



# A Fresh Look at Global Fruit Trade

*Richard Owen, Produce Marketing Association*

*9 September 2015*

# About PMA

- Established in 1949
- 2,400 member companies
- 40 countries around the world

## PMA's Mission

*To connect, inform and deliver business solutions that enhance members' prosperity*



# PMA's Members Cover the Global Supply Chain



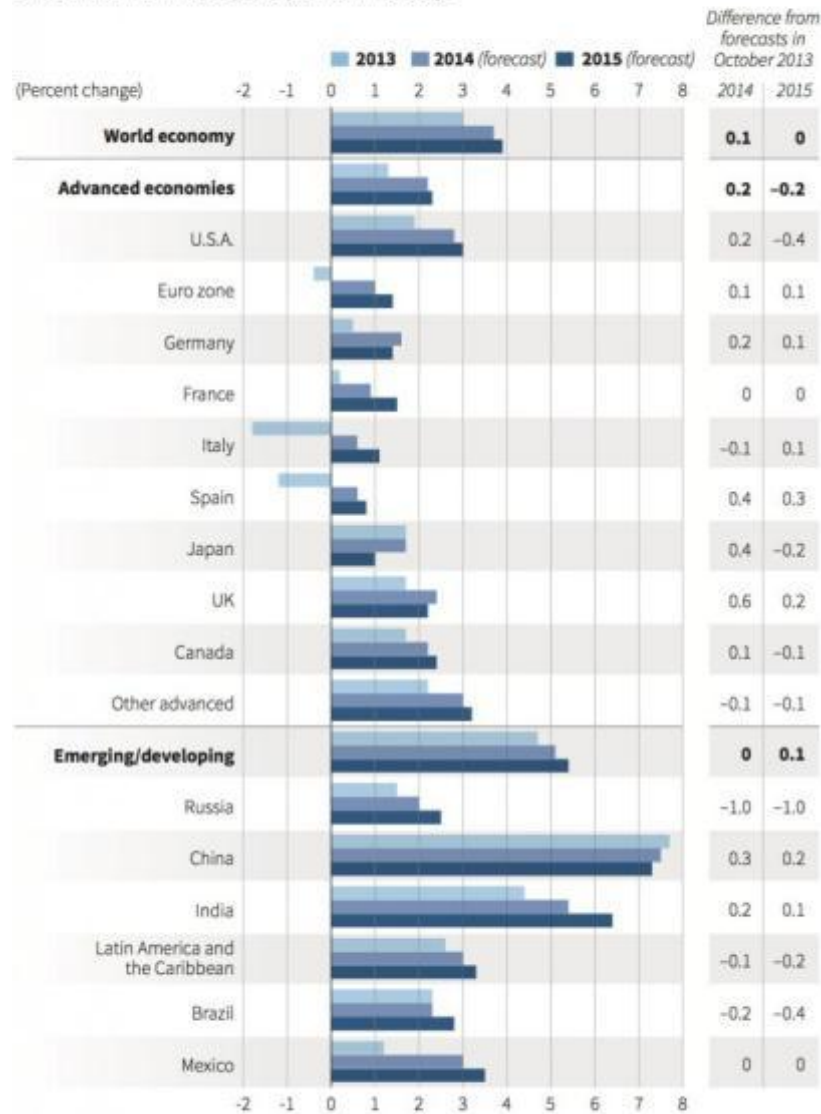
- **Retailers** – Fruitday.com, Walmart, CR Vanguard, Shoprite
- **Importers/Exporters** – Golden Wing Mau, Lantao
- **Grower/Shippers** – Joyvio, Zespri, Dole, Chiquita, Sunkist
- **Distributors/Wholesalers/Foodservice** - Sysco
- **Logistics** – Maersk
- **Packaging/Service Companies** – CHEP
- **Input Suppliers** – Syngenta, Monsanto, DuPont

# PMA Global Portfolio Defines Differentiation



# Global growth forecast

The International Monetary Fund raised its forecast for global growth for the first time in nearly two years on Tuesday.

