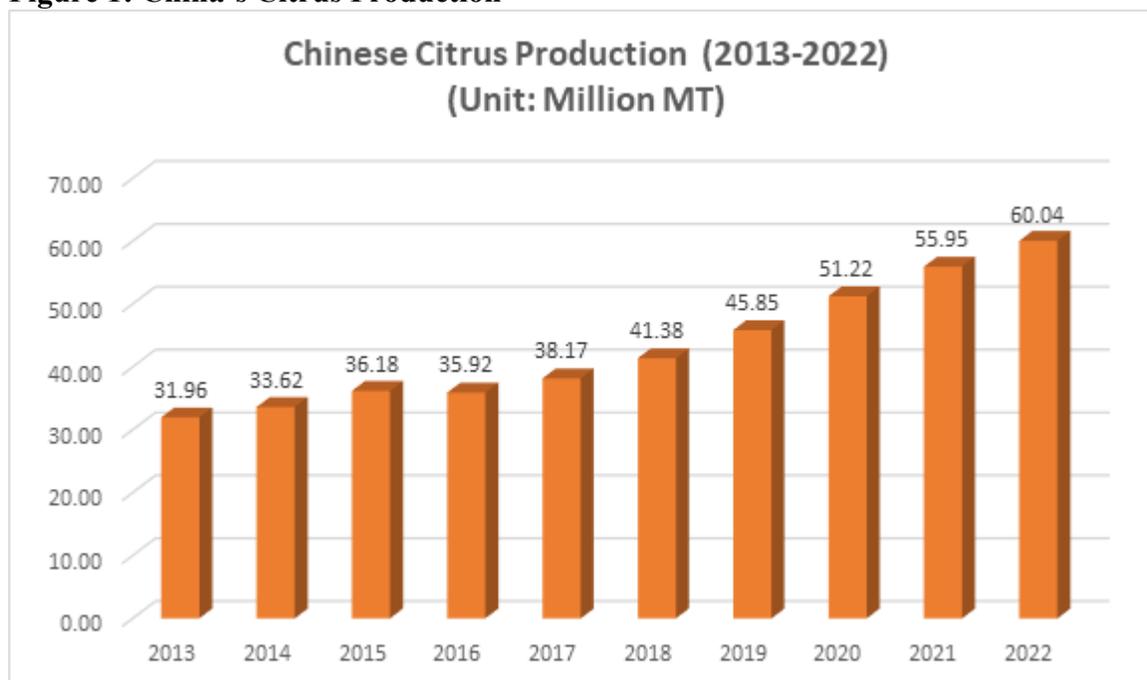
Report Highlights:

Despite challenges related to the slow economy, citrus production in China for marketing year (MY) 2023/24 is expected to continue to grow, outperforming other fruit categories. Growth is anticipated in all citrus crops, resulting from favorable weather and increased yields from replanted trees following bouts of citrus greening disease in previous years. Consumer demand for citrus is expected to remain strong, as Chinese consumers seek to increase their daily intake of Vitamin C. Although trade in citrus is small in comparison to production, noticeable increases in exports could be witnessed if production outpaces consumption.

Summary

After several years of consistent growth, China's citrus production in MY 2023/24 is expected to continue to climb and will remain the largest fruit category, outperforming other fruits (i.e., apples). With favorable weather and the recovering acreage from earlier greening disease, all citrus crops – oranges, tangerines, mandarins, grapefruits, pomelos – are expected to have strong yields. Although consumers are increasingly price conscious, demand is expected to remain strong. Incremental changes in trade flows are anticipated, as China continues to promote regional trade.

Figure 1: China's Citrus Production



(Source: China Statistical Yearbook, 2023, chart made by ATO Guangzhou)

Guangxi currently represents approximately 30 percent of China's citrus production. Hunan and Hubei accounts for 20 percent. Jiangxi remains the largest navel orange growing area. Pomelos produced from Fujian, Guangdong, Guangxi, and Jiangxi enjoy a good reputation across the country. Sichuan and Chongqing produce late harvest varieties of oranges and tangerines. Yunnan is another promising province suitable for producing multiple citrus fruits, however, some contacts reported that official production in Yunnan province is likely to be underestimated. New growing areas have been created (i.e., Shaanxi, Guizhou), but these two provinces currently represent only a fraction of China's production.

