

Required Report: Required - Public Distribution

Date: December 30, 2025

Report Number: CH2025-0241

Report Name: Food Service - Hotel Restaurant Institutional Annual

Country: China - People's Republic of

Post: Shanghai ATO

Report Category: Food Service - Hotel Restaurant Institutional

Prepared By: ATO Shanghai staff

Approved By: Alexander Blamberg

Report Highlights:

China's hotel, restaurant, and institutional (HRI) sector remained resilient yet volatile in 2025, supported by growing domestic and inbound demand. Market churn is high, with rapid openings and closures, while consumers increasingly prioritize value, convenience, and health-oriented options. Chain restaurants and made-to-order formats are expanding, supported by centralized supply chains, technological adoption, and automation, including robotic cooking systems. High-end operators leverage social media and influencer collaborations to engage younger consumers, while distribution relies on a mix of third-party delivery, new retail, and in-house procurement. U.S. food products are recognized for quality and safety while competition and price sensitivity remain challenges.

Executive Summary:

China's GDP reached \$18.8 trillion in 2024, reflecting a year-on-year growth of 5 percent and reinforcing its position as the world's second-largest economy. As a leading global producer of food and agricultural products, China also remains one of the top markets for U.S. agricultural exports.

Consumer-Oriented Agricultural Imports

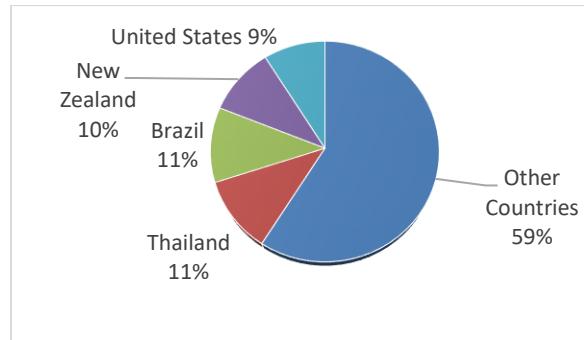


Chart 1: Top Exporting Countries to China

Food Retail Industry:

In 2024, China's total retail sales of consumer goods reached \$6.8 trillion, marking a 3.5 percent year-on-year increase. The sector is showing signs of recovery and is projected to grow by approximately four percent in 2025. Market concentration also intensified, with the top 10 retailers accounting for over 66 percent of total sales.

Food Processing Industry:

In 2024, the food processing industry faced challenges such as declining prices and increased revenue pressures. Nevertheless, the industry grew by 2.2 percent, reaching \$1.3 trillion. The sector is poised for steady expansion in 2025.

Food Service Industry:

In 2024, China's food service sales reached \$773.9 billion up 3.2 percent from 2023. Growth has slowed in line with broader economic trends. In 2025, the sector is expected to expand further, though amid heightened competition and more cautious consumer spending.

Quick Facts CY 2024

Imports of Consumer-Oriented Products (\$ 80.7 billion)

List of Top 10 Growth Products in Host Country

1) Fresh Fruit	2) Beef & Beef Products
3) Dairy Products	4) Soup & Other Food Preparations
5) Pork & Pork Products	6) Tree Nuts
7) Poultry Meat & Products (ex. Eggs)	8) processed Vegetables
9) Meat Products	10) Distilled Spirits

Food Industry by Channels (U.S. billion)

Retail Food Industry	\$ 431.9
Food Service-HRI	\$ 773.9
Food Processing	\$ 1,259
Food and Agriculture Exports	\$ 75

Top 10 Host Country Retailers (by sales)

Walmart; RT-Mart; HeMa Fresh; Yong Hui; Wu Mart; Lian Hua; CR Vanguard; Jia Jia Yue; Zhong Bai; Qian Da Ma

GDP/Population

Population: 1.4 billion
GDP: \$ 18.8 trillion
GDP per capita : \$ 12,969

Sources: BICO, National Bureau of Statistics of China, and China Chain Store & Franchise

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
U.S. products enjoy a good reputation in China for their high quality and food safety standards	China's economic recovery has been weaker than expected.
Opportunities	Threats
Strong consumer demand for value, high-quality	High level of competition from export-focused competitors

Section I: Market Summary

China's hotel, restaurant, and institutional (HRI) sector remained resilient yet volatile in 2025 amid structural adjustment. National catering revenue reached \$774 billion in 2024, with star-rated hotels generating \$219 billion and 49.2% occupancy. Inbound arrivals surged 60.8% to 132 million, though growth varied regionally, with coastal cities expanding slowly and emerging provincial capitals showing stronger momentum. Full-year 2025 revenue is projected at \$802.8 billion, though growth is moderating.

