Booming specialty fruit juice industry in China

By Xu Hongping

The annual production of fruit in China is as high as 90 million ton and takes up 15% of the global fruit yield. The production and export of fruit juice in China, either of which accounts for 60% of the global volumes, top the other countries. The annual export of fruit juice exceeds $1 billion and the export of pear and pear juice takes a lead in the international market as half of the pear harvest in world came from China. Specialty fruit juice, as an emerging section in China’s concentrated fruit juice industry, is beginning to thrive. China has the largest planting area for apple and kiwifruit, while the biggest kiwifruit growing area in Shaanxi, which contributs 50% of total output in China. These factors laid a solid foundation for developing the specialty fruit juice in Shaanxi.

Extending the specialty fruit juice market based on the high and new technologies and the opportunities provided to us

Benefited from its geographical advantage and climate, Shaanxi owns the largest kiwifruit planting base in Asia in both yield and covering area. SkyPeople Fruit Juice Inc, due to its close connection with the base, founded a biggest kiwifruit processing factory in Asia. With an annual turnout of 400,000 ton from the base, SkyPeople is in favorable position to facilitate its specialty fruit juice operation with sufficient raw materials, which enabled the company to become the world biggest concentrated kiwifruit juice manufacturer, and the biggest kiwifruit processing corporation in China. It is also the only domestic enterprise able to manufacture specialty fruit juice in large scale, and is acclaimed as a front runner in the industry in China.

SkyPeople has mastered the advanced technologies in processing kiwifruit puree and concentrated kiwifruit juice. The technologies including cold pressing and low-temperature reverse osmosis concentration are applied to the quality fresh kiwifruits supplied from the base. The cold pressing method is able to preserve as much the fruit’s color, flavor and nutritional ingredients as possible. The cold pressing is considered the most advanced fruit juice extracting technique capable of retaining the original fruit ingredients to its best. Other highlights include peel removing equipment and seeds separating technique that boost the capacity and improve the quality. “SkyPeople excellent performance in quality specialty fruit juice industry and high-end fruit juice beverage industry has made an impressive example for other food enterprises in the field”, Zhao wutai, the chief of Shaanxi food association, was quoted as saying.

In the live interview held in planting base, Mr. Zhao could not help but commenting how swift SkyPeople knocked into international market with the advantage of specialty fruit juice such as kiwifruit and mulberry, while at the same time swept into the emerging Chinese market with its end-user fruit juice products. Application of
high-tech ensures company’s profit and image-building. The accurate estimate for market demand resulted in big and corresponding scale in production and sales. Mr. Zhao also highly appraised that by setting up a purchase center in the fruit growing area, the company facilitated the local farmers to deliver fruit to its purchasing agents, who then are able to transport them to the factory within the fastest possible time course. In addition to that, the company assisted local farmers in improving kiwifruit growing and quality, which, in the long run, would generate positive effects on the fruit juice related industries in local area. At last, Mr. Zhao concluded: as a company who is adherent to its principles and aware of its accountability to the society, SkyPeople not only set a model for the others, but take initiatives in the industry.

Based on market strategy and technology, cultivate health drinks loyalty

Statistics show that annual per capita consumption of fruit juice in America is 45 liters, 46 liters in Germany, 16 to 19 liters in Japan and Singapore, and 7 liters, globally. The annual per capita consumption of fruit juice in China is less than one liter, posing a big gap from other countries. As the consumers become more aware of high quality items and affordable to them, there is a steady growth in fruit juice consumption year over year. Fruit juice has become one of the necessities in daily life. With more attention attached to being healthy, fruit juice featuring vitamins supplement will draw a great deal of interest from the public.

Interviews with customers revealed young people value the benefits that fruit juice can bring to their bodies. SkyPeople’s branded fruit juice Qianmeiduo, which is rich in dietary fibers and designed for keeping fit, attracted young customers in places where they are sold. With the improvement of living standards and change in the consumption attitude, as while as the history of how fruit juice beverage encountered in the global market, the purely nature fruit juice will eventually dominate the market. As Hedatang series fruit juice promptly owned its own market share, SkyPeople has well established itself in the field.

High quality fruit juice contains a variety of minerals and other nature nutritional ingredients, while little to no synthetic food additives, which requires companies not only stick to their moral standard and accountability, but own professional R&D team. During our interview with CIQ, the staff told us that SkyPeople possesses a number of patents and advanced technologies. The company is able to combine technologies of membrane filtration, resin absorption, and low-temperature reverse osmosis membrane concentration with self-developed new squeezing techniques such as complete enzymolysis and multiple enzymolysis and digestion. The development and utilization of these techniques guaranteed the quality and cost and production control.

Emerging form the competition among famous juice beverage producer and leading the market trend

The development of one industry is a comprehensive reflection of all brands presence rather than simple composition. Internationally, 70-80% quotes of most lasting mature
markets are occupied by two or three advantages brands. However, China’s top ten brands only accounts for less than 20% market in the industry of fruit beverage.

As far as China’s market is concerned, Huiyuan has been using “mega brand” strategy to market its core products, pure juice beverage which proved effective in the beginning of forming of juice beverage market and Huiyuan could focus to expand its market coverage. However, the age of “I will have it as long as it’s juice to keep me healthy” has elapsed when “xianchengduo” of Tongyi brings in the concept of “more juice, more beautiful”, and the big-head imitated role of “cooler” acquires lots of customers. Things have changed to juice beverage market and segmentation began. Customers featured with female white collar prefer the dietary fiber of “qianmeiduo” products, while children prefer the cartoon big-head of “cooler” products, and household customers prefer multiple tastes of “hedetang” pure juice. After detailed market segmentation, Skypeople Fruit Juice Group made this strategical decision to let its specialty juice beverages featured with “hedetang” and “qianmeiduo” enter into the end market of juice beverage.

As Huiyuan’s “cooler” and Coca-cola’s “guolicheng” are doing well in domestic juice beverage market, Skypeople mainly focuses on producing first level high concentrated, nutrient and natural specialty fruit juice, branded “Hedetang” and “Qianmeiduo” and characterized with plenty of nutrition, unique taste, modern exterior design. Thanks to meeting customers’ pursuit of health and fashion, our products are highly admitted by customers in big cities such as Beijing, Guangzhou, Shanghai, Wuhan, Shenyang, Tianjin, Xi’an and so on. Our advanced concept also has earned approval both from domestic and overseas markets. The increasing sales volume makes Skypeople a winner in emerging fruit beverage market. Skypeople is expected to lead Shaanxi’s juice industry to develop fast in the next run of brands-shuffling competition.