Figure 2: Citrus Growing Area in China



(Source: China Statistical Yearbook 2022, map made by ATO Guangzhou)

Legend (Provinces' production as a percentage of total Chinese production):



Oranges

Production

Orange production for MY 2023/24 is expected to reach 7.63 million metric tons (MMT). The forecast anticipates increased production in the Jiangxi province - the largest navel orange production area in China - is expected to increase its production by 15 percent. The bigger crop will be the result of two major factors, heavy rainfall from July to September and replanted trees bearing more fruit. According to industry contacts, the overall quality of the Jiangxi oranges this season is not as good as last year, as the fruit has a lower brix level because of excessive rain. Although navel orange production in Hunan and Hubei are expected to be stable, quality is expected to be significantly improved with lower acid levels.

In addition to stable production of navel oranges, growers in Yunan province expect an improvement to the “*Bintang Orange*” crop, including the well-recognized brand “*Chu Orange*” available in most high-end supermarkets. However, some growers believe that experts are underestimating the official estimates of the citrus crop in Yunnan province.

Prices

Packers and distributors predict that average orchard prices will be down 12 – 30 percent year-on-year because a sizeable portion of production will be impacted by the heavy rainfall (July-September) and will have lower brix levels. In Southern Jiangxi, the orchard prices for average Navel oranges are between 3.6 - 4.8 yuan (\$0.51-\$0.69) per kilogram. In Hubei and Hunan, the average orchard unit prices are currently around \$0.05 less.

The retail prices for premium domestic oranges are similar to last year. However, prices for ordinary oranges varies largely depending on different varieties, brands, and origins. For example, in early December, southern Jiangxi oranges were sold at 7.2 – 19.8 yuan (\$1.03 - \$2.84) per kilogram at retail stores depending on different quality grade. As for imported oranges, the retail prices range from 32 to 55 yuan (\$4.6 – \$7.8) per kilogram.

Consumption

Fresh orange consumption for MY 2023/24 is forecast at 7.56 MMT, up slightly from the previous year, assuming Chinese consumers will continue to incorporate fresh oranges into their diet because they are rich in Vitamin-C. The major varieties available on the China market are *Niuheer*, *Hemling*, *Bintang oranges*, *Valencia* and *Cara Cara*.

Trade

Imports

China’s orange imports for MY2023/2024 are expected to be slightly down year-on-year at 210,000 MT, recognizing that China Customs data registered final numbers for MY2022/23 at 213,043 metric tons. In short, strong domestic production is decreasing the need for imported products. In addition, the slow economy is encouraging consumers to be increasingly price conscious while imported oranges are sold at a premium.

In MY 2022/2023, China imported about 4.6 percent fewer fresh oranges from the world, mainly due to strong domestic production and inconvenient COVID prevention measures at the port of entry. The reduction resulted in a dramatic decrease in oranges from South Africa (down 16.7 percent), Australia (down 5.4 percent) and Spain (down 27 percent). This was partially offset by the increasing imports from Egypt (up 23 percent) and the United States (up 17.5 percent). China’s orange imports from the United States increased to 19,718 metric tons.

Exports

China’s orange exports in MY 2023/24 are expected to remain stable at 50,000 MT, about the same as the 49,428 MT registered for MY 2022/23. China is expected to yield more fresh oranges while demand from Russia should continue to rebound following restricted trade from the war. China’s orange exports in MY 2022/2023 were down 22 percent from the previous year, mainly due to the

heavy decline in trade from Vietnam (down 39 percent) and Hong Kong (down 22.9 percent). However, trade with Thailand and Russia increased to 6,313 metric tons and 3,324 metric tons, respectively. Top 10 export destinations for Chinese fresh oranges in MY2022/2023 were Vietnam (accounting for 42.7 percent market share, down 12 percent from last year), Hong Kong, Philippines, Thailand, Russia, Indonesia, Malaysia, Singapore, and Macao.

