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Prepared By: FAS Beijing Staff, Alexandra Baych

Approved By: Robert Hanson

Report Highlights:

China's cherry production is forecast to increase by 12 percent to 760,000 MT in Marketing Year (MY) 2023/24 because of a rebound in production in Shandong, Sichuan, and Liaoning provinces. Cherry imports are also expected to increase, driven by strong offseason demand and improved supplies in Chile and the United States. Peach/nectarine production is forecast to increase by 3 percent to 17.5 MMT in MY 2023/24.

Production

Peaches/nectarines

China's peach and nectarine production is estimated at 17.5 million metric tons (MMT) in marketing year (MY) 2023/24 (January 2023-December 2023), an increase of 3 percent from the revised number in the previous year. Although low temperatures, and even snow, damaged some peach flower blossoms in northern China in late April, the losses will likely be offset by production gains in southern China where favorable growing conditions are expected to increase peach production. Despite slowly declining acreage, peach and nectarine production is expected to increase slightly due to increased bearings and improved yields. Post has revised the MY 2022/23 production number in line with industry estimates.

The peach/nectarine planting area is estimated at 840,000 hectares in MY 2023/24, down slightly from a year ago. Poor returns caused some farmers to remove peach trees or shift to more profitable crops such as cherries. In addition, the provincial agricultural departments of grain producing provinces have instituted policies that require and/or encourage fruit farmers to remove fruit orchards if built on land defined as farmland (see Policy). In general, peach/nectarine acreage is declining in traditional production provinces in northern and central China (e.g., Shandong, Hebei, Jiangsu, Zhejiang) but is rising in northwestern and southwestern provinces (e.g., Shanxi, Anhui, Sichuan, Guizhou, Yunnan). Peaches and nectarines are widely planted across China. The leading producing provinces include Shandong, Henan, Shanxi, Sichuan, Hebei, and Anhui.

Peach season normally begins in mid-May and ends in late October. Production of greenhouse peaches/nectarines, which become available as early as April, is increasing. However, the volume of greenhouse peaches/nectarines in the market is quite small as they are not considered a high value fruit in China. Chinese farmers generally favor peach varieties that ripen early. Currently, the market share of early-ripening varieties accounts for 44 percent, followed by mid-ripening and late ripening varieties (32 and 24 percent, respectively) according to an industry report. Traditional (non-greenhouse grown) peaches predominate, with nearly 70 percent of the market, while nectarines and donut peaches account for 20 and 10 percent, respectively. Industry sources expect the production of yellow-flesh peaches and specialty varieties, such as donut nectarines, to increase.

Small-scale family orchards, average of 0.67 hectare, account for most acreage. Specialized peach farmers and private companies are gradually acquiring more land from small farmers. Rising labor costs, and an aging labor force, have constrained the development of the peach industry. A 2021 industry report indicated that labor accounted for 43 percent of peach production costs. Meanwhile, the average age of peach farmers reached 50 and rising. An industry expert noted that, the consolidation of farms is expected to lower production cost and improve overall fruit quality through the adoption of standardized farming practices.

Cherries

Cherry production is forecast at 760,000 MT in MY2023/24 (April-March), an increase of 12 percent from the revised number in the previous year. This is driven by a rebound in production in Shandong, the largest cherry producing province, and increased production in Sichuan and Liaoning. In Shandong, some cherries on Jiaodong peninsula (covering the major producer Yantai city) were damaged by a spring frost. However, production gains in western and central Shandong are likely to offset these losses, according to local contacts. As a result, total cherry production in Shandong is expected to increase by 10-20 percent from the previous year when high temperatures and drought cut production.

Favorable growing conditions are expected to improve the cherry supplies in Sichuan, the leading producer in the southwest China. Dalian in Liaoning province is the leader in greenhouse cherry production and contacts indicate they expect a good harvest.

Spring frost and summer rains have adversely affected cherry production and quality in northwest China, but new bearings are expected to help offset the losses. Post has increased MY 2022/23 cherry production to 680,000 MT - in line with industry estimates.

Cherry production is expected to continue rising due to acreage expansion and increased fruit bearings. The expansion in area is occurring primarily in the northwest, (notably Shaanxi, Gansu, Shanxi, and Xinjiang provinces) and in the southwest (especially Yunnan and Guizhou provinces) China. In the traditional eastern production region, which covers Shandong and Liaoning, the acreage remains stable. Recent policy announcements are expected to prevent new orchard development on farmland in major grain production provinces (see Policy). Cherry planted area is estimated at 185,000 hectares, an increase of nearly 3 percent from the revised MY 2022/23 number which, along with the MY 2021/22 number, has been increased.

Cherry quality in China continues to improve as farmers invest additional capital and focus their efforts on strengthening cherry production. Most of these farmers apply organic fertilizers to improve fruit flavor. Farmers are also covering cherry trees to control exposure to rain that can cause the fruit to split.

