

World Pear Situation:
*Driven by Growing Output in China,
Global Production Continues To Increase*

SUMMARY

Combined pear production in major producing countries in 2003/04 is estimated to increase for the eighth consecutive season and reach a new record of 15.1 million tons. A large crop in China accounts for much of the increase in world pear production this season. Bigger pear crops are also estimated in some other top producers, such as Spain, South Africa, and the United States. Pear production in the United States is expected to be up 7 percent during marketing year (MY) 2003/04.

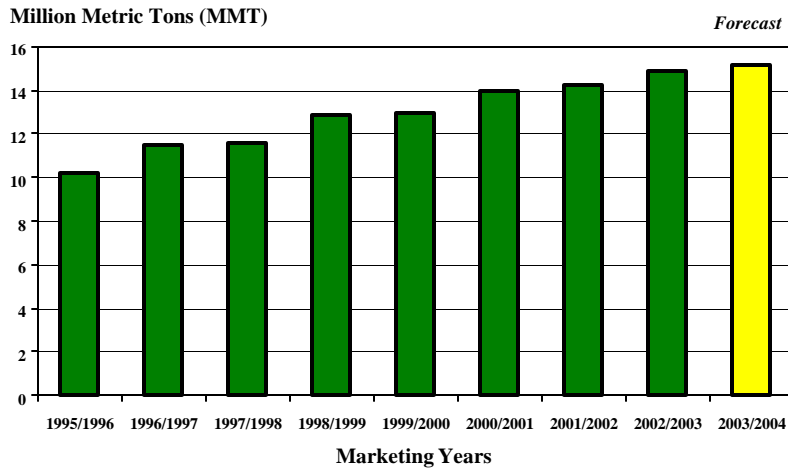
World pear exports in 2003/04 are estimated at 1.8 million tons, up 66,000 tons from the previous record in 2002/03. China is expected to take the lead as the world's top pear exporter in 2003/2004. In the Northern Hemisphere, more exports are anticipated from China and Spain. With the exception of South Africa, pear exports are expected to decline for all Southern Hemisphere countries, off a total of 33,000 tons from last year.

PRODUCTION

China's pear industry, the world's largest, continues to be a major force behind expected 2003/04 world record output

Combined world pear production is expected to increase a total of 278,000 tons from the previous season. For the first time, world production will reach over 15 million tons. China produces over half of the world's pears. China, alone, is expected to contribute over a half a million tons to the total increase. China's pear production in 2003/04 is expected to be about 9.8 million tons, the result of favorable weather and expanded bearing acreage as trees planted or grafted in the late 1990s increase commercial scale production. Future increases in production acreage are expected to be less significant as growers opt to change pear varieties or plant current acreage more densely. China's central government is actively pursuing access for several pear cultivars into the United States. China is pushing the Animal and Plant Health Inspection Service (APHIS) for Fragrant Pear access and re-opening of Ya Pear access. In March of 2001 and 2003, China requested access for additional varieties of pears from Shandong and Shaanxi Provinces. Current Chinese policy is aimed at improving the economic situation of farmers, as well as increasing the supply of fruits during China's off-season. As a result, pear quality continues to improve.

World Pear Production To Increase for the Eighth Consecutive Season

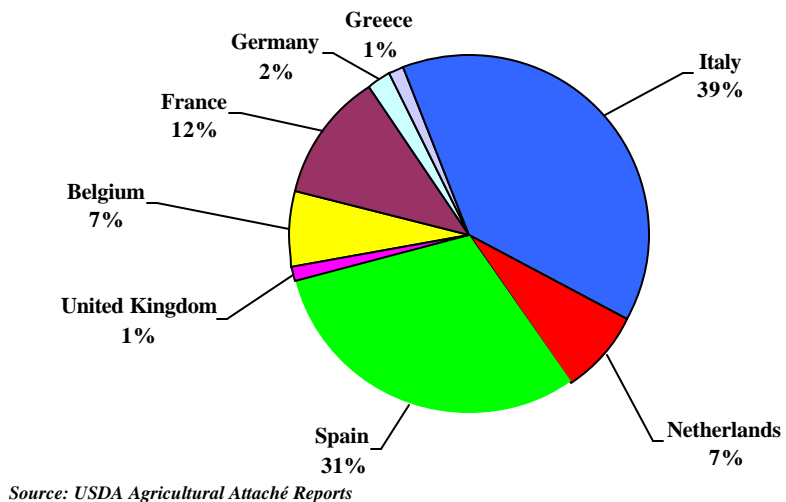


Source: USDA Agricultural Attaché Reports and the U.S. National Agricultural Statistics Service.