Tab 1. Production, Supply and Distribution (Oranges)

Oranges, Fresh Market Year Begins China	2021/2022		2022/2023		2023/2024	
	Nov 2021		Nov 2022		Nov 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	816500	0	816530	816530	0	816530
Area Harvested (HECTARES)	0	0	0	0	0	0
Bearing Trees (1000 TREES)	0	0	0	0	0	0
Non-Bearing Trees (1000 TREES)	0	0	0	0	0	0
Total No. Of Trees (1000 TREES)	0	0	0	0	0	0
Production (1000 MT)	7550	0	7600	7600	0	7630
Imports (1000 MT)	223	0	230	213	0	210
Total Supply (1000 MT)	7773	0	7830	7813	0	7860
Exports (1000 MT)	64	0	45	49	0	50
Fresh Dom. Consumption (1000 MT)	7460	0	7565	7544	0	7560
For Processing (1000 MT)	249	0	220	220	0	230
Total Distribution (1000 MT)	7773	0	7830	7813	0	0

(HECTARES),(1000 TREES) ,(1000 MT)

Orange Juice

Production

Orange juice production in MY 2023/24 is forecast at 17,500 MT, up nearly three percent from the previous year. The increase assumes a slightly increasing volume of oranges to be delivered for processing as a result of the increased orange production. Consumer demand for “not from concentrate” (NFC) juice continues expanding rapidly and high-end consumers as well as the younger generation of consumers increasing prefer 100 percent fresh squeezed orange juice.

Prices

Prices for premium juice products can be two or three times the price of “from concentrate” (FC) juice. Well-known brands of NFC orange juices include “Nongfu Spring”, “Huiyuan”, and “WeiQuan”. Currently the prices of 100 percent normal temperature orange juice under “Nongfu 17.5” brand were sold online at \$0.93- \$1.00 per 300ml bottle. The price for cold press NFC orange ranges from 12.8 - 15 yuan per 300ml (\$1.83 - \$2.14). Major juice processors in Jiangxi, Chongqing, and Sichuan provinces plan to expand their processing facilities to meet this increasing demand for high-end NFC orange juice.

Consumption

MY 2023/24 orange juice consumption in China is forecast to grow slightly at 139,510 MT because of the continuous demand for NFC and 100 percent orange juices. Middle-class consumers are increasingly focusing on freshness and health benefits of products, and this has been especially true after the pandemic, which resulted in an increasing demand for NFC juices. Meanwhile, demand for NFC juice mixes (which have a high percentage of orange juice in the mix) as well as juices with high pulp content is also growing. Specialized fresh juice extraction juice shops and vending machines in hotels, shopping malls, airports, and train stations continues to expand.



Trade

Imports

Frozen orange juice imports in MY 2023/24 are forecast to remain flat at 119,000 MT, as a key ingredient to for several established brands. MY 2022/23 estimate was adjusted down to reflect the actual China Customs data.

Exports

In MY 2023/24, total orange juice exports are forecasted at 3,200 MT, up from the previous year's revised data, due to strong demand in other Asian countries. Top export destinations are expected to be Hong Kong, Indonesia, Taiwan, Malaysia, Mongolia and Thailand.

Tab 2. Production, Supply and Distribution (Orange juice)

Orange Juice	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors (MT)	250000	0	220000	220000	0	230000
Beginning Stocks (MT)	0	0	0	0	0	0
Production (MT)	19250	0	16920	16920	0	17500
Imports (MT)	111821	0	125000	119154	0	119000

Total Supply (MT)	131071	0	141920	136074	0	136500
Exports (MT)	1631	0	2440	3002	0	3200
Domestic Consumption (MT)	129440	0	139480	133072	0	133300
Ending Stocks (MT)	0	0	0	0	0	0
Total Distribution (MT)	131071	0	141920	136074	0	136500
(MT)						

Mandarins and Tangerines

Production

China's mandarin/tangerine production is forecast at 26.9 MMT in MY 2023/24, up 400,000 MT from the previous year because of a larger crop in Hunan, Hubei, Guangxi and Jiangxi due to the favorable weather. Trade contacts believe that the production of mandarins and tangerines in Guangxi will increase this season. The growing area for MY 2023/24 increased slightly as the growers expanded the fields in an effort to rebound from earlier bouts of citrus greening disease. The production of late varieties from Sichuan and Chongqing is expected to be stable.

