United States Department of Agriculture

Foreign Agricultural Service

September 2017

Fresh Peaches and Cherries: World Markets and Trade

Fresh Peach/Nectarine 2017/18 Highlights

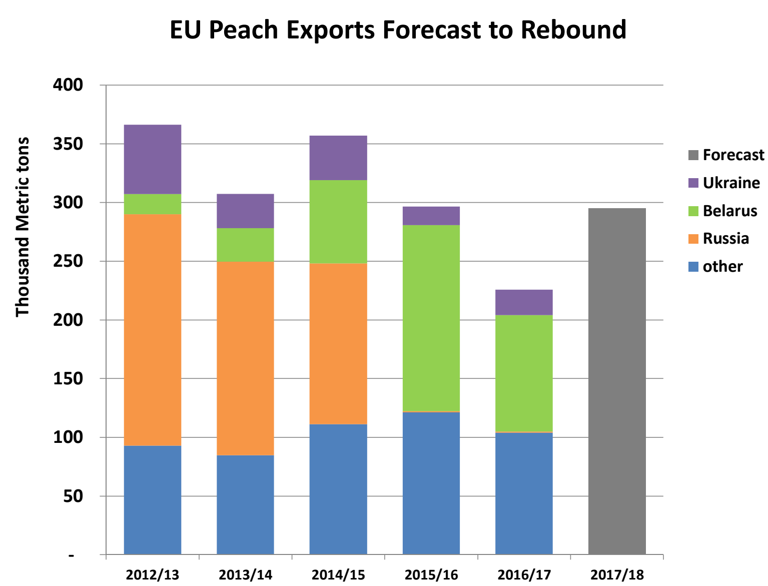
World peach and nectarine production is forecast up a modest 458,000 metric tons (tons) to 21.2 million as gains in China and the European Union more than offset losses in the United States. Global trade is forecast up on larger supplies in China and the European Union.

China's production is expected to continue growing, rising slightly to 14.3 million tons as new bearings come into production. Exports are projected up 16,000 tons to 90,000 on higher shipments, especially to Kazakhstan and Vietnam. Imports are forecast to rocket from 400 tons to 9,000 mostly due to supplies from Chile and resulting from a bilateral trade agreement signed in November 2016.

United States production is forecast down 72,000 tons to 787,000 as low chill hours, early bloom, and a late spring freeze decimated crops in Georgia and South Carolina, the top producing states after California. Exports are expected to fall sharply by 21,000 tons to 60,000 on diminished output. Imports are projected down slightly to 40,000 tons on lower supplies from Chile in both early and late 2017.

Turkey's production is forecast to ease fractionally to 505,000 tons following hail damage in the Marmara region. Exports are expected to rise 9,000 tons to 60,000 on revived exports to Russia following the lifting of its ban on Turkey's peaches in October 2016.

European Union's production is expected to rise 238,000 tons to 4.1 million due to new higher-yielding trees coming into production and good flowering and fruit set in main producing Member States. Exports are anticipated to rise 69,000 tons to 295,000 as higher available supplies boost shipments, especially to Belarus and Ukraine. Despite this rebound, EU trade continues to be affected by Russia's ban on imports from certain countries. Imports are forecast down slightly to 28,000 tons on higher available domestic supplies.



Approved by the World Agricultural Outlook Board/USDA

Chile's production is projected slightly lower, down 3,000 tons to 146,000 as growing area for peaches continues to decline. Despite a significant jump in shipments to China resulting from the signing of a bilateral agreement, total exports are expected down in line with production, to 85,000 tons.

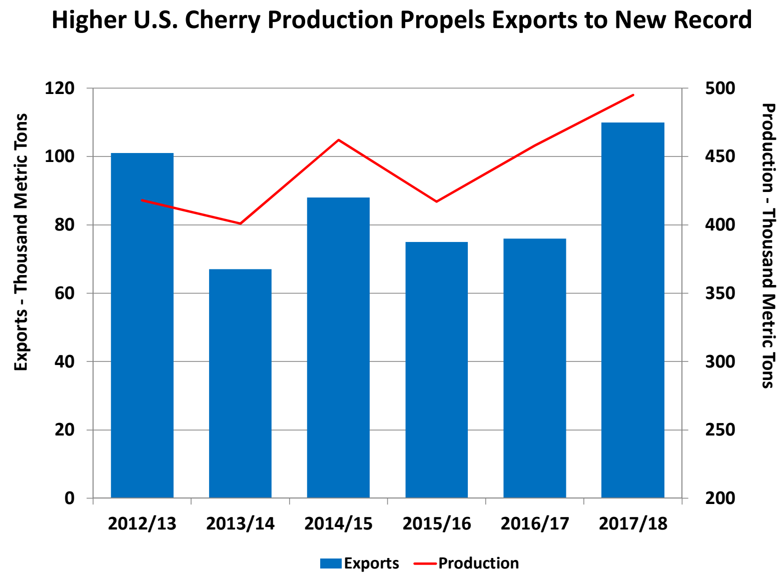
Japan's production is forecast to continue its downward trend, easing 2,000 tons to 125,000 as growing area continues to erode due to the farming population declining further amidst an aging population, a lack of succeeding younger farmers, and an unstable labor supply.

