

Canadian cherry company Jealous Fruits says a fantastic season in China has been driven by a marked difference in consumer understanding of good quality fruit, extensive marketing opportunities and attractive prices. 

The British Columbia-based producer has been exporting cherries to China for the last two years, and this season sent around 40% of its total production to the market.

Jealous Fruits general sales manager Julie McLachlan told *www.freshfruitportal.com* a noticeable price disparity had developed in China as importers and consumers learned to distinguish average cherries from premium ones.

"In the Chinese market they're becoming very discerning - as recently as probably four or five years ago they were accepting of pretty much any cherries that you sent to them - they would still move through the market reasonably well," McLachlan said.

"But they're becoming more sophisticated as to quality, color, firmness and sugar.

"So there tends to be a good price spread. There's the good quality fruit, which they're certainly willing to pay a premium for, but if the quality is substandard then they'll definitely notice a big difference and the prices will certainly reflect that."

With the Canadian cherry season in its final few weeks, McLachlan said this year's campaign in China went very well and described the recently opened market as an 'exciting opportunity'.

"It's a huge market for us and there's unlimited opportunities there - whether it be in the wholesale market or direct to the retail market, or another market that's a huge growing segment now is online retail," she said.

The general sales manager added that this specific time of the year was a 'fairly desirable marketing window' for Canadian cherry companies in China due to limited U.S. competition.

"Now for a lot of our fruit that's arriving into China this week and for the next 10 days there's only Canadian fruit arriving, so there will be no competing Washington fruit," she said.

"Also the market's strong because of the Mid-Autumn Festival which is one of their national holidays, on September 8, so the pace this week is fairly frenetic with sales moving up to the festival.

"Once this festival ends, and from mid-September onwards, then there will definitely be a very limited amount of cherries in the market."

'We could have sold every single cherry'

A trial protocol has been in place for Canadian cherry shipments to China over the last two years, with relatively stringent requirements in place including Chinese authorities sampling 2% of fruit from each individual farm block on arrival.

McLachlan did say, however, the situation was improving and she anticipated to have full, unrestricted access to the Asian country's market in the near future.

Although Jealous Fruits has recently undergone a 'fairly aggressive' planting program, which will lead to a doubling of its annual production from the current 2,000 metric tons (MT) by 2016, McLachlan said the volume sent to China would not increase dramatically from this season's 40%.

"I would expect that there would be a slow increase over the years but I can't imagine that we'd ever get to the point where we're more than 45%, or 50% at the most," she said.

"In honesty, this season we could have sold every single cherry we had to China, the demand is so strong, but we've got customers that have supported our program for 20 years all over the world, and so we're certainly cognizant of that fact, and also we don't want to be totally reliant on one market either."

U.S. retailers willing to pay more in the early season

After China, Jealous Fruits' second biggest market is South East Asia, with countries including Thailand, Malaysia, Singapore, Vietnam, and also Taiwan, collectively receiving around 15% of production.

The U.S. is another important market for the company, as large retailers often pay a higher price for Canadian cherries at the beginning of the season, despite competition from Washington State.

"This year is probably not a great gauge, because what happened is Washington finished up by early August, which was very early for them, so it left pretty much the month of August solely for Canadian cherries," McLachlan said.

"But historically what I have seen from the U.S. retail accounts we have is they are willing

to pay more early on, even when there is U.S. fruit available, in order to get the back end fruit which is very coveted because not everybody can have fruit into the end of August and the beginning of September.

"So they're willing to balance the pricing early on in order to get the fruit at the tail end of the season."

Jealous Fruits' cherry season starts with the Lapin variety, followed by its 'flagship' Sweetheart. After that comes Staccato, Regina and Kordia, and ending with the two late cultivars - Sovereign and Sentennial - which receive a premium price in the market.

All varieties are exported abroad, although McLachlan said Regina and Kordia were 'really prized off-shore' and highly sought-after in China.

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