

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Monthly Agricultural Market News of South China – 2

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Report Highlights:

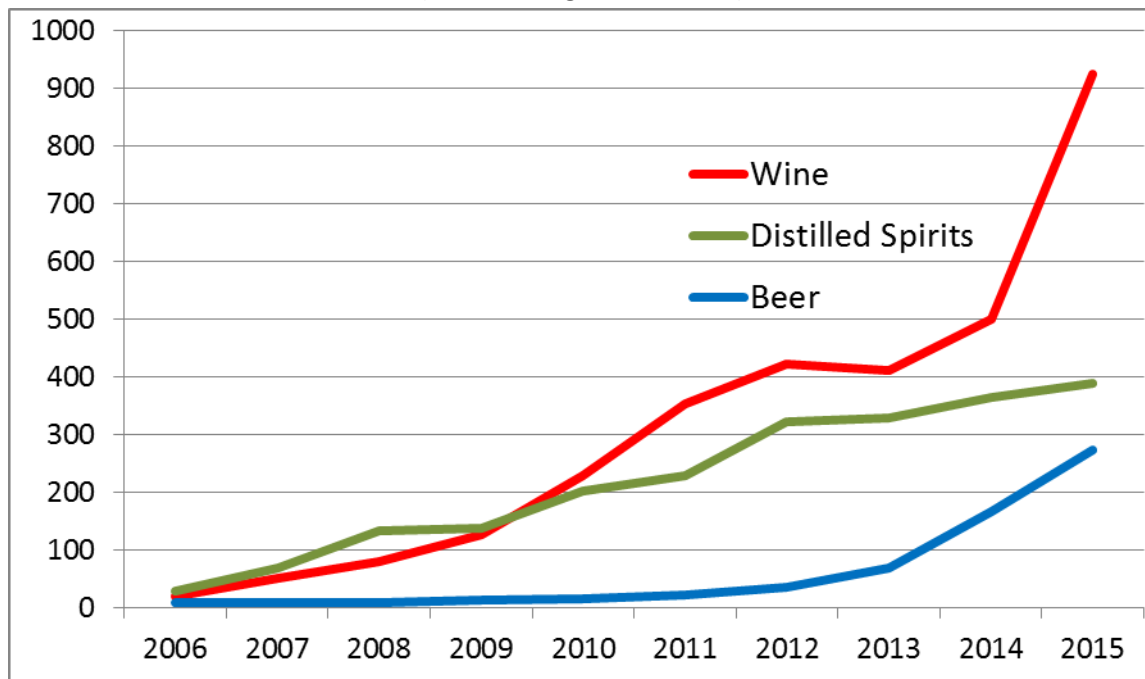
Southern China wine and beer import market rapidly expanding....Upcoming opportunities for U.S. exporters to meet with South China seafood, pet food, and other food product importers...ATO Guangzhou launches a U.S. fresh fruit promotion, helps organize a wine seminar, and participates in key Hong Kong trade shows and other promotional events.

General Information:

Southern China Wine and Beer Import Market Rapidly Expanding

Southern China Total Imports of Alcoholic Beverages

(From all origins - \$ million)



Data Source: China Customs

South China's imports of wine and beer have skyrocketed, with imports of wine more than doubling between 2013 and 2015, and imports of beer tripling during this period. This strong growth has continued into 2016, and in the first 8 months of the year South China's wine imports are up another 35 percent by value and beer 16 percent compared to the same period last year.

South China is by far the largest wine importing region of China, accounting for nearly half of China's imports, and also accounts for about half of the beer imports. Wine consumption in South China continues to grow, and although China is also a major producer of wine, there is a strong preference among many consumers for foreign wines. For beer, China is the world's largest producer and consumer of beer, but recently consumers have begun to turn to imported beer for a greater variety of taste and quality.

U.S. wine and beer exports have also been increasing to China and according to U.S. Census data, direct U.S. wine exports reached a monthly record to China in both June and July 2016. However, U.S. supplies are still just a very small fraction of total wine and beer imports, and as a result the market potential in South China for increased U.S. sales is enormous.

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

Upcoming Events

November 2-4, China Fisheries & Seafood Expo, Qingdao: China is a growing market for seafood products with significant potential. Nearly 30 U.S. seafood exporters will exhibit at the China Fisheries & Seafood Expo in Qingdao in earlier November. FAS/China is organizing the U.S. pavilion and will also have a booth at the show to provide assistance to U.S. exhibitors and to connect visiting Chinese buyers with U.S. suppliers. U.S. seafood exporters who would like to meet with South China importers can please contact Vivian.Xian@fas.usda.gov.

