



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

**Date:** 11/25/2008

**GAIN Report Number:** CH8819

## China, Peoples Republic of

### Exporter Guide

### China Exporter Guide 2008

### 2008

**Approved by:**

Wayne A. Batwin  
ATO Shanghai

**Prepared by:**

David Kiefner, Freddie Xu

---

**Report Highlights:**

In 2007, China Customs reported total agriculture, fisheries and forest product imports of nearly US\$ 50 billion. Imports of consumer-oriented agricultural products (not including fisheries, bulk or intermediate products) accounted for almost US\$ 6 billion of this total. The U.S. continues to hold the top position in both overall agricultural exports to China and in consumer-oriented products, despite setbacks in the cotton and fresh fruit trade. As incomes continue to grow, and buying habits change, U.S. exporters are advised to invest in market research and taste testing before launching new products.

---

Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Shanghai ATO [CH2]  
[CH]

**Table of Contents**

<b>Section I. Overview .....</b>	<b>3</b>
I.1. Economic Situation .....	3
I.2. Demographic Developments .....	3
I.3. Consumer Buying Habits.....	4
I.4. Consumer Foods Market Size and Growth .....	5
I.5. Advantages and Challenges Facing U.S. Suppliers of Food Products to China .....	5
<b>Section II. Exporter Business Tips.....</b>	<b>6</b>
II.1. Local Business Customs.....	6
II.2. Consumer Tastes .....	6
II.3. Regulatory Framework .....	7
<b>Section III. Market Sector Structure and Trends .....</b>	<b>8</b>
III.1. Food Retail .....	8
III.2. Hotel, Restaurant and Institutional (HRI) .....	9
III.3. Food Processing .....	9
<b>Section IV. Best High-Value Product Prospects.....</b>	<b>11</b>
<b>Section V. Key Contacts and Further Information.....</b>	<b>12</b>
<b>Appendix 1. Statistics.....</b>	<b>13</b>

## Section I. Overview

### I.1. Economic Situation

China's economy, now the fourth largest in the world (according to the International Monetary Fund, World Bank, and CIA World Factbook, 2007) is forecast to slow from an estimated 9.8% real GDP growth rate in 2008 to a forecast 8.5% in 2009 (The Economist Intelligence Unit). After five years of growth in excess of 10%, China's economy is beginning to weaken. Growth in exports and investment is slowing, consumer confidence is waning and stock and property markets are depressed. Consumer price inflation is also likely to remain a persistent challenge for the government as labor shortages exert upward pressure on wages and rapid demand growth face tighter supplies, particularly in the agricultural sector. China recently announced a US\$ 586 billion stimulus package – roughly 7% of its gross domestic product - in a bid to prevent the global financial crisis from further damaging the nation's economy. The plan includes spending on housing, infrastructure, agriculture, health care and social welfare, though economists expect one or two more quarters of slowing growth before a rebound could take hold.



FHC Shanghai Trade Show, November 2007

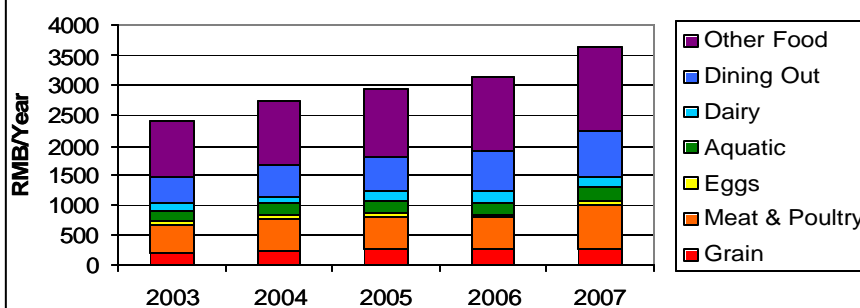
### I.2. Demographic Developments

Although China has relaxed restrictions on the movement of rural residents, the largest cities continue to restrict employment and housing for unlicensed migrants. In addition, production costs in the major metropolitan areas have risen. The result has been a boom in the growth of second and third-tier cities across China. These

emerging city markets fall into three broad categories: coastal population centers, satellite cities, and inland giants. **Coastal Population Centers:** China's eastern coast is dotted with major cities that have cashed in on growth in export markets to fuel an economic boom independent of the major urban centers of

