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China, Peoples Republic of

Fresh Deciduous Fruit (Update on Apples)

2006

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Report Highlights: China's apple production in 2005/2006 is estimated to be down 15 percent from last year's bumper crop to 20.4 million metric tons (MMT). Despite the drop in production, fruit quality has improved. China's concentrated apple juice (CAJ) production in 2005/2006 is also estimated to drop by about 10 percent from the previous year to 585,000 MT. Declines in apple juice production are modest considering the increased cost of sourcing apples because of continuing strong global demand.

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

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2005 Apple Crop Estimated to drop by 15%

China's apple production in 2005/2006 is estimated to be down about 15 percent from last year's bumper crop to 20.4 million metric tons (MMT). Cold temperatures in late spring appear to have affected a wide area in the northern apple production region. Major producing provinces like Shandong, Hebei, Henan and Shanxi all saw their apple production decline by 10 to 20 percent. Despite the drop in production, fruit quality has improved.

As a result of the production decline, apple exports are forecast to be down nearly 8 percent from the previous season to 780,000 MT. Given domestic apples prices increased more than 20 percent over last year, many apples were sold domestically instead of going overseas.

CAJ Production Seen Down 10% on Shortages of Raw Material

China's concentrated apple juice (CAJ) production in 2005/2006 is estimated to drop by 10 percent from the previous year to 585,000 MT. As a result of the short crop and increased quality apple-processing companies have had difficulty sourcing juicing apples and prices are up 30 to 50 percent from the previous season. Compounding the problem CAJ production capacity have expanded as new juicing plants have come on-line.

Declines in apple juice production are modest considering the increased cost of sourcing apples because of continuing strong global demand. Official Chinese Customs statistics indicate China exported 283,629 MT of CAJ July-December 2005, up 49 percent over the same period of the previous year. December export prices for CAJ were US \$760 per ton, up 7 percent from the previous year. Despite the probability of higher global prices, Chinese CAJ exports are likely to slow down in the second half of 2005/2006 as supply tightens.

Production, Supply, and Demand (PSD) Tables and Trade Matrices
Apples

PSD Table						
Country	China, Peoples Republic of					
Commodity	Apples, Fresh				(HA)(1000 TREES)(MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		07/2003		07/2004		07/2005
Area Planted	1901000	1900500	1890000	1876700	0	1850000
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	21000000	21100000	20200000	23675000	0	20400000
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	21000000	21100000	20200000	23675000	0	20400000
TOTAL Imports	36853	36853	45000	36945	0	33600
TOTAL SUPPLY	21036853	21136853	20245000	23711945	0	20433600
Domestic Fresh Consump	16528447	16628447	15295000	17994935	0	15453600
Exports, Fresh Only	708406	708406	850000	842010	0	780000
For Processing	3800000	3800000	4100000	4875000	0	4200000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	21036853	21136853	20245000	23711945	0	20433600

According to industry sources: 7.0-7.5 MT Fresh Apples is required to produce 1 MT If CAJ at the 70/71 Brix level.

Apple Trade Matrix Tables

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Apples, Fresh		
Time Period		Units:	MT
Exports for:	2003		2004
U.S.	58	U.S.	191
Others		Others	
Russia	100225	Russia	113307
Philippines	67635	Vietnam	94699
Vietnam	63512	Indonesia	75191
Indonesia	51757	Philippines	62306
Thailand	49281	Thailand	52661
Malaysia	42372	Malaysia	49293
Kazakhstan	39393	Netherlands	35965
Singapore	28197	Kazakhstan	32347
Hong Kong	25636	Singapore	28112
Netherlands	21117	Hong Kong	27349
Total for Others	489125		571230
Others not Listed	120257		202478
Grand Total	609440		773899

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Apples, Fresh		
Time Period		Units:	MT
Imports for:	2003		2004
U.S.	18972	U.S.	19465
Others		Others	
Chile	13245	Chile	12649
New Zealand	9267	New Zealand	5101
Vietnam	131	Japan	43
North Korea	19		
Japan	1		
Total for Others	22663		17793
Others not Listed	0		0
Grand Total	41635		37258

Apple Average National Chinese Export Price Table

Prices Table			
Country	China, Peoples Republic of		
Commodity	Apples, Fresh		
Prices in	US\$ FOB	per uom	MT
	China		
Year	2004	2005	% Change
Jan	350	350	0%
Feb	310	330	6%
Mar	390	350	-10%
Apr	390	390	0%
May	430	400	-7%
Jun	460	400	-13%
Jul	400	400	0%
Aug	330	370	12%
Sep	300	320	7%
Oct	340	370	9%
Nov	360	390	8%
Dec	330	390	18%
Date of Quote	2/9/2006	MM/DD/YYYY	

Concentrated Apple Juice (CAJ)

PSD Table						
Country	China, Peoples Republic of					
Commodity	Apple Juice, Concentrated					
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		07/2003		07/2004		07/2005
Deliv. To Processors	3800000	3800000	4100000	4500000	0	4200000
Beginning Stocks	2392	2392	1372	1372	1047	51047
Production	519000	519000	565150	650000	0	585000
Imports	679	360	900	803	0	200
TOTAL SUPPLY	522071	521752	567422	652175	1047	636247
Exports	485699	484692	527500	556152	0	580000
Domestic Consumption	35000	35688	38875	44976	0	42000
Ending Stocks	1372	1372	1047	51047	0	14247
TOTAL DISTRIBUTION	522071	521752	567422	652175	0	636247

CAJ Trade Matrix Tables

Export Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Apple Juice, Concentrated		
Time Period		Units:	MT
Exports for:	2003		2004
U.S.	163771	U.S.	239392
Others		Others	
Russia	46627	Japan	49900
Germany	44795	Russia	39715
Japan	39372	Australia	33739
Netherlands	38852	Netherlands	33290
Australia	23280	Canada	25600
Canada	21644	Germany	22056
New Zealand	4782	New Zealand	5455
U.K.	4408	U.K.	4136
South Africa	3775	Israel	3937
Israel	3627	South Africa	3666
Total for Others	231162		221494
Others not Listed	22614		25530
Grand Total	417547		486416

Import Trade Matrix			
Country	China, Peoples Republic of		
Commodity	Apple Juice, Concentrated		
Time Period		Units:	MT
Imports for:	2003		2004
U.S.	8	U.S.	4
Others		Others	
Taiwan	57	Kyrgyzstan	352
Australia	49	Japan	184
South Korea	23	China	165
Germany	23	Australia	94
China	20	Israel	74
Hungary	12	South Korea	32
Kazakhstan	6	India	19
Turkey	6	Hungary	12
Netherlands	6	Oman	6
Japan	5	Germany	3
Total for Others	207		941
Others not Listed	13		13
Grand Total	228		958

CAJ Average National Chinese Export Price Table

Country	China, Peoples Republic of		
Commodity	Apple Juice, Concentrated		
Prices in	US\$ FOB	per uom	MT
	China		
Year	2004	2005	% Change
Jan	630	700	11%
Feb	630	700	11%
Mar	650	690	6%
Apr	660	690	5%
May	650	700	8%
Jun	660	690	5%
Jul	670	690	3%
Aug	710	700	-1%
Sep	700	700	0%
Oct	690	700	1%
Nov	710	730	3%
Dec	710	760	7%
Date of Quote	2/9/2006	MM/DD/YYYY	