

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 6/6/2018

GAIN Report Number: CH186020

China - Peoples Republic of

Post: Guangzhou

Monthly Agricultural Market News of South China – 22

Report Categories:

Agriculture in the News

Agricultural Trade Office Activities

SP1 - Expand International Marketing Opportunities

Approved By:

Levin Flake

Prepared By:

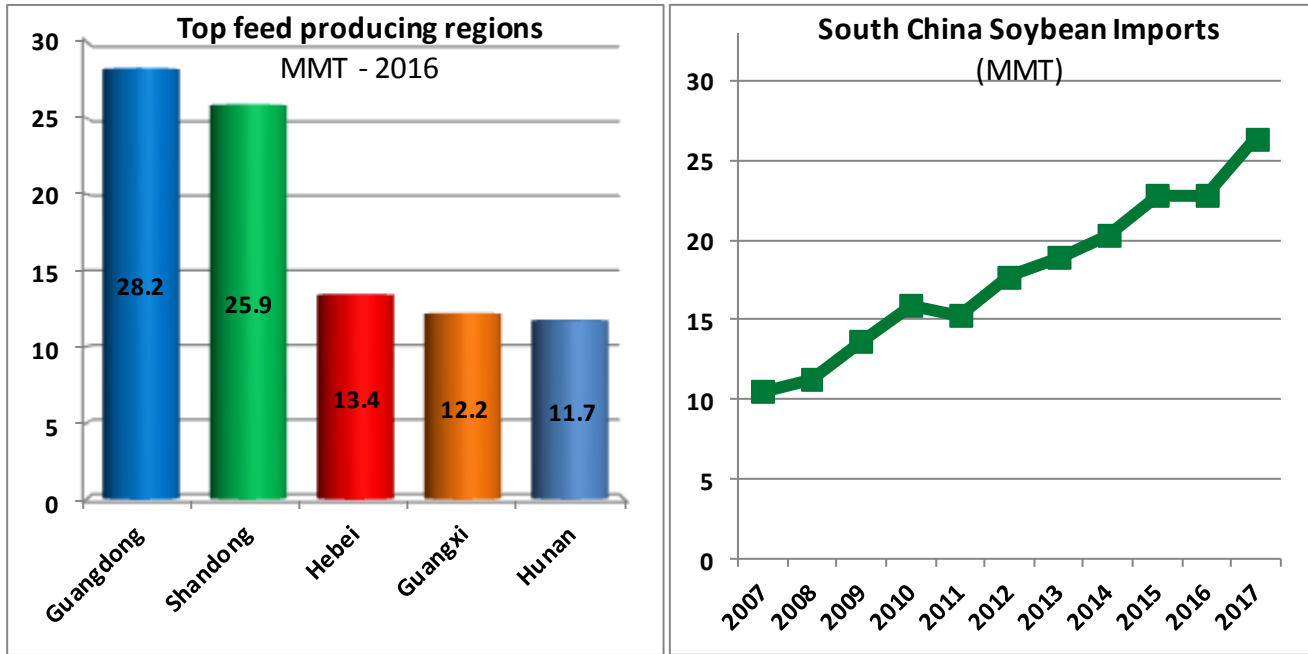
ATO Guangzhou Staff

Report Highlights:

Feed production continues to expand in South China...Upcoming opportunities for U.S. exporters to meet with food ingredient importers...ATO Guangzhou organized a large USDA Agribusiness Trade Mission to Guangzhou and Shenzhen, arranged a USA pavilion at the Guangzhou Bakery Show, and carried out a number of other promotional activities.

General Information:

Feed Production Continues to Expand in South China



Data Sources: China Customs

South China's feed production has continued to climb in recent years, and three of the five largest feed producing provinces in China are located in South China (Guangdong, Guangxi, and Hunan). Guangdong province is the largest, with feed production of 28 million metric tons (MMT) in 2016, and the Guangdong Feed Industry Association estimates that production reached nearly 30 MMT in 2017. The region's combination of high feed production, being located far from feed grain producing areas, as well as having some of the largest seaports in the world, all make South China a key global importer of a wide variety of feed ingredients including from the United States.

South China's imports of soybeans (primarily from Brazil and the United States), rose another 16 percent last year (by volume), and imports from the United States average around \$3.5 billion each year. South China is also the world's largest importer of U.S. sorghum, averaging \$1.5 billion annually in the past 3 years. These imports had been interrupted earlier this year because of an antidumping and countervailing duty investigation, but on May 18, 2018, the Chinese Government announced that they were dropping this investigation and not levying any additional duties.

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

Upcoming Events

July 15-18, IFT Show, Chicago: ATO Guangzhou, in cooperation with the China Food Additives & Ingredients Association, is organizing a delegation from South China to attend the Institute of Food Technologies (IFT) Show in Chicago. This delegation will have nearly 30 participants from over 10 companies. In addition to participating in the show, ATO Guangzhou will also arrange factory and other site visits for the participants. Any U.S. exporters interested in meeting with key South China buyers at the show should please contact ATO Guangzhou Marketing Specialist Crystal Tang (Crystal.Tang@fas.usda.gov).

