

Kiwifruit Situation and Outlook

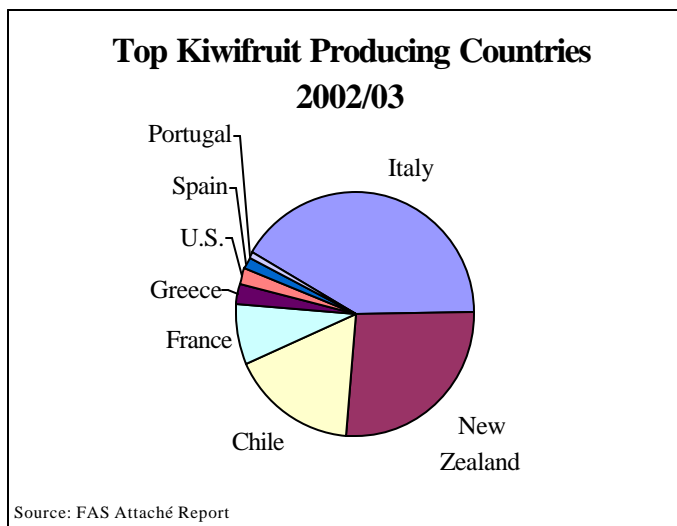
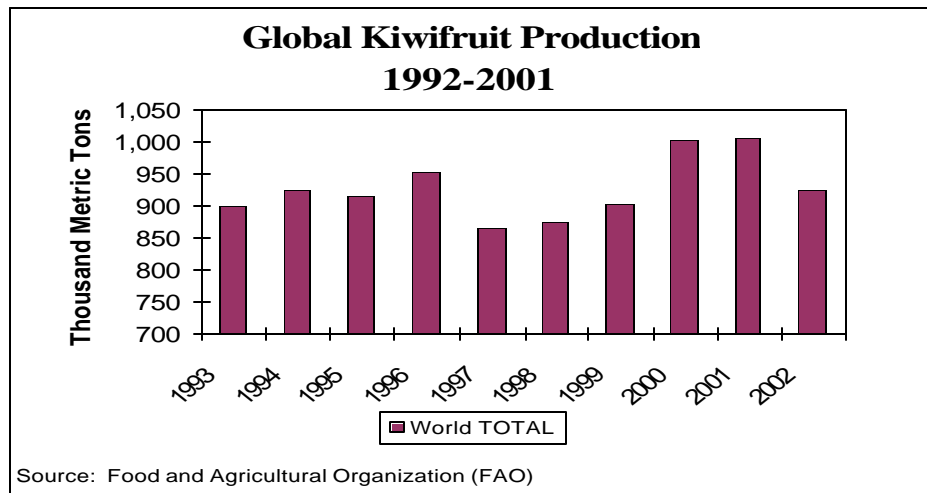
After rapid growth in the 1980s, global kiwifruit production and exports are stabilizing. In marketing year (MY) 2001/02, kiwifruit production in the major producer countries decreased by about 3 percent and exports decreased by less than 1 percent. Production in MY 2002/03 is forecast to increase nearly 3 percent, partly due to a larger than normal Italian crop. Exports in 2002/03 are forecast to increase by the same amount as countries find new markets in Eastern Europe and Asia.

World Production

Global production of kiwifruit over the last 9 years has been vacillating between 867,000 and 1 million metric tons, according to the United Nations' Food and Agriculture Organization (FAO).

The USDA Foreign Agricultural Service (FAS) monitors kiwifruit

production in eight of the world's top kiwifruit producing countries: Chile, France, Greece, Italy, New Zealand, Portugal, Spain, and the United States. In the 2001/02 season, production in these countries totaled 93 percent of FAO's world production total. In MY 2002/03, FAS forecasts the production total of these countries will increase to 939,990 tons. (See the Production, Supply and Distribution database on



