

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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POLICY

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## China - Peoples Republic of

**Post:** Shanghai ATO

### USDA China Monthly Newsletter from May 2012

**Report Categories:**

Agricultural Trade Office Activities

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**Report Highlights:**

This monthly newsletter contains articles on: Review of USA Pavilion Activities @ 2012 SIAL China Show; USSEC Livestock Seminars; AHEC Unlimited Creativity Event; 2nd International Soy Food Industry Development Conference; PLMA|Private Label Manufacturers Association Training Program in Shanghai; U.S.-China Trade Summary for the First Quarter of 2012; China's Trade Surplus expanding in April; May 2012 WASDE Summary; 2012 Discover California Wines China Tour; The 2012 AmCham Shanghai China Food Industry & Food Safety Forum; All-China USDA Cooperator Meeting; 2012 Harvard Agribusiness Seminar; 2012 IFAMA World Food and Agribusiness Forum.

To view the newsletter with working links, please use the following link: <http://icontact-archive.com/ax046v6l6BKR3bNhR6gW9RSKALNO1Rs5?w=3>



## USDA China e-



## Newsletter U S D A

May 2012, Volume 1, Issue 5

[www.usdachina.org](http://www.usdachina.org) [www.meiguomeishi.org](http://www.meiguomeishi.org)

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## ATO China Map



 Regional Coverage  
FAS maintains six offices in china

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## + Recent Events:

### Review of USA Pavilions @ 2012 SIAL China Show

This year at the 2012 SIAL China trade show, USDA's Agricultural Trade Office (ATO) Shanghai coordinated two American pavilions with a record 75 companies/associations exhibiting great American food and beverage products at the show. The ATO has been participating in this show for more than 10 years, but this was the first time it coordinated a USA Wine/Spirits pavilion. Consul General Robert Griffiths spent several hours at the show on the opening day, May 9, visiting with most of the 75 U.S. exhibitors. Agricultural Minister Counselor Scott Sindelar and ATO Directors from Beijing and Guangzhou also attended parts of the show.



The 75 companies in the US pavilion at SIAL China made \$2.5 million USD in on-site sales and project that they would make an additional \$28 million in sales over the next 12 months because of SIAL. The

## + Facts & Figures US Exports to China

Comparisons- USD  
Million)

Processed Fruit &  
Vegetables

2007	100.9
2008	115.5
2009	129.2
2010	146.6
2011	205.4*

Oct.-

Mar. Comparisons

2011	92.3
2012	102.4
%Chg	10.96

Dairy Products

2007	131.4
2008	198.4
2009	126.4
2010	209.5
2011	311.8*

Oct.-

Mar. Comparisons

2011	131.8
2012	221.6
%Chg	68.10

Hides & Skins

2007	828
2008	868
2009	667
2010	888
2011	1,102*

Oct.-

Mar. Comparisons

show featured 16 American exhibitors making their first foray into China. The SIAL China show is one of the premier food and beverage trade shows in China and attracted 40,000 visitors from 50 countries from May 9-11. The U.S. pavilions, which were organized by ATO Shanghai, were not only the largest we have ever had but also featured the largest national pavilion at the show. More than 1,000 SKUs of American products were introduced and test-marketed. The products that most attracted local traders include dried fruits and nuts, dairy, packaged food and beverage products.

The ATO organized a pre-show briefing for the exhibitors on May 8 featuring presentations from Arthur Huang of on-line retailer, Yihaodian, Daniel Zhou GM of Goodwell Trading, and Mark Thompson of Keller and Heckman law firm which specializes in Chinese food safety regulations. On the second day of the show, ATO Shanghai organized an American Chef demonstration at the La Cuisine kitchen area and coordinated a trade dinner in honor of the US exhibitors which included around 350 key trade contacts. SIAL China 2013 will be held from May 7 - 9 in Shanghai. For photos of the USA pavilions/activities, please visit <http://www.flickr.com/photos/usdachina/sets/>

**USA Pavilion Activity @ SIAL China 2012**  
**"American Chefs in China - Freestyle Cooking Demo"**

ATO worked with four USDA Producer Associations including the U.S. Meat Export Federation, the Alaskan Seafood Marketing Institute, the U.S. Dairy Export Council and the U.S. Potato Board. Chef Nora Dejoie from New Orleans cooked at the