Market churn was high, with 3.9 million F&B openings and 3.5 million closures in 2024. Per-capita catering spending fell to 34.7 RMB (\$4.90) by Q3 2025, boosting fast food and snack segments while premium dining softened. Consumers increasingly prioritize value combining taste, experience, and emotional satisfaction.

Chain restaurants expanded, raising the “chainization” rate from 15% in 2020 to 23% in 2024. Health-oriented products, including low-sugar and functional milk teas, are projected to reach \$7.75 billion by 2025. Technology adoption—AI kitchens, central production, and digital management—improved standardization, reduced labor costs, and enhanced scalability.

Distribution channels evolved as third-party delivery platforms pressured self-operated systems and new retail expanded in-store dining and made-to-order options. Social media promotion and influencer collaborations are increasingly used by high-end operators to engage younger consumers. Automation adoption, including stir-frying robots and smart dispensing systems, is growing, supported by municipal programs such as Shanghai's “smart dining” to enhance efficiency in restaurants and institutional catering.

Advantages and Challenges

Advantages	Challenges
U.S. products are considered to be safe and high quality. China has been a major importer of U.S. food products for decades, which has created higher awareness and trust among consumers.	Market access issues persist and some U.S. products are subject to higher tariffs than similar products from countries with beneficial trade agreements.
Growing popularity of convenience and fast foods favors food ingredients from the United States which can meet high specs for quality and standardization.	China's economy is slowing down and mass consumers are increasingly price sensitive.
Trade shows with USA Pavilions and educational seminars bridge the gap for importers not yet familiar with U.S. food and agricultural products.	Competitors are investing more resources in marketing their products.

Section II: Roadmap for Market Entry

A. Entry Strategy

U.S. exporters of food and agricultural products planning to enter the China HRI market may wish to begin creating their market entry strategy using the following suggested steps:

1. Conduct market research to assess product potential, focusing on price competitiveness, seasonality, distribution channels, and the availability of similar products in China.
2. Determine whether the target product has market access in China and research relevant food laws and regulations related to product registration, packaging, and labelling. The following reports provide initial guidance on exporting to China.
 - a. [USDA's Food and Agricultural Import Regulations \(FAIRS\) Report](#).
 - b. [China Exporter Guide](#)
 - c. [FAS China Reporting on Facility Registration Decrees 248 and 249](#)
3. Participate in USDA-endorsed or non-endorsed trade shows and trade missions to leverage resources from FAS China, State and Regional Trade Groups (SRTGs), and USDA Cooperators. Currently, the three USDA-endorsed trade shows are: Food and Hospitality China (Shanghai), SIAL Show (Shanghai), and Food Ingredients China (Shanghai).
4. Establish direct contact with Chinese importers serving major hotels, restaurants, and caterers. U.S. exporters should work with local importers, distributors, or in-country representatives to navigate China's food regulations and trade practices.
5. Educate importers—preferably in person—about your product's quality, highlighting health benefits, U.S. consumption trends, ingredient sourcing and traceability, and marketing successes in other countries.
6. Offer technical assistance on product usage and actively support promotional and educational activities during the initial years.
7. Maintain strong communication with your importer to provide timely responses on certification requirements and import documentation.

B. Market Structure

Full-service dining restaurants make up the largest segment in the Chinese cuisine market, which is highly fragmented with regional and taste differences. The second largest segment consists of Chinese casual dining restaurants, which benefit from fewer, high-volume SKUs and is experiencing fast nationwide expansion. Chinese fast-food restaurants and drink shops make up the remaining major segments.

“Solo dining” is becoming increasingly popular, prompting brands to adjust products and operations to meet this demand. Domino’s has introduced bite-sized, muffin-shaped pizzas for solo consumers, while

Pizza Hut opened “Wow Stores” targeting individual diners. Innovations in space design, product combinations, and service models are creating tailored solutions for fast-paced lifestyles.

Since 2024, high-end restaurants and luxury hotels have leveraged social media platforms such as Douyin, WeChat, and Xiaohongshu to promote discounted dining, short-form videos, live cooking, and ready-to-eat meals, often collaborating with influencers to engage younger consumers. At the same time, China’s robotics ecosystem has reduced equipment costs and accelerated automation. Specialized stir-frying robots, robotic cookers, and smart dispensing systems are being widely adopted, while municipal initiatives, including Shanghai’s “smart dining,” integrate automated frying, rice-cooking, and assembly units to boost efficiency in restaurants and institutional catering.