Pear production in the European Union declines 5 percent

Combined pear production in countries of the European Union (EU) is expected to decline 5 percent to 2.1 million tons in 2003/04, off a total of 2.2 million tons in 2002/03. There are eight FAS reporting countries in the EU: Belgium, France, Germany, Greece, Italy, Netherlands, Spain, and the United Kingdom. EU pear production makes up about 14 percent of world production but about 39 percent of the world trade. However, most of this trade takes place within the EU.

EU Pear Production Declines to 2.1 Million Tons (2003/2004)



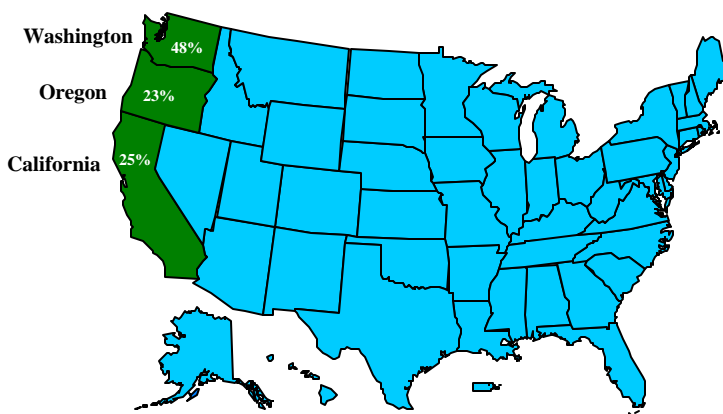
Last season, the EU experienced severe weather conditions in the form of an extremely hot and dry July and August. This hindered the development of pears across the region. This season, Italy is expected to produce about 39 percent of the EU crop. Abate, Williams, and Conference are the three largest pear varieties, making up more than 65 percent of Italy's pear crop. About 10-13 percent of the crop is exported, mostly of the Abate variety. Most of Italy's exports are shipped to France, Germany, and the United Kingdom. Spain, the second leading EU pear producer, is expected to produce over 30 percent of total EU production this year. About 77 percent of the pear crop is produced in the Ebro River Basin. Production of the Conference and Williams varieties has risen dramatically during the last 10 years. France is the EU's third largest pear producer, with Williams as the main variety.

U.S. pear crop up 6 percent from previous year's low levels

According to the National Agricultural Statistics Service (NASS), utilized pear production for 2003, at 836,000 tons, is up 6 percent from the previous year, putting downward pressure on prices. Washington, the top producing state, utilized 404,600 tons, 15 percent above 2002. The second largest producer, California, at 209,500 tons, is down 12 percent from the previous season. Utilized pear production in Oregon, the third largest state, is 196,000 tons, up 9 percent from 2002. According to the NASS *Cold Storage Report*, as of December 1, 2003, pear inventories in cold storage were 11 percent larger than the same period a year before.

Last year, U.S. pear production was hampered by a decreasing trend in acreage of Bartlett pears. Actual numbers came in at 788,000 tons, much lower than the 830,000 tons expected for the 2002/2003-year. The reduced acreage of Bartlett varieties responded mainly to the financial problems of U.S. processing industries, mostly on the west coast. During 2003/04, the availability of Bartlett pears appears to have rebounded somewhat with decreased cannery tonnage, particularly in Washington and Oregon. According to the Northwest Pear Bureau, exports account for nearly 38 percent of the all pears grown in the United States.