%Chg 14.45

**Wine and Beer**

2007 13.0

2008 18.5

2009 23.9

2010 31.9

2011 53.2\*

Oct.-

**Mar. Comparisons**

2011 24.3

2012 36.6

%Chg 54.59

**Hardwood Lumber**

2007 241.9

2008 204.5

2009 171.9

2010 345.3

2011 468.5\*

Oct.-

**Mar. Comparisons**

2011 213.6

2012 248.8

%Chg 16.47

**Fish Products**

2007 525.1

2008 520.0

2009 573.1

2010 669.7

2011 1,056.7\*

Oct.-

**Mar. Comparisons**

2011 383.3

2012 508.8

show sponsored by the Southern US Trade Association ([www.susta.org](http://www.susta.org)) and also joined seven other American Chefs who have made Shanghai their homes including Adam Levin from New York Steak and Burger/[Shanghai Slim's](#), Austin Hu from [Madison Restaurant](#), Payton Smith & Nick Jin of [Roosevelt's Prime Steak House](#), Todd Losacco from [City Shop](#), Ken Walker, BBQ master at [Bubbas](#), chef Marc Johnson and chef Dylan Smith. Audiences not only tasted the American dishes, but also had a chance for active photos and autographs from the American chefs. For more information, please click [here](#), for [videos](#) please click [here](#) and for photos please visit our [USDACHina flickr](#) account.



L-R: Alan Hallman- ATO Deputy Director, Todd Losacco-City Shop, Payton Smith- Roosevelt's Steak House, Adam Levin-Shanghai Slim's, Kenneth Walker-Bubbas, Keith Schneller-ATO Director, Nora Dejoie, Dylan Smith, Nick Jin- Roosevelt's Steak House, Marc Johnson, Austin Hu- Madison

## AHEC Unlimited Creativity Event

FAS/BICO - U.S  
Bureau of the Census  
Trade Data  
\* Denote Highest  
Export Levels since at  
least FY 1970

**+Recent News:**  
**Multinationals**  
**committed to**  
**nutritional literacy**  
**in Asia: Report**

Educating Asian communities about health & nutrition decisions is a key concern of multinationals, according to the industry association Food Industry Asia. (Source: Foodnavigator.com)

**Shanghai wants to**  
**ban a range of**  
**seafood products**

Food safety authorities in Shanghai are set to ban a range of aquatic food products linked to disease outbreaks in

On April 10, the American Hardwood Export Council (AHEC) organized an award ceremony celebrating a Greater China Furniture Design Competition focusing on chair designs using American Hardwoods. The program also included an educational seminar and press conference. Mr Patrick Fong, a Hong Kong interior designer and architect, was the Chief Juror. Other jury members include Ms Rosanne Somerson, Interim Provost of Rhode Island School of Design (RISD) and Department Head/Professor of Furniture Design; [Ms Amy Devers](#), celebrity US DIY TV show anchor and furniture designer; Mr Chen Bao Guang, Vice Chairman of China National Furniture Association; Mr Tony Lin, Former President of Singapore Industries Council and President of Eurosa Furniture Company (Pte) Ltd, as well as the famous interior designer and architect Mr Steve Leung. This series of events presented designers a variety of interesting and sustainable materials for multiple use and illustrated that talented Asian designers are gifted in bringing out the natural beauty of US hardwoods. The China Furniture Design Competition event enabled AHEC to deepen its connection and communication with local designers to raise their interest in US hardwoods in terms of material choice. Amy Devers gave the audience an overview of her background and furniture design experience along with video clips of several of her DIY television programs where she teaches American viewers how to upgrade their homes using lumber products and recycled materials. One of the speakers from the Chinese furniture industry mentioned that a new 5-star hotel opens in China every week. Therefore, the Chinese furniture manufacturing industry has seen major shift from exporting furniture to servicing domestic needs which are growing rapidly. Interesting chair designs

the city. (Source: Foodnavigator.com)

**BioGaia secures distribution in Taiwan's developed probiotic market**

Probiotic supplier BioGaia has secured an exclusive distribution agreement for its ProTectis infant tablet and drop line in Taiwan as it 'fills the gaps' in its market presence across Asia.

(Source: Foodnavigator.com)

**China opens its doors to Indian basmati rice**

Chinese authorities have given a green light to the importation of Indian basmati rice, after a long and arduous six-year process of negotiations.

(Source: Foodnavigator.com)

**Nestlé ousts infant formula**

from US hardwood were submitted by 15 designers from around the region. However, the judges agreed that Mr. Liu's three legged chair design was the most unique. For more information, [click here](#). For photos of the program, please [click here](#).



