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Global Agricultural Information Network

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Monthly Agricultural Market News of South China – 11

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Agriculture in the News

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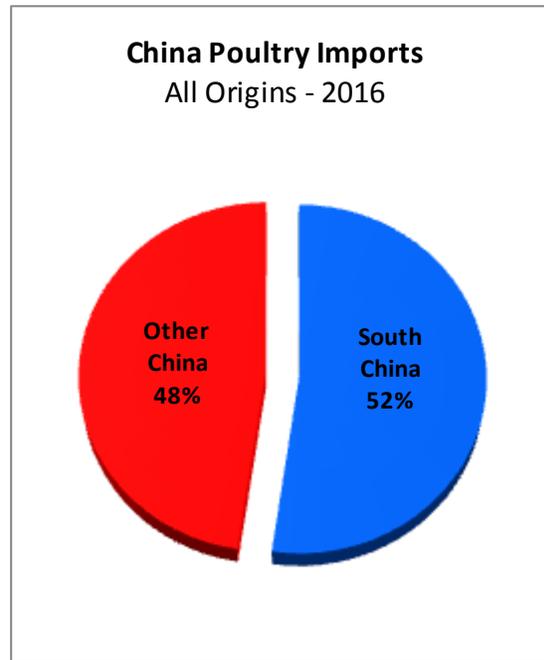
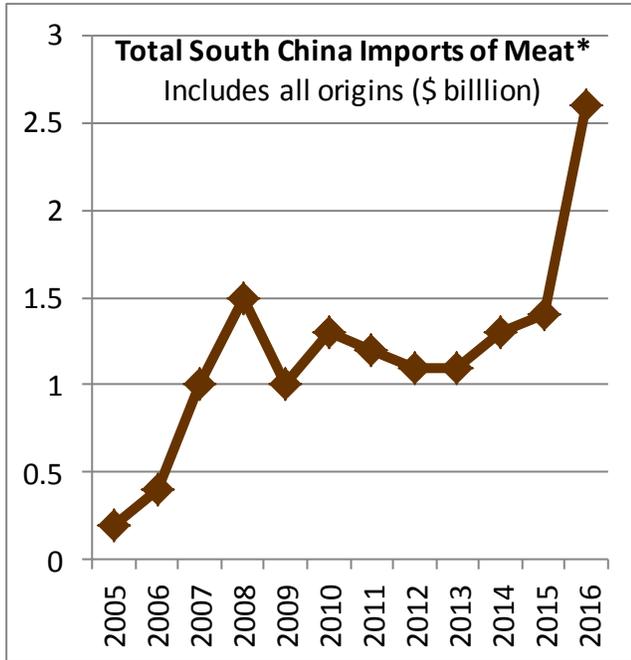
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Report Highlights:

South China meat imports jump...Upcoming opportunities for U.S. exporters to meet with South China food and craft beer importers and consumers, as well as hides & skins importers...ATO Guangzhou organized a U.S. baking ingredient promotion, a branded food retail event, as well as a number of other programs.

General Information:
South China Meat Imports Surge



Data Source : China Customs
 *(includes beef, pork, poultry, lamb, and variety meats)

South China is quickly evolving as one of the largest meat import regions in the world. In 2016, \$2.6 billion worth of meat products entered the country through South China ports, which was an increase of 80 percent from the previous year. According to analysts, high domestic pork prices and growing consumer demand for high-quality protein products are driving the surge in meat imports. South China is by far the largest importing region in China for poultry (representing over half of imports), as well as accounts for about a third of pork and pork variety meat imports.

South China imports of U.S. pork and pork variety meat in particular saw a dramatic increase this past year, rising nearly 400 percent from around \$150 million in 2015 to almost \$770 million in 2016. Overall, South China accounted for 57 percent of U.S. meat exports to China. With the reopening of the Chinese market to U.S. beef, industry contacts expect continued strong demand for U.S. meat products. Before the ban in 2003, U.S. beef dominated Chinese beef imports with a 70 percent market share. As of early July, U.S. beef had already begun to flow to South China retail chains.

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

Upcoming Events

August 18-20, 2017 U.S. Craft Beer and Food Festival in Guangzhou: ATO Guangzhou plans to organize a U.S. Craft Beer and Food Festival at a high-profile venue in Guangzhou from August 18-20. U.S. craft beer exporters interested in participating in the promotion can contact ATO Guangzhou

Marketing Specialist Kang Chen (Kang.Chen@fas.usda.gov).

August 30 – September 1, 2017 ACLE, Shanghai: The All China Leather Exhibition (ACLE) is the largest leather show in China for raw materials, tanning machinery, shoe components and chemicals. Major U.S. hides, skins and leather exporters will be exhibiting under the U.S. pavilion at this show. Also, ATO Guangzhou is working with the China leather industry to organize an educational seminar on U.S. hides and promote U.S. exports with strategic partners in the supply chain. For more information on this show, and for U.S. exporters interested in meeting with South China hides & skins buyers, please visit <https://www.aclechina.com/> and contact ATO Guangzhou Marketing Specialist Ursula Chen (Ursula.Chen@fas.usda.gov).

