



Foreign Agricultural Service

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**China, Peoples Republic of**  
**Exporter Guide**  
**The Third Report of the Product Assessment Support**  
**Services (PASS)**  
**2003**

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**Report Highlights:**

**This is the third report of ATO Guangzhou's Product Assessment Support Services (PASS). Six of 9 products have sales potentials in South China.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Guangzhou [CH3], CH

This is the third report of the Product Assessment Support Service (PASS), a unique service of ATO Guangzhou. It shows 6 of 9 products have sales potentials in South China. The assessment also provides basic information on potential buyers, current major competitors and suggested retail prices for these food products.

The assessed products included cream of corn, kernel of corn, mixed fruit cocktail, cranberry cocktail juice, corn flack cereal, chilled water, horseradish sauce, yellow mustard and red wine vinegar.

### **Product Assessment Report**

Products	Importer A	Importer B	Importer C	Importer D	ATO Marketing Report
Cream of Corn	Has great sales potential in Zhuhai. Chinese consumers prefer using a canned food product with pop-top cans for convenience. Major competitor: Del Monte (USA). Suggest retailing not to exceed Del Monte's price.	Has great sales potential in Guangzhou. Major competitor: Del Monte (USA).	The product has great demand in western restaurants in Fujian. Major competitor: American Chef (USA). Suggest retailing not to exceed RMB8 yuan per 732g.	The product has sales market in Shenzhen. The number of similar domestic products are fewer than foreign ones. Major competitor: American products Suggest retailing not to exceed RMB20 yuan per 170.1g	Del Monte (USA) is the leading brand in South China market. Average price: RMB8.80 yuan per 418g. Other available foreign brands are American Chef (USA) with corns from Thailand, S&W (USA) and Jagquane (Thailand). Average price around RMB6 yuan per 418g.

Kernel of Corn	Has great sales potential in Zhuhai. Chinese consumers prefer using a canned food product with pop-top cans for convenience. Major competitor: Del Monte (USA). Suggest retailing not to exceed Del Monte's price.	Its market demand is less than that of the cream of corn. Major competitor: Del Monte (USA).	The product has great demand in western restaurants in Fujian. Major competitor: American Chef (USA). Suggest retailing not to exceed RMB8 yuan per 732g.	The product has sales market in Shenzhen. The number of similar domestic products are fewer than foreign ones. Major competitor: American products. Suggest retailing not to exceed RMB20 yuan per 170.1g	Del Monte (USA) is the leading brand in South China market. Average price: RMB8.80 yuan per 418g. Other available foreign brands are American Chef (USA) with corns from Thailand, S&W (USA) and Jagquane (Thailand). Average price around RMB6 yuan per 418g.
Mixed Fruit Cocktail	The product has great sales potential in western restaurants, salad bars and bakeries. Major competitor: Del Monte (USA).	The demand in retail market is small. Western restaurants and bakeries are big buyers. People in South China prefer fresh fruits. Suggest retailing not to exceed RMB6 yuan per 425g.	Various mixed fruit canned products are available in Fujian. The leading foreign brand is Del Monte (USA). Suggest retailing not to exceed RMB5 yuan per 425g.	Due to its higher quality than similar domestic ones, the product has sales market in Shenzhen. Major competitor: American & Hong Kong's products. Suggest retailing not to exceed RMB20 yuan per 825g.	China has its own food canning industry. Imported canned products are available locally. Del Monte (USA) with fruit from the Philippines, is readily available. Average price around RMB15.5 yuan per 836g.

Cranberry Cocktail Juice	The product has some sales market. Different flavor and packaging sizes are important factors for sale. Need promotion and advertisement support.	New product. As the content is not 100 percent fruit juice, the market for this product is small. Suggest retailing not to exceed RMB12 yuan per 1.89L.	This kind of product not available in Fujian. The flavor of the product suits Fujian consumers. Has great sales potential. Suggest retailing not to exceed RMB20 yuan per 1.89L.	This kind of imported fruit juice is few in Shenzhen. Imported fruit juices have keen competition from local products. This product doesn't meet the taste of Chinese consumers. Suggest retailing not to exceed RMB20 yuan per 1L.	The product has no other foreign brands available in South China market.
Corn Flack Cereal	It will have great sales market in the future in Zhuhai. Major competitor: Kellogg's (Australia)	The product will have sales potential in the future. Need promotion and advertisement support. Suggest retailing not to exceed RMB12 yuan per 510g.	No similar products available in Fujian market. This kind of product will have bright future in Fujian. Suggest retailing not to exceed RMB25 yuan per 510g.	These kinds of breakfasts are not common in China. They are bought mainly by foreigners. Some young people want to try them. Major competitor: South Korean & French products. Suggest retailing not to exceed RMB25 yuan per 200g or RMB34 yuan per 340g.	Kellogg's (Australia) is the leading brand in the market for many years at average price RMB41 yuan per 375g. The other available brands include Post (Canada), Nicoli (Italy) and Hipp (Switzerland). Their average prices at RMB38 yuan per 375g.