The Most Innovative

Subject: Direction, Winner: Liu Dan (Shunde, Guangdong)  
Presented by Mr Keith Schneller, Director of Agricultural Trade Office, Shanghai

**Anderson Hay Scholarship Award Ceremony**

The Anderson Scholarship 2012 Award Ceremony & Dairy Seminar was held on April 13 in Beijing. Mark Anderson, President of Anderson Hay & Grain Company, Lou Vanechanos from USDA/APHIS/Beijing, Joshua Lagos from USDA/FAS China/OAA, Gu Jicheng, the Secretary General of China Dairy Association, and senior executives of World Wide Sires China were present at the ceremony and delivered speeches. Mark Anderson noted "in 1987, Anderson initiated US alfalfa shipments to China with one or two containers monthly to the only Chinese user at that moment, which represented China's whole volume, but I was always dreaming to supply more quality forage to China though quite a lot of my US friends told me there won't be huge alfalfa market in China as Chinese people don't drink milk... now China has become the 2nd biggest economy in the world..." For full story, please [click here](#).

**competitors in China with 'significant' Pfizer takeover**

Nestlé has solidified its hold in China's growing and lucrative infant formula market in its takeover of Pfizer Nutrition that has secured competitor brands SMA and Promil, according to analysts.

(Source: Foodnavigator.com)

**Instant value with healthy, non-MSG noodles in China**

Developing non-MSG, better-for-you instant noodles will surge market value in China's commoditised market sector, according to Mintel research director.

(Source: Foodnavigator.com)

**Chinese agricultural firm carves new FMCG product line**  
Shanxi-based Deyu



**Livestock Seminars Highlight Soy-Based Diet in China**

In April 2012, USSEC staff in China hosted two seminars on the advantages of including soy in livestock rations. More than 500 livestock farmers attended the seminars in Jiangsu Province, which is one of the top producers of livestock feed, pork, poultry meat and eggs in China.

The seminars continued the joint-promotion effort between USSEC and East Ocean Grains & Oil Industries Co. to educate livestock farmers on the nutritional benefits of a soy-based diet. The company is China's largest soybean crusher and processes more than 12,000 metric tons of soybeans each day. East Ocean accounted for 11 percent of the total U.S. soybean sales to China last year. China ranks as the top export market for U.S. soy.

Richard Han, animal utilization technical director; Sam Shi, swine technical consultant; and Leo Liu,

Agriculture has developed a new line of MSG-free, easy-cook noodles that will enable it to delve into an unknown yet lucrative fast moving consumer goods (FMCG) sector in China. (Source: Foodnavigator.com)

### **BASF backs Chinese functional bakery**

China's bakery sector is fast developing but there are unmet needs for healthier products that BASF Nutrition is hoping to tap into following its presence at Shanghai trade show Bakery China 2012 last week.

(Source: Foodnavigator.com)

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**Napa Valley Tasting Event at Peace Hotel Shanghai on April 20**  
Napa Valley Vinters

technical manager, delivered presentations about the global poultry market, biosecurity on livestock farms, and the use of extruded full-fat soybean meal in animal feeds. Xiaoping Zhang, ASA-IM China country director and Xuansheng Li, sales director for COFCO Oilseed meal processing division, also attended the seminars.



*USSEC team members with COFCO Eastocean Soymeal Sales Team after the seminar.*

**2nd International Soy Food Industry Development Conference** ATO Shanghai Director Keith Schneller delivered opening remarks at the 2nd International Soy Food Industry Development Conference which was held from April 18 - 20 at the Shanghai Everbright Int'l Hotel Convention Center. The two-day conference was sponsored by China Food Industry Association-Bean Product Committee and the American Soybean Association-IM which co-sponsored the first event held in 2010. This event will be held every other year.

About 150 people in this industry participated this conference. For this event, Mr. Bruce Abbe, Executive Director of Midwest Shipper's Association,

held a series of wine promotion events in Shanghai's historic Peace Hotel on April 20. The morning session featured a Wine Education Seminar followed by a wonderful wine pairing lunch. The afternoon wine tasting event attracted wine lovers from across China who had the chance to meet with the 35+ wine makers who were part of the visiting delegation. Napa valley wines are becoming more and more popular in the rapidly developing China market. Watch a [video](#) created by ICS TV by clicking [here](#).

led a group of US Food Bean producer/exporters including NeCo Seeds, Soy Food Promotion & Welfare Association, Sinner Bros. & Bresnahan, Grain Millers, Knewton Soy Products, Minnesota Soybean Research & Promotion Council, Premium Ag products, and SK Food.

