

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Post: Shenyang ATO

California Wine Producer to Establish Shenyang Sales Office

Report Categories:

Wine

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Report Highlights:

Victor Vineyards will be the first U.S. premium food company to set up a branch office in Northeast China.

California Wine Producer to Establish Shenyang Sales Office: “The market indicators are all there,” said Ben Chen, China Director of Victor Vineyards, a wine producer based in Lodi, California, during a visit to the Shenyang ATO on April 28, 2017. Victor Vineyards will specialize in exporting California red table wines to Northeast China. According to Director Chen, “Although Shenyang consumers are price conscious; we believe we can offer the best wine for the value. We want to promote the California lifestyle.” The company expects to have their lease signed in May and to begin operations by the end of this year. They have already shipped 8 containers of California wine to China in 2016. They chose Shenyang because of the sustained demand over the past two years which appears to be strengthening. ATO Shenyang would also note a slight uptick in Liaoning’s GDP (Shenyang’s home province) in the past year of 1.6 percent in 2016 as compared to a small decline in productivity in 2015. Through ATO Shenyang support, Victor Vineyards will also be servicing the Shenyang American Chamber of Commerce Summer Barbecue on May 26, 2017.

In 2013 Agricultural Marketing Specialist Rex Zhang visited Victor Vineyards while leading a reverse trade mission to California wine producers. As a result, one of the delegation’s companies placed an order to import their wine. In order to explore the market further, Victor Vineyards visited Shenyang and met with ATO staff in 2014. In March of 2017, ATO Shenyang renewed its support of Victor Vineyards at the *Tangjiuhui*, China’s largest wine, beer and liquor trade show, in Chengdu, Sichuan Province. We shared with Ben Chen (and other U.S. exporters) our optimism regarding China’s demand for wine. While the Chinese Government had banned the use of wine and liquor at official banquets in 2014, private sector advertising and distribution has grown significantly and has come to dominate Chinese evening telecasts. Northeast China’s demand for red wine is also growing due to growing acceptance of red wine as a prestige beverage.

U.S. exports of all varieties of wine to China jumped significantly from \$52.3 million in 2015 to \$75.7 million in 2016. China is primarily a consumer of red wine as its rich, fruity taste is appealing to men and women, especially young professionals, and provides a refreshing contrast to traditional Chinese food. Wine is also increasing in popularity as a low-alcohol but premium alternative to traditional Chinese liquor.