Australia's production is expected to rise slightly to 92,000 tons on good growing conditions and lower water costs. Exports are projected up 3,000 tons to 12,000 on higher shipments especially to China after gaining market access in 2016. Imports, dominated by the United States, are forecast flat at 3,000 tons due to low domestic prices. This will provide little or no incentive for key suppliers to expand their market presence.

Fresh Cherry 2017/18 Highlights

World cherry production is forecast down 3 percent to 3.1 million tons as weather damaged crops in the European Union and Turkey counter gains in the United States and China. Global exports are up 10 percent to over 400,000 tons on higher exportable supplies in Chile and the United States.

United States production is projected up 37,000 tons to 495,000, the second highest level since 2009/10, as good growing conditions for sweet cherries in the Pacific Northwest and good moisture levels in California offset frost-induced losses in tart cherry-producing states. Exports are expected to surge 45 percent, rising 34,000 tons to a record 110,000 as a bumper crop boosts shipments to all top markets, especially Canada and China. Imports are forecast down slightly though in line with recent years.



European Union's production is projected to plunge 21 percent to 576,000 tons due to heavy April and May frosts affecting over half of the key cherry-producing Member States, most significantly in Poland, the top tart cherry grower. Despite lower production, sustained demand from non-EU Eastern European countries is expected to slightly boost exports. Imports are forecast down 8,000 tons to 50,000 on fewer deliveries from top supplier Turkey.

Turkey's production is expected to contract a modest 25,000 tons to 500,000 on reduced fruit set caused by summer hail coupled with heavy rain at harvest in several regions, including Canakkale and Balikesir. Fruit quality issues resulting from poor weather conditions are expected to sharply limit exports by 25 percent to 60,000 tons.

China's production is forecast up for the fifth straight year, rising 30,000 tons to 360,000 on the continuing trend of new plantings reaching maturity. Despite strong mid-year shipments from the United States, lower deliveries from Chile in early 2017 are expected to result in slightly reduced imports of 105,000 tons.

Chile's production is forecast up 8,000 tons to a near-record 124,000, the second highest level in 3 years, as new orchards come into production. Cherry tree acreage and production have grown steadily for over a decade partly due to growers of other fruit converting their orchards to high-yield varieties of cherries. Exports are expected to rise near 10 percent to 105,000 tons as expanding production leads to higher shipments, especially to China in later 2017.

Japan's production is projected nearly flat at 19,000 tons as frost during flowering exacerbated the decline in production resulting from retiring farmers. Imports are forecast up slightly to 5,000 tons as higher shipments from the United States fulfill steady consumer demand.

Russia's imports are expected to remain nearly flat at 67,000 tons as deliveries from Moldova and Serbia offset lower shipments from Azerbaijan.

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Marketing Years:

Peaches/Nectarines - Northern Hemisphere countries are on a January-December year indicated as the first year of the split year. Southern Hemisphere countries are on a November-October year indicated as the first year of the split year.

Cherries - Northern Hemisphere countries are on a January-December year indicated as the first year of the split year. Southern Hemisphere countries are on a November-October year indicated as the first year of the split year.

Peaches and Nectarines Summary

(1,000 Metric Tons)