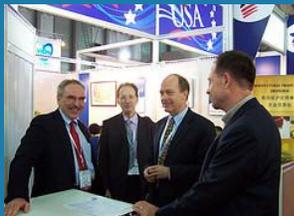
Mr. Abbe, on behalf of Midwest Shipper's Association, made a speech which briefly covered: 1). information about the Midwest Shipper's Association and basics about U.S. Soybean production 2). Information about U.S. non-GMO food soybean production systems 3). shared the commitment of our member companies to reliably serve Asian soy food customers 4) invited all of the attendees to the Midwest Shipper's Association International Conference which will be held in the US in August. Dr. James H. Orf, Professor for Soybean Breeding and Genetics of the University of Minnesota also made a speech regarding U.S. identity preserved soybean systems and recent developments with U.S. food-grade soybean breeding.

### **PLMA | Private Label Manufactures Association Training Program in Shanghai**

From April 18-19, four ATO Shanghai staff participated in a two-day private label training course which included representatives from most major supermarket chains operating in Shanghai region. The program was organized by the "Private Label Manufactures Association(PLMA)" and "Shanghai JiaoTong University." ATO Shanghai staff met PLMA representatives at a private label food show in Shanghai last fall and were informed about this training opportunity. ATO may send a buyer mission to the PLMA show in the United States next November.



## U.S. Pavilion @ SIAL 2012



- Agricultural Minister  
Counselor Scott



The following topics were covered at the seminar:

1. Retailing in China—Mr. Gu GuoJian, Head of Shanghai Institute of Chain store Management
  2. Strategy of Private Label—Tom Stephens, Brand Strategy Consultants Inc
  3. Marketing, sales, and products development—William Gao, professor of Shanghai Jiaotong University
  4. A successful Private Label brand building—Terry Lee, Private brand advisor
  5. Manufacturers' role— Managing Director of Vital Pet Food Group
  6. Consumer behavior—Chen JunSong, professor of Shanghai Jiaotong University
- For more information, please click [here](#).

## U.S.-China Trade Summary for the First Quarter of 2012

-Alan Hallman | ATO  
SH deputy director  
- Robbert Griffiths  
| US Consul General  
Shanghai  
- Keith  
Schneller | ATO SH  
director



Jelly Belly Candy



U.S. Meat Export  
Federation



Select Harvest, Nuts

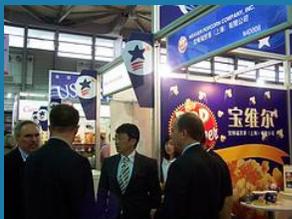
In the first quarter of 2012 and for the third time since 2010, quarterly imports from China outpaced U.S. exports to China, up 9.0% yoy versus 3.6% yoy respectively, while U.S. global imports and exports were up 7.5% yoy and 7.1% yoy respectively. For the month of March, the growth of U.S. exports to China was less than U.S. exports globally. U.S. exports to China for March were up 3.3% yoy, while U.S. exports globally were up 6.2% yoy. China's slipped to become the second largest trading partner of the United States, after Mexico. As of the first quarter, the total U.S. trade deficit with China, at \$67.1 billion, accounting for 44.8% of the U.S. total trade deficit. For full reports, please click [here](#).

### China's Trade Surplus further expanded in April, showing the slower growth of imports than exports

China recorded a trade surplus at \$18.4 billion in April, as growth in exports growth outpaced that of imports, according to data released by China Customs on May 10, 2012. For the month of April, China's exports increased 4.9% yoy to \$163.3 billion, mainly on growth of exports to the United States, which were up 10% yoy versus exports to the EU, which were down 2.4% yoy and exports to Japan, which grew about half as fast as those to the United States, at 5.4% yoy. As a consequence, the United States became China's largest export market, overtaking that rank from the EU for the month of April. China's imports, meanwhile, increased 0.3% yoy to \$144.8 billion. With seasonal adjustments, China's exports and imports growths were 7.2% and 4.8% yoy respectively. For April, total China-U.S. trade reached \$39.4 billion, up



Wild Blueberry  
Association of North  
America



Weaver Popcorn



USA Poultry & Egg  
Export Council



Wan Ja Shan Int'l,  
Special Sauces

9.2% yoy, while China's surplus with the United States reached \$16.9 billion, up 11.9% yoy. China's exports to U.S. were up 10% to \$28.1 billion, while China's imports from U.S. weren't up quite as fast, at 7.3% to \$11.3 billion in the past month. For more detailed information about Chinese trade in April with the United States, the EU, and Japan, please click [here](#).