November 8-10, Food & Hotel China, Shanghai: During the period of November 8-10, one of the leading food and wine shows in Asia - Food & Hotel China - will be held in Shanghai. Over 50 U.S. food exporters will exhibit at the U.S. pavilion. FAS/China will have a booth at the show to provide assistance to U.S. exhibitors and make introductions among Chinese buyers and U.S. suppliers. U.S. food and beverage exporters who would like to meet with South China importers at this show can please contact Vivian.Xian@fas.usda.gov.

November 10-13, China International Pet Show (CIPS), Guangzhou: China is a rapidly growing market for pet foods. ATO Guangzhou will visit CIPS to learn about market updates, trends and opportunities for U.S. exporters. For more information, please visit the CIPS web page (<http://en.cipscom.com/>) or contact ATO Guangzhou Marketing Specialist Ken Chen (Kang.Chen@fas.usda.gov).

Recent ATO Guangzhou Activities

U.S. Seafood Exporters Showcase Their Premium Products at Seafood Expo Asia in Hong Kong - During the period of September 6-8, 25 U.S. seafood exporters showcased their premium seafood at the Seafood Expo Asia in Hong Kong. Lobster, crab, various fishes, shellfish and value-added seafood products were featured during the show. Around 70 South China seafood importers and distributors visited the show and ATO Guangzhou staff helped make introductions with U.S. suppliers. ATO Guangzhou also took the opportunity to participate in the Restaurant & Bar Show, which was held at the same period of with the seafood show.



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Zinfandel Seminar and California Wine Tasting held in Xiamen – On August 30, ATO Guangzhou and the California Wine Institute (CWI) organized a seminar and a consumer tasting event in Xiamen, Fujian Province. At the seminar, the CWI wine educator gave a presentation on various Zinfandel wines from different Californian regions to over 60 wine professionals. The U.S. Dairy Export Council, the U.S. Meat Export Federation, 15 wine importers/distributors, a cheese importer and a meat importer

participated in the tasting event. About 200 consumers attended and tasted over 100 types of wines, eight types of U.S. cheeses, and five different cuts of U.S. pork. Among the 15 wine importers, six were from Guangzhou, as were the cheese and meat importers.



ATO Guangzhou Attends the Annual All China Leather Exhibition – On August 31, Post attended the All China Leather Exhibition in Shanghai to meet with U.S. hide exporters and South China importers, facilitate networking, and collect market intelligence on the industry. Despite a considerable amount of consolidation in the Chinese tannery industry, suppliers from around the world still consider the China Leather Exhibition as one of the most important leather industry networking events in the world.



According to one trade contact at the show, the consolidation will help the industry as whole as medium and large tanners stand to benefit. Along with facilitating multiple business to business meetings, ATO Guangzhou also discussed future marketing activities with U.S. hide industry representatives.

ATO Guangzhou Meets with South China Nut Importers – On August 26, ATO Guangzhou staff met with the Guangdong Nuts Association in Heshan, Guangdong to discuss market trends and trade concerns. Eight key South China tree nut importers attended the meeting with the ATO Guangzhou Deputy Director and Tree Nuts Marketing Specialist. Market intelligence attained from the meeting included comments made by the association regarding the growing relevance of trade via e-commerce, and growing consumer demand for nuts as snacks despite the slowing economic growth.



ATO Guangzhou Participates in Asia Fruit Logistica in Hong Kong – On September 6-9, ATO Directors and staff attended Asia Fruit Logistica, one of the largest fresh fruit shows in Asia. This show featured many U.S. products such as table grapes, apples, strawberries, citrus, and others. The U.S. pavilion attracted many professional visitors, including over 10 major fruit traders and retail players

from South China. New additions in this year's show included California strawberries as well as North Carolina produce.

ATO Guangzhou Launches American Fresh Fruit Promotion - On September 9, ATO Guangzhou helped launch an "American Fresh Fruit Promotion" during a ceremony at a China-Resources Vanguard (CRV) superstore in Shenzhen. The promotion was coordinated by Joy Wing Mau, a leading fresh fruit service provider with a solid network of retailers in China. Various U.S. fruits including apples, pears, grapes, plums, cherries, and lemons are being highlighted at this promotion at 29 participating CRV and 13 Sam's Club stores in Southern China.



The Guangzhou Baking Industry Discovers the Health Benefits and Applications of U.S. Cranberries, Blueberries and Pecans - On September 12, ATO Guangzhou participated in a Global Broad-Based Initiative event organized by the Cranberry Marketing Committee, the U.S. Highbush Blueberry Council and the U.S. Pecan Growers Council. A total of 91 invited guests from the South China baking industry and media attended, and at the event three U.S.-based nutrition experts presented on the nutritional benefits of U.S. cranberries, blueberries and pecans. Following the presentations, a celebrity chef demonstrated making several bakery products and Chinese dishes with different combinations of these three products.



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