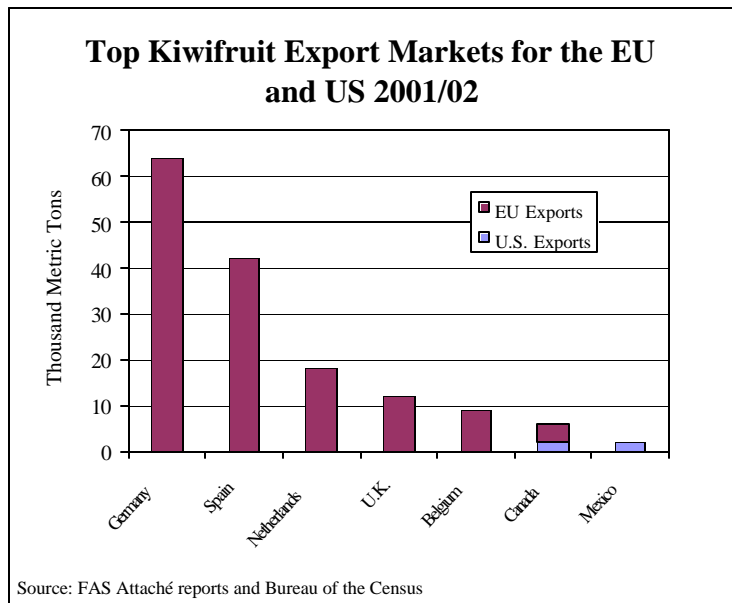
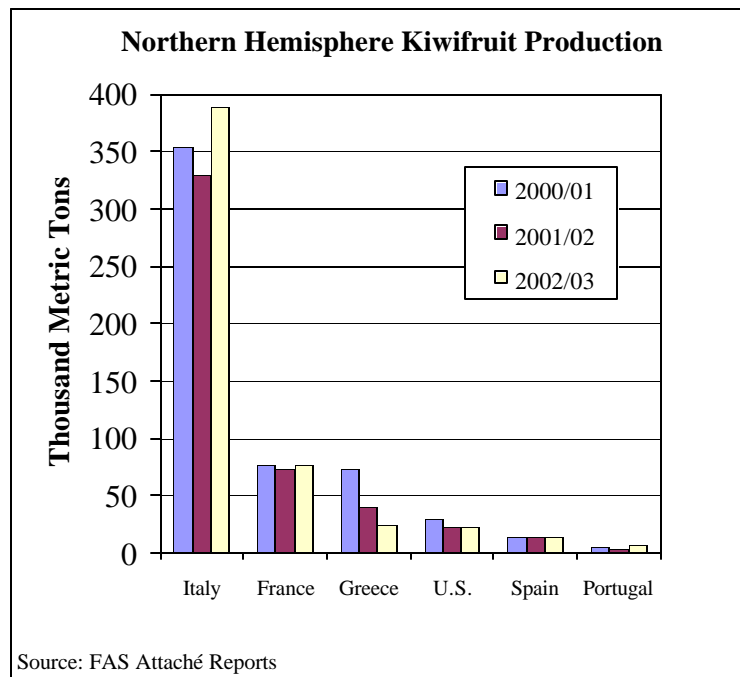
FAS Online at:
http://www.fas.usda.gov/psd/complete_tables/HTP-table6-33.htm) Although not currently monitored by FAS, Japan is the sixth-largest kiwifruit producer with a 2002/03 crop forecast of 46,000 tons, according to FAO.

Approximately 84 percent of world production was traded globally in MY 2001/02. This trade is controlled by the top three producing countries -- Italy, New Zealand, and Chile.

Northern Hemisphere

Italy produces the most kiwifruit in the Northern Hemisphere. Besides the United States, most other smaller producing countries are in Europe.