### May 2012 WASDE Summary

Today's WASDE includes the first official 2012/13 global and U.S. supply & demand prospects. U.S. production projections are based on the *Prospective Plantings* report, while global projections are based on GAINS reports, trends, economic & market analysis, and the assumption of normal weather. These projections are tentative as spring planting is underway in the Northern Hemisphere and remains several months away in the Southern Hemisphere. The WASDE also includes the 2013 U.S. livestock and poultry projections.

#### Commodity

Reports <http://www.fas.usda.gov/currwmt.asp>

- **Cotton:** China Drives Record Global Stocks
- **Grain:** Corn Surplus Contrasts with Wheat Deficit; Rice Relatively Abundant
- **Oilseeds:** China Drives New Crop U.S.

Soybean Sales

For more detailed crop reports please click [here](#).

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**[+ Trade Policy Updates](#)**



Mariani Premium Dried Fruit



USA National Peanut Board



Jorge Sanchez Guangzhou ATO director

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## I. FOOD, AGRICULTURAL AND AGRIBUSINESS POLICY UPDATES

### **Wen Jiabao: ensuring good harvest of summer grain and oil crops an immediate priority**

The current task is to focus on spring planting and enhance efforts on prevention of insects and diseases, said Premier Wen Jiabao at a State Council meeting on deploying economic priorities for the immediate future. In order to stabilize the food prices, efforts should also be made to increase vegetable production and perfect the distribution policies and reserve system for life necessities for urban residents in large and medium-sized cities, added Premier Wen. In addition to agriculture, the State Council meeting also deployed priorities for other important economic sectors. (Ministry of Agriculture web site: [www.agri.gov.cn](http://www.agri.gov.cn), 4/16/2012, WBG)

## II. COMMODITY PRODUCTION, CONSUMPTION AND TRADE GRAIN AND FEED

### **Indian rice is allowed for exports to China since April 2012**

From April, 2012, Indian Basmati rice is allowed for export to China, according to an AQSIQ announcement titled "General Administration of Quality Supervision, Inspection and Quarantine's Announcement on Allowing Indian Rice Exports to China" (Announcement No. 59, 2012). The full translation of the announcement on April 11, 2012: In November 2006, General Administration of



Chef Nora from  
WUSATA



FoodSource, Grocery  
Products



US Pavilion Organizer  
ImaxManagement



USA Rice Federation



Alaska Seafood

Quality Supervision, Inspection and Quarantine, PRC and Agricultural Ministry of India signed a phytosanitary requirement protocol on Indian rice export to China. Recently, the two sides have reached agreement on implementation of relevant technical issues. From the date of this announcement, Indian Basmati rice, which conforms to the protocol requirements, is allowed for exports to China. (End) The announcement was posted on AQSIQ website on April 16, 2012.

([http://www.aqsiq.gov.cn/zwgk/jlgg/zjgg/2011\\_1/201204/t20120416\\_215309.htm](http://www.aqsiq.gov.cn/zwgk/jlgg/zjgg/2011_1/201204/t20120416_215309.htm), 04/18/2012 JJY)

### India could be the largest rice exporter in 2012, while competing with Thailand and Vietnam

The current price for Vietnam rice remains competitive over Thai rice on the international market. Vietnam rice with 5% broken is priced at \$440/ton (FOB), \$100/ton lower than the Thai rice with same specification. Rice variety with 25% broken is priced at \$390/ton, \$145/ton lower than same specification Thai rice. India as another rice exporting competitor, with ample stock supply and an easy control policy on exports, its rice exports are expected to reach 7 MMT, potentially become the largest rice exporter in the world in 2012.