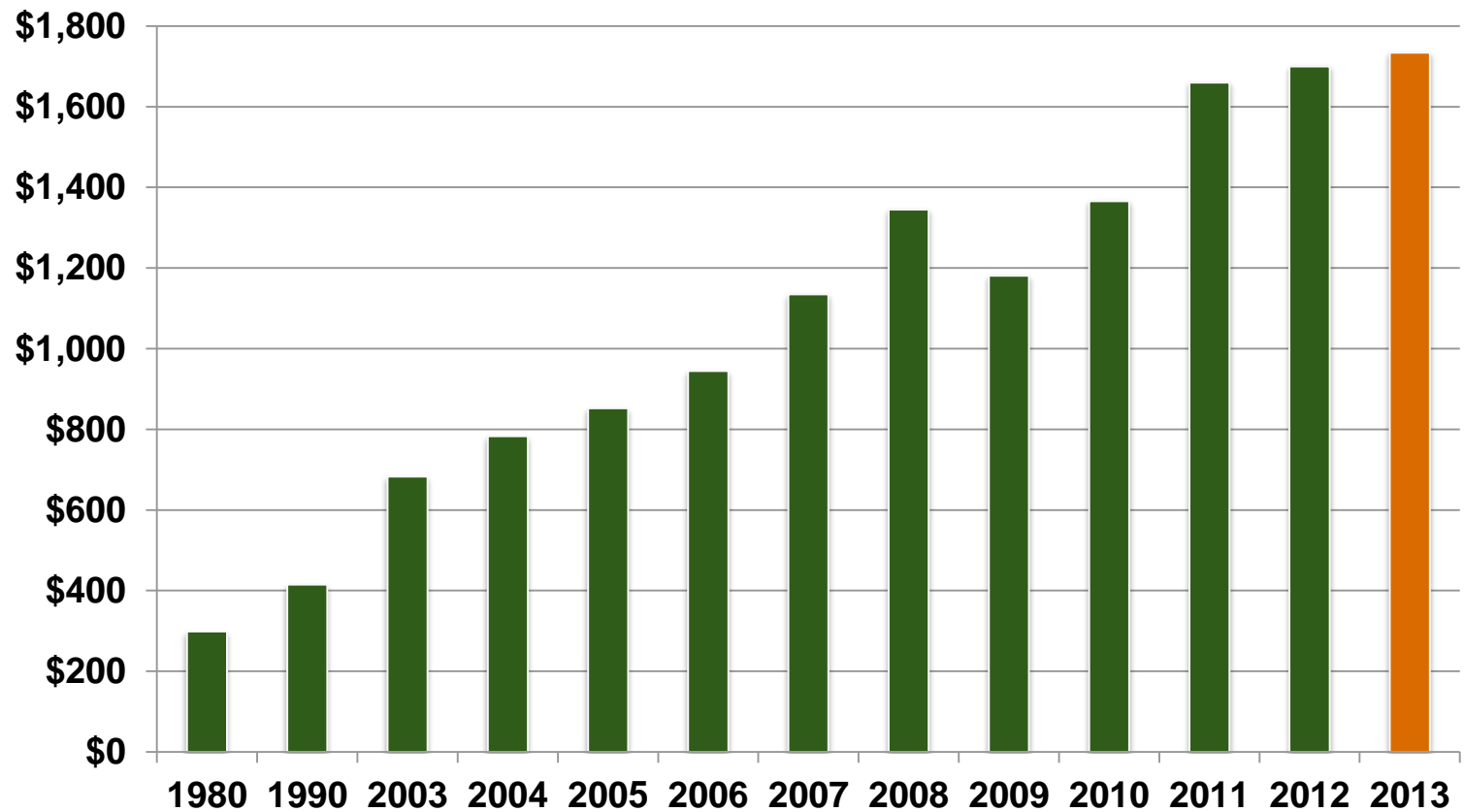


Sources: World Economic Outlook (January 2014); IMF

Staff, 21/01/2014

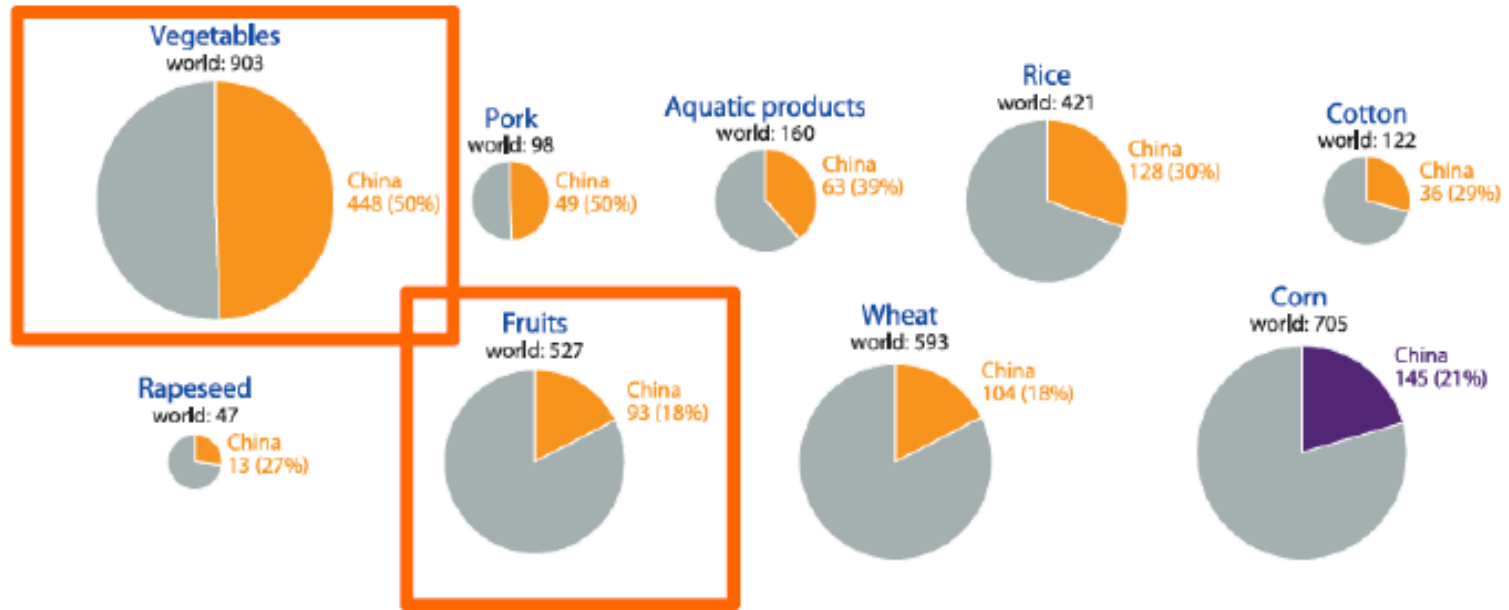
REUTERS

# Total World Trade – Agricultural Products In US \$ Billions



Source: Euromonitor International  
2013 is a projection based on partial year results.

# China's Production of Food & Agriculture Products and World Rank



# Top Vegetable Producing Countries

	<u>Country</u>	<u>Production 2007</u>
1	China	146,902,838 m/t
2	India	29,117,400 m/t
3	Vietnam	6,600,000 m/t
4	Philippines	4,400,000 m/t
5	Nigeria	4,285,000 m/t