Production in Italy is forecast to increase by nearly 19 percent in the 2002/03 season due to increased planted area, high yields, and beneficial weather throughout the growing season. Most of the other countries in this hemisphere recorded increased production, except for Greece and the United States. It is estimated that Greece will lose approximately 37 percent of its harvest due to frost damage this year. The reduction in the United States is a result of reduced acreage. ([See FAS Attaché reports: IT3003, FR3002, GR3002, PO3001, SP3002.](#))

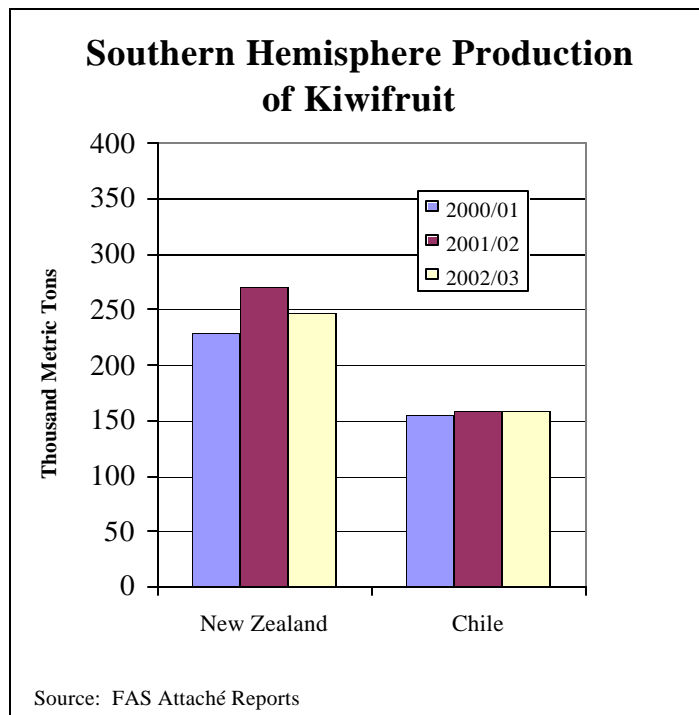


The increased production will intensify competition for export markets this season. In 2001/02, Italy exported about 76 percent of its kiwifruit production. Approximately 63 percent of those exports were absorbed by European countries. Approximately 91 percent of U.S. exports are shipped to Canada and Mexico.

According to the Global Trade Atlas, Italy's growth markets are in China and Eastern Europe, and the U.S. growth markets are in Latin America and Asia.

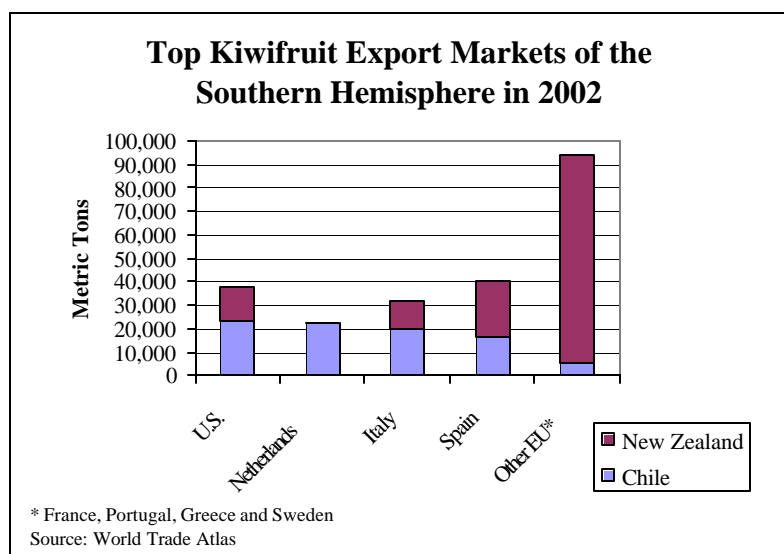
Southern Hemisphere

In the Southern Hemisphere, New Zealand and Chile are major players in the world market, producing almost half of the world's kiwifruit. This intense competition has led to structural changes within their respective kiwifruit industries. The New Zealand government has been working for years to privatize producer boards, which has created unique production and marketing systems for kiwifruit. Chile has been strengthening its quality controls for its export markets. ([See FAS Attaché Reports NZ0003 and CI3002](#))



During the 2002/03 season, New Zealand's production is forecast to decrease nearly 9 percent due to poor weather conditions. However, the industry has been contracting with growers worldwide to grow their Zespri brand kiwifruit. Therefore, although New Zealand's production appears to be falling, Zespri's global production continues to expand. Chile's kiwifruit production is stable due to no new plantings and beneficial weather. As New Zealand steps up competition for export markets through worldwide grower contracts and introduction of the new GOLD varieties, Chile retains more fruit in its domestic market.