(Source: CNGOIC, 04/19/2012, JJY)

### Early rice acreage rise in 2012 due to raised floor price and subsidized seedling nursery

Early rice acreage is expected to reach 88 million mu, (1 Ha=15 mu), up by 1.7 million mu (or 2%) from the previous year, according to a MoA's crop survey in April. A separate survey by National



California Walnut  
Commission



USDA ATO Shanghai

### **+Event Calendar:**

**May 9-11**

[SIAL China](#) - USDA  
Endorsed Show

**May 10-12**

[Bakery China Show](#) in  
Shanghai

**May 18**

[China Animal  
Husbandry Expo](#)  
(CAHE) 2012

in Nanjing, Jiangsu

**May 24-26**

Statistical Bureau on 70,000 farmers showed that early rice will rise to 87 million mu, up by 750,000 mu (or less than 1%) from the previous year. Agricultural departments in two major rice producing provinces, Hunan and Jiangxi both reported growth in early rice acreage over the previous year. The raise purchase price for early rice in 2012, and a new subsidy on centralized seedling nursery contributed to the acreage expansion for early rice in 2012. The rice seedlings are rated in good conditions. By April 9, 22 million mu (or 25%) of the planned acreage has been planted. (Source : CNGOIC, 04/15/2012, JJY)

## **OILSEEDS**

### **Heilongjiang soybean planting intention continues to fall in MY12/13**

According to a household survey conducted by the Provincial Price Bureau of Heilongjiang (the largest soybean producer in China), MY12/13 soybean planting intention is down 1% from the previous year, while planting intention for corn and rice is expected to increase by 2% and 2.8%, respectively. Heilongjiang's soybean production account for about 40% of the nation's total in recent years. ([http://www.hljagri.gov.cn/nydt/nydtsn/201204/t20120411\\_452129.htm](http://www.hljagri.gov.cn/nydt/nydtsn/201204/t20120411_452129.htm); 04/11/12)

### **Heilongjiang government set area target for major crops but soybeans**

According to China National Grain and Oil Information Center (CNGOIC), Heilongjiang Agricultural Commission set 2012 planting area targets for major grain crops and vegetables, potato and forage, however without including soybeans. Specifically, total planted area for grain

BioFach China in  
Shanghai

May 25-27

Mardi Gras Carnival  
at Hotel Venetian in  
Macau

May 26

CEIBS First China  
Agri-Business Forum  
2012Shanghai

May 29-31

VINEXPO, Hongkong

June 3-6

Harvard Agribusiness  
Seminar - Fudan  
University, Shanghai

June 4-8

California Wine  
Institute -Shanghai,  
Wuhan, & Beijing

June 11-13

China Dairy Expo in  
Zhengzhou, Hubei

June 11-14

2012 IFAMA World  
Food and Agribusiness  
Forum

June 12-15

Minnesota Governor  
Mark Dayton Trade  
Mission to China

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crops shall reach 200 million Mu (13.3 MHa) with 90 MMu for corn and 45 MMu for rice but no target area for soybeans. Industry sources speculate that given the disadvantaged profits received by farmers from soybeans, the local government prefers not to guide farmers to plant soybeans but let the farmers choose what to plant based on profit and climate conditions. Chinese official statistics show Heilongjiang soybean planted area ranges from 3.5 to 4 MHa in recent 2 years. MOA's agricultural meteorological report dated April 17 said the moisture level for spring sowing remains normal nationwide, however, slightly dry in west part of Northeast China. (CNGOIC Oilseeds Daily April 19 and [http://www.agri.gov.cn/V20/SC/jcyj\\_1/zh/201204/t20120417\\_2604942.htm](http://www.agri.gov.cn/V20/SC/jcyj_1/zh/201204/t20120417_2604942.htm))

## **COTTON**

### **Xinjiang promotes mechanized cotton harvesting**

According to Xinjiang Agriculture Machination Bureau, the subsidy for purchasing cotton harvest machines will increase to RMB300,000 Yuan/set in 2012, up RMB100,000 Yuan /set from the previous year. The purpose is to increase mechanized cotton harvesting rate from the current 2.1% only (out of the estimated 1.07 million hectares of cotton planted by Xinjiang local farmers in 2011). The Xinjiang Agriculture Machination Bureau expects to increase mechanized harvest area by 20,000 Ha in 2012 through this subsidy growth.

(<http://www.china-cotton.org/article/2012/04/18/43129.php>; 04/17/12)

## **MEAT, LIVESTOCK AND DAIRY**

**June 25-28**

IFT Food Expo @ Las Vegas Convention Center

**June 26-28**

Fi Asia China 2012(Health Ingredients & Natural Ingredients China 2012)

**June 25-July 8**

BHG Great American Food Promotion - ATOs Beijing, Shanghai, & Shenyang

**September**

National OLE Great American Food Retail Promotion. All 5 ATOs - Exact dates and store locations yet to be determined.

