



Markets of China's Organic Fruit and Vegetables

- Current Situation and Prospects

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1. Current situation -1

- ◆ Started in 1997 and 1999, respectively. Vegetable becomes the most prosperous section in China's organic market, while organic fruit is still in its initial development stage.



1. Current situation -2

- ◆ Estimated area for organic vegetables in 2002 - 3300 ha (sales value about 30 million USD).
- ◆ Estimated area for organic fruit (exclusive walnut, almond, etc.) in 2002 - 800 ha (sales value about 6 million USD).



1. Current situation -3

- ◆ Organic vegetables are largely for exports (about 80%), of which, about 4/5 for Japan, the others for North America and Europe etc.



1. Current situation -4

- ◆ Most of the organic fruits are still in their organic in conversion status.
- ◆ It is predicted that the supply of certified organic fruits will have a significant increase within 2 years.





1. Current situation -5

- ◆ 1 The development potential of organic vegetable and fruit production is strong in China and their production bases are developing rapidly these years.



1. Current situation -6

- ◆ Most organic fruit bases are in conversion status and for domestic market, while the international market is actually the aim.



1. Current situation -7

- ◆ The new organic vegetable bases in China are mostly for satisfying the demand of domestic market



1. Current situation -8

- ◆ The development and distribution of organic vegetable is uneven in China. The organic vegetable farms are mostly located in the eastern provinces and Beijing.



1. Current situation -9

- ◆ The best running organic vegetable farms and processing companies are joint ventures. (financial, technical and market issues)



2. Advantages-1



- Chinese government is increasingly encouraging farmers to be engaged in organic production (include vegetables and fruits).
- Local governments are implementing different incentive policies to support organic production.

2. Advantages-2

- ◆ The international demand on China's organic vegetables and fruits is high. EU company interested in purchasing organic in conversion apple from OFDC certified fruit farm recently.



2. Advantages-3

- ◆ As grain shortage is no longer a problem in China, Farmland is available for organic fruit and vegetable bases. The potential for development of international organic fruit and vegetable market is pretty high.



2. Advantages-4

- ◆ Hong Kong has a high demand on safe food especially organic vegetables and fruits. OFDC certified organic vegetables have already been sold in Hong Kong.



2. Advantages-5

- ◆ Along with the economic development and the reform quite a lot of consumers are interested in organic food. The organic vegetables and fruits produced in other countries particularly those could not be produced or could not be well growing in China are pretty welcome if the prices are in reasonable and acceptable level.



3. Obstacles and Countermeasures -1

- ◆ Chinese farmers are very experienced in vegetable and fruit production. While fund, technology and market are the three major obstacles.



3. Obstacles and Countermeasures -2



- ◆ Mutual recognition of certification is urgently needed for supporting the export of organic fruits and vegetables certified by Chinese certifiers.

3. Obstacles and Countermeasures -3

- ◆ International accreditation of Chinese certifiers is significantly important for realizing mutual recognition.



3. Obstacles and Countermeasures -4

- ◆ From November 1, 2003, the “National Regulation on Certification and Accreditation” issued by the Primary Minister of China is gone into effect. Foreign organic certifiers hope to continue their certification operations in China are asked to register.



3. Obstacles and Countermeasures -5

- ◆ The model of “Company + Farmers’ Association + Farmers with the support and help of local government” should be encouraged. the reputation and the organizing ability of the company and the technical support they can get are the key factors.



3. Obstacles and Countermeasures -6



- ◆ Most of the Chinese companies involved in organic vegetables and fruit marketing are not good at international communication. It is very difficult for them to timely and accurately get related information.

3. Obstacles and Countermeasures -7

- ◆ Organic Information networks are extremely needed. Supports from all sides including importing countries would be of great help. Establishing of the linkage between the networks is beneficial to all stakeholders.