U.S. Pear Production Shifts with More Produced in Washington, Less in California and Oregon



Source: USDA National Agricultural Statistics Service – Noncitrus Fruits and Nuts – Preliminary Summary, Jan. 2004

Since last year, pear production in the United States has shifted. Washington is up from 42 percent of production to 48 percent, while both Oregon and California are down to 23 percent and 25 percent, respectively.

In the Southern Hemisphere, pear crops are down 7 percent

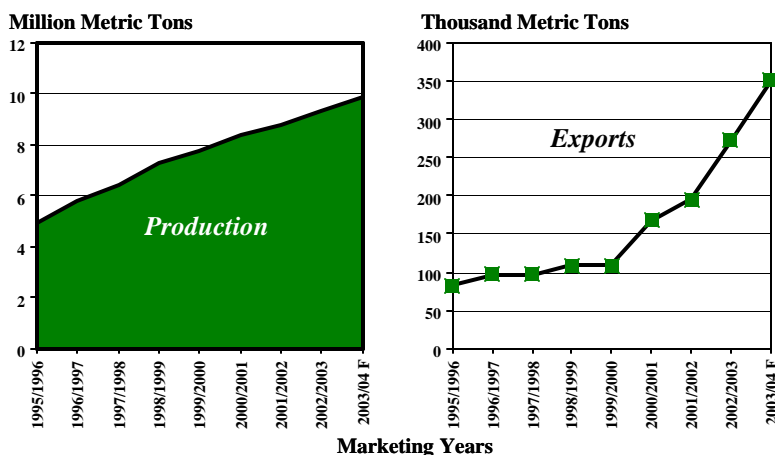
Combined pear production in selected countries of the Southern Hemisphere is expected to decrease about 7 percent to 1.27 million tons. In calendar year 2004, Argentina and Australia will both have lower production. Argentina's production expectation is tempered by severe winds in December that compromised the amount of viable fruit and quality. In Australia, despite a return to more normal moisture levels, frost and hail events early in the season are reducing expectations. Australia's pear production is dominated by varieties such as Packham, Williams, and Beurre Bosc. For more information, see GAIN #AS4001. Chilean pear production is expected to go unchanged, with favorable weather leading to production similar to a year ago. South Africa will increase production by about 50,000 tons. South Africa was home to this year's International Pear Symposium, which attracted approximately 100 scientists and affiliated persons. According to recent news accounts reviewing the conference, South Africa, unlike most deciduous tree-fruit-producing countries where apples are dominant and pears are a distant second, has more of a balance with 32,000 acres of pears and 56,000 acres of apples. In addition, South Africa's climate is suitable for multiple harvestings of the Bartlett pear.

TRADE

China's expanding pear exports bolstered by Government's market access efforts

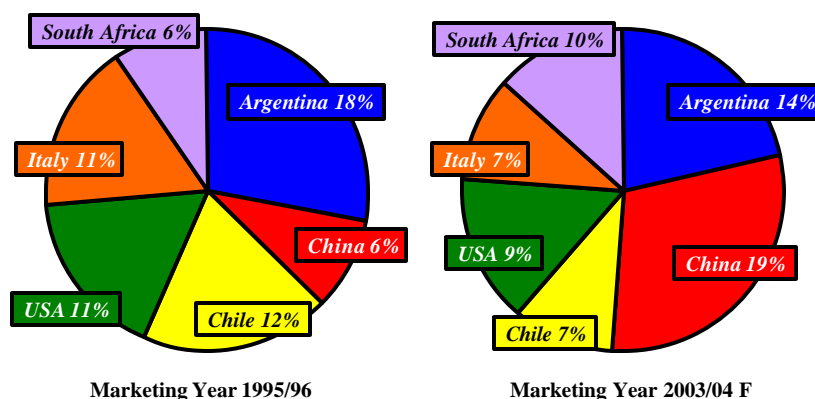
China's pear exports during 2002/03 beat the original record estimate of 200,000 by 72,000. Pear exports for 2003/04 are forecast to increase 29 percent, to reach a record 350,000 tons. This large forecast is mainly hinged on China's government aggressively engaging other countries for market access. Some government and industry representatives believe that without better market access, it will be difficult to improve the livelihood of rural growers that is needed to maintain political stability. According to GAIN Report #CH3121, data for 2002 show China shipping more pears to Malaysia, Vietnam, Russia, Philippines, the Netherlands, and Canada.

