

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

SUMMARY

Combined pear production¹ in major reporting countries in marketing year (MY) 2005/06 is estimated to increase for the 10th consecutive season and reach a new record of 16 million tons. A large crop in China accounts for much of the increase. Bigger pear crops are also expected in some other top producers, such as Spain and Argentina. Pear production in the United States is estimated down 7 percent during marketing year 2005/06.

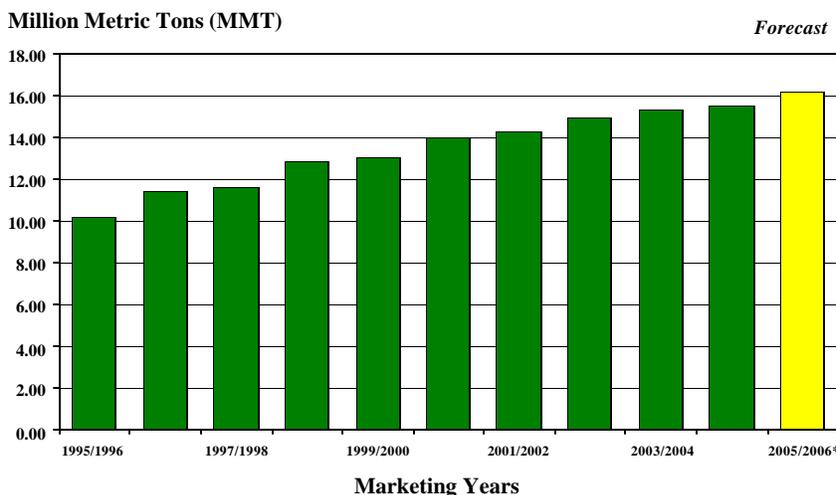
World pear exports in 2005/06 are estimated at 1.6 million tons, up 6 percent from last year. Despite a slight decline in pear exports from Argentina and China's 20-percent increase in export levels, China still did not take the lead on world exports. China is expected to tie if not surpass Argentina in 2006/2007. In the Northern Hemisphere, exports are anticipated to increase 12 percent, supported by growth in most reporting countries. Export volumes from the United States for 2005/06, however, are estimated down nearly 6 percent with lower production levels. Exports from Southern Hemisphere countries are expected to increase 1 percent.

PRODUCTION

China's pear industry, the world's largest, continues to be a major force behind expected MY 2005/06 world record output

Combined world pear production is expected to increase about 700,000 tons from the previous season, mostly from China. However, strong production in Spain, despite the worst drought in 60 years, helped to boost the world total. For the first time, world production in select

World Pear Production To Increase for the 10th Consecutive Season



* Totals no longer include Belgium, France, and the Netherlands
Source: USDA Agricultural Attaché Reports and the U.S. National Agricultural Statistics Service.

¹ Totals no longer include France, Netherlands, Belgium, and Sweden due to discontinued reporting requirements.

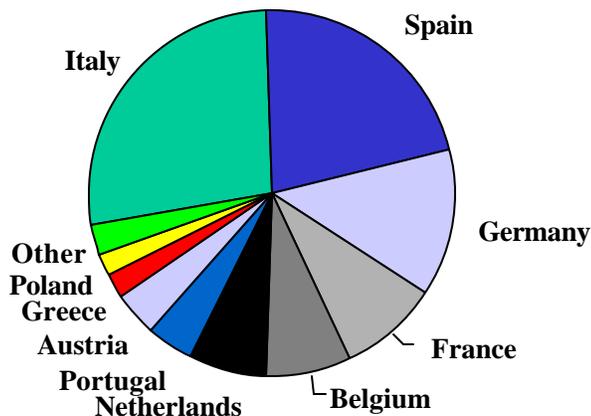
countries will reach over 16 million tons. According to the Food and Agricultural Organization (FAO), production in all countries in 2005 totaled 19.5 million tons, up over 2 million tons from 2004. In 2005, China produced nearly 60 percent of the world's pears. China's pear production in 2005/06 is expected to be about 11.2 million tons. Increased pear planting area and improved tree management has resulted in steady increases in overall production. For more information on Chinese pear production, see GAIN # CH5065.