Currently Guangxi is the largest citrus producing region in China, representing one-third of China's total crop. In Guangxi, over half of the citrus products are mandarins and tangerines. "Shatang ju" and "Wo gan" are two major varieties, mainly grown in Wumin county which is close to Nanning and produced in Guilin district. "Golden Shatang ju" has become a popular variety. In addition to Guangxi, Jiangxi also produces "Nanfeng ju" mandarins. In addition, "Aiyuan 28" and "Aiyuan 38" are the new promising varieties grown in Sichuan, Hubei, Chongqing and Sichuan.

Price

Industry contacts report that orchard prices of tangerine and mandarins in MY 2023/24 are expected to decrease as a result of the larger crop. Currently, early variety prices for the "Wo gan" variety in Guangxi are approximately 6.6 to 7.2 yuan (\$0.94 - \$1.08) per kilogram. Prices for the "Wo gan" variety produced in Guangdong are cheaper, at 3 to 4.4 yuan (\$0.43-\$0.63) per kilogram. Regarding "Shatang ju" variety, the orchard prices are approximately 4.2 to 9 yuan (\$0.6-\$1.3) per kilogram. Low quality "Shatang ju" variety fruit is available at reduced prices at the wholesale market for approximately 5 yuan (\$0.71) per kilogram. In retail stores, premium "Shatang ju" prices remain at 15-20 yuan (\$2.14 - \$2.86) per kilogram.

Consumption

The domestic consumption of mandarin and tangerines in MY 2023/24 is expected to reach 25.6 MMT, a direct result of the larger crop. Demand for premium grade domestic and imported mandarins and tangerines is forecasted to remain similar year-on-year, while standard products are likely to compete for attention from the price conscious consumers, which could drive down prices. MY 2022/23 consumption of mandarins and tangerines remains unchanged at 25.2 MMT.



Late variety tangerine (left) from Chongqing; (right) Various mandarins on retail shelves early December in Hunan. (Source: ATO Guangzhou)

Trade

Import

MY 2023/24 imports of mandarins and tangerines are expected to reach 70,000 MT, up four percent from the revised MY 2022/23 data. In MY 2022/23, China imported 67,185 metric tons of mandarin, tangerines, and clementine from the world, up 21.4 percent from the previous year. Top suppliers include South Africa (up 38.6 percent at 35,664 MT), Australia (down 9.6 percent), and Peru (up 31 percent). Uruguay also exported 594 metric tons to China. Other suppliers include Morocco (up 143.9 percent), Spain (up 85 percent), Chile, United States (down 15 percent at 67 MT), Egypt, and Vietnam.

Export

MY 2023/24 exports of mandarins and tangerines are expected to increase to 780,000 MT, up three percent from the MY 2022/23 China's Custom data. MY 2022/23 export of mandarins, tangerines, and clementine increased 32.8 percent, reaching 751,678 metric tons. Top export destinations are Vietnam (up 43.8 percent), Indonesia, Philippines, Malaysia, Kyrgyzstan, Thailand, Russia, Myanmar, Bangladesh, and Hong Kong.

