

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## China - Peoples Republic of

**Post:** Guangzhou

### Monthly Agricultural Market News of South China

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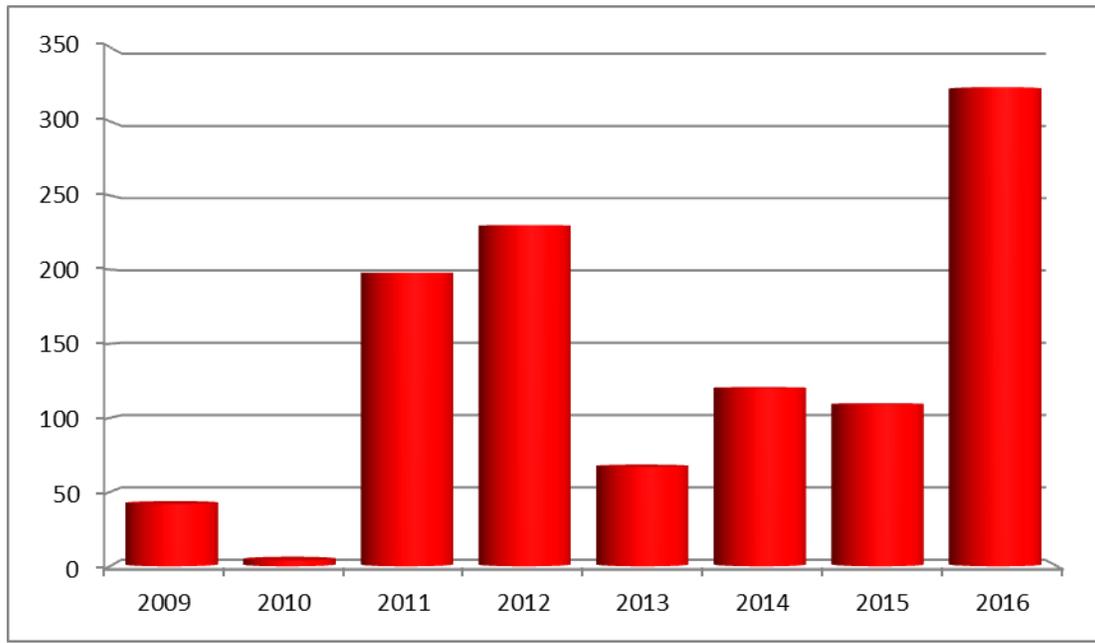
**Report Highlights:**

Southern China Imports of U.S. Pork and Pork Variety Meats Jump....Upcoming opportunities for U.S. exporters to meet with South China hides and skins, fruit, and seafood buyers....ATO Guangzhou participates in U.S. dairy, tree nuts, and grape promotional events.

**General Information:**

**Southern China Imports of U.S. Pork and Pork Variety Meats Jump**

**Southern China Imports of U.S. Pork and Variety Meats**  
(Jan-Jun - \$ million)



Data Source: China Customs

In 2016, Chinese imports of U.S. pork and pork variety meats have surged, especially to Southern China. According to Chinese Customs Data, in the first six months of the year, pork and pork variety meat imports into South China from the United States tripled to over \$300 million. This increased import demand is a result of tighter Chinese pork supplies and higher prices. Pork production has fallen the past two years because of reduced sow numbers. As a result, according to the China Bureau of Statistics, domestic pork prices increased 26 percent in the first half of the year.

China is both the world’s largest producer and biggest consumer of pork, accounting for about half of global supply and demand. So far this year, Southern China has accounted for about half of all China pork and variety meat imports.

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

**Upcoming Events**

**August 31-September 2<sup>nd</sup>, All China Leather Exhibition, Shanghai:** China is a huge market for U.S. hides and skins, and this show is the largest leather show in China. It is well attended by tanners and buyers worldwide, and important South China leather industry representatives will also attend this exhibition. Any U.S. exporters who would like to be connected with these South China buyers can please contact [Ursula.Chen@fas.usda.gov](mailto:Ursula.Chen@fas.usda.gov)

**September 6-8<sup>th</sup>, Seafood Expo Asia, Hong Kong:** Around 70 key China seafood importers and distributors are planning to visit the Seafood Expo Asia in Hong Kong along with ATO Guangzhou staff. At this event, U.S. seafood exporters will showcase their premium seafood products including a wide range of fish, lobster, crab, shellfish and value-added seafood products. Any U.S. exporters that will be at the show and would like to be introduced to major importers from South China can please contact [Vivian.Xian@fas.usda.gov](mailto:Vivian.Xian@fas.usda.gov).

