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China's changing banana supply

China has increased banana imports from South-East Asia as traditional sources encounter troubles



Vietnam and Cambodia are among the banana suppliers growing their market share in China, capitalising on a turbulent 2020.

According to analysis of China customs data from Fresh Intelligence Consulting, in the first seven months of 2020 China imported 1.09m tonnes of bananas, an 8 per cent decrease from the same period in 2019.

Imports from China's largest supplier, the Philippines, is the most notable change throughout this period. It has exported 498,000 tonnes, a 23 per cent year-on-year decline.

Cambodia has been one of the suppliers taking advantage of the gap in the market, exporting 100,000 tonnes to China, increasing its market share from 0.5 per cent in 2019 to 10 per cent in 2020.

Eric Zheng, general purchasing manager of leading Chinese banana importer Goodfarmer, said Ecuador's banana exports to China have also reduced.

"The drop from the Philippines and Ecuador is due to various factors: the pandemic, TR4 and the estimated decrease in production from Ecuador," explained Zheng.

"For Vietnam and Cambodia, the growth is thanks to an increase in production area. Most of the extra supply came to China for lack of other options."

Zheng said the pandemic has had a number of different effects, including lowering prices, but they haven't been particularly significant.

The cautious approach taken by importers at the start of the pandemic drove the shift in sourcing. Meanwhile, an increase in Covid-19 cases outside of China caused labour shortages and "a considerable drop in volume and quality".

"Due to the impact on demand from Europe and Russia, Ecuadorian banana prices from May to August were 30 per cent lower compared to previous years," said Zheng.

"Additionally, from May onwards, China's demand for fruit decreased about 30-50 per cent compared to the same period last year, which dragged down banana prices."

Read more about Asia's banana markets in the upcoming October edition of Asiafruit.