Segment	Scale (USD billions)	Characteristics
Chinese Full-Service Dining	209.3	The top three sub-segments are Sichuan cuisine (30.3), Cantonese cuisine (25.6), and Hunan cuisine (23.5).
Chinese Casual Dining	166.4	Hotpot is the largest sub-segment (\$ 89.7 billion), followed by grill bars (\$ 40.0 billion).
Chinese Fast Food	161.3	The top three sub-segments are set meals with rice with revenue at around \$ 77.8 billion, noodles/rice noodles restaurants at about \$ 45.9 billion, and dumplings/wontons restaurants at about \$ 12.5 billion.
Drink Shops	86.0	Tea shop revenue is estimated at \$47.9 billion and while coffee shop revenue is \$25.3 billion.

Source: Shanghai Goalyeah Infotech and other consulting agencies

C. Distribution

The distribution of food ingredients in China is a well-coordinated system involving multiple stakeholders, from producers to retailers. It is supported by a robust infrastructure and logistics network, ensuring that food ingredients reach their destinations efficiently and safely. Fresh food and ingredients account for a large portion of daily purchases in the HRI sector.

Although high-level industry players have historically expressed a desire to create vast food supply companies that service restaurants and hotels (modeled after U.S. suppliers such as Sysco), no such company yet exists in China nor one that operates across all of China. However, chain international hotels have economies of scale and the capacity to procure consistent food and beverage products with their centralized purchasing system. Similarly, most chain restaurants have increased resilience and stability within their respective internal ingredient supply chains. Restaurant and supermarket networks across China have been successful at providing supply chain services at competitive prices.

D. Sub-Sector Profiles

Hotels

According to Ministry of Culture & Tourism 2024 statistical bulletin published on May 30, 2025, there were 7,716 star-rated hotels in China by end of 2024, realizing an annual revenue of around \$22 billion in 2024. The largest domestic hotel groups in China are Jin Jiang International and H World Group, both headquartered in Shanghai. Most leading international hotel groups operate in China with aggressive expansion plans.

Notable International Upscale Hotels operating in China 2024-2025	
1. Hilton Group (U.S.)	6. Wyndham Hotels & Resorts (U.S.)
2. Marriot Hotel Group (U.S.)	7. Radisson Hotel Group (China business acquired by Shanghai Jinjiang Hotel Group)
3. IHG Hotels & Resorts (U.S.)	8. Shangri-la Hotels (Singapore)
4. Accor Group (France)	9. Kempinski Hotels (Germany)
5. Hyatt Hotels Corporation (U.S.)	10. BWH Hotels International (U.S.)

Source: ATO Shanghai research

Restaurants

In 2025, China's catering industry faced dual pressures of sluggish consumption and intensified competition. The number of restaurants reached 16 million in 2024, an all-time high, while the average lifespan of restaurants has shortened from 2.1 years in 2015 to 16.9 months in 2024, and is expected to drop further to 15 months in 2025.

According to the China Chain Store & Franchise Association and Meituan, the chainization rate of restaurants in China reached 25 percent in 2025, up from 15 percent in 2020. Milk tea shops and cafés lead with 49 percent chain penetration, followed by baked dessert shops (34%) and snack/fast-food outlets (29%). In contrast, Chinese fine dining (22%) and Western restaurants (17%) maintain relatively low chainization levels. Increasing chainization is leading to higher rates of centralized purchasing, reducing costs with shortened supply chains, and driving product innovation by linking suppliers directly with menu developers to better customize products for local tastes.

Top Ten Western Fast Food Chains in China 2024-2025	
1. Yum!: 17,514 restaurants including 12,640 KFCs, 4,022 Pizza Huts, and Taco Bell.	6. Champion Pizza: 3,000 outlets
2. McDonalds: 7,227 outlets	7. Dicos: 2,500 outlets specializing in fried chicken and burgers
3. Wallace: Chinese fast-food, 20,300 outlets	8. Domino's Pizza: 1,280 outlets
4. Tastien: Fast-food chain specializing in "Chinese style burger" with 10,000 outlets.	9. Subway: 1,000 outlets
5. Burger King: 1,200 outlets	10. Xiang Dia Wei Burger: Chinese fast-food restaurant chain with over 3,000 outlets.

Source: ATO Shanghai research

Institutional Food Service Operators

This sector in China includes corporate and office canteens, schools and universities, hospitals, government institutions, enterprise campuses, possibly also military or public-service arrangements. Convenience, time efficiency, and affordability are the primary reasons consumers opt to dine at canteens. Ensuring food safety remains a critical challenge.

