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Global Agricultural Information Network

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Monthly Agricultural Market News of South China – 8

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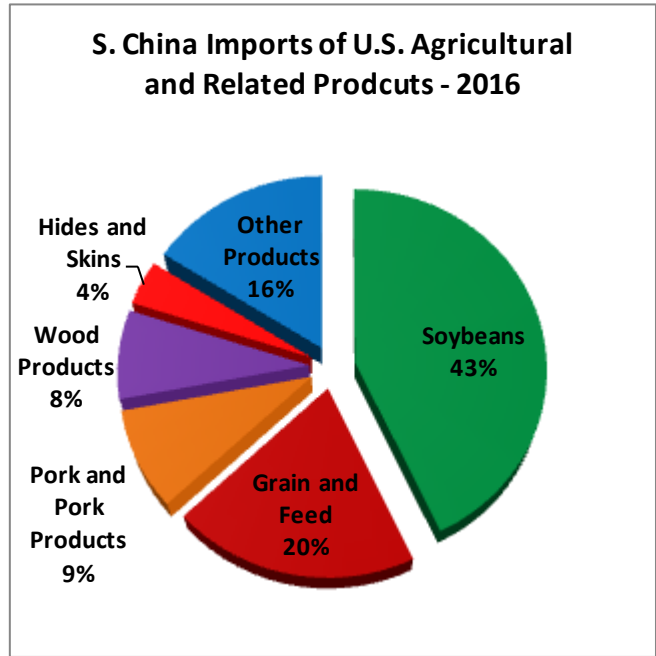
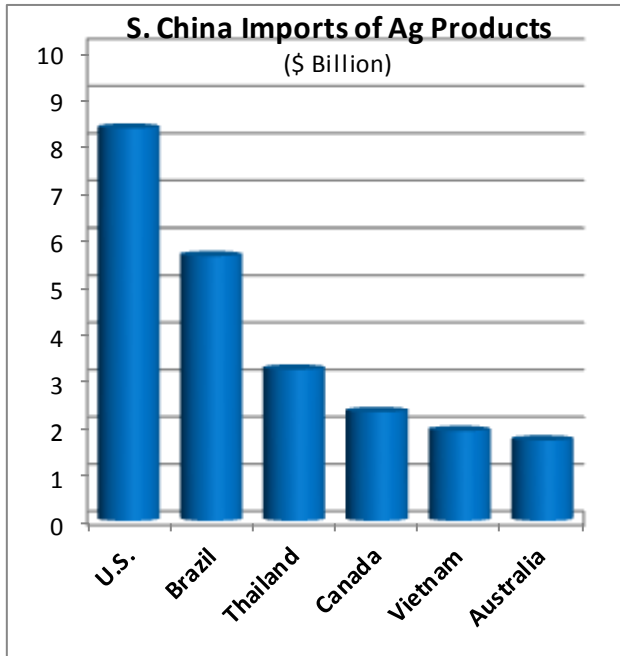
ATO Guangzhou Staff

Report Highlights:

The United States is the largest supplier of agricultural product imports to South China.... Upcoming opportunities for U.S. exporters to meet with South China livestock companies as well as retail food importers...ATO Guangzhou organizes a wood industry event, leads an e-commerce buyers mission to the United States, as well as carries out a number of other promotional activities.

General Information:

The United States is the Largest Supplier of Agricultural Product Imports to South China



Data Source: China Customs Data

In 2016, the United States maintained its position as the largest supplier of agricultural and agricultural-related products to South China, with imports of these products at \$8.3 billion, nearly the same as the previous year. Brazil was the second largest supplier at \$5.6 billion. In 2017, imports from the United States have gotten off to a strong start, and in the first two months are up 27 percent compared to the same time last year.

South China import demand from the United States is largely driven by the livestock and poultry production sectors, with soybeans and sorghum the two largest agricultural imports. South China also has a very large tanning industry for leather production, and a huge furniture producing sector, resulting in substantial imports of U.S. hides, and wood, respectively. Imports of consumer-ready products such as pork and fresh fruit also had robust growth in 2016, and this trend is continuing into 2017. If South China were a country, it would be the 5th largest market in the world for U.S. agriculture.

Note: Southern China includes Guangdong, Fujian, Guangxi, Hainan, and Hunan province

Upcoming Events

May 8-11, 2017 HOFEX, Hong Kong: HOFEX is a huge USDA-endorsed food and hospitality show, and a number of U.S. exporters will showcase their premium food and beverage products at this show in Hong Kong. Meat, seafood, condiments, fine wines and many other products will be featured. ATO Guangzhou is coordinating with South China food service importers and distributors to visit the show. Any U.S. exporters that wish to meet with these South China traders may contact ATO Guangzhou Marketing Specialist Vivian Xian (Vivian.Xian@fas.usda.gov).

May 17-19, 2017 SIAL China, Shanghai: SIAL China is the largest food innovation exhibition in Asia, and is also a USDA-endorsed show. Over 3000 exhibitors from over 60 countries are expected to attend the show, along with tens of thousands of Chinese buyers and industry professionals. This show includes a wide variety of products, including meats, fruit, grocery products, wine, pet foods, and many others. ATO Guangzhou will be at the show and any U.S. exporters interested in meeting with key South China buyers can please contact ATO Guangzhou Marketing Specialist May Liu (May.liu@fas.usda.gov).

