USDA United States Department of Agriculture

Foreign Agricultural Service

September 2014

Fresh Peaches and Cherries: World Markets and Trade

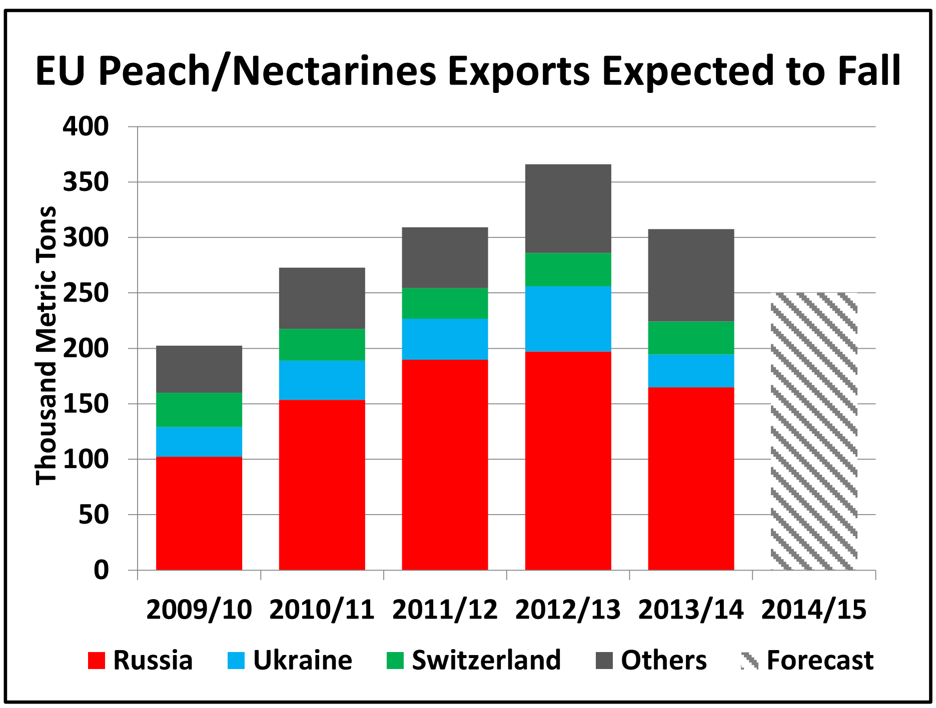
Fresh Peach/Nectarine: 2014/15 Highlights

Global production in 2014/15 of peaches/nectarines is forecast at a record 19.9 million metric tons, with China accounting for almost all the growth. Consumption is expected to keep pace with production, while processing is forecast to continue its upward trend. Exports are forecast lower at 555,000 tons.

Production in **China**, the world's largest producer, is forecast at a record 13.0 million tons, 18 percent higher than last year on continued area expansion, use of greenhouse production, and favorable growing conditions. Consumption is expected to keep pace with production, with more peaches/nectarines going to processing. Exports are projected to climb 35 percent to 50,000 tons on expanded shipments to Kazakhstan and Vietnam.

U.S. production is forecast down for the fourth year to 910,000 tons on declining area and yield in California, which accounts for nearly 75 percent of total production. The drought situation there remains a concern for growers, but they have reportedly utilized wells to offset the impact on their crops. Although overall output is down, freestone variety which is mainly consumed fresh is up while clingstone (for processing) declined. As a result, fresh consumption is slightly higher, while processing is lower. Exports are forecast down 15 percent to 85,000 tons on reduced demand in Canada, Mexico, and Taiwan. Imports, mostly supplied by Chile during the off-cycle months, are expected to decline.

EU production is forecast to climb about 10 percent reaching 4.0 million tons on continued area expansion in Spain and the onset of new, higher yielding varieties. Exports are forecast down nearly 19 percent to 250,000 largely on reduced shipments to Russia. Russia, its major market, announced on August 6 a one-year ban on the imports of some agricultural products, including



peaches and nectarines, from the EU and four other countries. Prior to the ban, total exports were up more than 50 percent. Consumption and processing are expected to rise on larger available supplies.

Russia's imports are forecast to decrease 7 percent to 200,000 tons. Prior to the ban, imports were up 25 percent.

Turkey's exports are forecast 32 percent higher at 45,000 tons on increased shipments to Russia, Iraq, and Saudi Arabia. Domestic consumption is slightly lowered, while processing is unchanged.

Chile's output is expected to rebound to 140,000 tons following last year's frost. Many farmers are replacing older orchards with new, higher yielding varieties, although area is expected to continue its decade-long downward trend due to low profitability. With a larger crop, exports are expected to expand to 80,000 tons, a majority will be shipped to China.

Production in **Taiwan** is forecast 13 percent higher at 31,000 tons on greater yields despite continued decline in area. With greater available output, imports (mostly from the United States) are slightly lower at 20,000 tons.

Australia's production is forecast to remain unchanged at 100,000 tons. Imports, all from the United States, are expected higher. However, in the future, the United States may face competition from other suppliers who now have new trade agreements.

