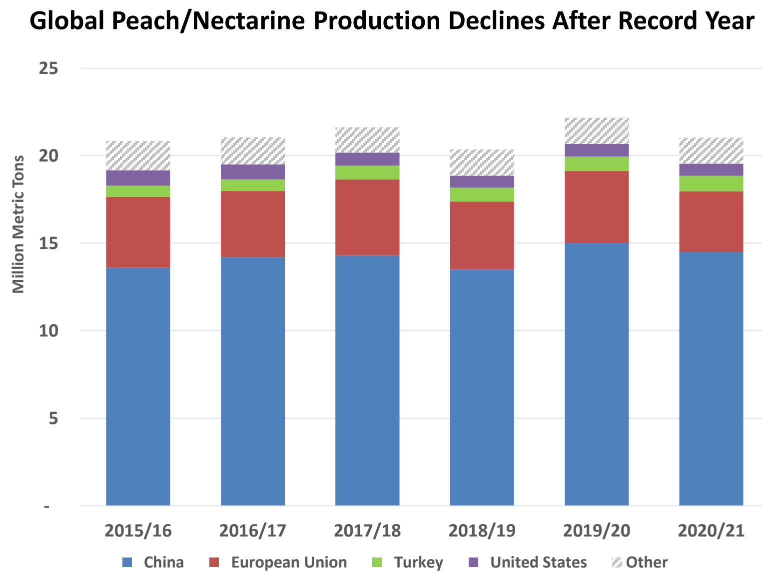
United States Department of Agriculture

Foreign Agricultural Service

September 2020

Fresh Peaches and Cherries: World Markets and Trade

Fresh Peach/Nectarine 2020/21 Highlights



World peach and nectarine production is forecast down 1.1 million metric tons (tons) to 21.0 million as adverse weather conditions impact output in top producers China and the European Union. Global trade is expected to contract on reduced global supplies.

China production is expected to decline 500,000 tons to 14.5 million due to heavy April snow that impacted fruit set in most peach-growing provinces. Exports are expected to drop one-third to 80,000 tons as Russia continues its ban on imports of fruit from China, including stone fruit. China's third-largest market prior to the ban, Russia initiated the action in August 2019 due to phytosanitary concerns. China's imports are forecast up over 40 percent to 38,000 tons, reflecting a strong jump in supplies from Chile at the beginning of the marketing year before COVID-19 disruptions impacted shipments.

EU production is forecast to fall over 600,000 tons to 3.5 million following last year's near-record supplies, as a variety of damaging weather events affected output in leading producers Spain, Italy, Greece, and France. Surplus peach production over the last several years has also prompted reductions in planting area in Spain, Italy, and France, with Spain shifting some production towards tree nuts. Reduced output is projected to lower exports 24,000 tons to 155,000 yet lift imports only slightly as demand is met mostly by domestic supplies.

U.S. production is projected to contract 26,000 tons to 691,000 as orchards in Colorado and several East Coast states experienced damaging freezes. USDA's National Agricultural Statistics Service (NASS) surveyed industry and published the U.S. forecast for peach production in the August 2020 *Crop Production* report. Exports are expected to ease 4,000 tons to 67,000 on lower shipments to top markets Mexico, Taiwan, and Australia. Imports are also anticipated lower to 33,000 tons on reduced shipments from Chile in the beginning of the marketing year. The United States is now eligible to export nectarines to China, per the U.S.-China Economic and Trade Agreement signed in January 2020. The General Administration of Customs of China (GACC) published a list of approved U.S. packing houses on April 26, officially opening the market to U.S.-origin nectarines from five counties in California. Since the publishing of the approved U.S. packing houses, trade data indicates shipments have begun.

Turkey production is anticipated up for a sixth straight year of growth, rising 40,000 tons to 870,000 on good weather during bloom and harvest. In line with production, persistent growth also marks Turkey's exports. Higher supplies and less expected competition in Russia due to the absence of China is expected to drive exports up 40,000 tons to a record 140,000, nearly tripling in 4 years. Export success is in turn spurring further investment in production, prompting continued expansion in planting area to meet export demand and a growing juice industry.

Chile production is expected to see a small rise to 170,000 metric tons on good growing conditions and stable planting area. In line with production, exports are expected to see a slight improvement to 105,000 tons on higher shipments to China.

Japan production is forecast to continue its downward trend, eroding 10,000 tons to 98,000 on an extensive rainy season. If realized, this would mark the first time in USDA's production, supply, and distribution database that Japan's production has been below 100,000 tons.

Australia production is projected up 5,000 tons to 120,000 on adequate winter chill and good water supplies. Australia production has been experiencing a modest upward trend since 2017, which is expected to continue in coming years as older trees are being replanted with newer higher-yield varieties. Despite higher supplies, COVID-related air freight challenges are expected to lower exports to 13,000 tons while boosting domestic consumption to 109,000.