Although the production forecast in this hemisphere is not expected to increase, tough competition for export outlets remains. The United States, Italy, and Spain are the top markets for Southern Hemisphere kiwifruit. Chile has a dominant share of the Dutch market, whereas the bulk of New Zealand's exports are shipped to France, Portugal, Greece, and Sweden. According to the World Trade Atlas, major growth markets for both countries are Italy and Spain. However, exports to the United States have dropped 8 percent from Chile and 22 percent from New Zealand.

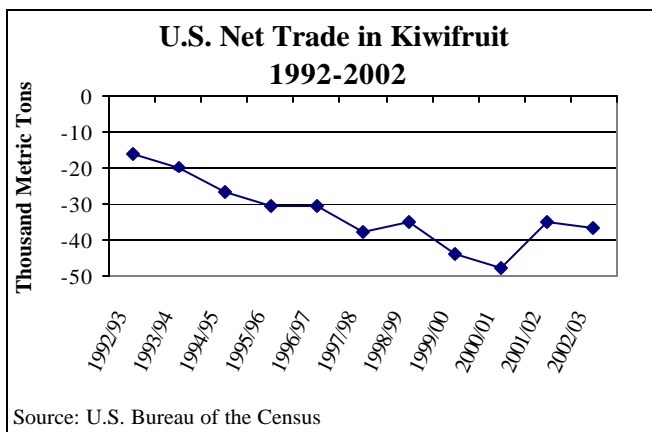
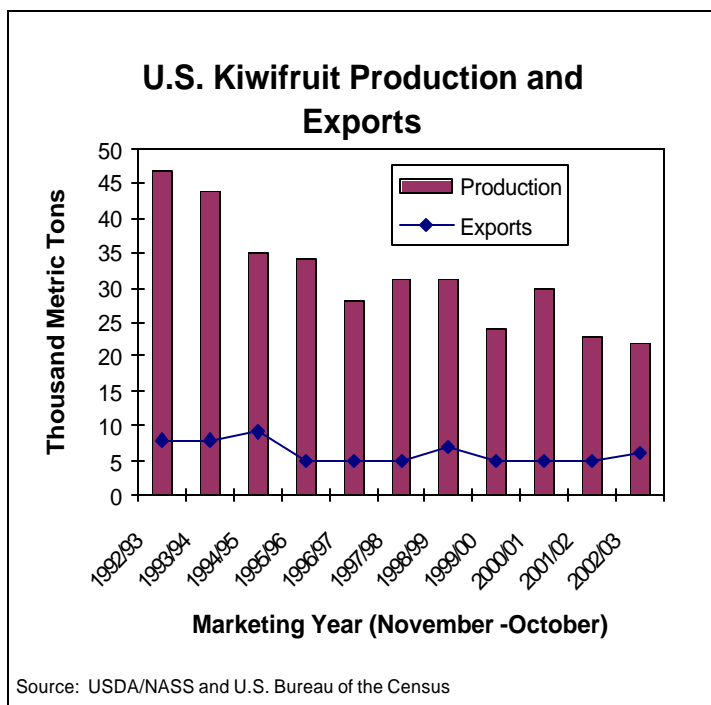


United States

U.S. kiwifruit production has been declining since the early 1990s. USDA's National Agricultural Statistics Service (NASS) recorded U.S. kiwifruit production at 22,770 tons in 2001/02. Although this is only a 3-percent decrease from last season, it is the lowest level in a decade. (See NASS website:

<http://www.usda.gov/nass/pubs/estindx.htm>)

U.S. kiwifruit is principally grown in California and primarily sold fresh, rather than processed. In order to assure a consistent quality, the California growers organized themselves through a Federal Marketing Order that imposes mandatory quality standards so domestic and international traders can be assured of the uniform quality of U.S. kiwifruit. (See [AMS Fruit and Vegetable Division web site](#))