Leading Institutional Food Service Operators in China 2024-2025	
1. Hebei Kinghey Catering Management	6. Dongguan Hongjun Catering Management
2. Shenzhen Debo Catering Management	7. Shanghai Sodexo Management
3. Beijing Jinfeng Catering	8. Wuhan Huagong Logistics Management
4. Beijing Quickly Catering Management	9. Shanghai McKinney Group
5. Shuwang Youfude Catering Investment	10. Emmake Service Industry China

Source: ATO Shanghai research

Section III: Competition

U.S. food products for China's HRI sector face competition from both domestic and international competitors. China has 23 free trade agreements with 30 countries and regional groups in the world, including ASEAN members, Chile, Australia, New Zealand, and Peru. Most imports compete with lower-priced local alternatives. Large international companies with local production also pose significant competition. As the quality of domestic products improves, chefs and purchasing managers must weigh quality against cost when sourcing supplies.

Competition Chart

China Major Consumer-oriented Imports by Category 2024		
Product	Suppliers Market Shares	Noteworthy Developments
Fresh Fruit \$15.98 billion	1. Thailand 31.8% 2. Chile 25.8% 3. Vietnam 23% (United States 0.63%)	China continues to source large volumes of tropical fruit from Thailand and Vietnam. Chilean cherries, blueberries, table grapes, nectarines, and peaches benefit from China's holiday-driven demand and Southern Hemisphere counter-seasonality.
Beef & Beef Products \$13.89 billion	1. Brazil 44% 2. Argentina 16% 3. Australia 11.2% 4. United States 10.6%	China's beef production is forecast to decline slightly in 2026, driving a modest increase in beef imports—primarily frozen product for lower-priced segments—though overall demand growth remains constrained by economic pressure and weak consumption.
Dairy Products \$12.35 billion	1. New Zealand 47% 2. Netherlands 15.3% 3. Germany 7.6% (United States 4.7%)	China's dairy market remains oversupplied with fluid milk, pushing farmgate prices down since mid-2022. Milk output is expected to edge lower in 2025. Growing use of cheese and butter in foodservice will support modest import growth.

Soup & Other Food Preparations \$6.30 billion	1. United States 22.4% 2. Germany 14.9% 3. Australia 14.8%	The United States, Germany, and Australia remain China's top three suppliers, increasing market share and reinforcing leadership in supply chain reliability, product quality, and customer trust. In 2024, their combined exports accounted for over 52 percent of China's total imports.
Pork & Pork Products \$4.69 billion	1. Spain 25.7% 2. United States 18.3% 3. Brazil 13%	Pork production in 2026 is expected to remain steady, supported by stable piglet output but limited by lower carcass weights and flat demand. Imports are forecast to decline modestly as ample domestic supply and weak demand keep traders cautious amid high cold storage inventories.
Tree Nuts \$3.74 billion	1. United States 30.2% 2. Vietnam 14.7% 3. Australia 12.9%	China's tree nut market is expanding, driven by rising consumer interest in nutrition and health, with domestic production—particularly walnuts, macadamia nuts, and hazelnuts—growing at a nine percent annually over the past five years. Despite this growth, China remains heavily reliant on imports, especially pistachios, almonds, and pecans.
Poultry Meat & Prods. (ex. eggs) \$3.11 billion	1. Brazil 50.4% 2. Thailand 14.4% 3. Russia 13.8% 4. United States 13.5%	China's chicken meat production and consumption are expected to grow modestly in 2026, while overall imports are forecast to decline compared to 2025. Demand from foodservice and processing is likely to remain steady, supporting stable market consumption.
Processed Vegetables \$2.98 billion	1. Thailand 49.1% 2. Vietnam 29.7% 3. Laos 6.6% (United States 0.96%)	Processed potatoes account for the majority of U.S. exports to China but are declining as leading exporters expand domestic production amid intense competition.
Distilled Spirits \$2.15 billion	1. France 57% 2. UK 18.8% 3. Japan 2.0% (United States 0.9%)	China's imported spirits market contracted sharply in 2024, with brandy and whiskey imports declining due to high inventories and softening consumer demand. Brandy remains the top imported spirit, followed by whiskey, though overall demand has weakened after the post-pandemic market boom.
Processed Fruit \$2.02 billion	1. Thailand 45% 2. Malaysia 10.6% 3. Cambodia 7.3% (United States 3.6%)	Leading U.S. processed fruit exports to China include cranberry products, California raisins, dried blueberries, and tart cherry products, all facing strong competition from suppliers in Chile, Canada, and domestic Chinese products.