**Source:** FAOSTAT data 2007



# Is China the Largest Vegetable Exporter?

**No – it's the Netherlands!**  
**...followed by Mexico, Spain,**  
***then* China and the U.S.**

# Top Fruit Producing Countries

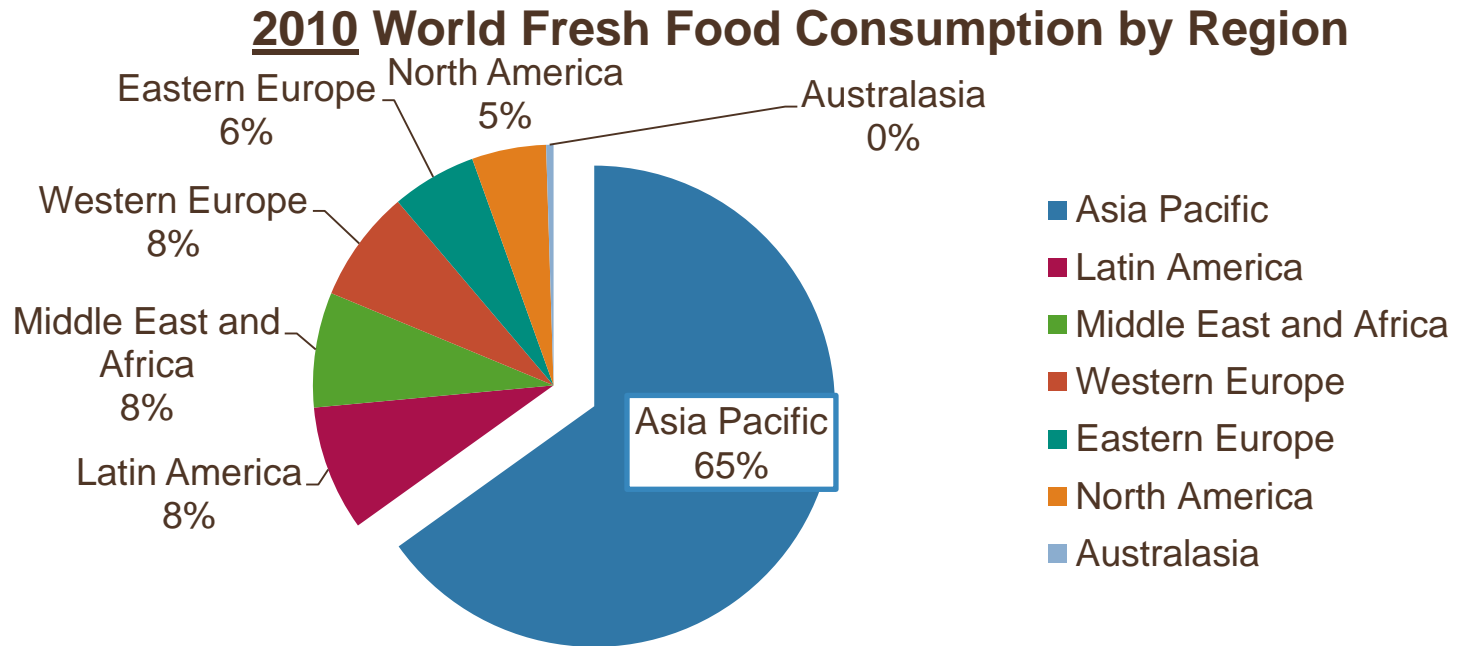
<u>Rank</u>	<u>Crop</u>	<u>Production (tons)</u>
1	China	90,891,740
2	India	51,843,133
3	Brazil	39,449,990
4	USA	28,714,872
5	Italy	19,858,564
6	Mexico	16,551,020
7	Spain	16,319,719

