

BUSINESSFOCUS

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In mid-February, days after Spring Festival, workers were busy at a canned fruit factory in Difang town, Pingyi county, Shandong province, keeping production lines humming to meet a rise in demand.

Companies in this important center for the canned fruit industry typically sell some 60,000 metric tons of product during December. But in the same month in 2022, they sold 160,000 tons, cleaning out a good portion of their stock, according to town officials.

The companies' production for the first quarter subsequently has been sold out as their canned fruit began flying off the shelves. The fruit, especially canned yellow peaches, is said to strengthen the body against disease as well as be delicious.

As the fruit becomes more popular, Difang, which produces a third of the canned fruit sold in China, has also garnered more attention.

A visitor driving through town on a main road sees all kinds of related businesses, including factories making glass and metal containers and shipping providers.

The business is the source of a great deal of civic pride. Residents boast that if you go to any supermarket that sells canned fruit, there will be products made in their town.

"With more than three decades of development, we have formed a complete industry chain for canned fruit and vegetables, covering cultivation, canning and dealing with waste from the process," said Qi Bing, who supervises the town's governmental affairs.

That includes companies making containers and packages, those providing information consultation and logistics services, as well as e-commerce players, said Qi, who added that almost every household has at least one person working in the canned food industry.

The town has 115 companies producing canned foods and providing support services, and three of the canneries are among the top 10 in China.

Difang's companies produced 720,000 tons of canned foods last year, mainly yellow peaches, pears, hawthorns, tangerines, grapes, pineapples and fish, officials said.

The town's canned foods have been exported to more than 40 countries and regions, including the United States, Russia, Japan, South Korea and Germany.

Quality wins markets

Difang, nestled in a range of mountains, is built on soil more suitable for growing fruit instead of grain, Qi said.

Canning technology has meant a big increase in income for farmers. Only four decades ago, a lack of speedy transportation options meant their fruit would often go bad before it reached markets.

Things changed when Liu Guangwen, a farmer, learned about canning technology and, in 1984, founded the town's first cannery.

"Many farmers followed suit because they already had enough fruit for canning and it was easy to learn the techniques," Qi said.

In five years, the number of canneries in the town mushroomed to over 100. The number continued to grow, surpassing 400 in the 1990s.

The town government started to more closely manage the sector in 2004 and closed those that had not maintained adequate sanitary conditions in their workshops or those using additives that were not allowed.

"Quality is the life of the canned food industry. We value it," Qi said.

Now the town has 68 canneries. "There are fewer producers, but the quality level has earned us a greater market share," Qi said.

To ensure quality, the companies now use automated machines for most of the process, including sorting, cutting, peeling, steaming, sterilization and sealing the fruit. Coring and trimming are still done manually.

Wang Zhimeng, assistant general



Canned food quality captures market share

Shandong town finds formula for fruitful sales expansion at home and abroad



Above: Workers process sliced peaches on a production line of Qiwei Canned Foodstuff Co Ltd in Difang town, Pingyi county, Shandong province.

Left: Visitors check out canned fruit during a food expo in Moscow, Russia, in February.

PHOTOS PROVIDED TO CHINA DAILY

manager of Qiwei Canned Foodstuff Co Ltd, said the company uses pasteurization and vacuum cooking to maintain canned fruit in good condition for two to three years without using preservatives.

The quality of the town's products has also earned producers a greater share of the global market.

Qiwei sold more than 11,000 tons of canned foods, mainly canned fruit, to European countries and the US last year, a year-on-year increase of 20 percent, town officials said.

The company sold 2,000 tons last year in Russia, a new market the company has been exploring in recent years, representing an annual increase of 50 percent. Wang predicted Qiwei will have a 30 percent annual increase in Russia this year.

Wang just returned from the 30th International Exhibition for Food, Beverages and Food Raw Materials in Moscow held Feb 6-10. "Many people showed an interest in our products at the exhibition," he said. "Our quality has sharpened our competitiveness."

The canneries are also working with local farmers to ensure the fruit is of high quality and has a better taste.

"Our agricultural technicians will go to the fields to work with farmers on best practices for managing fruit trees, like when and how to trim branches," Wang said. "The use of pesticides is also regulated," he added.

The town now has over 4,466 hectares of land for fruit growing to supply the canneries, according to town government officials.

