

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary Public

Date: 4/1/2011

GAIN Report Number:

China - Peoples Republic of

Post: Beijing ATO

FMI Trade Delegation Nets 17 Million In Sales

Report Categories:

CSSF Activity Evaluation

Export Accomplishments - Events

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Report Highlights:

ATO/Beijing led a mission of Chinese buyers to the FMI trade show in Las Vegas in May 2010. Long term followup has found that resulting sales over the past 9 months amounted to over \$17 million. Products range from alfalfa to fresh fruit to candy.

General Information:

In May 2010, ATO/Beijing led a record delegation of 35 Chinese buyers to participate in the Food Marketing Institute show in Las Vegas, Nevada. The delegation was mixed between experienced buyers from Beijing and new buyers from emerging city markets such as Qingdao, Zhengzhou, Dalian, Harbin and the provinces of Xinjiang and Inner Mongolia. One ATO staff person accompanied the group, providing translation and general support for the group.

ATO's initial estimate of sales generated from this show was \$15 million for one year. At eight months, confirmed actual sales have exceeded \$17 million. Companies and the products they purchased are listed in the table below.

| Delegation Participants and Purchases | | |
|---|--|----------------------------|
| Company | Products | Sales value |
| China Commerce Group for International Economic cooperation | Alfalfa Pistachios | \$3 million \$1 million |
| Beijing Just Business & Trading Co | Sunkist soft drinks | \$0.2 million |
| Beijing Sheng Yan Yi Mei Trading Co. | Mixed: potato chips, beverages, flavorings, pop corn | \$1.5 million |
| Beijing Uniworld International Trading Co. | Beverages, candy, frozen foods (incl. frozen pizzas) | \$1 million |
| Qingdao Xiang Ji Trading Co. | Citrus fruit (over 18 containers) | \$1 million |
| Golden Orchard Farmer (Beijing) Food Co. Ltd | Nuts and dried fruit: <ul style="list-style-type: none"> • pistachios: 400 MT • almonds: 350 MT • hazelnuts: 200 MT • blueberries: 5 containers • cherries: 1 container | \$8.3 million |
| Beijing Zheng Feng Guang Yuan Trading Co. | Packaged snack foods, beverages and flavorings | \$0.5 million |
| Beijing Run Gu Food Co. Ltd | Packaged snack foods, beverages and flavorings | \$1 million |
| Total | | \$17.5 million |

Of particular note are the sales of alfalfa, which were a direct result of the expanded program set up by ATO; and sales of fruit into the emerging market city of Qingdao. ATO specifically targeted emerging cities on this mission, recruiting traders from Qingdao, Inner Mongolia and Henan. Fruit sales into the port of Qingdao are particularly important to ATO, as sales into that port city continue to hover at the border of being sufficient to warrant direct shipment. Traders from Inner Mongolia and Henan did not make direct purchases as a result of the show, but did identify products of interest that they are sourcing from existing distributors based in Beijing.

Their purchases are not included in these estimates.

Note that these sales estimates are very conservative, as some of the participating companies were either unable or unwilling to provide detailed statistics. Total cost of ATO support for this mission was \$4,500, funded through CSSF.

Background

With support from cooperators and industry partners, ATO was able to put together a strong program for this delegation, which contributed substantially to its success. Prior to participating in the FMI show, the ATO Beijing Team visited San Francisco to attend tabletop events organized by the California Department of Food & Agriculture with ten local exporters selling products ranging from snack food to breakfast cereal, seasonings and wine. Most buyers found the products of interest in the table top and set up direct contacts with participating exhibitors. In addition, both sides had the chance to discuss the Chinese market and make plans to explore the market jointly. The team also visited the Wente Winery near San Francisco where they had the opportunity to experience California Wine with some participants purchasing wine on-site as a result of the visit.

The U. S. Pavilion organized by NASDA at FMI attracted buyers from across China and Asia. While post was disappointed to see the size and scope of the show greatly diminished compared with past FMI shows, trade-related activity was intense. Chinese importers talked directly to exhibitors, exchanged ideas about labeling, shelf life, shipping and import documentation. Thanks to the hard work of NASDA, key Chinese buyers were able to participate in one-on-one meetings prior to the show that are expected to generate and support millions of dollars in trade. Buyers also met with the California Walnut Growers and frozen food exporters in Las Vegas who were participating in other activities. After the FMI show, the walnut growers escorted nut importers in the team to their farms in Tulare California.

The mission visited Los Angeles after FMI and met with representatives from Sunkist and United Grocery as well alfalfa exporters and food brokers. Although most of the buyers were not fruit importers, many showed interest in learning how U.S. farmers and agricultural companies grow high quality agricultural products. Participants also visited United Grocery warehouses in Los Angeles and were impressed by their advanced management systems. The company is looking for new opportunities in different regions of China and several potential buyers were able to begin serious discussions.

Future Plans:

With key markets in Beijing moving upscale and funding only sufficient to accompany delegations to two trade shows, ATO has targeted the Fancy Food Show in Washington, D.C., and the Boston Seafood Show, and will drop coverage of the FMI show. Initial results from the Boston Seafood Show have been excellent, with Chinese buyers identifying both a number of new products as well as potential long-term lines of business.

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