Pear production in the European Union 25 (EU-25) increases 6 percent

Combined pear production in countries of the European Union (EU) during 2005 went unchanged from the previous year. The EU accounted for 3 million tons of pear production or 16 percent of the 19.5 million tons produced globally. There are eight countries in the EU where FAS reports specifically on deciduous fruit: Germany, Greece, Hungary, Italy, Poland, Slovakia, Spain, and the United Kingdom. Of these, six countries report pear production, supply, and demand: Germany, Greece, Italy, Spain, and the United Kingdom. These six countries are expected to yield about 5 percent more pear production in MY 2005/06 than the previous year. In Germany, the most important pear varieties grown are Alexander Lucas, Williams Christ (Bartlett), and Conference. Pear production in Greece, according to farm sources, is still limited for several reasons including adverse weather and diseases. But an increase in pear production in the over time is expected as new plantings replace old orchards. Most pears imported into Greece during 2005 were from Spain. Spanish pear production was revised in December to reflect a much larger than expected harvest; pear production is expected to be up 21 percent in 2005/06. Italian pear production during 2005/06 is expected to be almost unchanged. Italy, Spain, and Germany are the top EU pear producing countries during calendar year 2005, according to reports from FAS.

See <http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>

Top 10 Pear Producing EU-25 Countries
2005



Source: Food and Agriculture Organization of the United Nations

Pear imports expected to increase 4.6 percent over previous year's levels

After a 15-percent increase during MY 2004/05 over the previous year's levels, U.S. imports are expected to increase an additional 4.6 percent in 2005/06, returning to more normal levels. U.S. pear imports declined 23 percent during 2003/04 mainly due to fewer pears imported from Argentina. During MY 2004², Argentine pear orchards suffered the effects of strong winds in December 2003 that resulted in fruit losses and low quality fruit. Much of the fruit was only suitable for the domestic market or less strict foreign markets such as Brazil. The current pear crop, MY 2005, is reported to have fruit much smaller than the previous season, and sources in the industry indicate that quality may be an issue. Due to lack of warm days, the fruit size is smaller than what is needed to export. Therefore, even though most of the Bartlett pears have reached their physiological ripeness, and the harvest is currently underway, fruit size of the fruit is still too small for the fresh market. Producers are concerned about having to send greater amounts of their fruit to processing plants this season than in other years. Larger exports from New Zealand are expected to put further pressure on Argentine pear shippers. New Zealand production levels fluctuate due to the biennial nature of their pear varieties. Production during 2005/06 is in the expansion phase and typically imported into the United States in April, May, and June.

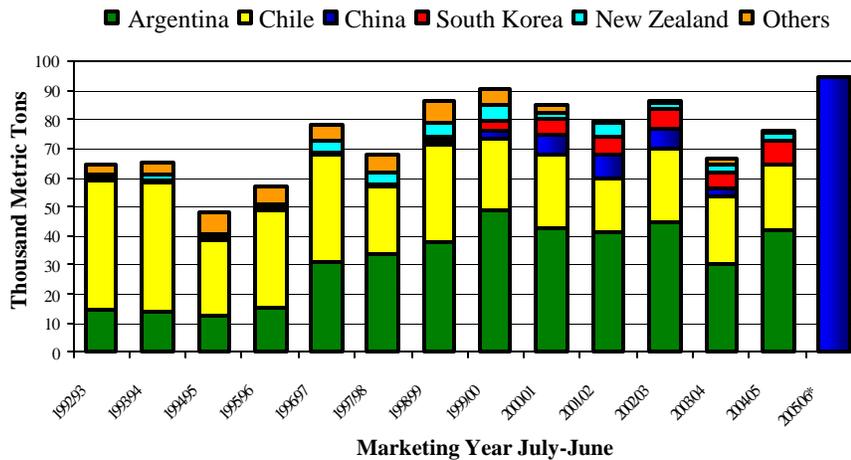
On Feb. 3, 2006, five containers of Ya pears from China entered the United States, resolving for the immediate future a long-standing bilateral trade issue. These are the first shipments of Ya pears to the United States since the program was shut down in December 2003 due to the detection of *Alternaria yaliinficiens*, a fungus not known to occur in the United States. In December 2005, USDA's Animal and Plant Inspection Service (APHIS) and technical counterparts from China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) negotiated an addendum to the existing work plan that has enabled China to resume exports of Ya pears from approved orchards in Hebei and Shandong Provinces. APHIS continues to monitor imported shipments of Chinese-origin Ya pears to ensure that pests of quarantine concern are not introduced into the United States and continues to work with Chinese officials in Hebei and Shandong Provinces to ensure China's compliance with the work plan. Imports from China for 2003/04 were off 65 percent from the previous year due to these ongoing phytosanitary concerns. Increases in pear imports in 2005/06 from China are expected to be offset by lower imports from Argentina.