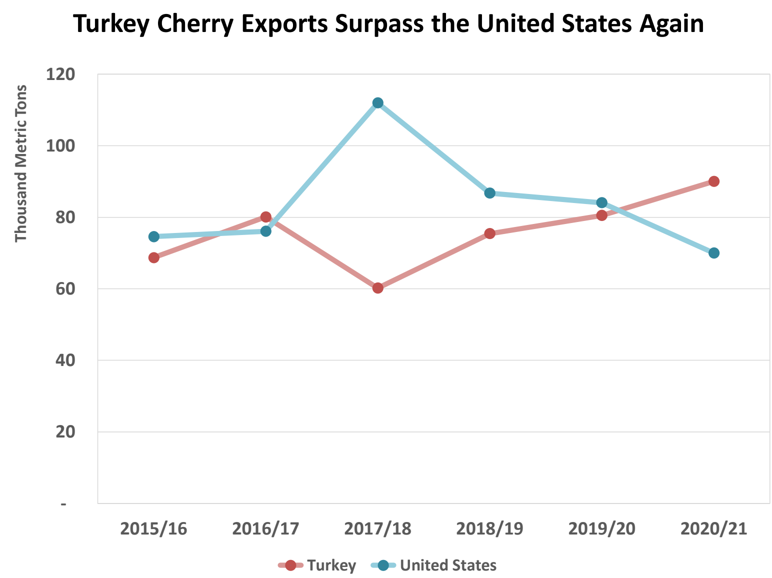
Russia imports are expected to halt their 2-year decline, recovering slightly to 200,000 tons as higher shipments from Turkey more than offset losses from banned China supplies.

Data Changes:
"For Processing": data for this consumption attribute is no longer collected or reported due to concerns about its accuracy, and historical data was added to "Domestic Consumption" back to 1979/80.

Fresh Cherry 2020/21 Highlights

World cherry production is forecast to rise 60,000 tons to 3.9 million as gains in Turkey, Chile, and China more than offset weather-induced losses in the European Union and United States. Higher output is expected to lift exports 17,000 tons to 503,000 on strong shipments from Chile and Turkey.

Turkey production is projected up over 70,000 tons to 918,000 on good growing conditions. Showing a sixth straight year of growth, producers are also transitioning orchards to high density plantings of high-yield varieties. Larger supplies are expected to drive exports up to 90,000 tons on higher shipments to the European Union and Russia, surpassing the United States as the second largest exporter for the second time in 4 years. Turkey gained market access to China and South Korea in 2019, and while shipments to these countries so far have been minimal, they are in direct competition with U.S. cherries as shipments for both Turkey and the United States occur primarily between May and August.



EU production is expected to contract slightly, slipping 35,000 tons to 703,000 as frost and heavy rains in the spring affected output throughout most of the top growing Member States. Despite lower supplies, fruit quality is expected to be good, and exports are forecast to remain nearly unchanged at 8,000 tons. Imports are expected to rise 7,000 tons to 60,000 as reduced output encourages higher shipments from Turkey.

China production is forecast up 30,000 tons to 450,000, continuing its long upward trajectory as new plantings coming into production more than offset losses from heavy snow in April. Planting area also continues to rise though at a slower pace. Private companies have begun building greenhouse and open-field cherry farms across China for the high-end market with the aim of supplying the domestic market. In further efforts to improve domestic fruit production, China's Chamber of Commerce signed a cooperation agreement with Chile for production and trade of fresh fruits. It includes an exchange in technology and technical expertise, such as Chile's fresh fruit production practices. Though the agreement does not specify fruit species, cherries will likely be included. As uncertainties surrounding COVID check consumer demand, imports are expected to ease 10,000 tons to 220,000, marking only the third time since 2010/11 that imports will have experienced a decline.

U.S. production is projected down over 40,000 tons to 383,000. Severe frost affected sweet cherry production in Washington, more than offsetting gains in California and Oregon, while May frost significantly damaged Michigan tart cherry production. USDA's National Agricultural Statistics Service (NASS) surveyed industry and published the U.S. forecast for cherry production in the June 2020 *Crop Production* report. Exports are forecast lower on reduced supplies, falling 14,000 tons to 70,000, while imports are up slightly to 12,000 tons on elevated shipments from Chile.

Chile production is forecast up over 30,000 tons to 287,000 as new plantings continue to come into production and weather conditions have so far been favorable with abundant winter rainfall. Higher output is expected to boost exports to 240,000 tons.

Russia imports are expected to rise 15,000 tons to 100,000 on higher shipments from Turkey and Central Asia suppliers.

Data Changes:
"For Processing": data for this consumption attribute is no longer collected or reported due to concerns about its accuracy, and historical data was added to "Domestic Consumption" back to 1979/80.

NOTES

European Union definition: includes countries in the customs union, including the UK (Austria, Belgium/Luxembourg, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom). The United Kingdom remains a member of the EU Customs Union for the duration of the transition period which expires December 31, 2020. A notice will be posted on respective USDA web pages to inform the public of how we intend to handle splitting the United Kingdom from the rest of the EU in our forecasts, GAIN reporting, and other data well in advance of any changes. The WASDE, FAS reports, and FAS databases will continue to reflect the EU-28 (EU-27+UK) until further notice.