Guangzhou and Shanghai. Cities such as Qingdao, Dalian and Xiamen are becoming independent export powers. **Satellite Cities:** By contrast, a large number of satellite cities close to and economically dependent on Guangzhou and Shanghai have also sprung up in large numbers in recent years. Growth in these cities is driven by businesses seeking to escape ever higher costs in the metropolis, while still cashing in on the large consumer and export markets, distribution, and logistics infrastructure. These include both freewheeling commercial boomtowns like Shenzhen (Guangdong) and Jiaxing (Zhejiang), and storied, historic power centers like Suzhou (Jiangsu) and Hangzhou (Zhejiang). **Inland Giants:** Growth is no longer passing China's interior cities by—some cities such as Chengdu, Wuhan and Nanchang have seen aggressive growth in the past two or three years and are becoming focal points for industrial

**Figure 1. Annual Food Expenditures (Urban Households)**

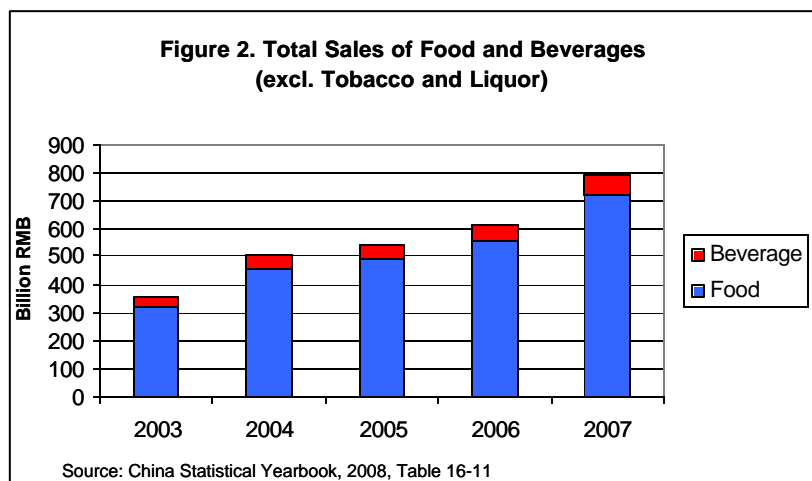


Source: China Statistical Yearbook 2008, Table 9-16

development. These cities are focused on a mix of domestic and low-end export manufacturing. Although large, the regulatory climate in these cities can be unpredictable and they are overall considerably less wealthy than coastal cities. These are good markets for exporters with a long-term focus. Those interested in regional Chinese markets should also keep an eye on the government's drive to build new cities to relieve the population pressure in the major cities.

Another important demographic element is generational. The population currently is divided into three groups: those born from 1946-1964, who have lived through some of China's most turbulent times; those born from 1965-1976, who came of age during China's drive to development; and those born after 1976, who have grown up in an increasingly affluent and stable environment. While there are significant differences between the first two groups, they share

similar spending habits: they are both extremely price sensitive and conservative about spending, with extremely high savings rates. The most recent generation of consumers is different, having embraced a consumption-oriented lifestyle. They are more willing to spend money, willing to experiment, are much more style conscious, and are more sensitive to advertising. These consumers are gaining rapidly in importance, as they become income earners in their own right. This generation also does not shy away from taking loans: a significant part of China's housing boom is being led by young, white collar workers who are taking advantage of newly available long-term mortgages with low interest rates to buy their own apartments. In the process, they are leaving home and establishing households before they get married, yet another major break with tradition (see [CH8817](#), The Shanghai Youth Market).



