

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Food Consumption Trends and U.S. Imports in Xi Ning

Report Categories:

Trip Report

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Report Highlights:

Retail sales of consumer goods in Xi Ning increased 11% in 2016. ATO Beijing observed U.S. fresh fruits, beverages, craft beer, and wine in the market, as well as, imported food products from several Latin American countries. ATO Beijing staff believe fruit handling training could increase the quality and appearance of U.S. imports, and thus, increase the demand for U.S. fresh fruit.

Introduction to Xi Ning

Xi Ning is the capital of Qinghai Province, and is located in Northwestern China. The city serves as the eastern gateway to the Tibetan Plateau and is a traditional transportation, political, and military hub for Northwest China. Xi Ning (translates to “western tranquility”) has a population approximately 2.3 million. Approximately 25% of the city’s residents are minorities; the largest minority groups are the Hui, Tibetan and Tu.

Table 1: Xi Ning Economy at a Glance

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|---|-----------------------|
| <i>Population</i> | <i>2.3 million</i> |
| <i>GDP</i> | <i>\$18.8 billion</i> |
| <i>GDP Growth Rate</i> | <i>9.8%</i> |
| <i>Total Retail Sales of Consumer Goods</i> | <i>\$7.7 billion</i> |
| <i>Exports</i> | <i>\$11.4 billion</i> |
| <i>Imports</i> | <i>\$1.4 billion</i> |
| <i>Tourism Income</i> | <i>\$2.9 billion</i> |
| <i>Per Capita Annual Disposable Income</i> | <i>\$3,266</i> |

Food Market Information

In 2016, the retail industry grew steadily with total retail sales of consumer goods reaching \$7.7 billion, an 11% increase over the previous year. Xi Ning’s GDP growth rate was 0.7% above the national average. Key food retailers are RT-mart, Wang Fu Jing department store, China Resources Vanguard (CRV) and Beijing Hualian (BLT). RT-mart operates one outlet, Wang Fu Jing Department store has two outlets, CRV operates three outlets, and BLT has the largest number of outlets with seven.

The Tibetan Plateau agricultural wholesale market in Xi Ning is the largest market in Qinghai Province. An estimated 80% of the agricultural products in Tibet are supplied through this wholesale market. U.S. cherries, apples, pears, citrus, and table grapes can be found in the local market. Most of these fresh fruits are supplied via Jiangnan Market in Guangzhou. U.S. Red Delicious and Granny Smith apple varieties are popular in Xi Ning during the Tibetan New Year (which generally falls in February and/or March), because Tibetans traditionally offer apples to Buddha given its unique color match to images of Buddha. Avocados from Mexico and blueberries from Chile can also be found in the market. ATO Beijing believes a fresh fruit handling training seminar would help the U.S. fresh fruit industry increase their presence in the market. Seafood (including U.S. seafood products) are not popular in the market. Due to geographical restrictions, and cultural norms, the local diet consists of little to no seafood.

Xi Ning is more than two thousand meters above sea level. Due to the high altitude, some packages of snack products that are shipped from low altitudes sometimes burst during transport. Thus, distributors are very cautious about this issue when they source imported products. The supermarket managed by the Wang Fu Jing department store is the top destination to source imported products. They most frequently offer imported wine, beer, cookies, candy, and non-alcoholic beverages. One downtown boutique store offers imported cheeses, beverages, frozen French fries, bakery products, cereals, and snack products targeting expatriates, high income customers, and the hospitality trade.

Interestingly, some local bars have started to offer craft beers. One establishment in particular offers three brands of U.S. craft beer involving 20 Stock Keeping Unit (SKU) products. Generally, local young men are the primary customers in these establishments.