More greenhouses are being built for cherry production. The greenhouses, some of which are heated, can prevent loss from frost, rain, hail, and birds. They improve quality and, most importantly, enable farmers to supply fresh cherries to the market early. Fruit farmers in southwest Sichuan province and northwest Gansu province even bag their cherries to achieve similar results. Some private companies have invested or are considering investing in greenhouse cherry production. However, lack of sophisticated farming skills remains a challenge for new investors, many of whom come from industries other than agriculture.

In China, cherries ripen at different times depending on location. Most farmers prefer early ripening varieties to avoid the rainy season and pests. For this reason, cherry varieties such as Beauty Early, Summit, Brooks, Russian No. 8, Van, Rainier dominate the market. Late ripening varieties, such as Lapins, Regina, and Kordia are in relatively short supply. Cherries are mostly harvested between mid-May and early July. Greenhouse cherries, typically those in Dalian, become available on the market from early March through early May, but the volume is still relatively small. Farmers are trying new local varieties such as Qizao and Luying - developed and bred by local scientists.

Very limited production of sour cherries occurs in Shandong, Xinjiang, Jilin, Shanxi, and Shaanxi.

Prices

Cherries remain one of the most profitable fruits in China. For example, grade I (12-15 grams by local standard) and grade II (10-12 grams) cherries harvested in greenhouses with heating facilities were sold at RMB 240 (\$33.8) and RMB 200 (\$28.2) per kilo in retail stores in early March. Retail prices dropped to RMB 120 (\$16.9) and RMB 80 (\$11.2) per kilo when cherries grown in conventional greenhouses (without heating) began supplying the market in late April. The prices of greenhouse cherries are generally higher than most imported cherries as these domestic cherries are available before imported cherries enter the market and are produced in small volumes.

In Yiyuan county of Shandong, field cherries began to ripen in mid-May and the farm gate price for grade I cherries (Red Lantern variety) was recorded at RMB 30 (\$4.22) per kilo, down 20 percent from the previous year, according to local media that reported a 50 percent production increase in that area.

Peach/nectarine prices generally peak when early ripening varieties become available in mid-May. Prices then decrease and become stable in early July as large volumes of peaches/nectarines start to enter the market. Peach prices pick up slowly in September as peach supplies begin to decline. The market prices of yellow-flesh peaches and donut peaches are relatively stable, while white-flesh peaches and nectarines prices fluctuate significantly. The MY 2023/24 prices are expected to be lower than last year on increased supplies and weak demand, according to peach growers in Shandong.

Consumption

Peach and Nectarine Consumption Trends

Traditional peaches and nectarines are abundant across China, but demand remains quite weak. Weak consumption can be attributed to farming practices such as the over-application of fertilizers, premature harvest, and adoption of longer shelf-life varieties, which has led to loss of fruit flavor. Furthermore, peach/nectarine consumption has not recovered following the end of COVID restrictions in early December 2022 (see Policy). Consumers are cautious about spending, as many people, especially those in the service sector, saw their income contract sharply during the 3-year pandemic.

However, demand for high quality peaches/nectarines remains relatively strong. For example, some geographic indicator (GI) peaches and nectarines still attract strong demand from consumers (see Marketing). In addition, specialty varieties, such as donut peaches/nectarines, are increasing in popularity.

Consumers generally look for peaches/nectarines that appear red with yellow coloring. In addition, consumers, especially those in south China, prefer juicy and medium-sized (150-200 grams) peaches and nectarines, according to a recent survey sampled in the first-tier cities.

Most peaches and nectarines are consumed fresh and the consumption of processed peaches, mainly juice/drinks, canned peaches, and preserved peaches, is quite stable. China is a major exporter of canned yellow peaches.

Cherry Consumption

Cherry consumption remains strong in China. Consumption is expected to continue to grow as the quality of domestically produced cherries improves. Chinese consumers typically favor large size, deep-red color, and high-brix cherries. Given the extensive investment, some farmers with larger orchards, can produce premium cherries that compete with imported varieties.

Imported cherries are popular among consumers with higher incomes. Currently, nearly 50 percent of the consumers of imported cherries are in first and second tier cities. According to a recent report, citing fresh produce purchasing managers at a major E-commerce platform, the demand for imported cherries in third tier cities is also increasing. The report indicates that nearly 50 percent of premium cherry buyers are between 25 and 34, and approximately 60 percent of imported cherry buyers are female.