### I.3. Consumer Buying Habits

According to official statistics, total consumer expenditure (GDP by expenditure: China Statistics Book) increased by 16.0% in 2007 compared to 13.0% in 2006. In 2007, consumer expenditures grew faster for urban households, growing by 17.0% compared with 13.3% for rural households. However, the urban/rural consumption ratio of 3:1 remained almost the same. Long-term consumption is expected to continue growing, boosted by strong wage growth. China's increasingly wealthy citizens have limited vehicles for investment and low interest rates for home loans, a situation that encourages consumers to spend or to put their money into homes.

Generational distinctions aside, Chinese consumers tend to be conservative and price sensitive when it comes to personal spending. Exceptions to this rule include spending on education, medical care, gifts and entertainment, and children. The greatest successes for high-end U.S. food products have been those aimed at hotels and restaurants (seafood and pork, for example), and high-end products given as gifts (fresh fruit, wine and liquor). Acceptance of imported products as a guarantee of safety and high quality is common, and U.S. products in particular have benefited.

Food safety itself has become a major issue, especially in the major urban centers. Food safety or adulteration problems are nothing new in China, but thanks to the recent tainted milk and milk products scandal, China's product safety reputation is plumbing new depths. This, along with SARS, swine disease and avian influenza scares in recent years, has created a widespread perception that many food products are unsafe. This feeling appears to be strongest at higher income levels, where consumers rely more heavily on processed or packaged foods. As a result, consumers in these income brackets are placing a premium on well-known brands or buying in venues with a solid reputation. Also, higher-income consumers

tend to be very health and nutrition conscious, from both a traditional Chinese and a more science-based perspective.

#### I.4. Consumer Foods Market Size and Growth

The total value of the Chinese food market has continued to grow at a rapid clip. This trend was bolstered as the inflationary trend of the past several years has accelerated. Price changes for food through the years 2001 – 2007 were 0%, -0.6%, 3.4%, 9.9%, 2.9%, and 2.3%, 12.3% respectively (China Statistical Yearbook, 2008). Combined wholesale and retail food sales reached RMB 1.67 trillion (US\$ 245.6 billion) in 2007, but this figure falls to RMB 793.1 billion (US\$ 104.4 billion) when tobacco and liquor revenues are excluded. Total dining revenue, including restaurants, snack counters and cafes reached nearly RMB 56 billion (US\$ 8.2 billion) in 2006 and more than 64 RMB billion (US\$ 9.4 billion) in 2007 (China Statistical Yearbook, 2008). The actual figure is likely several times higher, since many restaurants in China under-report their total sales revenue. Stagnation in food wholesaling appears to be ending, as consolidation and modernization start to pay off. If tobacco and liquor are excluded, however, retail and catering continue to grow at a faster pace. This reflects rapid development in modern retail formats and a growing trend toward dining out.

#### I.5. Advantages and Challenges Facing U.S. Suppliers of Food Products to China

Advantages	Challenges
Chinese consumers spend more than a third of their disposable income on food and beverages.	Most Chinese consumers are price-sensitive: imported products have difficulty competing with domestic substitutes on price.
Imported goods are generally regarded as safe and high in quality.	Imports are regarded as luxury goods: the vast majority of consumers do not believe they can afford them.
New markets for imported products are appearing in fast-growing cities throughout China.	Transportation and logistics for these cities remains difficult, and many lack the presence of a qualified distributor for imports.
Many U.S. brands, such as Budweiser, Coca-Cola, Betty Crocker and Pringles are widely recognized in China.	Most of the U.S. brands widely available in China are manufactured locally or in other parts of Asia.
Overseas fast-food chains are extremely popular, and provide exposure for foreign foods.	Foreign fast-food chains source most of their products locally.
Overseas retail chains are growing quickly, and carry more imported products than domestic counterparts.	Few of these chains import directly from overseas, working instead through distributors. Many charge high listing fees to promote new products.
Overseas retail chains and convenience chains are increasingly interested in establishing house brands. This is creating opportunities for bulk shipment of quality foods.	Although interested in quality for their house labels, these chains are tough negotiators, and will leave suppliers with little room for profit.
Under WTO, China's duties on imported foods have fallen, and more products are shipped directly to China, instead of through Hong Kong.	Increased access for imports has resulted in greater competition from other exporting countries for products like beef, seafood, fruits and pistachios.
Food is an essential part of Chinese culture and social life. Key life events revolve around food, and little expense is spared.	The Chinese have very strong taste preferences. While they are willing to experiment, they are less willing to incorporate foreign tastes into their daily life.
China is incomprehensibly large. Though many consumers still lack the income to purchase imports, millions join the middle class every year.	China is incomprehensibly large. Regional differences in culture and taste can be quite stark. Promotions with limited budgets must target specific groups.
The Chinese market often moves en-masse. If a product becomes trendy, sales can skyrocket overnight.	If a product is successful, it is likely to be counterfeited or imitated.