Tab 3. Production, Supply and Distribution (Mandarin and Tangerine)

Tangerines/Mandarins, Fresh	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	895000	0	890000	890000	0	890050
Area Harvested (HECTARES)	0	0	0	0	0	0
Bearing Trees (1000 TREES)	0	0	0	0	0	0
Non-Bearing Trees (1000 TREES)	0	0	0	0	0	0
Total No. Of Trees (1000 TREES)	0	0	0	0	0	0
Production (1000 MT)	27000	0	26500	26500	0	26900

Imports (1000 MT)	55	0	50	67	0	70
Total Supply (1000 MT)	27055	0	26550	26567	0	26970
Exports (1000 MT)	566	0	745	752	0	780
Fresh Dom. Consumption (1000 MT)	25889	0	25225	25235	0	25600
For Processing (1000 MT)	600	0	580	580	0	590
Total Distribution (1000 MT)	27055	0	26550	26567	0	26970
(HECTARES), (1000 TREES), (1000 MT)						

Grapefruits and Pomelos

Production

Pomelo and grapefruit production in MY 2023/24 is up slightly to 5.2 MMT, due to larger crops resulting from favorable weather in Guangdong, Fujian and Jiangxi provinces. Meizhou in Guangdong and Pinghe in Fujian are two major production areas. Other pomelo and grapefruit areas include Guangxi, Jiangxi, Hunan, Hainan and Guizhou provinces.

Prices

Despite the larger crop, Pomelo orchard prices in MY 2023/24 are expected to be similar to MY 2022/2023. Retail price for the well-known white flesh honey pomelo from Meizhou is approximately 9.4 to 12 yuan (\$1.34 – \$1.71) per kilogram, while those produced in Pinghe are priced at 15.8 to 16 yuan (\$2.26 – \$2.29) per kilogram. For branded pomelos such as *Wendan* golden pomelo from Zhejiang, the retail price is currently about 42 yuan (\$6) per piece (approximately 1.5 kg). Meanwhile, the retail prices for premium grapefruits produced in Fujian are at 5 yuan (\$0.71) per piece.

Consumption

The consumption of grapefruits and pomelos in MY 2023/24 is expected to reach 5.065 MT, up slightly from the revised MY 2022/23 estimates. Traders expect strong domestic demand for premium honey pomelos, three red pomelos, and golden pomelos. In addition, price conscious consumers are willing to consider domestically produced grapefruits with reasonable prices.



Golden, three-red, honey pomelos from Fujian (Source: ATO Guangzhou)

Trade

Imports

MY 2023/24 pomelo and grapefruit imports are expected to remain flat at 75,000 metric tons. MY 2022/23 imports of pomelos and grapefruits were significantly down, only totaling 75,816 metric tons, down 31.8 percent from the previous year. A sharp decline was witnessed from all major suppliers - South Africa (down 50 percent), Thailand (down 24.7 percent), Egypt (down 55 percent) and Israel (down 65 percent). A small increase was witnessed from Laos (up 407 percent), but not significant enough to offset the losses.

Exports

MY 2023/24 pomelo and grapefruit exports are expected to continue the upward trend, reaching 160,000 MT, assuming continued demand from Russia and Europe. In MY 2022/23, China's pomelo and grapefruit exports to the world increased 29.7 percent from the previous year, reaching 152,279 metric tons. The main recipient of the increased exports was Russia. Top 10 export markets include: Russia (up 792 percent, at 46,910 tons), Netherlands (down 6.7 percent), Kyrgyzstan (up 30 percent), Romania (up 7.6 percent), United States (up 114 percent, at 5,031 metric tons), Lithuania (up 170 percent), Ukraine (down 57 percent), Hong Kong (down 23.8 percent), Canada (up one percent) and Germany (up 5.6 percent).

Tab 4. Production, Supply and Distribution (Grapefruit/Pomelo)

Grapefruit, Fresh	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	0	0	0	0	0	0
Area Harvested (HECTARES)	0	0	0	0	0	0
Bearing Trees (1000 TREES)	0	0	0	0	0	0
Non-Bearing Trees (1000 TREES)	0	0	0	0	0	0
Total No. Of Trees (1000 TREES)	0	0	0	0	0	0
Production (1000 MT)	5200	0	5150	5150	0	5200
Imports (1000 MT)	111	0	90	76	0	75
Total Supply (1000 MT)	5311	0	5240	5226	0	5275
Exports (1000 MT)	117	0	125	152	0	160
Fresh Dom. Consumption (1000 MT)	5134	0	5070	5029	0	5065
For Processing (1000 MT)	60	0	45	45	0	50
Total Distribution (1000 MT)	5311	0	5240	5226	0	5275