Trade

Imports

China's MY 2023/24 (April-March) cherry imports are estimated at 400,000 MT, an increase of 6 percent on a yearly basis, due primarily to increased supplies from Chile. Chile is the largest cherry exporter and is highly dependent on the Chinese market; 88 percent of Chilean exported

cherries were shipped to China in MY 2022/23. In recent years, driven by strong demand from Chinese consumers, Chile has expanded crop area. Cherry production in Chile is expected to continue to increase over the next three years, according to a report released by the Chilean fruit industry. In addition, China's cherry imports from the United States, the largest supplier in the northern hemisphere, are expected to rebound from the low level in MY 2022/23 when bad weather cut exportable supplies. The MY 2022/23 cherry import number has been increased in line with the customs statistics. In early 2023, cherry imports from Chile soared after the People's Republic of China (PRC) eased COVID-19 restrictions and lifted testing/disinfection measures on imported products.

China imports primarily counter-seasonal cherries from southern hemisphere countries, led by Chile, during December to February, before and around the Lunar New Year holiday. A secondary import peak occurs July to August after the local season concludes. Most Chilean cherries are transported by sea and enter through Shanghai, Guangzhou, and Hong Kong. Ocean shipment to northern ports is quite limited, but the volume to Dalian increased by 150 percent this year after the launch of an express route. Air shipment, mostly for cherries from the United States, New Zealand, and Australia, arrive mainly in Shanghai.

Peach and nectarine imports are expected to drop by 5 percent on year to 42,000 MT in MY 2023/24 (January-December) on flat demand. Compared with cherries, import volumes of peaches and nectarines are quite small. Chile and Australia remain two major suppliers with combined market share exceeding 99 percent in MY 2022/23. The United States and Spain, two suppliers from the northern hemisphere, export very limited volumes of peaches and nectarines due to be an overlap in supply seasons with domestically produced products or a lack of market access. Peach/nectarine imports happen mainly between January and March.

Exports

China's peach and nectarine exports are estimated at 76,000 MT in MY 2023/24, an increase of more than 20 percent from the previous year. This is due to recovering demand in key markets and improved logistical distribution following the removal of China's domestic COVID-19 restrictions. Recently, peach/nectarine exports to Kyrgyzstan have grown. After the Russian quarantine department lifted an import ban on Chinese fruit in February 2022, Russia quickly became the third largest buyer of Chinese peaches/nectarines in MY 2022/23. Russia's import volume is expected to continue rebounding. Kyrgyzstan, Vietnam, and Russia together purchased more than 80 percent of Chinese peach/nectarine exports in MY 2022/23.

Policy

Production

The PRC continues to place increased attention on food security and the central government has enforced stricter policies on the protection of farmland to ensure grain and staple crop production (see GAIN report [CH2023-0026](#)). According to guidelines released by the PRC's State Council on grain production, farmland (as defined by PRC regulations) should primarily be used to produce grains (wheat, rice, corn), cotton, oilseeds, sugar, vegetables, and forages. Attempts to turn farmland into other types of land such as forestland or orchards land should be strictly controlled. Provincial governments, especially those of major grain producing regions have begun actively enforcing the policy on farmland use. Therefore, producers will be required or encouraged to remove orchards on farmland. The policy indicates that fruit farmers will be compensated by the local governments. To avoid overreaction by local governments, the Ministry of Natural Resources published a notice on June 14, 2023, that urges the local governments not to force farmers to remove orchards that are in full production stage. Nevertheless, most fruit orchards, especially those in western China, sit on hill/mountain slopes that are classified as "orchard land" or "forest land". For this reason, the recent campaign to expand grain production on farmlands is not expected to have an immediate impact on the country's fruit production. However, these policies are expected to constrain the development of new orchards in major grain producing provinces. For this reason, fruit production is expected to gradually move from northern, northeastern, and central China to western China.

Trade

On December 7, 2022, China lifted all COVID-19 related restrictions including lockdown and travel/transportation restrictions. COVID-19 related testing and disinfection measures for customs clearance were terminated. These restrictions had extended the clearance time and reduced imported fruit quality. The removal of COVID-19 restrictions has improved customs clearance and logistics, which is vital for the movement of high value fruit such as cherries.

On November 15, 2022, GACC announced the plant quarantine requirements for the import of fresh cherries from Pakistan, officially granting access to Pakistani cherries. Additionally, Pakistani cherries can enter the China duty free under an existing bilateral free trade agreement. However, due to constraints on packing, storage, and transportation, cherry exports from Pakistan will be limited. For example, under the quarantine requirements, Pakistani cherries must go through cold-treatment for 18-22 days before exporting to China. Reportedly, Pakistani cherry varieties can barely withstand a week-long cold-treatment.

Stone fruit from the United States continue to face retaliatory tariffs which were imposed in 2018. A tariff exclusion process that allows fruit importers to apply for an exclusion to the PRC's retaliatory Section 301 tariffs (see GAIN report [CH2020-0017](#)) has remained in effect since March 2020. However, the process does not exclude the PRC's retaliatory Section 232 tariffs (see details below).

