

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## China - Peoples Republic of

**Post:** Beijing ATO

### Organic Infant Formula Makes a Splash in China

**Report Categories:**

Agricultural Trade Office Activities

Export Accomplishments - Events

Export Accomplishments - Other

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**Report Highlights:**

Over the past year, ATOs in Beijing, Shanghai and Chengdu have worked with a U.S. - based company that has used an innovative approach to obtain China Organic certification for their infant formula.

## **General Information:**

Over the past year, ATOs in Beijing, Shanghai and Chengdu have worked with U.S. company AIW management to launch the first U.S. – origin infant formula to be certified organic in China. The brand, McJayden, sources organic whey from Westby Cooperative in Wisconsin. ATO/Beijing supported the original product launch in April, then in October, helped AIW with a press team that they organized to provide coverage of U.S. organics for Chinese consumers. ATO helped the team arrange meetings with USDA officials in Washington to learn about the National Organics Program and organics certifications. The press coverage, while obviously supporting those products certified by AIW, is broadly supportive of U.S. organic products. The program is scheduled to air on Chinese national TV (CCTV Channel 7) in February, 2014. AIW reports that McJayden sold \$2.5 million in 2013, and projects sales to triple in 2014.

McJayden is actually the second product to receive China Organic certification with the help AIW. The first U.S. product to receive this status was California dairy producer Organic Valley. AIW has marketed Organic Valley UHT milk, and began sourcing nonfat dry milk powder from them in 2013. AIW's efforts represent a new approach to organic qualifications, using a third party to organize the process. Chinese regulations stipulate a long and complex certification process that includes intrusive inspections of not only the processor, but suppliers of feed and other inputs. Few processors have been willing to undertake this arduous effort on their own, and, to date, only this third party-facilitated approach pioneered by AIW has proved successful. Recently, a second company, following a similar pattern, obtained China Organic certification for a second infant formula brand. Demand for high-quality and safe dairy products in China is massive, and consumers put a very high premium on certified organic products.