**Sept. 5-7**

Asia Fruit Logistica in Hong Kong

**Sept. 10-12**

USDA All-China Cooperator Meeting in Xian - Organized by Ralph Bean - ATO Beijing

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## Swine production is changing from positive to negative profit

The data of China National Development and Reform Commission (NDRC) shows that on April 11, 2012 national hogs' farm price was RMB 14.16 (\$2.25) per kilogram, down 2.92% from the previous week. Swine and grain ratio was 5.99, down 3.7%. The Ministry of Agriculture (MOA)'s data shows that national swine inventory in March 2012 was 461,670 million head and productive sow inventory was 49.54 million head, up 0.7% and 0.1% respectively from February. For the first time since July 2010, MOA data also shows that the hog and grain ratio in April was lower than 6. The profit for each fattened hog on average on these farms using their won piglets is now lower than RMB100 (\$15.9). Hog fattening farms that buy commercial piglets are losing money. However, hog prices are expected to go up in May. The reasons are: 1) disease impact on inventory, which occurred at the beginning of 2012, will be reflected in May. By that time, reduced swine supply will support higher prices. 2) The public May Day holiday will increase pork consumption, pushing prices up. 3) There is a stronger expectation that the government will start buying pork for strategic reserves to prevent hog prices to continue decreasing. (China National Grain and Oil Information Center, 4/19/2012, ZJP)

## Infant formula will be forbidden to add colostrums

As of September 2012, infant formula will not be allowed to add colostrums or dairy products using colostrums as processing materials. Yesterday, the Ministry of Health (MOH) responded with this reply to a question from AQSIQ (the General

**Sept. 11-13**

Asian Seafood Expo in  
Hong Kong

**Sept. 20-22**

Sweets & Snacks  
China  
INTEX, Shanghai

**Sept. 4-6**

ACLE All China  
Leather Show 2012 in  
Shanghai

**Oct. 2-3**

Food Export  
Marketing Forum  
Chicago, Illinois

**Oct. 25-27**

2nd Intl Eco and  
LOHAS Exhibition &  
Conference in  
Shanghai

**Oct. 26-28**

PMA Fresh Summit  
Anaheim, California,  
USA.

**Nov. 15-17**

Food & Hospitality  
China 2012 USDA  
Endorsed Show  
Shanghai

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Administration of Quality Supervision, Inspection and Quarantine) about which standard AQSIQ should use for quarantine inspection on imported colostrums products. However, imported infant formula foods with colostrums before produced and imported before the effective date, which comply with China's requirements and are still within the shelf life period, are allowed to sell. This means that many infant formula milk powder using colostrums as a selling point will be forbidden to produce and sell. (Beijing Youth Paper, 4/19/2012, ZJP)

### **Highly pathogenic avian influenza outbreak in Ningxia**

According to the News Release Office of the Ministry of Agriculture (MOA) on April 18, 2012, an outbreak of highly pathogenic avian influenza (HPAI), H5N1 virus, took place in Yuanzhou District, Guyuan City, Ningxia Hui Autonomous Region. On April 14, some egg layers on farms at Yanglang Village of Touying Town showed symptoms of suspected avian influenza. MOA's National Avian Influenza Reference Laboratory confirmed on April 18 that the case was a H5N1 avian influenza after testing samples collected at these sites. Totally, 23,880 birds were infected and 95,000 birds were culled. MOA sent a working team to the quarantined area to help and guide local epidemic prevention (Xinhua News 4/19/2012, ZJP)

## **VI. OTHER**

### **MOFCOM said rapid increase of production cost slowed down exports**

In a routine news briefing held on April 17, China's Ministry of Commerce said export value for the 1st

**Agri-Business Forum  
2012**

Date: Saturday May  
26 Venue: 699  
Hongfeng Rd,  
Shanghai  
[www.ceibs.edu/agriforum](http://www.ceibs.edu/agriforum)

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quarter of 2012 increased 7.6% despite a slow recovery of overseas demand. MOFCOM also said the rapid increase of production cost (including labor and other factors) reduced competitiveness in international marketplace in particular for labor-intensive products. MOFCOM expect the international trade situation will improve in the 2nd quarter and the trade target for the whole year will be reached (<http://finance.people.com.cn/GB/17677029.html>; 04/14/12).

