

New Crop Mandarin Orange Market Report:

According to information we gathered of China mandarin oranges new crop recently, a brief report is attached below for your reference.

1) The crop season this year will be about 10 days later than last season. It is because the temperature was too low during blossom and it rained continuously in the young fruit period. So, the production in Zhejiang area is estimated to be started in early November and started in late October in Hunan and Hubei areas.

2) The output of canned mandarin oranges in 09/10 crop was about 280,000 m/tons, additionally there were about 80,000 m/tons left from 08/09 crop, therefore total about 360,000 m/tons were available for sale last season, and from last September till end this August, about 320,000 m/tons were exported and 30,000 m/tons were sold to local market. [At present, expect 11oz size, quantities of other sizes, such as 15oz, 30oz and A10 are nearly sold out.](#)

3) For 2010/2011 crop, the output of raw materials is estimated similar to 09/10 crop in China, but the [demand from domestic market is increasing quickly - it was about 30,000 m/tons in 2010, and it is foreseen to be 50,000 - 60,000 m/tons in 2011; additionally, 4 packers have decided not to produce mandarin items any more, thus the quantity for export will be probably decreased to about 250,000 m/tons this season.](#)

4) Due to the hiking of various costs, packers estimate the producing [cost this year will be raised than last season by :](#)

[US\\$2.50/ctn in 6/#10 and](#)

[US\\$1.00 - 1.20/ctn in 24x11oz.](#)

Reasons for the cost increase:

a) Price of raw materials - In Zhejiang area, higher this season.

b) Wage – 25%-30% higher for workers this season.

c) Sugar price – increased by nearly 20% from last season.

d) Currency exchange rate – 2% change in the last few months versus first half of this year

5) In recent years, due to the vigorous promotion in local market by some famous brand companies, the products of orange sacs drink are accepted by consumers gradually. In 2009 / 2010, the yield was even deficient for market needs. Additionally, the profit is much better than canned mandarin. **This season, many packers set up new facilities to produce orange sacs, and some large mandarin packers even decide to produce no more canned mandarin broken but orange sacs. In the circumstances, the output of canned mandarin broken this season must be much less than before.**

6) In season of 2009/2010 crop, European customers reduced their purchase from China due to high dumping duty, but there are just few mandarin packers in Spain now, the demand couldn't be fulfilled and the supply was quite shortage in Europe, **therefore many orders are placed to China packers by European customers in these 1 - 2 months for shipments within this November and December.**

7) According to past experiences, most China packers will only quote until mid November when supply situation of raw materials is clear and costs are firm. This season, as exchange rate is changeable and hard to predict, a rate term may be requested by packers for long-term orders when quoting.