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Report Name: Growing Appetite for Imported Beef in Yangtze River Delta

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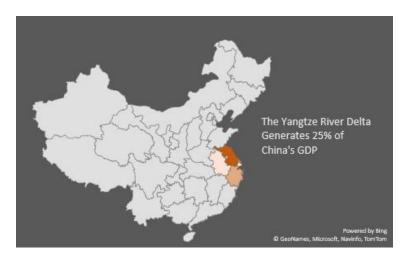
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Report Highlights:

The Yangtze River Delta region (Shanghai, Jiangsu, Zhejiang, and Anhui) represents about a quarter of China's overall GDP. Its megacity – Shanghai is the single-largest city in China by nominal GDP (approx. $653 billion in 2022). The region's per capita disposable income is about 53% more than the national average level, which drives strong demand for higher value imported food products such as beef. In this Market Zoom-In report, a range of topics were reviewed related to East China's imported beef market, which covers consumption structure, trend, and the latest import status quo.
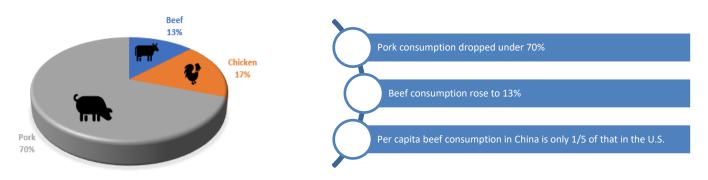
Market Zoom-In: Yangtze River Delta Consumers' Growing Appetite for Imported Beef

The Yangtze River Delta region (Shanghai, Jiangsu, Zhejiang, and Anhui) represents about a quarter of China's overall GDP. Its megacity – Shanghai is the single-largest city in China by nominal GDP (approx. $653 billion in 2022). The region's per capita disposable income is about 53% more than the national average level, which drives strong demand for higher value imported food products such as beef.

While historically, China has been the dominant pork consumer in the world, beef is now taking its fair share. USDA PSD statistics show that while pork occupied about 73% of major meat (pork, chicken, and beef) consumption in China in 2012, as of 2022 it dropped under 70%. At the same time, beef has climbed from 8% in 2012 to occupy a 13% consumption share in 2022. Quite significantly, in 2018, China surpassed the United States to become the biggest beef importer in the world.
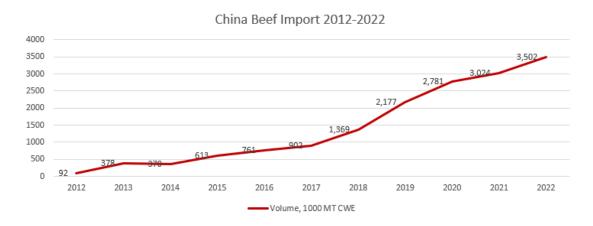
Meat Consumption Structural Change in the Chinese Market

(Data Source: USDA PSD, major consumption categories accounted cover pork, chicken, and beef ONLY.)
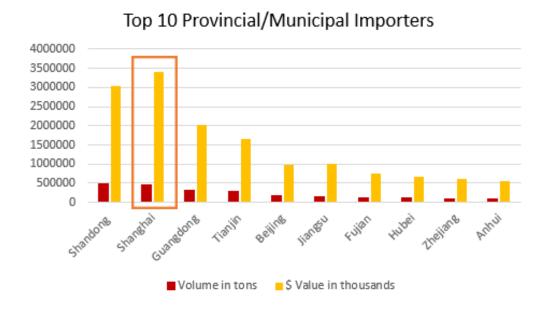
As Chinese consumers' appetite for beef continues to grow, the gap between supply and demand expanded quickly. In 2022, China's imports of beef products exceeded 3.5 million metric tons, accounting for over 30% of total domestic consumption. China has depended heavily on importing beef from across the world to meet the Chinese consumers' growing demand.

How Much Beef did China Import from 2012-2022?

China Beef Import 2012-2022

Year	Value
2012	92
2013	378
2014	370
2015	613
2016	761
2017	903
2018	1,369
2019	2,177
2020	2,781
2021	3,024
2022	3,502

Volume, 1000 MT CWE

(Data source: USDA PSD)

According to statistics from the Chinese Customs, 30 provinces and municipalities in China imported beef from around the world in 2022. Shanghai ranked as the largest importer by value, and the second largest importer by volume.

Top 10 Provincial/Municipal Importers

Shandong, Shanghai, Guangdong, Tianjin, Beijing, Jiangsu, Fujian, Hubei, Zhejiang, Anhui

■ Volume in tons   ■ $ Value in thousands

(Data source: Chinese Customs)

Who are China's Major Beef Suppliers?

According to the data from the Chinese Customs, the top six beef suppliers in the Chinese market are: Brazil, Argentina, Uruguay, New Zealand, Australia, and the United States. These six suppliers together occupied about 94% market share in 2022.

China's Major Beef Suppliers in 2022

Brazil	41%
Argentina	18%
Uruguay	13%
NZ	8%
Australia	7%
USA	7%

■ Brazil ■ Argentina ■ Uruguay ■ NZ ■ Australia ■ USA ■ ROW

(Data source: Chinese Customs)

What is Trending with Beef Consumption?

Global beef suppliers are keen to capture new consumption trends in the China market to add value to their products and to improve their profit margins. Observed trends include but are not limited to:

- Affluent Chinese consumers consider beef healthier than other meat categories.
- Convenience becomes a key decision factor for younger Chinese consumers, who are interested in prepared meat and ready-to-eat meals.
- Online sales of fresh food doubled during Covid-19 period, which looks likely to stay post pandemic.
- Consumer awareness of sustainability is growing in China, but it does not translate into notable purchase actions for alternative meat.
- After three years of living under strict Zero-Covid policies, Chinese consumers are more pragmatic, spending more on the products which they perceive as practical, valuable, and accessible.
- As consumer groups become more segmented, beef is experiencing both trading up and trading down. A gradual increase is expected in high quality beef consumption, although total consumption may increase more slowly.
- While food service has traditionally been the main channel for beef consumption, rising beef sales in retail channels is observed.

To further understand consumption trends from a supply angle, we interviewed a select group of exporters and importers, who shared that the Yangtze River Delta market is targeted as a main sales destination by international beef sales teams. Given that East China opened to foreign trade earlier than the other parts of China, consumers in this region have developed a better understanding of beef cuts and cooking techniques. At the same time, they note that, based on growing emphasis on health concepts, consumers in this region are more inclined to buy high-quality animal protein products. For example, high-quality animal protein represented by American grain-fed beef with features such as juiciness, tenderness, and a unique buttery flavor is increasingly popular among sophisticated Chinese consumers.

Additionally, industry experts observed rapid growth rate of U.S. chilled beef products. In large retail channels, sales have increased phenomenally in recent years. *(Photos below were taken by the author in a Shanghai Costco store. In the middle photo, Costco workers were cutting chilled beef in an open workplace.)*

Finally, industry contacts shared consensus that beef grading/branding awareness is strategically important and has a key impact on consumption. USDA Prime as a top-notch beef grade is currently recognized by the HRI sector as a premium alternative to replace traditional Wagyu beef in the hotel and catering channels. Branded beef such as Certified Angus Beef (CAB) positioned at a premium level sees significant growth driven by brand awareness.

Attachments:

No Attachments.