Fresh Cherry: 2014/15 Highlights

World cherry production in 2014/15 is forecast to increase 2 percent to 2.4 million tons, as gains in China and Chile offset reductions in the EU and the United States. Consumption is up, driven largely by China, while processing is lower due to reduced supply in the EU and United States. Meanwhile, exports are forecast at a record 304,000 tons.

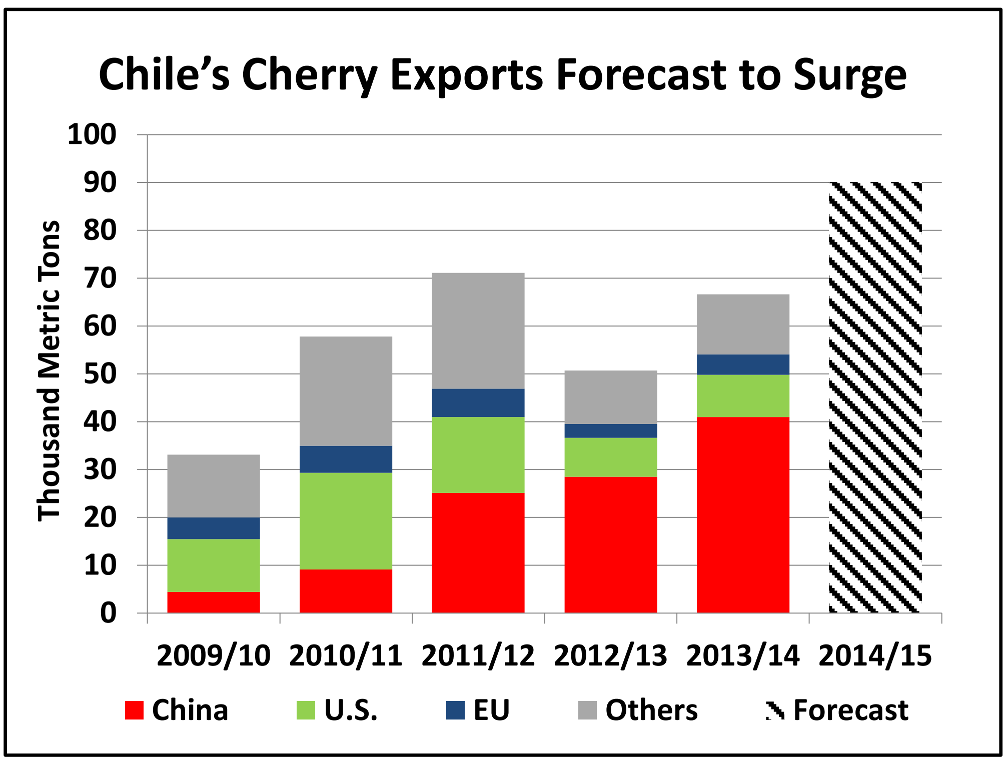
Production in the **EU**, the world's leading producer, is expected down 3 percent to 675,000 tons as frost and severe hailstorm during harvests in Italy and Poland reduced output. Consumption is flat as fewer cherries are diverted to processing. Exports are forecast to fall 30 percent to 30,000 tons largely on lower Russian demand prior to the ban.

China's production is forecast at a record 220,000 tons on expanded area in the key provinces of Shandong and Liaoning. Consumption is expected to outpace production for the 6th year in a row. Consequently, imports are expected to rise to a record 50,000 tons. While current imports are mostly from California, other states are beginning to ship to China. Chinese consumers prefer U.S. cherries.

U.S. production is forecast down again, falling slightly to 395,000 tons on reduced production of sweet cherries in California and tart cherries in Michigan. With less product going into processing, fresh exports are forecast 33 percent higher to 89,000 tons on expanding demand in Canada, China, and other Asian countries. Imports are unchanged at 10,000 tons.

Production in **Chile** is forecast 28 percent higher at 110,000 tons as new trees start bearing fruit. Exports are expected to expand 34 percent to a record 90,000 tons largely on increased shipments to China.

Turkey's exports are forecast slightly lower at 50,000 tons on reduced demand in the EU, its major market destination. Turkey competes with Serbia in the EU market.



Japan's production is projected slightly higher at 20,000 tons mainly on good growing conditions. Imports are expected to decrease to 5,000 tons.

Taiwan's imports are forecast up significantly from last year to 15,000 tons. The United States remains the major source, supplying more than half of total imports. The United States competes with Canada.

Russia's imports are expected to remain flat at 80,000 tons as most of the product was shipped prior to the ban. Russia remains the world's largest importer.

