

China: analysis of current fruit market conditions

China is a large player in the fruit industry. China is both the largest fruit producer and the largest fruit consumer. It also holds first position in the surface area devoted fruit and in the production volume of various kinds of fruits. In various segments of the production chain, however, there are still many problems left:

One, unmarketable products: this is a recurring problem in the Chinese fruit industry. Every year there are news items that report on unmarketable fruits. The main reason that some fruits are unmarketable is that the link up between production levels and retail channels is not smooth.

Two, the threat of imported fruit: in recent years the volume of imported fruit has greatly increased. Fruit export, however, has decreased. The favorable trade balance of China is obviously decreasing.

Three, lack of standardization: the road from production to market includes the cultivation of excellent fruit varieties and the management of the orchard prior to the harvest. After the harvest there is pre-cooling and storage. Before the fruit enters the market there is the management of commercialization, as well as transport and retail. Each segment of this production chain needs relevant standardized regulations. Up until now, however, the conditions are chaotic and uniform standards are difficult to achieve.

Four, sources of high-quality fruit are difficult to locate: China is vast and has abundant resources. There are many production areas for fruit. Fruit dealers, however, are limited in experience, time, and energy. They find it difficult to locate and control sources of high-quality fruit.

Five, limited use of refrigerated distribution: fruit is a fresh product. It is difficult to ignore the loss from damage during transport. Fruit makes a journey from the fields and the trees to the hands of the consumers, and during that journey the fruit needs to be refrigerated.

Six, e-commerce of fresh products has limited profits: according to relevant data, only 1% of the several thousand e-commerce fresh product dealers makes a healthy profit. A large part of the remaining 99% suffer losses, and only a small group manages to break even.

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