Marketing Years:

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

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Peaches and Nectarines, Fresh: Production, Supply and Distribution in Selected Countries

(1,000 Metric Tons)

	2015/16	2016/17	2017/18	2018/19	2019/20	Sep 2020/21
Production						
China	13,600	14,200	14,300	13,500	15,000	14,500
European Union	4,043	3,778	4,346	3,881	4,118	3,475
Turkey	643	674	772	789	830	870
United States	889	840	758	687	717	691
Argentina	266	251	90	226	226	226
Brazil	216	194	250	220	220	220
Chile	146	149	159	158	165	170
Uzbekistan	220	200	193	162	162	162
Mexico	176	177	164	161	161	161
South Africa	194	182	183	152	152	152
Other	432	412	421	422	405	403
Total	20,825	21,057	21,635	20,357	22,156	21,029
Dom. Consumption						
China	13,514	14,127	14,213	13,458	14,906	14,458
European Union	3,729	3,558	4,091	3,731	3,943	3,325
Turkey	592	624	683	662	725	730
United States	854	807	742	656	683	657
Brazil	239	212	269	241	238	240
Russia	231	230	278	264	230	236
Argentina	265	251	86	222	223	223
Mexico	202	205	184	192	192	190
South Africa	175	165	166	137	133	134
Uzbekistan	208	158	155	108	116	112
Other	706	704	743	679	787	689
Total	20,716	21,042	21,611	20,349	22,175	20,993
Imports						
Russia	200	197	250	228	194	200
Vietnam	22	18	22	13	65	50
Belarus	170	110	108	58	44	40
Kazakhstan	38	36	45	48	58	40
Saudi Arabia	34	35	33	34	38	40
Canada	41	44	34	37	39	38
China	0	0	9	22	27	38
European Union	28	31	27	35	34	35
United States	38	47	40	38	36	33
Switzerland	34	31	34	29	31	32
Other	133	157	165	157	194	140
Total	737	707	766	697	760	686
Exports						
European Union	297	226	251	156	179	155
Turkey	51	51	89	127	105	140
Chile	86	88	97	97	103	105
China	86	74	96	63	121	80
United States	73	81	55	69	71	67
Uzbekistan	12	42	38	54	46	50
Belarus	150	87	84	44	20	30
Serbia	12	15	11	24	22	25
South Africa	20	19	19	18	21	20
Australia	10	9	12	16	15	13
Other	4	6	9	8	7	7
Total	802	697	761	675	711	692

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.

Cherries (sweet and sour), Fresh: Production, Supply and Distribution in Selected Countries

(1,000 Metric Tons)

	2015/16	2016/17	2017/18	2018/19	2019/20	Sep 2020/21
Production						
Turkey	719	795	809	824	846	918
European Union	751	734	620	835	738	703
China	250	330	380	340	420	450
United States	417	456	508	441	424	383
Ukraine	270	220	243	303	303	303
Chile	103	116	207	206	256	287
Russia	234	264	224	279	279	279
Uzbekistan	140	164	194	229	229	229
Serbia	128	118	119	147	147	147
Syria	54	54	54	54	54	54
Other	151	154	136	176	172	176
Total	3,216	3,404	3,494	3,834	3,868	3,928
Dom. Consumption						
Turkey	650	715	749	749	766	828
European Union	739	766	656	865	781	752
China	337	425	571	520	650	670
Russia	308	335	292	372	364	379
United States	356	393	410	366	349	325
Ukraine	269	219	239	300	300	303
Uzbekistan	135	135	166	201	218	204
Serbia	122	104	102	133	131	132
Canada	34	39	54	48	53	53
Syria	51	48	50	52	50	49
Other	171	196	172	203	174	214
Total	3,172	3,374	3,460	3,808	3,837	3,909
Imports						
China	87	95	192	180	230	220
Russia	74	71	68	93	85	100
European Union	36	57	50	47	53	60
Canada	24	23	33	28	28	26
Korea, South	13	14	19	19	15	20
Kazakhstan	10	24	22	25	8	20
Taiwan	9	11	15	12	11	12
United States	13	13	14	12	10	12
Belarus	44	18	8	14	7	5
Japan	5	5	5	3	4	5
Other	4	9	7	4	4	6
Total	320	340	432	437	455	486
Exports						
Chile	84	95	185	180	229	240
Turkey	69	80	60	75	81	90
United States	75	76	112	87	84	70
Azerbaijan	12	15	15	24	27	25
Uzbekistan	5	29	28	28	11	25
Serbia	8	19	21	16	17	17
European Union	48	25	14	16	9	8
Canada	14	10	11	13	9	7
Belarus	38	6	3	8	1	6
Australia	6	3	4	5	5	5
Other	7	12	12	11	13	10
Total	364	370	465	463	486	503

Note: The marketing year begins in April 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.