China has also requested access into the United States for fragrant pears. APHIS reviewed a final rule that contained the entry requirements for fragrant pears. In December 2005, APHIS signed a work plan that will allow, under certain conditions, the importation of fragrant pears from China. To be eligible, the fragrant pears must be grown in the Korla region of Xinjiang Province at a production site that is registered with the national plant protection organization of China. The fragrant pears are subject to both pre-harvest and post-harvest inspections. In addition, the pears must be packed in insect-proof containers that are labeled in accordance with the regulations and safeguarded from pest infestation during transport to the United States. This action will allow fragrant pears to be imported from China while continuing to provide protection against the introduction of plant pests into the United States. The final rule was

² Market year (MY) in southern hemisphere countries correspond to a calendar year.

published on Dec. 23, 2005 in the Federal Register and became effective Jan. 23, 2006. It is expected that shipping will begin this marketing season.

Argentina and Chile Supply Most of the U.S. Pear Import Market; Shipments From China Decline; Imports Expected To Increase in MY 2005/06

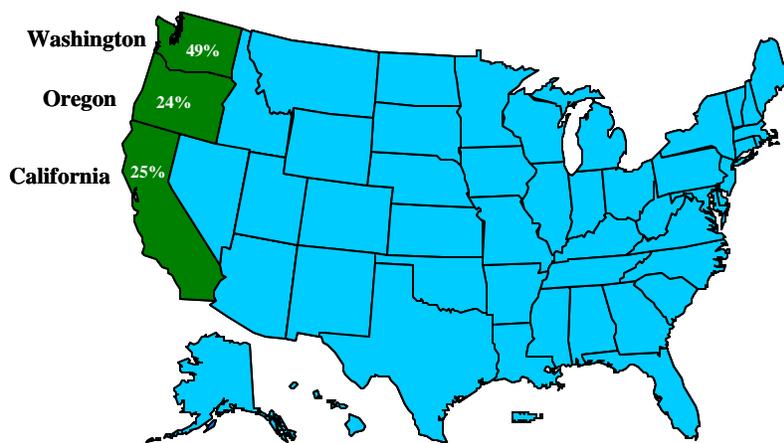


Source: U.S. Department of Commerce, Bureau of the Census
* Forecast

U.S. pear crop down 7 percent from previous year's levels

According to the National Agricultural Statistics Service (NASS), utilized pear production for 2005 is down 7 percent from the previous year at 811,670 tons. Washington, the top producing state, utilized 400,000 tons, up 9 percent from 2004. California, the second largest producer at 200,000 tons, is down 26 percent from the previous season. Utilized pear production in Oregon, the third largest production state, is 196,000 tons, down 7 percent from 2004.

Half of U.S. Pears Grown in Washington



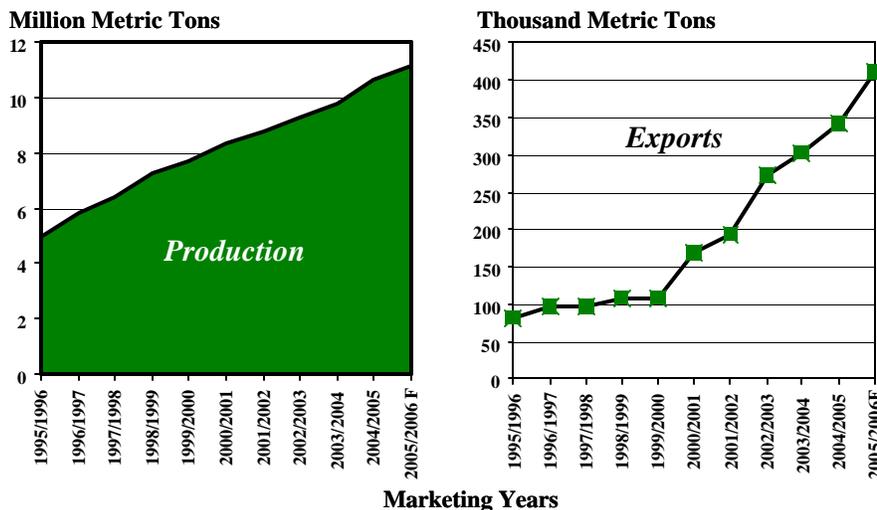
In the Southern Hemisphere, total pear crop expected up 6 percent

Combined pear production in selected countries of the Southern Hemisphere is expected to increase another 6 percent to 1.5 million tons. During calendar year 2006, Argentina and Chile will both have higher production. An increase of 11 percent is expected for Argentina's 2006 harvest. However, production problems are expected to limit the level of exportable fruit. In Chile, pear production levels were similar for MY (market year) 2004 and MY 2005. For MY 2006, a slightly larger harvest is expected, as the pear crop will benefit from positive growing conditions during the spring of 2005. The latest planting statistics show that total planted area to pears continues to fall. However, industry sources indicate that while replanting old orchards, producers are increasing planting densities, thus maintaining present total production levels in the coming years. There are over 36 pear varieties grown in Chile. Packam's Triumph and Beurre Bosc make up over 60 percent of Chile's exports. Other important varieties in Chile are Abate Fetel, Coscia, Summer Bartletts and D'Anjou.