## Section II. Exporter Business Tips

### II.1. Local Business Customs

China possesses an ancient and vibrant mercantile culture of its own. Although this culture values efficiency, value and profit, there are important differences from western business culture. Key features include: a) respect for age and hierarchical position, b) the importance of personal relationships, c) group orientation and d) the concept of face. Food is a key component of Chinese culture, and this extends to business culture: working lunches and dinners are an important part of doing business in China. These events help to build those all-important personal relationships, provide information not available in formal business meetings, and are an opportunity to establish face with your business contacts. To help U.S. exporters on their travels in China, FAS has prepared several reports outlining the key points: [Chinese Business Etiquette](#) (CH6820) and [Business Travel in China](#) (CH4836).

### II.2. Consumer Tastes

It is dangerous to assume anything about China. Tastes vary widely from place to place and are constantly evolving. As a general rule, Chinese tastes favor Asian products, particularly those with a strong similarity to Chinese foods or heavily influenced by China. For example, some local quick service restaurants have learned that although Chinese customers like the efficiency and atmosphere of American style chain restaurants, they want to see more traditional Chinese food items such as rice, noodles or spicy dishes on the menu. Moreover, in a country where refrigerated trucks are still scarce, it is difficult for the modern supermarkets to match the fresh produce – and low prices – of typical wet markets where most Chinese traditionally shop. The lack of refrigerated trucks also encourages each region to develop its own dairy, brewing and meat industries, making bulk purchasing harder.

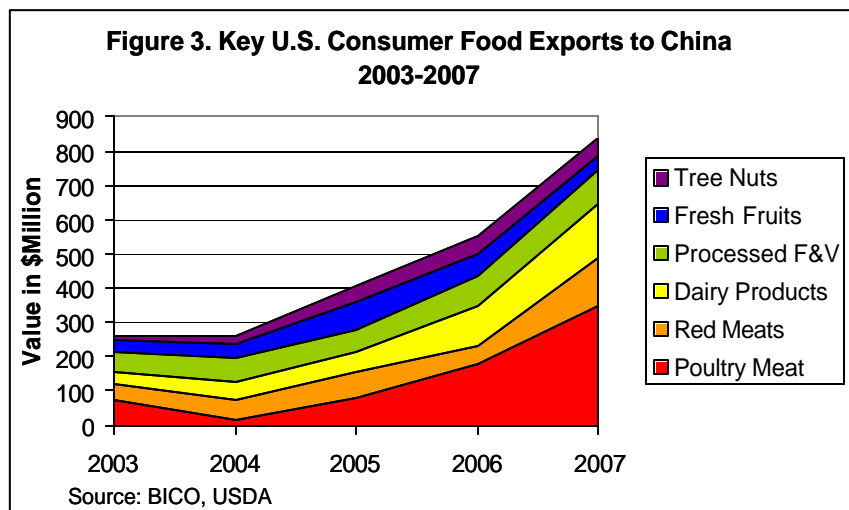
Nonetheless, consumers are willing to experiment with new tastes, and it is difficult to predict what products will succeed without conducting actual research. For example, pizza has proven immensely popular, despite a widespread myth that Chinese people do not like cheese. One promotion in the inland city of Wuhan found Mexican foods to be a runaway success, while another in Chengdu scored a success for boneless pork butt. Key regional distinctions include North and Northeast China (Beijing and north), where dishes tend to be salty; East China (centered on Shanghai) where the taste is sweet and spicy dishes are unpopular; Central China (Sichuan and Hunan), which are famous for hot and spicy food; and South China, famous for delicate tastes, seafood and an appetite for the exotic. Keep in mind, though, that consumers in any of these places may be willing to experiment with new tastes, including those from other parts of China.