**Source:** FAOSTAT data 2007

# Is China the Largest Fruit Exporter?

**No – it's Spain!  
...followed by Ecuador and the  
U.S.**

# Asia Pacific consumes most of world's fresh food

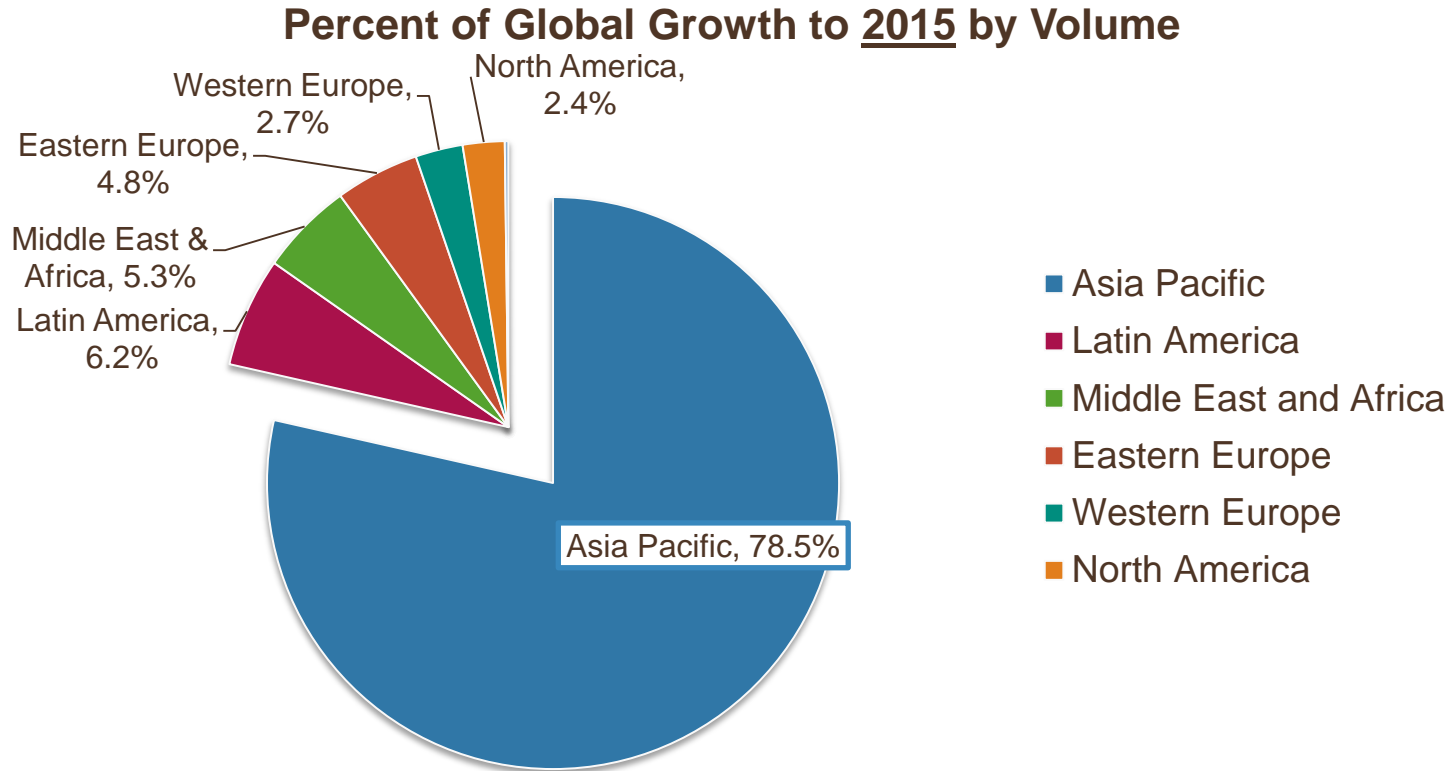


Global consumption of fresh foods reached 1.85 billion tonnes in 2010.

Asia Pacific consumed 65% of the global total and, on a per capita basis, 16% more than those in North America.