China's Pear Production and Exports Continue to Expand



Source: USDA Agricultural Attache Reports and the U.S. National Agricultural Statistics Service.

China's Share of Global Pear Exports Is Expanding Rapidly



Source: USDA Agricultural Attaché Reports and the U.S. Department of Commerce, Bureau of the Census

U.S. pear shipments down slightly during 2003

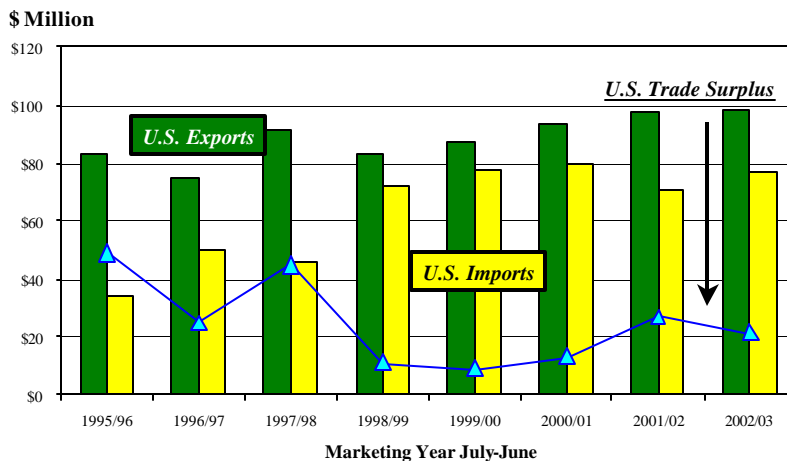
Exports of pears from the United States totaled 163,598 tons during 2003. However, dollar value of the shipments is unchanged from the previous year at approximately \$101 million. About half of all exports are destined for the Mexican market, while about one-fourth of exports reach Canada. Other top markets that purchased over 3,000 tons of pears from the United States include Brazil, Netherlands, Sweden, Taiwan, and Columbia. Early season shipments are composed mainly of the Bartlett variety. Winter pear varieties begin to ship in September. The most-frequently exported variety, according to industry, is the Green Anjou variety. In addition, most Bosc pears exported are destined for Mexico while most Bartlett pears exported are destined for Canada. Asian markets prefer the red winter pear.

Exports from Southern Hemisphere countries expected to decline in 2003/04; China overtakes Argentina as world's top pear exporter

Argentina, traditionally the world's single largest pear exporter, is expected to see a 10-percent decline in exports from the previous year due to a reduction in the expected volume harvested. This is mainly due to unfavorable weather conditions and, specifically, early season frost damage. For the first time, China, with its 29-percent increase in exports, will surpass Argentina as the world's largest pear exporter. The EU remains the primary destination for Argentine pears. Argentina is the largest supplier of imported pear into the United States and shipped 45,000 tons in 2003. Chilean pear production is unchanged as is expected export volume.

The Netherlands continues to be their top export market at about 28,000 tons. Chile supplied the United States with about 25,000 tons of pears during 2003. New Zealand pear exports are expected to double in 2003/04 reaching 10,000 tons. Very good growing conditions have bolstered New Zealand's estimated production of 24,000 tons.

U.S. Trade Balance in Pears



Source: U.S. Department of Commerce, Bureau of the Census

The United States continues to be a net exporter of pears. Current estimates indicate the trade surplus value at \$20 million. The U.S. pear industry remains very active in export market development with activities in 36 countries. Focus is on expanding the marketing season and increasing variety in products offered.

(For information on production and trade, contact Heather Velthuis at 202-720-9792. The FAS Attaché Report search engine contains reports on deciduous fruit for more than 20 countries and can be found in the FAS home page at: <http://www.fas.usda.gov>. Also, visit our pear web page at: <http://www.fas.usda.gov/htp/horticulture/pears/html>)