Import Tariff and VAT on Stone fruit with Major Trading Partners in 2023

Trade partner	Tariff (%)		VAT (%)
	Peaches/Nectarines (HS code 080930)	Cherries (HS code 080929)	
Country/Region with FTA			
Chile	Nectarines-0 Peaches-No market access	0	9
Australia	0	0	9
New Zealand	No market access	0	9
Taiwan	Peaches-0 Nectarines-No market access	No market access	9
Pakistan	No market access	0	9
Country/Region with no FTA			
United States	Nectarine-25 (as of March 2, 2020)* Peaches-No market access	25 (as of March 2, 2020)*	9
Canada	No market access	10	9
Argentina	No market access	10	9
Spain	Peaches-10 Nectarines-No market access	No market access	9
Turkey	No market access	10	9
Uzbekistan	No market access	10	9
Kyrgyzstan	No market access	10	9
Tajikistan	No market access	10	9

Source: China Customs

Note: *Actual rate (includes Section 232 and MFN) if Section 301 tariffs are exempted upon approval.

Marketing

Cherries

Dalian cherries have developed an excellent reputation in China and can be bought in every major city. They have developed export markets in Macau and Hong Kong - and have shipped as far as Singapore. Dalian greenhouse cherries are available as early as February and help fill demand after the Chilean shipping season ends.

Offline cherry sales account for 70 percent of all purchases, but online sales are growing. For example, Chile has invested heavily social media platforms, including WeChat, Weibo, Little Red Book and Douyin (TikTok) to complement their in-store promotions. The online efforts have helped Chilean cherries to expand to second and third tier cities.

As noted earlier, consumers have become more cautious in their spending even as COVID-19 restrictions have been lifted, so smaller packaged products at lower price points have become more popular. Consumer purchasing trends currently favor containers of 2 KG and 2.5 KG, instead of the 5 KG containers they used to prefer. Some middle-class consumers have shown more favorable response to domestic cherries owing to improved quality and lower prices compared with U.S. cherries.

Peaches/Nectarines

Chinese consumers are always looking for new varieties and new flavors. Imported peaches and nectarines are well received in the first-tier cities in China. However, awareness of imported nectarines and peaches is still relatively low in second and third-tier cities. It is reported that southern hemisphere exporters will expand exports to third-tier cities.

Domestically produced peaches dominate the market, but no well-known domestic brands exist. Some regions have well-known products - such as Long Quan Yi Peaches, Feng Hua Peaches, and Dang Shan Peaches. Due to the lack of branding, there are almost no offline promotional activities for peaches. Live streaming has become the new sales channel. More and more domestic growers sell their grown products on the Douyin online platform. To attract local consumers, domestic peaches have moved into the gift set sector by imitating many design concepts from Japan and Korea. A box usually holds 8 to 12 peaches.

In China, bruised peaches often lead to losses for retailers, given the thin skin and soft flesh. Most retailers source peaches through their distributors to help control operating costs.

China is now the largest export destination for Chilean fresh nectarines, plums, and prunes, far ahead of the United States, which ranks second. Chilean nectarine exports to China account for 49 percent of Chilean exports of these products. During the past harvest season, Chilean nectarines were promoted online and offline. These advertisements targeted sports enthusiasts as their primary customers. Consumers are more conscious of healthy lifestyles after COVID-19 and marketing activities that incorporate healthy eating are attractive.

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

Peaches/nectarines

Peaches & Nectarines, Fresh	2021/2022		2022/2023		2023/2024	
Market Begin Year	Jan 2021		Jan 2022		Jan 2023	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	850000	850000	848000	848000	0	840000
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	16000000	16000000	16800000	17000000	0	17500000
Non-Comm. Production	0	0	0	0	0	0
Production	16000000	16000000	16800000	17000000	0	17500000
Imports	33300	33300	43000	44500	0	42000
Total Supply	16033300	16033300	16843000	17044500	0	17542000
Domestic Consumption	15988600	15988600	16788000	16981300	0	17466000
Exports	44700	44700	55000	63200	0	76000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	16033300	16033300	16843000	17044500	0	17542000

Unit: hectare, metric ton

Cherries

Cherries (Sweet & Sour), Fresh	2021/2022		2022/2023		2023/2024	
Market Begin Year	Apr 2021		Apr 2022		Apr 2023	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	165000	172000	170000	180000	0	185000
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	600000	630000	650000	680000	0	760000
Non-Comm. Production	0	0	0	0	0	0
Production	600000	630000	650000	680000	0	760000
Imports	318500	318500	330000	377700	0	400000
Total Supply	918500	948500	980000	1057700	0	1160000
Domestic Consumption	918490	948487	979980	1057693	0	1159950
Exports	10	13	20	7	0	50
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	918500	948500	980000	1057700	0	1160000

Unit: hectare, metric ton

Attachments:

No Attachments