Source: Euromonitor

# Asia Pacific the key driver of fresh food growth

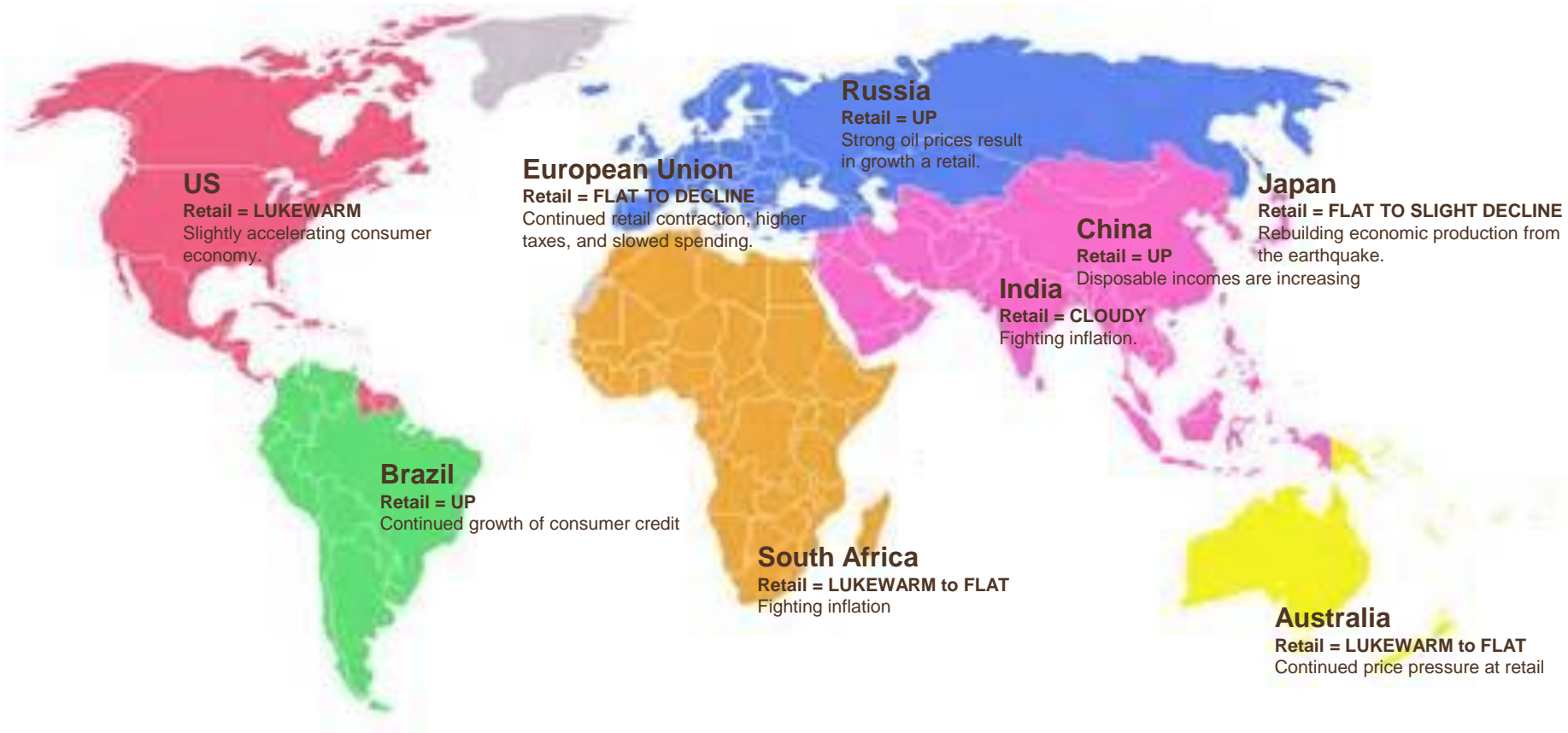


Global consumption of fresh foods is expected to reach 2.2 billion tonnes by 2015 on growth of 17%.

Asia Pacific expected to be 78.5% of the total global increase.

Source: Euromonitor

# Flat Global Retail Economy 2014-2015



# Modern Retailing - Asia

## China

- Hypermarkets sales growth slows due to saturation
  - Food, especially fresh produce and meat, is a traffic driver
- Supermarkets registered a 10% increase in sales in 2013 and account for a 47% share of grocery retail sales.
- Fruit and vegetable share in supermarkets is 35%.
- Convenience stores growth gathers speed



## Asia Pacific (outside of China)

- Strong expansion of Hypermarkets accompanied by urbanization
  - Driven by local retailers, which have become more efficient (ex: China Resources) and focused on second-tier cities
    - *Malaysia*
    - *Thailand*
    - *Indonesia*

# Modern Retailing - Direct Sourcing

## China

- Growing numbers of retailers looking for direct sourcing
  - Addresses consumers' concerns about food safety
  - Reduce costs / potential improvement of quality

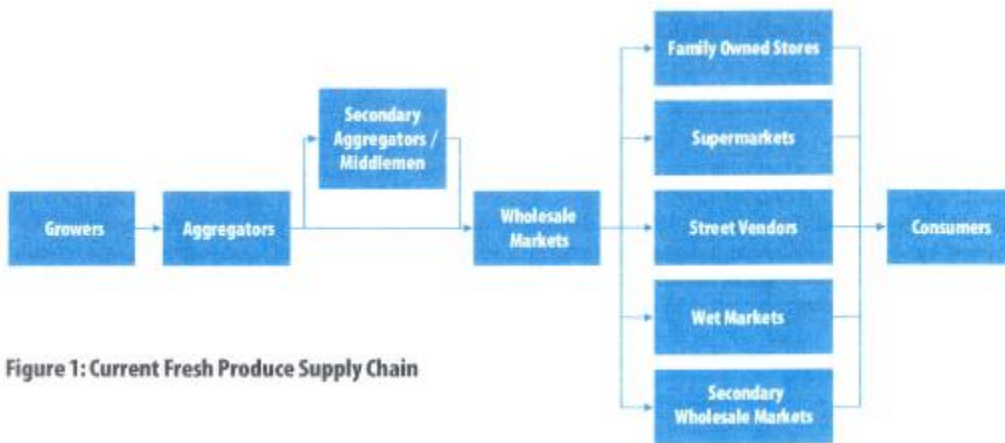


Figure 1: Current Fresh Produce Supply Chain



Figure 2: Emerging Fresh Produce Supply Chain



# ***PMA Fresh Connections: China***

**17 March 2016**

**Westin Bund City Centre  
Shanghai**

# *Thank you*

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