

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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China - Peoples Republic of

Post: Shanghai ATO

Pecan Roaster Mission Results in 4.7 million USD in Direct Sales

Report Categories:

Export Accomplishments - Other

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Report Highlights:

\$4,700,000 in direct sales of pecans resulted from the ATO Shanghai reverse trade mission to Texas and Georgia in late July. The roasters we took on the mission have thus far made direct purchases of 4.7 million USD, all of them ordering directly for the first time. The members of the team were mostly family owned businesses from LinAn in Zhejiang province

General Information:

\$4,700,000 in direct sales of pecans resulted from the ATO Shanghai reverse trade mission to Texas and Georgia in late July. The roasters we took on the mission have thus far made direct purchases of 4.7 million USD, all of them ordering directly for the first time. The members of the team were mostly family owned businesses from LinAn in Zhejiang province. The roasters visited pecan orchards and packers in Texas and Georgia. The National Pecan Board, Texas and Georgia Pecan Boards all supported this mission.

Recent purchasing trends indicate that nut processors from LinAn have started making direct purchases of US nuts after ATO Shanghai's first visits to LinAn in 2010. Over the past decade, nut processors in LinAn - family run operations focusing mainly on local hickory nuts or pecans - have purchased U.S. products through brokers in South China and Hong Kong. In recent years, ATO Shanghai has received an increasing number of complaints on the quality of U.S. products from many of these processors. In addition, price speculation by brokers has raised overall prices of raw pecans in the China Market to an outrageous level – creating a negative and potentially harmful long-run impact on the US pecan growing industry.

This is the second year that ATO Shanghai has worked toward helping local processors build up their own capacity to consolidate resources for doing direct business with U.S. nut suppliers. While high duties still remain an obstacle, and contracting issues need to be overcome, direct purchases allow both buyer and seller to have more control over market conditions and develop long-term relationships.