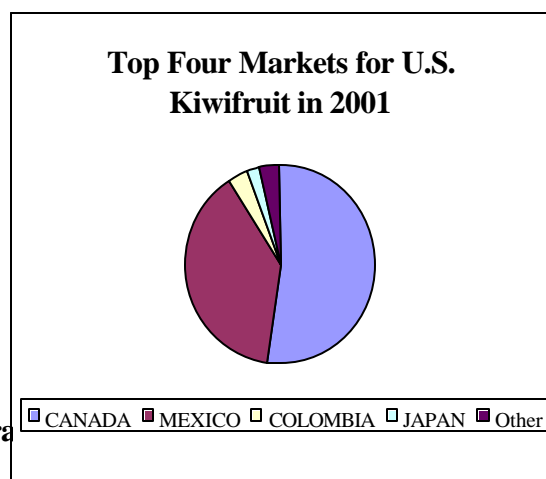
The United States is net importer of kiwifruit as U.S. consumers demand kiwifruit year round. Chile and New Zealand are the main suppliers during the off-season. However, so far this year, U.S. imports from Italy are almost double those of last year.

As U.S. imports from Italy increase, the U.S. kiwifruit industry seeks opportunities in export markets. In 2002/03, it is estimated that the United States will export 30 percent of its total

kiwifruit production. Canada and Mexico are the major export markets for U.S. kiwifruit, followed by Colombia and Japan. Last year, the California Kiwifruit Commission received \$143,000 from FAS in Market Access Funds for promotional activities in Canada and Mexico. Exports during 2000/01, increased nearly 8 percent due to larger purchases by the United Kingdom and Latin American countries. For 2002/03, exports are forecast to increase 12 percent as a result of heightened demand from Mexico, and Ecuador as well as a strong renewed interest in U.S.

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kiwifruit by South Korea.

Kiwifruit:					
Production, Supply and Distribution					
	Planted Area	Production	Exports	Imports	Domestic Consumption
----- Metric Tons -----					
Greece					
2000/2001	4,000	73,600	33,254	779	41,125
2001/2002	4,400	40,000	22,000	2,500	20,500
2002/2003	4,480	25,000	16,250	3,000	11,750
Italy					
2000/2001	20,100	355,000	285,000	32,000	102,000
2001/2002	21,000	329,000	250,000	35,000	114,000
2002/2003	21,000	390,000	295,000	25,000	120,000
France					
2000/2001	4,032	76,900	30,771	30,619	76,748
2001/2002	4,500	74,000	28,769	32,652	77,883
2002/2003	4,500	76,000	29,500	31,500	78,000
Spain					
2000/2001	930	13,000	11,190	93,190	95,000
2001/2002	940	13,200	11,660	95,300	96,840
2002/2003	945	13,400	11,500	95,700	97,600
United States					
2000/2001	2,145	30,844	5,524	53,697	79,017
2001/2002	1,983	23,405	5,953	41,228	61,005
2002/2003	1,821	22,770	6,724	44,573	60,619
Chile					
2000/2001	7,695	155,000	110,413	0	44,587
2001/2002	7,675	158,000	118,000	0	40,000
2002/2003	7,675	158,000	115,000	0	43,000
New Zealand					
2000/2001	10,750	229,068	213,033	150	16,185
2001/2002	10,750	271,000	247,000	150	24,150
2002/2003	11,470	247,320	227,520	150	19,950
Portugal					
2000/2001	1,243	5,000	533	9,062	13,529
2001/2002	1,233	4,500	372	9,370	13,498
2002/2003	1,233	7,500	800	8,000	14,700
TOTAL					
2000/2001	50,895	938,412	689,718	219,497	468,191
2001/2002	52,481	913,105	683,754	216,200	447,876
2002/2003	53,124	939,990	702,294	207,923	445,619

Sources: This information was prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of Agricultural Attachés and Counselors, results of office research, FAS/USDA estimates, and related information. U.S. production numbers are generally from the National Agriculture Statistics Service (NASS). U.S. trade numbers are from the U.S. Department of Commerce, Bureau of the Census

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Notes: Split years refer to the harvest and marketing period and the 2002/03 year is a forecast.