



# WORLD MARKETS AND TRADE

---

June 28, 2007

## Pears

### Summary

Total U.S. pear production for marketing year (MY July-June) 2006/07 is expected to be 1 percent higher than last season at 753,000 metric tons. Exports of fresh pears are expected to be down 12 percent on tighter supply and higher prices. The United States continues to be a net exporter of pears and top destinations include Mexico, Canada, and growth markets like Brazil and Russia. Pear production for select countries during MY 2006/07 is estimated to be 17.1 million tons, up 6 percent from last year's level. China is the world's largest pear producer, but Argentina continues to be the top exporter. Total pear exports for select countries are forecast at 1.5 million tons, unchanged from the previous year.

### U.S. Pear Production Increases Slightly

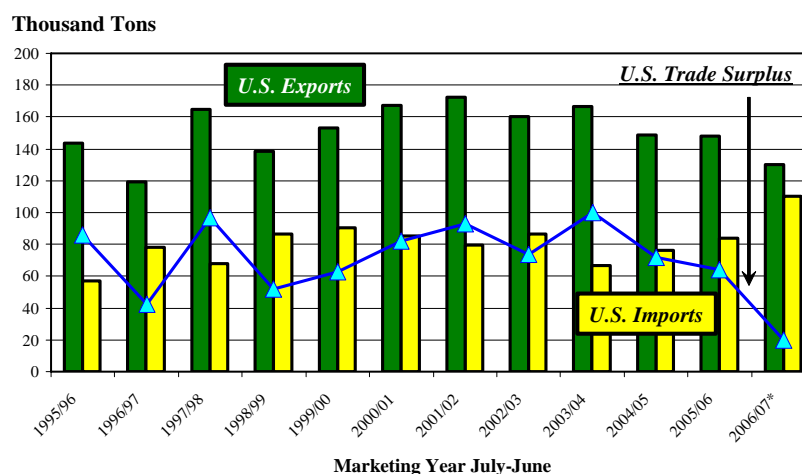
Total U.S. utilized pear production for marketing year (MY July-June) 2006/07 is expected to be 1 percent higher than last season at 753,000 metric tons. About 60 percent of total pear production is utilized as fresh pears, while 40 percent enters the processed market, mostly in the form of canned product. Production increases in California and Oregon are more than offsetting declines in Washington, due to hail damage last summer. According to the National Agricultural Statistics Service, pears utilized only for the fresh market are up just 1 percent to 463,000 tons. The Green Anjou pear, grown mostly in Washington, is the most exported variety and with the low Washington crop, prices rose across the fresh pear price complex. On the processing side, industry is researching ways to add value to their fruit in the form of pear slices. Recently, the Pear Bureau Northwest (PBNW) secured USDA Rural Development funding to assist in this effort.

### U.S. Trade Surplus Is Squeezed

Despite total U.S. pear exports forecast to be down at least 12 percent to 130,000 tons, the United States remains a net exporter of pears. Mexico is the largest market for U.S. pears, recently making up about 45 percent of total U.S. exports. U.S. trade data July 2006 through April 2007 reports exports to Mexico are off nearly 20 percent due to the tighter supplies of Anjou variety pears and higher prices. Pear exports to Canada, our second-largest market, are also off by 9 percent for the same period. Pear production in Canada for the 2006/07 season is forecast to be 12,500 tons, up 17 percent over last year's lower-than-usual levels. The increase slows the demand for imported pears. Declines in these top markets are being partially offset

by increases in growth markets like Brazil and Russia. Access for U.S. perishable goods is being affected by port congestion in St. Petersburg. See GAIN # RS7302. USDA and industry are working together to improve efficiencies.