May 18-20, 2017 China International Animal Husbandry Expo (CAHE), Qingdao: China International Animal Husbandry Expo, known as CAHE, is the largest livestock show in Asia. It is a great platform to learn about the Chinese livestock industry and meet Chinese buyers. ATO Guangzhou will visit the show to meet with industry leaders and importers to gain more information on the market situation and explore opportunities for U.S. exporters. Please visit the CAHE webpage (<http://www.caaa.com.cn/2017/en/index.php>) or contact ATO Guangzhou Marketing Specialist Mr. Ken Chen (kang.chen@fas.usda.gov) for more information.

Recent ATO Guangzhou Activities

U.S. Wood Exporters Connect with Key Buyers in South China - On March 28, ATO Guangzhou, in cooperation with the American Hardwood Export Council and American Softwoods, organized a networking reception during the Interzum wood material show in Guangzhou. Over 180 guests attended this event including U.S. exporters, key Chinese wood buyers, and media professionals. The activity successfully brought various players in the wood industry, both hardwood and softwood, under one roof to promote high-quality sustainable U. S. woods. Consul General Charles Bennett gave opening remarks at this event and was able to meet with many of the guests. China is by far the largest market for U.S. wood at \$2.5 billion in 2016, with much of this coming to South China.



China Sugar Area Expanding This Year – On March 6-7, the Director of ATO Guangzhou and staff visited sugar researchers, processors and traders in Nanning, Guangxi. The Guangxi Sugar Research Center has collaborated with USDA ARS Sugarcane Field Station at Canal Point to breed four new varieties of sugarcane and ATO Guangzhou was able to learn about their cooperation. ATO Guangzhou also met with sugar processors and traders to collect market information. Because of high prices and significantly higher farmer returns, industry contacts are expecting sugarcane area to increase up to 10 percent this year.

Chinese Demand for Fresh Fruit Imports to Continue to Grow - On March 16, ATO Guangzhou staff together with 10 fruit traders from South China attended the annual Produce Marketing Association (PMA) fruit conference in Shanghai. Industry experts exchanged in-depth insights at the event. With the increasing number of middle class consumers in China, it is expected that demand for fresh fruit will continue to grow and there is a rapid increase in the amount of fresh fruit being sold on-line. For example, about 19 percent of Chinese families have already tried to purchase fresh food online. With increasing incomes and living standards, Chinese consumers continue to demand very high-quality, as well as a diverse variety, of fruit and this will continue to boost imports. South China imports of U.S. fresh fruit reached nearly \$200 million in 2016, and more than half of U.S. fresh fruit imported into China comes through South China.



South China E-commerce Buyers Anxious to Source New U.S. Products – On March 9, ATO Guangzhou led a large group of e-commerce buyers from South China to attend the Natural Products Expo West in Anaheim, California. The Natural Products Expo West is the largest natural, organic and healthy products trade event in the world with over 3,000 exhibitors. ATO Guangzhou was able to recruit 30 e-commerce buyers for this show. The growth rate for cross-border e-commerce in China is around 30 percent each year, and Guangdong province is number one in China in terms of the number of online shoppers and cross-border purchases. Following the show, 14 delegates travelled with the ATO Guangzhou Marketing Specialist to Oregon to visit food and wine exporters. This visit was organized in cooperation with the Oregon Department of Agriculture. These visits included seminars where key delegates presented to Oregon exporters on the expanding e-commerce sector in China. After these sessions, the Oregon Department of Agriculture arranged meetings and visits for the buyers to learn more about products available from Oregon. Many delegates expressed their enthusiasm to source new food and beverage items from the United States, and this buyer's mission is expected to result in a number of new U.S. products being sold via e-commerce to Chinese consumers.



Guangzhou Planning to Build an International Seeding and Breeding Center – On March 25, ATO Guangzhou attended the Guangzhou Seeding and Breeding Investment Conference along with 800 other attendees from the local government, research institutes and businesses. The Guangzhou government plans to set up a trading, seeding and breeding center around the region for flowers, plants, vegetables, fruits, poultry and fish. The inspection and quarantine center will be built in Nansha free trade zone, and policies are expected to be put into place to encourage imported seeds and breeding projects. Biotechnology and bio-engineering labs are also planned to be set up to promote advanced species for local agriculture.

U.S. Wine Showcased at China Food & Drink Expo – On March 22-23, the ATO Deputy Director

and staff visited the China Food & Drink Expo (CFD, a.k.a., Tang Jiu Hui) and affiliated shows in Chengdu. U.S. wines have continually become more recognized and better received by Chinese consumers, and the California Wine Institute's (CWI) pavilion was extremely busy with interested Chinese buyers. Another noticeable trend at the show is that craft beer is getting more popular. Domestic craft brands are emerging, and also four new U.S. craft brands from Utah, Colorado, California and Michigan were showcased. ATO Chengdu organized a successful promotion event at a local bar attracting distributors and bar owners from all around China. Participants were impressed by supreme quality and various flavors presented in U.S. craft products. ATO Guangzhou helped connect U.S. suppliers with South China buyers at this show, and is planning follow up craft beer and wine promotions in South China.



South China Buyers Connect with U.S. Food Ingredient Suppliers - On March 24-26th, ATO Guangzhou attended the Food Ingredient Conference (FIC) in Shanghai. FIC is organized by the China Food Additives & Ingredients Association and is a USDA-endorsed show. Over 1200 domestic exhibitors and 500 foreign companies participated in the show this year, and 19 U.S. companies/representative offices joined the U.S. pavilion. ATO Guangzhou introduced U.S. suppliers to local south China importers, and also gathered information on the latest trends in the food manufacturing sector.

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