"The abundance of quality fresh fruit in the town guarantees the quality of our canned foods," Wang said.

720,000 metric tons

total volume of canned foods produced in Difang town, Pingyi county, Shandong province, last year

Innovations in the can

To meet consumer demand for healthier and more varied diets, canneries have continued to upgrade their products and offer greater variety.

"Before, canned fruit that had sugar added was considered good, but now those that offer good flavor in their original form without additives are the good products," Wang said.

The town's farmers have been improving the varieties of fruit they grow, aiming for those that are naturally sweeter.

Companies are also using techniques that shorten processing times. Most companies need only five or six hours from the time fruit is picked until it is canned.

Companies are working with universities and other institutions to develop new products that are more nutritious.

Yuquan Food Co Ltd, in cooperation with the Chinese Academy of Agricultural Sciences, has a research and development staff of 80 people focusing on developing new products. The company has developed more than 100 new kinds of canned products.

Waste becomes useful

Facilities have been built in the town to deal with waste from producing canned foods, such as fruit cores and peels, changing the waste into new products whenever possible.

"The peels and cores are rich in pectin and fructose, providing us with good materials to produce pectin, fructose and protease products," said Zhang Qingdong, general manager of Jiayun Biotech Co Ltd. Pectin is a starch used in jams and jellies, and fructose is used as a sweetener. Proteases are enzymes that break down proteins, which can aid in digestion.

Zhang said one ton of bromelain can be made from 70 tons of pineapple peels. Bromelain is an enzyme that can help fight pain and swelling and has other benefits. Zhang said the company could then extract four tons of fructose from the liquid created from producing bromelain.

The facilities can deal with 100,000 tons of fruit waste a year, solving a problem the town's canneries had with organic waste.

Close ties with factories benefit farmers

By **ZHAO RUIXUE**
in Pingyi, Shandong province

"This variety of yellow peach has a good look and tastes juicy," said Lian Shidong, a farmer in the village of Xinzhuang, as he trimmed the branches of a peach tree. "This variety produces more fruit than other varieties do."

Lian has been cultivating fruit trees for three decades. He is now an expert in cultivating new varieties of fruit and tending trees to maximize the harvest.

Farmers in this area of Difang town, Pingyi county in Shandong province, have found an agreeable environment and fertile soil to grow fruit, making possible a robust canned fruit industry. The town's 68 canneries produce one-third of the canned fruit sold in China.

"This mountainous area has no air pollution, and there is abundant sunlight here," Lian said.

"The big temperature gap between day and night ensures a high sugar content in the fruit," he said.

The soil in the town is good for growing fruit because of its high sand content, Lian said.

"Almost every household in our town plants fruit trees. Farmers can now earn 10,000 yuan (\$1,440) from each *mu* (0.067 hectares) by growing fruit," he said.

The town now has over 4,466 hectares of land for fruit cultivation, mainly peaches, pears, hawthorns and grapes, town officials said.

"We are not worried about the markets because most of us have signed agreements with canned fruit producers, who will buy our fruit at a price no lower than the market level," Lian said.

"But a strict requirement for us is that our fruit has to be safe, which means having no pesticide residues that are harmful," he said.

To assist farmers, Lian has set up a WeChat group that now has more than 300 members.

"These people are the elites of fruit cultivation. I show them how to tend the trees and they will teach other people," he said. "If we tend the trees properly, there is no need

to use any of the pesticides that are not allowed."

Attracted by the improved rural environment and the promising canned fruit industry, many young people have returned to the town to develop careers, with some selling both fresh and canned fruit via e-commerce and some offering rural tourism including visits to orchards where people can pick their own fruit and enjoy beautiful mountain scenery.

Wu Zheng is one of the young people who returned to his hometown to run the canned fruit business for Qiwei Canned Foodstuff Co Ltd after quitting his job at a bank in Shanghai in 2013.

The 34-year-old has expanded the markets for the company by selling online.

Wu, now general manager of Qiwei, has been training local farmers to use e-commerce to sell their produce and canned products.

"By expanding their marketing options, farmers in our town and nearby towns have earned more income. Some earn 20,000 to 30,000 yuan more every year," Wu said.



Peach growers in Difang town, Pingyi county, Shandong province, sell their produce to canned food producers. PROVIDED TO CHINA DAILY