(HECTARES), (1000 TREES), (1000 MT)

Citrus Policy

After the Chinese government lifted all COVID related restrictions on January 8, 2023, the General Administration of Customs of China (GACC) immediately terminated COVID testing, and disinfection measures imposed on imported fruit. These restrictions had extended the customs clearance time, increased the handling cost, and even affected the fruit quality (freshness), making fruit importers hesitant to place orders. Now, Post-COVID, the supply chain associated with fresh produce has returned to normal.

GACC granted official citrus market access to two new countries including Uruguay (effective December 1, 2022) and Zimbabwe (effective May 30, 2023). In addition, citrus from Iran, Chile, United States, Argentina, and Italy are also allowed to enter China. In contrast, GACC suspended citrus imports from Taiwan (effective August 2022) due to the insect infestations found in several shipments.

Citrus fruit from the United States has faced retaliatory tariffs since 2018. Since March 2020, a tariff exclusion process allows importers to apply for an exclusion to the PRC's 30-percent retaliatory Section 301 tariffs (see GAIN report [CH2020-0017](#)). However, the process does not exclude the PRC's retaliatory Section 232 tariffs. Therefore, U.S. citrus products are still subject to a 15-percent retaliatory Section 232 tariff in addition to MFN tariffs.

GACC updates the official list of "U.S. Citrus" facilities with information managed by USDA's APHIS, with the most recent update occurring on December 14, 2023. To review the list of facilities, follow the first link to GACC announcements below.

Key GACC announcements are available here:

<http://dzs.customs.gov.cn/dzs/2747042/3995819/sg38/3974291/index.html>

<http://www.customs.gov.cn/customs/302249/302266/302267/3073230/index.html>

<http://www.customs.gov.cn/customs/302249/302266/302267/3025894/index.html>

Citrus Marketing

Citrus is considered one of the largest categories of daily fresh fruit intake in China. The demand for high-quality fresh citrus fruits continues to be on the rise.

U.S. Citrus

U.S. citrus products enjoy a good reputation in the China market because of the premium quality and healthy benefits. Sunkist brand is well known by many Chinese consumers, especially in first tier cities. Meanwhile, sales of imported citrus via online shopping platforms represent a growing portion of the market due to improvements in logistics and



infrastructure. Many analysts are optimistic that Chinese e-commerce and imported citrus products are a supreme mixture with a bright future. With the expansion of online shopping, e-marketing is becoming increasingly important for promoting citrus products. By using social media, traders, and brokers and even some citrus farmers can deliver a clear and enticing message to Chinese consumers via live videos. Intense online and offline retail competition, especially in 1st and 2nd tier cities, has encouraged regional supermarket chains and distributors to constantly look to differentiate themselves by sourcing new-to-market or unique products.

Private Label Citrus – a new trend in China



Freshness, taste, appearance, confidence in quality and prices are the major factors that influence Chinese consumers' purchasing decision. The growing middle class is highly concerned about food safety issues and is willing to spend more on products they know offer the highest quality.

As such, there is increasing demand for well-branded citrus products throughout the country. Responding to this trend, many domestic citrus suppliers are now striving to build their own brands where none existed before. This, and consumer interest in new fruits and varieties, create bountiful opportunities for suppliers who can offer new varieties to the Chinese market. Seedless and easy-to-peel hybrid citrus products will likely remain in demand.

Although consumers used to look for the sweetest fruit with the highest brix level, companies are now advertising the sweet to tart ratio of fruits, indicating changing consumer preferences toward more balanced sweetness.

Additionally, private label citrus is becoming popular. Many retailers are keen to source new, well-branded items for their shelves and several major supermarket chains have signed service contracts with key imported fruit suppliers to guarantee fruit quality and superior service. In addition, chain stores specializing in fresh fruit are expanding quickly and offer privately designed gift packages for their customers.

Attachments:

No Attachments