Source: Trade Data Monitor

Section IV: Best Product Prospects

China 2024 Top Consumer-oriented Products Imports from the World (million USD)				
Products	2022	2023	2024	Year-on-Year Growth
Fresh Fruit	12,709.82	14,711.98	15,967.15	8.53%
Beef & Beef Products	17,999.29	14,433.51	13,888.64	-3.78%
Dairy Products	15,166.79	13,319.90	12,309.90	-7.58%
Soup & Other Food Preparations	4,705.01	5,440.84	6,303.82	15.86%
Pork & Pork Products	6,574.33	6,269.46	4,694.67	-25.12%
Tree Nuts	2,666.40	2,715.82	3,336.00	22.84%
Poultry Meat & Prods. (ex. eggs)	4,164.94	4,219.44	3,112.42	-26.24%
Processed Vegetables	4,544.95	3,685.25	2,981.76	-19.09%
Distilled Spirits	2,271.18	2,823.22	2,146.25	-23.98%

Source: Trade Data Monitor

China Top Consumer-oriented Products Imports from the United States (million USD)				
Products	2022	2023	2024	Year-on-Year Growth
Beef & Beef Products	1,815.48	1,522.00	1,469.97	-3.42%
Soup & Other Food Preparations	1,153.41	1,122.34	1,413.38	25.93%
Tree Nuts	797.04	888.28	1,048.84	18.08%
Pork & Pork Products	985.38	1,007.11	859.39	-14.67%
Dairy Products	772.94	648.36	577.57	-10.92%
Poultry Meat & Prods. (ex. eggs)	1,239.49	843.99	419.54	-50.29%
Dog & Cat Food	345.95	376.41	343.02	-8.87%
Meat Products NESOI	497.9	433.69	285.07	-34.27%
Fresh Fruit	99.76	114.81	101.24	-11.82%

Source: Trade Data Monitor

Products Present in Market with Good Sales Potential	Products Present in Market with Unrealized Sales Potential	Product Not Present in Market due to Significant Barriers
<ul style="list-style-type: none"> Dairy Ingredients (whey protein, lactose) Tree Nuts Dried fruit Meat Fishery products Frozen potatoes Ginseng Fresh fruit Sauces, spices, condiments Wine Spirits 	<ul style="list-style-type: none"> Dairy products (cheese, butter, cream) Wheat flour and pasta Fresh fruits (avocados, nectarines, blueberry) Dehydrated potatoes Sugar confectionary Mixes and doughs Breads and pastries Breakfast cereals Craft beer Rice Dry pea and lentils Chocolate Coffee products 	<ul style="list-style-type: none"> Fresh fruits and vegetables (fresh potatoes, chickpeas) Poultry products (turkey) Organic foods

Section V: Key Contacts and Further Information

1. Trade Shows in China

USDA has three endorsed trade shows in China for exporters to participate in. Many suppliers get excellent market information by scheduling their visit to coincide with one of the trade shows. The ATOs in Shenyang, Beijing, Shanghai, and Guangzhou can all provide contact details for show organizers upon request as well as recruiting distributors or traders to the show for matchmaking meetings. For additional information on USDA endorsed trade shows, please visit: [USDA Endorsed Trade Shows](#).

2. Chinese Resources on Import Regulations

China has strict documentation requirements for most of the imported food and agricultural products regarding quality, quarantine, origin, etc. Products may also need to meet other criteria such as packaging requirements, pre-clearance (if applicable), treatment options, labeling requirements, and container conditions. In most cases, Chinese importers can provide enough information for U.S exporters to assess trade feasibility. For specific Chinese Ministry websites and additional contacts, please review the [FAS China Exporter Guide](#).

USDA's Foreign Agricultural Service (FAS) has the following 5 offices in China.

<p>Office of Agricultural Affairs (OAA) Tel: +86 10 8531 3600 Fax: +86 10 8531 3636 Email: AgBeijing@usda.gov</p>	
<p>Agricultural Trade Office (ATO) Beijing Tel: +86 10 8531 3950 Fax: +86 10 8531 3974 Email: ATOBeijing@usda.gov</p>	<p>Agricultural Trade Office (ATO) Shanghai Tel: +86 21 6279 8622 Email: ATOShanghai@usda.gov</p>
<p>Agricultural Trade Office (ATO) Guangzhou Tel: +86 20 3814 5000 Fax: +86 20 3814 5310 Email: ATOGuangzhou@usda.gov</p>	<p>Agricultural Trade Office (ATO) Shenyang Tel: +86 24 2335 5140 Email: shenyangATO@state.gov</p>

Attachments:

No Attachments