**September 6-9<sup>th</sup>, Asia Fruit Logistica, Hong Kong:** South China is an expanding market for U.S. fresh fruit, and over 10 major South China retailers and traders will be attending the Asia Fruit Logistica show in Hong Kong. ATO Guangzhou staff will also attend this show and are ready to help introduce these buyers to potential U.S. exporters. This annual trade show serves as a great platform to exchange ideas with industry insiders and to understand the latest market trends. U.S. agricultural Cooperators such as California Table Grape Growers, Northwest Cherries, Washington Apple Commission, and others will also be present at the show. U.S. fruit exporters who would like to meet with South China importers can please contact [May.Liu@fas.usda.gov](mailto:May.Liu@fas.usda.gov)

### **Recent ATO Guangzhou Activities**

**ATO Guangzhou Meets with Dairy Cochran Alumni** – On July 28, ATO Guangzhou Director and staff met with seven Cochran dairy program alumni and the Secretariat of the Guangdong Dairy Industry Association in Guangzhou. All alumni expressed positive comments on their past dairy training funded by the USDA/Cochran Fellowship Program. One of their farms has 1,400 head dairy cows and annually purchases \$750,000 worth of alfalfa hay, corn, DDGS, frozen bovine genetics and feed additives from the United States. Their participation in the Cochran program helped them become more receptive to U.S. inputs and technical know-how. One of Cochran fellows is building the first ever mechanical ventilation dairy farm in south China as a result of visiting a similar farm during his U.S. Cochran training trip. In part as a result of ATO Guangzhou's dairy improvement program, Guangdong dairy farms' average milk yield has been increased from four to five tons per cow per year ten years ago to eight tons nowadays. Since ATO Guangzhou helped develop the market for U.S. alfalfa hay in 2007, U.S. hay export to China rose to 1 million tons valued at \$400 million by 2015.



**ATO Guangzhou Visits Jiangnan Fruit and Vegetable Wholesale Market** – On August 5, the ATO

Guangzhou Director accompanied Consul General Bennett to visit the Jiangnan Fruit and Vegetable Wholesale Market and met with the wholesale market General Manager. This is the largest fresh fruit market in China as well as all of Southeast Asia. They were able to tour the imported fresh fruit market section and discussed increased agricultural trade and communication activities with this market in the near future. Established in 1994, Guangzhou Jiangnan Fruit & Vegetable Wholesale Market accounts for an estimated 70 percent of the total China's fruit import volume. Currently there are five Jiangnan markets in China. Guangdong province is one major consumption market for imported fruits. U.S. fruits such as Washington apples, oranges, California table grapes and Northwest cherries continue to enjoy a very good reputation in the market.

**U.S. Dairy Products Welcomed by South China Baking Industry** – On August 4, ATO Guangzhou attended a baking seminar organized by the U.S. Dairy Export Council in Guangzhou. Over 70 pastry chefs and bakery chain owners attended the event. The event featured eight different recipes using U.S. cream cheese and mascarpone, which were well received by the participating chefs. Diversified products, consistent supply and superior quality are the key factors that attract the end users.



**China a Huge Market for U.S. Tree Nuts** – On August 4, the ATO Director and staff attended the China International Tree Nut Conference, which was held in Guangzhou. Speakers from a number of different countries shared market trends, production forecasts and export estimates with over 200 participants. Representatives from the U.S. Pecan Growers, California Almond Board, Blue Diamond, and Hazelnut

Growers of Oregon all spoke about U.S. products and their marketing strategies in China. Tree nuts continue to be in extremely high demand in China, and South China is an expanding market for these products.

**ATO Guangzhou Attends California Table Grapes Media Event “Taste The Dream”** – On August 16, the ATO Director delivered opening remarks to over 35 local media reporters at the media event organized by California Table Grape Commission. After gaining access to China in 1997, the Commission has worked successfully with importers, wholesalers, wet markets and retail chains throughout China to increase California grape volume. In 2015, China (including Hong Kong) was the industry's largest export market outside of North America, with export value reaching over \$80 million. The most popular varieties include Red Globe, Red Royal, Autumn



Royal, and Crimson seedless. In the past, Chinese consumers preferred seeded varieties, but demand has shifted and now two-thirds of California grape exports are seedless.

**Large U.S. Exporter Delegation Visits Shenzhen** - On August 12, delegations from the Southern



United States Trade Association and Food Export Association visited Shenzhen to have market briefings and one-on-one meetings with Southern China buyers. About 18 U.S. companies participated, representing a very wide range of products from organic baby food, ginseng, wine, candy, and others. ATO Guangzhou organized a briefing for the group on market trends in South China, as well as developments in the e-commerce sector. This was

followed by business meetings and the exporters were very pleased with the strong interest of Southern Chinese buyers in their products.

**ATO Guangzhou Visits One of the Leading Ports in Shenzhen** – On August 11, ATO Guangzhou visited the Yantian Port in Shenzhen. Claimed as the largest single port in the world, in 2015 the Yantian Port together with nearby ports handled 24 million Twenty-foot Equivalent Units (TEU). The company is public listed and engaged in port construction and operation, integrated logistics and port facilities. U.S. fresh fruits, timber and lumber, pre-packaged foods, and frozen meat products are the main agricultural products that come through Yantian port, and ATO staff were able to learn more about the ports operation and speak to inspectors about agricultural imports.



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