	2012/13	2013/14	2014/15	2015/16	2016/17	Sep 2017/18
Production						
China	11,430	11,900	12,784	13,600	14,000	14,300
European Union	3,832	3,731	4,055	4,043	3,848	4,086
United States	1,039	953	946	906	859	787
Turkey	550	550	500	560	510	505
Argentina	290	292	290	290	290	290
Brazil	218	211	211	211	211	211
Uzbekistan	154	170	200	200	200	200
Mexico	163	161	174	174	174	174
South Africa	171	165	165	165	165	165
Chile	149	91	137	146	149	146
Other	375	352	342	325	326	326
Total	18,369	18,577	19,804	20,620	20,732	21,190
Fresh Dom. Consumption						
China	9,733	10,183	10,719	11,314	11,427	11,819
European Union	2,704	2,877	2,733	3,022	2,904	2,966
Turkey	387	396	341	390	340	445
United States	551	432	472	440	419	391
Argentina	72	79	75	78	80	290
Russia	295	281	260	235	231	250
Brazil	242	231	234	234	231	231
Other	1,135	1,112	1,102	1,074	1,072	1,117
Total	15,119	15,590	15,936	16,786	16,702	17,509
For Processing						
China	1,650	1,680	2,000	2,200	2,500	2,400
European Union	774	558	972	708	725	823
United States	431	459	412	430	406	376
Japan	18	15	16	16	14	14
Australia	37	20	10	10	10	10
Chile	3	3	5	6	6	5
Argentina	211	211	211	211	211	0
Other	120	120	120	120	120	0
Total	3,244	3,065	3,746	3,701	3,992	3,628
Imports						
Russia	265	248	225	200	196	215
Belarus	22	37	82	170	110	115
Kazakhstan	31	31	46	37	36	45
Canada	46	48	40	41	44	40
Ukraine	69	36	42	17	26	40
United States	40	37	23	38	47	40
Switzerland	33	32	31	34	31	36
European Union	32	32	26	28	31	28
Mexico	32	33	26	26	29	25
Vietnam	22	10	16	22	18	25
Other	123	136	78	87	98	101
Total	713	681	637	700	666	710
Exports						
European Union	366	308	357	297	226	295
Belarus	3	19	55	150	87	90
China	47	37	65	86	74	90
Chile	93	43	84	86	88	85
Turkey	44	34	39	51	51	60
United States	97	100	86	73	81	60
Uzbekistan	21	15	20	12	42	20
South Africa	14	16	19	20	19	18
Australia	8	7	9	10	9	12
Japan	0	1	1	1	1	1
Other	8	4	5	2	2	2
Total	699	583	739	788	680	734

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

Fresh Cherries Summary

(1,000 Metric Tons)

	2012/13	2013/14	2014/15	2015/16	2016/17	Sep 2017/18
Production						
European Union	622	724	758	751	730	576
Turkey	500	510	465	565	525	500
United States	418	401	462	417	458	495
China	170	180	220	250	330	360
Ukraine	245	282	280	280	280	280
Russia	255	278	278	278	278	278
Uzbekistan	126	140	140	140	140	140
Serbia	97	126	126	126	126	126
Chile	65	86	127	103	116	124
Syria	82	62	62	62	62	62
Other	105	117	115	115	111	116
Total	2,686	2,906	3,033	3,087	3,156	3,057
Fresh Dom. Consumption						
China	209	214	280	336	431	455
European Union	377	401	422	424	424	389
Russia	332	363	347	352	346	345
Turkey	289	301	260	341	290	275
United States	214	142	170	167	171	194
Ukraine	93	126	129	129	129	128
Uzbekistan	121	123	123	135	111	111
Other	371	360	393	391	428	409
Total	2,006	2,030	2,123	2,275	2,329	2,307
For Processing						
European Union	262	328	339	315	338	207
United States	116	202	218	189	224	201
Turkey	155	155	155	155	155	165
Ukraine	150	152	150	150	150	150
China	2	4	5	6	8	10
Chile	4	4	8	6	5	5
Canada	6	6	5	5	5	5
Other	2	2	2	2	2	2
Total	697	853	881	828	887	745
Imports						
China	42	38	65	92	109	105
Hong Kong	46	32	58	63	100	75
Russia	76	85	69	74	68	67
European Union	47	50	42	37	58	50
Canada	37	25	30	24	24	30
Korea, South	10	9	13	13	14	19
Belarus	3	8	12	44	18	15
Taiwan	15	9	12	9	11	12
United States	13	10	13	14	13	10
Japan	11	7	5	5	5	5
Other	4	7	3	4	9	9
Total	304	279	323	378	427	397
Exports						
United States	101	67	88	75	76	110
Chile	51	67	103	84	96	105
Turkey	57	54	50	69	80	60
European Union	30	43	39	48	25	30
Uzbekistan	5	17	17	5	29	29
Serbia	11	19	12	8	19	23
Azerbaijan	7	4	10	12	15	14
Canada	8	6	9	14	10	12
Belarus	1	3	7	38	6	8
Australia	3	3	4	6	3	5
Other	15	18	12	6	7	7
Total	288	301	351	362	366	403

Note: The marketing year begins in January of the first year for Northern Hemisphere countries and November of the first year for Southern Hemisphere countries. Fresh cherries includes sweet and sour cherries.