## U.S. Trade Balance in Pears



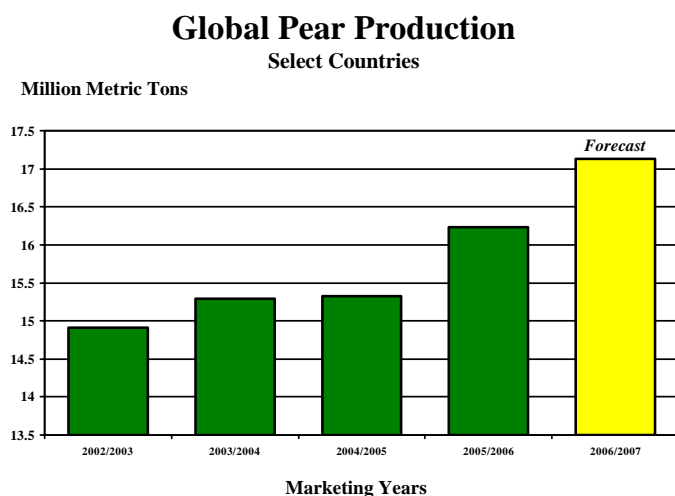
Source: U.S. Department of Commerce, Bureau of the Census  
\* Forecast

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 2006/07, the USDA/FAS, the Pear Bureau Northwest (PBNW), and The California Pear Advisory Board (CPAB) shared the cost of undertaking promotional activities in Asia, Latin America, the Middle East, and Europe.

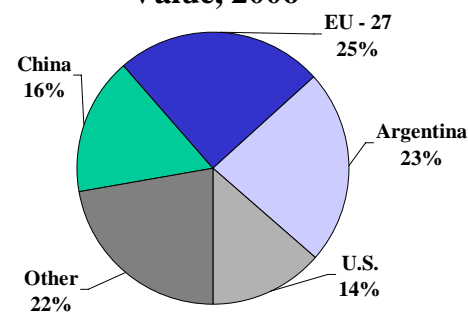
U.S. pear imports for 2006/07 are forecast at 110,000 tons, up 31 percent from the previous year. Imports from Argentina are up 30 percent July 2006 through April 2007 at 43,000 tons, reflecting stronger demand for fruit including pears. The United States also imports pears from Chile, Korea, China, and New Zealand. Imports from China are up sharply this year at 13,500 tons July 2006 through April 2007. In December 2003, a detection of *Alternaria yaliinficiens*, a fungus not known to occur in the United States, led to the suspension of Ya pear imports from China. After lengthy negotiations and scientific study, on February 3, 2006, shipments resumed. The Animal Plant Health Inspection Service (APHIS) continues to monitor imported shipments of Chinese-origin Ya pears to ensure China's compliance with the work plan. Additionally, APHIS amended regulations to allow, under certain circumstances, the importation of fragrant pears from China. The final rule was published in the *Federal Register* and became effective January 23, 2006.

## World Pear Production Continues to Grow; Export Pear Values Set New Highs Reaching \$900 Million

The top producer of pears is China at 12.4 million tons for 2006/07, up 10 percent from the previous year. However, China currently exports only about 3 percent of production. China's pear production is expected to continue to rise with most export market share gains seen in Asian countries and Russia. The opening of the U.S. market is also expected to boost China's exports. In 2006, China exported pears valued at \$148 million. Argentina is the world's top exporter and at a 700,000-ton production level, exports 60 percent of their production, mainly to Brazil, Russia, Italy, and the United States.



## Top Exporting Countries Value, 2006



Source: Global Trade Atlas

Pear exports from Argentina are increasing due to a good 2006/07 crop. During calendar year 2006, Argentina shipped pears to their top four countries (Brazil, Russia, Italy, and the United States) valued at \$337 million. EU-27 market share is mainly driven by four member countries, the Netherlands, Belgium, Italy, and Spain. Italy is expected to have a 2-percent crop increase in 2006/07 with good pear quality and size. Spain reported a smaller crop size for 2006/07, down 10 percent. Total EU-27 pear exports during 2006 were valued at \$225 million. The United States continues to dominate pear trade in Canada and Mexico.

Other countries with a significant presence on the global market include South Africa, Chile, Korea, Turkey, and Australia. South Africa's pear production is up 5 percent, bolstering exports. Pear production in Chile is declining with a reduction in total area planted. This combined with unfavorable weather is pressuring exports. Production in Turkey is expected to be lower due to weather issues. Turkey's exports also continue to be hindered by insufficient standardization of the fruits and shortage of some varieties. Australia struggles with the 5-year drought and production is the lowest in over a decade, causing exports to be off sharply. Irrigation water is becoming less available to growers.

For more information, contact Heather Velthuis at 202-720-9792, [heather.velthuis@usda.gov](mailto:heather.velthuis@usda.gov)