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Fresh Peaches/Nectarines Production, Supply and Distribution for Select Countries

(1,000 Metric Ton)

	2009/10	2010/11	2011/12	2012/13	2013/14	Sep 2014/15
Production						
China	10,040	10,475	11,500	11,430	11,000	13,000
European Union	4,116	3,994	4,250	3,832	3,613	4,000
United States	1,182	1,237	1,150	1,046	951	910
Turkey	547	540	546	580	580	580
Argentina	291	318	320	285	290	290
Brazil	216	220	222	240	240	240
South Africa	159	152	170	176	180	180
Mexico	200	205	167	163	163	163
Chile	151	161	153	149	91	140
Japan	151	137	140	135	125	137
Other	287	316	333	328	296	295
Total	17,340	17,755	18,952	18,364	17,530	19,935
Fresh Dom. Consumption						
China	8,650	9,147	9,861	9,733	9,283	10,950
European Union	3,045	2,986	3,258	2,704	2,761	2,952
United States	615	665	633	558	442	455
Turkey	395	379	393	417	426	415
Brazil	238	248	249	264	267	265
Russia	188	252	282	295	245	225
Mexico	224	234	202	194	195	192
South Africa	150	141	157	162	165	166
Japan	131	119	122	117	109	121
Australia	45	81	85	85	76	75
Other	473	484	488	480	439	465
Total	14,153	14,735	15,729	15,009	14,408	16,281
For Processing						
China	1,350	1,300	1,600	1,650	1,680	2,000
European Union	882	738	689	774	557	795
United States	526	511	464	431	446	395
Argentina	192	210	211	211	211	211
Turkey	120	120	120	120	120	120
Australia	48	35	37	37	20	20
Japan	19	18	18	18	15	15
Other	4	3	3	3	3	5
Total	3,140	2,935	3,142	3,244	3,052	3,561
Imports						
Russia	156	224	250	265	215	200
Canada	49	53	51	46	48	45
Switzerland	33	32	31	33	32	35
Ukraine	33	38	40	69	36	35
European Union	36	27	30	32	32	30
Mexico	25	31	35	32	33	30
Brazil	22	28	27	24	27	25
Other	112	109	111	104	92	95
Total	466	542	575	604	516	495
Exports						
European Union	208	279	315	366	308	250
United States	91	111	101	97	100	85
Chile	90	100	96	91	45	80
China	40	28	39	47	37	50
Turkey	32	41	33	44	34	45
South Africa	10	11	14	14	16	15
Uzbekistan	6	18	28	20	15	15
Australia	6	4	6	8	7	8
Argentina	9	13	6	7	2	5
Mexico	1	2	0	1	1	1
Other	1	1	1	1	1	1
Total	495	608	637	694	565	555

Note: Peaches and Nectarines marketing year begins in January of the first yearfor Northern Hemisphere countries and November for Southern Hemisphere countries.

Fresh Cherries Summary

(1,000 Metric Ton)

	2009/10	2010/11	2011/12	2012/13	2013/14	Sep 2014/15
Production						
European Union	725	706	834	622	699	675
Turkey	610	613	400	500	500	500
United States	495	362	404	418	401	395
China	185	190	210	170	180	220
Ukraine	169	228	220	220	220	220
Chile	57	77	86	65	86	110
Russia	76	67	76	70	70	70
Syria	57	58	60	60	60	60
Uzbekistan	67	75	80	50	50	50
Serbia	29	22	30	30	30	30
Other	101	68	73	76	80	82
Total	2,571	2,466	2,472	2,281	2,376	2,412
Fresh Dom. Consumption						
European Union	482	462	529	377	429	430
Turkey	379	368	209	289	291	295
China	190	200	224	209	214	265
Russia	148	140	156	146	150	150
United States	218	184	184	214	142	138
Ukraine	52	70	68	67	66	67
Hong Kong	18	21	32	46	32	55
Other	279	241	262	252	237	257
Total	1,766	1,686	1,665	1,601	1,561	1,657
For Processing						
European Union	256	266	314	262	277	260
United States	226	140	169	116	202	178
Turkey	180	180	144	155	155	155
Ukraine	116	155	150	150	150	150
Canada	7	6	4	6	6	5
Other	11	11	15	7	10	12
Total	795	757	796	697	799	760
Imports						
Russia	72	74	80	76	80	80
Hong Kong	18	21	32	46	32	55
China	6	11	24	42	38	50
European Union	44	42	40	47	50	45
Canada	30	27	33	38	25	30
Korea, South	4	4	5	9	14	15
Taiwan	12	9	12	15	9	15
United States	13	20	20	13	10	10
Japan	10	11	10	10	7	5
Australia	3	4	5	2	3	3
Other	1	1	2	1	0	1
Total	213	223	262	301	268	309
Exports						
Chile	33	58	71	51	67	90
United States	65	59	71	101	67	89
Turkey	51	65	47	57	54	50
European Union	31	20	31	30	43	30
Serbia	10	7	11	11	19	10
Canada	6	5	7	8	6	5
Australia	3	4	5	2	3	5
Other	26	29	32	25	25	24
Total	224	247	274	285	283	304

Note: Cherry marketing year begins in January of the first year for Northern Hemisphere countries and November for Southern Hemisphere countries.