Recent ATO Guangzhou Activities

Successful USDA Agribusiness Trade Mission Highlights Strong Demand in South China for New U.S. Products - From May 21-May 25th, ATO Guangzhou organized an Agribusiness Trade Mission led by Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs, Ted McKinney, to Guangzhou and Shenzhen. This Mission included 23 U.S. companies and organizations, and 470 individual one-on-one business meetings took place with Chinese importers in both Guangzhou and Shenzhen. In addition to the successful business matchmaking, site visits were arranged for participants to a key e-commerce company, major retailers, a large fresh fruit wholesale market, as well as the largest bulk and container ports in South China. Strong on-site sales were reported, as well as expected robust sales in the near future.



Quality U.S. Food Ingredients Provide More Possibilities To Local Chefs – On April 27, ATO

Guangzhou together with four U.S. producer associations organized a chef training program in Xiamen, Fujian Province. Nearly 70 chefs from leading hotels and restaurants participated. Quality U.S. food ingredients, such as Alaska pollock, pollock roe, snow crab, frozen potato products, various cheeses and raisins were featured throughout the training. The guest chefs demonstrated innovative ways to use these U.S. ingredients, as well as proper handling techniques. The trainings focused on educating hotels and restaurants in emerging market cities on the versatility of U.S. food ingredients and the many possibilities of using these ingredients in different dishes.



Tasty U.S. Beef Attracts Media Attention – On May 11, ATO Guangzhou participated in a lifestyle media event in Shenzhen with a focus on U.S. beef and pork. Over twenty journalists, bloggers and key opinion leaders participated in the event. A guest chef and representative from the U.S. Meat Export Federation introduced the audience to the unique characteristics of U.S. beef and pork, as well as cooking tips. Very positive feedback was generated after the media got a bite of the tasty and juicy U.S. beef and pork.



SIAL Show Attracts Southern China Food Retail Buyers – From May 17-19th, ATO Guangzhou staff attended the SIAL show in Shanghai. At this show, ATO Guangzhou introduced key retailers and traders from South China to U.S. exhibitors. These participants were impressed by the display of a wide range of U.S. agricultural and food items at the USA pavilion and a number of these contacts reported additional purchases of U.S. products, including for dried fruits and nuts. ATO Guangzhou will continue to work closely with these traders and retailers on promoting U.S. products.



U.S. Wine Strives to Increase Market Presence in South China – On May 18, ATO Guangzhou visited the U.S. wine pavilion at the Interwine show in Guangzhou. The show is the largest and most influential for imported wine in Southern China. The ATO Guangzhou Deputy Director gave opening remarks at the opening of the U.S. wine pavilion which included about 12 exhibitors showcasing wines

from California, Washington and Oregon. Importers and distributors of U.S. wine have been facing a number of challenges recently, including increased tariffs, rising warehouse storage fees, and other issues. Despite these challenges, in part thanks to promotional efforts, U.S. wines have gained better awareness and a positive brand image among Chinese wine drinkers. In 2017, although import volume of U.S. wines dropped slightly, import value increased, indicating that Chinese drinkers are sourcing more premium U.S. wines.



South China Chefs Create New Recipes with California Walnuts - On May 24, ATO Guangzhou participated in a Chef Competition organized by the California Walnut Committee at the China Restaurant Expo in Guangzhou. An officer from the Consulate General in Guangzhou represented the ATO and delivered welcome remarks and presented awards to the competing chefs. 20 selected chefs from Guangdong, Beijing and Shanghai participated in the competition and developed several products using California walnuts in both savory and sweet categories. Events such as this are helping build awareness of the many ways California walnuts can be used, not only in bakery products but also in many other dishes in the restaurant and hotel sector.



USA Pavilion and U.S. Bakery Ingredients Extremely Popular at Guangzhou Bakery Show - On May 23-25, ATO Guangzhou organized a large USA Pavilion at the Guangzhou Bakery Show. This pavilion included 13 U.S. Cooperators, and also had live chef demonstrations, bakery product displays, and visitor tastings. The guest chef (who was sponsored by the U.S. Wheat Associates) created 14 products using a wide range of U.S. ingredients. The Director of ATO Guangzhou and the President of the All China Baking Association (the show organizer) attended the opening ceremony and toured the pavilion and met with exhibitors. The USA pavilion was extremely popular for visitors to the show, and this event helped increase the awareness and boost the image of U.S. ingredients in the South China baking industry. The U.S. Cooperators that exhibited as part of the USA pavilion included: California Raisin Committee, U.S. Dairy Export Council, California Walnut Committee, Cranberry Marketing Committee, National Pecan Growers Council, U.S. Wheat Associates, American Pistachio Growers, California Prune Board, Cherry Marketing Institute, California Fig Board, Blue Diamond Growers, Dry Pea & Lentil Council, and California Strawberry Committee.



Email: ATOGuangzhou@fas.usda.gov
Tel: +86-20-3814-5453
Fax: +86-20-3814-5310