In addition to regional patterns, there are some overall preferences shared by most Chinese consumers:

- Chinese prefer fresh meats, soups and produce to canned or processed ones. Many buy fish or fowl live to be butchered on the spot.

- Consumers prefer small-sized packages to 'economy' sizes, even though the unit cost may be higher.

- In the case of snacks, candies or breakfast cereals, Chinese





consumers like to see the actual product inside the package. It is a good idea to include a transparent 'window' on the package. This goes double for new-to-market products.

- The attractiveness of the package is important. Size, colors and design are all taken into consideration.

- Chinese buyers are attracted to established brand names, which are seen as a guarantee of authenticity and superior quality.

**Before jumping into the Chinese market, U.S. exporters are advised to invest in targeted market research and taste testing.** In a country the size of China, it is absolutely critical to identify a specific target group of consumers, and confirm the product's appeal to that group. For example, one might target new mothers in the Shanghai area, or, alternatively, teens from affluent families in Guangzhou. Whichever group one chooses to target, both the product and the approach will be entirely different. Failure to take the preferences of Chinese consumers into account is a common reason for the failure of new products.

## II.3. Regulatory Framework

### II.3.1 Import Regulations and Standards

Over the past few years, the Chinese government has published a host of regulations governing standards and labeling for food products. Enforcement of these regulations is also becoming more rigorous. Although reputable distributors often deal with these issues on the exporter's behalf, exporters making a serious commitment to the China market are advised to study the relevant laws carefully and ensure that they are in compliance.

To help U.S. exporters understand these regulations, FAS has prepared a series of unofficial translations. Collectively, these reports are called the [China Food and Agricultural Import Regulations and Standards Report](#) (or **China FAIRS Report**). The translations available are listed in the FAIRS Report Working Index, which is posted on the FAS website ([www.fas.usda.gov](http://www.fas.usda.gov)).

### II.3.2. Intellectual Property Rights (IPR) Protection

Though China strengthened its legal framework and amended its intellectual property rights (IPR) laws and regulations to comply with its WTO agreements, IPR infringements of U.S. agriculture and food products remain a serious problem. Examples include:

- "Stickering" and labeling domestic and third-country product with U.S. identifications such as Washington apples, California table grapes and pistachios, Wisconsin ginseng, etc.
- False branding and packaging of domestic and third-country products with U.S. identification such as Sunkist citrus, Sunmaid raisins, U.S. wines and even U.S. grass seeds.
- Counterfeiting or mixing of domestic or third-country product together with U.S. food and beverage products, including poultry, beef, pork, mohair or wool.
- Unauthorized sale and use of U.S. PVP protected plant materials and germplasm.

The U.S. industry needs to play an active role to protect food product IPR's – initially identifying that problems exist in the first place. Ideally, IPR protection should begin prior to when companies or trade associations begin exploring the China market for their food or beverage goods. Interested parties should also recognize the importance of registering and protecting trademarks in both English and Chinese languages, including obtaining collective marks for U.S. collective organizations and USDA Cooperators or certification marks.

Furthermore, it is essential to recognize that even if U.S. goods are not being sold in China, IPR protection could be helpful to prevent infringed-upon goods produced in China from being exported to third country markets. Chinese Customs provides an on-line recordal service that is usually a prerequisite for Customs detention of infringing goods bound for export.