**China, Japan and S. Korea sign  
communiqué to identify key areas of  
cooperation in agriculture**

Food security, animal and plant disease control, responses of agriculture to natural disasters, exchange of researchers, economic partnership, and global or regional cooperation have been identified as the key areas of cooperation in agriculture, according to a joint communiqué signed by agriculture ministers of China, Japan and South Korea. Under the guidelines, the three countries will enhance sharing and exchange of information regarding food security, animal/plant diseases like foot-and-mouth disease, and natural disasters through existing regional information platforms. The three parties will also facilitate grain and agriculture (fishery) trade and possible establishment of a trilateral economic partnership so as to achieve sustainable development of agriculture and fishery. (Farmer's Daily, 4/16/2012, WBG)

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## **+ Upcoming Events:**

### **2012 Discover California Wines China Tour**

Schedule of Events:

- Monday, June 4, 2012 - Shanghai, China
- Tuesday, June 5, 2012 - Shanghai, China
- Wednesday, June 6, 2012 - Wuhan, China
- Thursday, June 7, 2012 - Beijing, China
- Friday, June 8, 2012 - Beijing, China



For details, please click [here](#) or visit [www.discovercaliforniawines.com](http://www.discovercaliforniawines.com)

### **The 2012 AmCham Shanghai China Food Industry & Food Safety Forum**

AmCham Shanghai's Food, Agriculture & Beverage Committee (FAB Committee) will organize the 2012 AmCham Shanghai China Food Industry & Food Safety Forum on Friday, May 25, designed to connect business leaders, food science professionals, government officials and key opinion leaders in a discussion of major trends in food safety in China.

Date: Friday, May 25, 2012, 08:30 to 12:30

Venue: The Westin Shanghai, 88 Henan Central Road

(Near East YanAn Road)

上海威斯汀大饭店

河南中路88号 (近延安东路)

Cost: Member (RMB): 500.00 | Non-Member (RMB): 700.00

Payment: - Pay Online  
- In advance at the AmCham Shanghai office

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Click [here](#) for more information and to RSVP for the 2012 AmCham Shanghai China Food Industry & Food Safety Forum.

**All-China Cooperator Meeting:** FAS/China invites all USDA Cooperators with programs in China to join us in Xian on September 11 and 12. As we did in Changsha in December 2010, we will organize a one-day program of presentations, panels, or other interactive sessions on September 11 followed by a series of individual meetings on September 12. We are looking at ways to improve the one-on-one meetings and have already received a couple of good ideas from several of the Cooperators. If you have suggestions for either day of the meeting, please let us know! Please direct your ideas to Scott Sindelar and Ralph Bean.

### **2012 Harvard Agribusiness Seminar - An Asian Offering**

From June 3-6, 2012, Harvard Business School (HBS) is bringing its renowned Agribusiness Seminar to China, a critical agribusiness region. A more intimate version of the annual flagship session in Boston, this HBS Executive Education program, offered in collaboration with the School of Management, Fudan University in Shanghai, is a unique forum for assessing emerging global trends and issues, identifying best management practices, and exploring promising new business strategies. You will gain fresh insights into the industry's future in a world where the demand for food, biofuels, and other agriculturally based products is rising dramatically. Please click [here for more information...](#)

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## 2012 IFAMA World Food and Agribusiness Forum

Scheduled for June 11-14, 2012, in Shanghai, China, IFAMA ([www.ifama.org](http://www.ifama.org)) | International Food and Agribusiness Management Association brings together senior people from industry, academia and government on an annual basis to focus on strategic issues of importance across the global food and agriculture value chain.

For more information please click [here](#)...

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## + Recent GAIN Reports from greater China ([Global Agricultural Information Network](#)):

- [Profile of North China Food Manufacturing Beijing ATO China - Peoples Republic of 5-7-2012](#)
- [Hong Kong Food Inflation Hong Kong Hong Kong 4-23-2012](#)
- [Chengdu Emerging City Market Report Chengdu ATO China - Peoples Republic of 3-29-2012](#)
- [Taiwan Architect Magazine Promotes U.S. Wood Products Taipei ATO Taiwan 4-20-2012](#)
- [Taiwan Foodservice – Behind the Scenes Issue 3 Taipei ATO Taiwan 4-20-2012](#)
- [Kunming Emerging City Market Report Chengdu ATO China - Peoples Republic of 4-18-2012](#)
- [Sugar Annual Beijing China - Peoples](#)

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Grain and Feed Annual Taipei Taiwan 4-13-  
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