Recent ATO Guangzhou Activities

U.S. Foods and Beverages on Display at Expo Food Guangzhou – From June 14-17, ATO Guangzhou organized a U.S. pavilion consisting of 16 U.S. branded food and beverage exhibitors at the Expo Food Guangzhou trade show. During the event, ATO Guangzhou also led a match-making and product presentation activity with the exhibitors and an estimated 70 interested Chinese importers/distributors. Chinese demand for imported food and beverages continues to soar with U.S. consumer oriented product imports up over 12 percent so far in 2017.



U.S. Ingredients Showcased at Top South China Baking & Yogurt Retail Chain –From June 2nd through June 30th, ATO Guangzhou partnered with “Hey Yo” (a regional bakery and yogurt chain) in a retail promotion highlighting the quality and availability of U.S. baking ingredients in the South Chinese market. During the promotion, U.S. cranberries, raisins, walnuts and wheat flour were highlighted in several baking products in 30 “Hey Yo” outlets in Guangzhou and Shenzhen. On June 8th, Consul General Charles Bennett accompanied the ATO Guangzhou Deputy Director in a visit to the “Hey Yo” flagship retail outlet in Shenzhen to see the promotion and further promote U.S. ingredient products. The South Chinese baking industry is continuing to rapidly expand, and this is boosting demand for imported baking ingredients.



U.S. Soybeans Attractive for the Huge South China Aquaculture Feed Sector – On June 13, ATO Guangzhou Director Levin Flake participated in a U.S. Soybean Export Council (USSEC) seminar with over 50 feed mill technical managers in Guangzhou to highlight the effectiveness of U.S. soybeans as an ingredient in aquaculture feed. Among the key topics covered in the seminar were expert presentations on the sustainability and environmental friendliness of using soybeans in feed for most fresh water/marine fish and shrimp. South China is a primary aquaculture producing region in China and feed mills in the area have become more receptive to using soy as a protein source in aquaculture feed due to USSEC’s promotional efforts.



U.S. Branded Food Mini Table-Top Show Attracts Retail Attention – On June 16th, ATO Guangzhou, 12 U.S. trade associations, and the Guangdong Retail Chain Operations Association co-organized a retail forum and mini table-top event featuring over 16 U.S. branded food and beverage

items. Consul General Charles Bennett and ATO Guangzhou Director Levin Flake delivered remarks highlighting the quality and availability of U.S. products at the event, which was attended by over 150 retail purchasing managers and other industry leaders. Retail contacts at the event reported strong interest from buyers for many of the branded products on display.



First Chinese Butterfly Orchid Seedlings Exported to the United States – On June 21st, Acting Consul General Doron Bard and ATO Deputy Director William Verzani participated in an inauguration ceremony organized by the Guangdong Inspection & Quarantine Bureau and local industry for the first Chinese butterfly orchid shipment to the United States. The maiden shipment consisted of a total of 10,000 butterfly orchid seedlings which were shipped to California at a value of \$80,000. According to industry contacts, the United States imports over \$50 million of butterfly orchid seedlings every year, mainly from Taiwan at the moment. USDA’s Animal & Plant Health Inspection Service (APHIS) conducted a compliance visit to China in 2016 and granted market access for Chinese butterfly orchids at the end of the year. ATO Guangzhou facilitated the audit visit in Guangdong together with APHIS’s Beijing office.



U.S. Hardwoods Sought After in China – On June 23, ATO Guangzhou Deputy Director William Verzani delivered opening remarks at the Annual Conference of American Hardwood Export Council (AHEC) in Qingdao, Shandong province to over 100 AHEC members and 450 timber traders, users, designers, architects and media representatives. Six keynote speakers and five market panelists discussed developments in the U.S. hardwood market and trade trends with China and Southeast Asian countries. China is by far the largest market in the world for U.S. wood and wood products, taking in over 52 percent of U.S. global exports of hardwood lumber. U.S. hardwood lumber exports to China in 2016 surged by 24 percent to a record \$1.19 billion.



Chinese Shoe Manufacturers Continue to Demand U.S. Hides and Skins – On May 31, the Shoes and Leather Guangzhou show kicked off with 800 exhibitors and 30,000 trade visitors from the leather, shoe-making and chemical products industries. ATO Guangzhou attended the opening ceremony and the show's international footwear design competition to discuss market developments with the region's major leather and shoe manufacturers. U.S. hides and skins dominate as the main raw product ingredient in mid- to high-end leather product manufacturing.

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