Chilled Water	Shipping cost makes imported waters hard to compete with local products. The market for imported waters is limited.	Due to the price factor, imported bottle waters have very narrow market in China. Buyers are mainly foreigners. To reduce the cost, US manufacturers might consider shipping the products as bulk to China, and then packaging them in the country. Major competitor: domestic water products.	Few imported water products available in Fujian. Due to high price, it's very hard for imported water products to have a market share in China. Suggest retailing not to exceed RMB3 yuan per 591ml.	Imported bottle water products are few in Shenzhen. Their prices are much higher than similar Chinese ones. Evian natural mineral water is one of the famous foreign products available in South China. Suggest retailing not to exceed RMB20 yuan per 1.5L or RMB9 yuan per 500ml.	China has several kinds of bottled waters. The available imported foreign brands include Evian, Perrier and Vittel, all imported from France. Average price: RMB14 yuan per 750ml. While the average price of local water products are at RMB2 yuan per 500ml.
Horseradish Sauce	Price will be the deciding factor. Need plenty of promotions. The white-collars would be more interested in it.	High-class western restaurants and hotels would be big buyers. Major competitor: Craft (USA). Need advertisement support.	Has similar products in Fujian market. The leading foreign brand is American Chef (USA). As it is too hot, the product might be more suitable to the consumers in the Northern China.	The product has sales potential in Shenzhen. Major competitor: American & Hong Kong's products. Suggest retailing not to exceed RMB23 yuan per 237g.	Kraft (USA) is the leading brand in local markets. Average price: RMB18 yuan per 473g.

Yellow Mustard	Has some sales market in Zhuhai. The main buyers for this kind of product are high-class hotels and western restaurants.	Has some sales market in Guangzhou. Young people and fashionable housewives would buy it. Suggest retailing not to exceed RMB13 yuan per 255g.	No similar products available in Fujian. It is hard to assess whether this kind of product has sales market. To penetrate the Fujian market, plenty of promotion is essential.	This product is limited in Shenzhen market. Major competitor: American & Hong Kong's products. Suggest retailing not to exceed RMB14 yuan per 255g.	The product has no other foreign brands available in local market.
Red Wine Vinegar	Need to teach consumers how to use the product extensively. The main buyers are high-class hotels and western restaurants.	Very few local consumers like this kind of red wine vinegar. The product has sales market in western restaurants.	Currently only domestic red vinegars are available in Fujian. They all have unsuccessful record. This product might have no market in South China.	No similar foreign products available in Shenzhen. Vinegar sold in the market is all produced in China.	New product. No foreign brands available in the local supermarkets.
<p>Notes: 1) The exchange rate is US\$1.00=RMB8.265 yuan.  2) ATO Marketing Report is based on staff visit to the WalMart Hypermarket and the Pankn' Shop Superstore in Shenzhen, the Grandbuy Department Store, the Friendship Store, the Trust-Mart Hypermarket, the Jusco Supermarket, the Carrefour Hypermarket and the Huarun Wanjia Hypermarket in Guangzhou.</p>					

### **About the Importers:**

Importer A has been in the food products business for many years. He established a food processing, packaging, and distribution company in Zhuhai of Guangdong province in 1995. He is serving as an agent for several well-known products from various countries. His company is especially strong in the promotion and sale of snack, candy, and chocolate. It has a subsidiary company in the United States. The importer is a frequent traveler to the United States.

Importer B has been in the food products business for many years. She established her own import and export company in Guangzhou of Guangdong province in 1991. Since then the company has handled (represented) more than 400 different items. The Guangzhou company has a subsidiary in the United States. The importer travels between China and the United States frequently to source new products. She had served as an agent for several U.S. food companies.

Importer C is an assistant general manager who has been in food products business for many years. The company she works for was established in 2000 with a total investment of RMB12million yuan.

It specialized in distributing various food and beverage products to supermarkets, restaurants and hotels in the Fujian province. The company also has three chained western restaurants.

Importer D is a buying manager with many years experience in retail market. The company she works for is one of the biggest supermarkets in South China with 17 chain stores.

The Importers are available to serve as agents/distributors of U.S. food products and are also prepared to recommend other local importers to serve similar functions. U.S. exporters interested in using their services as agents may contact them through the Agricultural Trade Office in Guangzhou.

**Contact**

If you are interested to know more about or to utilize the Product Assessment Support Services (PASS), contact the U.S. Agricultural Trade Office, China Hotel Office Tower, 14<sup>th</sup> Floor, Liu Hua Lu, Guangzhou, China 510150. Attention: Ms. Sharon Zhang. You can fax your expression of interest to 011-8620-8666-0703.