TRADE

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

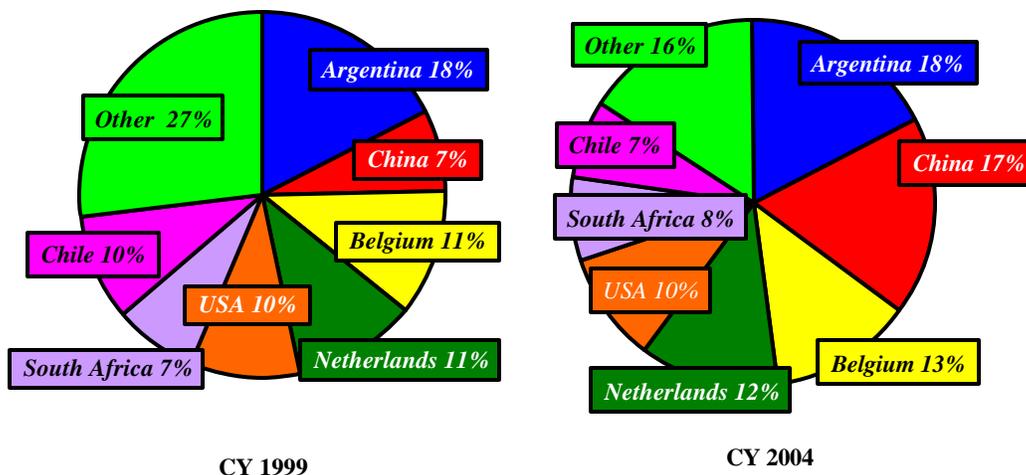
China's Pear Production and Exports Continue To Expand



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

During MY 2005/06, pear production in China is forecast at 11.2 million MT, up about 5 percent over the previous year. According to the China Agriculture Statistical Report, China produced 10.6 million MT of pears in 2004/05. Increased pear planting area and improved tree management has resulted in steady increases in overall production.

China's Share of Global Pear Exports Is Expanding Rapidly



Source: Global Trade Atlas – World total not yet available for CY 2005

While China's exports continue to expand, a 5-year comparison shows that this expansion is more at the expense of smaller pear-producing countries like Spain, France, Portugal, and Germany. Belgium and the Netherlands have increased their pear production in recent years in place of apple production. However, they do not produce as many pears as Spain, France, and Germany. Belgium and the Netherlands export a much larger percentage of their production.

U.S. pear shipments down 5 percent during MY 2005/06

Exports of pears from the United States totaled 148,582 tons during MY 2004/05 at a value of \$108 million. Export values this MY 2005/06 (July 2005 through January 2006) are up 4 percent compared to the same time period the previous year. However, the quantity of pears exported is down through January and expected to be down 6 percent for 2005/06. 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, Sweden, and the Russian Federation. 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.

U.S. Trade Balance in Pears



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

The United States continues to be a net exporter of pears. Current estimates indicate the trade surplus value at about \$13 million, down from \$30 million last year. 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.

The Market Access Program (MAP) is an important market development tool used to stimulate demand and fuel pear exports. During MY 2005/06, the USDA/FAS and the Pear Bureau Northwest (PBNW) and The California Pear Advisory Board (CPAB) will share the cost of undertaking promotional activities in Asia, Latin America, the Middle East, and Europe. MAP funding for 2004/05 amounted to \$2.1 million. The PBNW and the CPAB are the promotional arms of the U.S. pear industry working to develop international markets for the U.S. pear grower. In Mexico, our largest export market for pears, the PBNW and the CPAB have used MAP funding to expand promotional periods for U.S. pears, which compete with pears (mostly from Latin America), and to encourage retailers to handle more varieties and to display fully ripened pears. In more challenging and developing markets like Russia, the PBNW and the CPAB have used MAP funds to increase the size of the market in an environment of increasing competition and fast growing food retail.

On April 29, 2005, the Oregon and Washington pear growers voted to amend their marketing order. Growers favored a proposed amendment, jointly submitted by the Winter Pear Control Committee and the Northwest Fresh Bartlett Marketing Committee, to combine the two marketing orders into one. In the referendum, pear producers voted in favor of amending Federal Marketing Order 927 (winter pears) to incorporate the handling of summer/fall pear varieties, currently regulated under Federal Marketing Order 931 (Northwest fresh Bartlett pears), and to extend coverage to pears for processing. For more information see <http://www.ams.usda.gov/fv/monewsweb.htm>.

(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/http/horticulture/pears/html>)