

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary Public

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China - Peoples Republic of

Post: Beijing ATO

Trade Delegation Books USD 1.5 Million In Sales

Report Categories:

Agricultural Trade Office Activities

CSSF Activity Report

Export Accomplishments - Events

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Report Highlights:

ATO led a North China delegation of traders to the Fancy Food East show in New York. The group booked a combined total of \$1.5 million in sales for the next 6 months, with additional sales likely.

General Information:

ATO/Beijing recruited 30 Chinese buyers to participate in the Fancy Food Show held in New York City in June, 2013. The traders funded their own travel, with one ATO staff accompanying to translate and facilitate their participation in the show. ATO support was funded through CSSF. The delegation also took the opportunity to visit high-end supermarkets in NYC including Whole Foods, Dean and DeLuca Supermarket and Zabar's Supermarket to source new products and ideas on the latest retail market trends in the U.S. In addition, some traders visited current and/or potential business partners operations and offices near NYC to discuss the current and future market.

ATO notes that Chinese consumers are extremely sensitive to quality issues. While this means that imported products command a premium, it also means that consumers are sensitive to the perception that a product was manufactured specifically for the Chinese market - many consumers equate "made for China" with low quality. As a result, retail site visits have proven very popular with traders. Traders identify products that are on sale in high-end U.S. venues, then seek to source the identical SKU to export to China. Some even include photographs of the product on retail shelves in the U.S. to ensure consumers that this is a product that was made for sale in the U.S.

This was the first large delegation to Fancy Food East independently organized by ATO. Prior to going, traders perceived the show as covering products that were too expensive for the China market. They were pleasantly surprised, both by the pricing and by the high quality packaging available. Beverages dominated on-site sales, a bit surprising since summer is the peak season for beverages.

Buyers included 28 importers, an ecommerce retailer and a high-end supermarket operator with units in Beijing. As a result of the mission, traders ordered three containers onsite during the trip at a value of more than \$90,000. Longer-term, sales over the next 6 months should exceed \$1.5 million which include beverages, snack food, seafood, dried fruit, dairy products and cocktail mixes, etc. Actual numbers may be significantly larger, as a number of traders did not disclose their purchasing plans. The majority of the participants note that they would be unwilling to travel without ATO support. Food Export Northeast was also instrumental in this success, providing additional translation support for this very large delegation.

Delegation Purchases in next 6 months		
Products	Volume	Value
Beverage (ice tea, hot chocolate and juice)	two pallets; five 20 feet containers; fifty three 40 feet containers	\$962,500
Water	one 20 feet container	\$20,000
Alcoholic Beverage (cocktail)	one 20 feet container	\$20,000
Snacks (cookie, chocolate, bar, gum and candy)	four 20 feet containers; three 40 feet containers	\$220,000
Dry fruit (prune) and nuts	two 20 feet containers	\$40,000
Seafood products (fish can)	two 20 feet containers	\$90,000
Dairy products (yogurt)	6 pallets	\$20,000

Other (Syrup, Avocado Oil and others)	ten pallets; one 20 feet containers; three 40 feet containers	\$190,000
Subtotal	eighteen pallets; sixteen 20 feet containers; fifty nine 40 feet containers	\$1,562,500