Interested parties are strongly encouraged to review the U.S. Embassy's ["China IPR Toolkit"](#) and FAS Beijing on-line reports [CH2049](#), containing information on China's patent, trademark and copyright legislation and enforcement and [CH4059](#), on plant variety protection.

### Section III. Market Sector Structure and Trends

#### III.1. Food Retail

Growth in retail sales has been driven by the rapid development of food retail chains across China. Supermarket chains are now present in virtually every city in China, while hypermarkets exist in most large cities. Of particular interest to exporters is the rapid growth of foreign-invested hypermarket chains such as Wal-Mart, Carrefour, Lotus and Metro, which are more aggressive than local chains in seeking out and promoting high-margin imported products. While some of these chains are moving toward centralized purchasing, initial efforts have been largely unsuccessful. Foreign-invested stores are popular with the large and growing expatriate population, but are also favored by local Chinese as venues for buying food and other items to be given as gifts, especially during the spring festival. The spring festival, which takes place generally around late January and early February, is a 15-day celebration of the Lunar New Year. This is the period of high consumption as local Chinese purchase food product for themselves, as well as gifts for relatives, co-workers, and friends; therefore packaging is critical in this particular niche. Many exporters and/or distributors have developed special gift package versions of their products. China's packaging industry is extremely sophisticated, and a growing number of U.S. exporters are choosing to ship in bulk and pack their products in China, a practice that may also help to resolve product labeling issues.



Food Kiosks at a Temple Fair in Beijing.

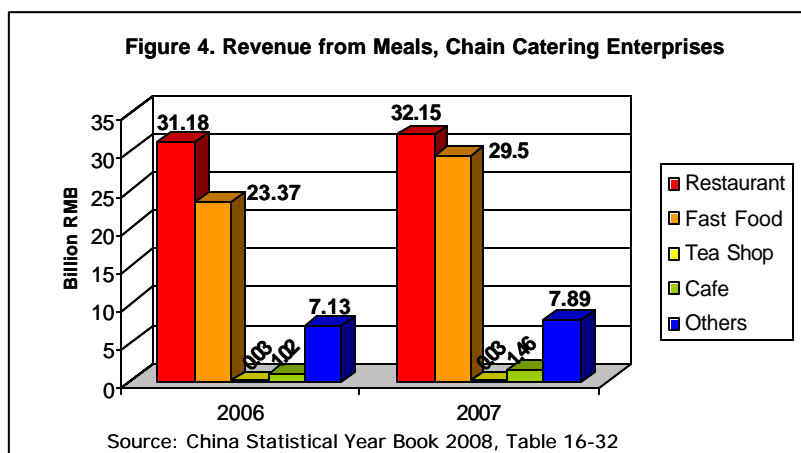
In response to the growth of foreign-invested retailers, Chinese retail chains are consolidating, and now have nationwide reach. Although the recent merger of China's two largest food retail chains, Lianhua and Hualian, created an entity several times larger than any other chain operating in China, the two retailers continue to operate independently. Both had previously absorbed a large number of smaller chains, and are still incorporating them into their management structure. Domestically-owned hypermarkets are a reasonable prospect for imported products, but decentralized management of supermarket chains continues to make that sector a poor prospect for imports other than dried fruit, nuts and frozen vegetables.

Retail sales have also been boosted by the rapid growth of convenience store chains, particularly in East China. Shanghai alone is home to as many as 5,650 convenience stores, nearly 1/3 of the national total, mostly domestic chains. Foreign-invested convenience stores have established a significant presence in Guangzhou, and the convenience store format is now making an appearance in Beijing. Management of these chains is strong, and most relies on centralized purchasing and distribution. These stores also rely less on deep discounting, making them a reasonable prospect for imported products. Refrigerator and freezer cases are routinely available in hypermarkets, supermarkets and convenience stores, and microwave ovens are common in both convenience stores and homes. USDA's Cold Chain Initiative, supported by ATOs in Shanghai, Guangzhou and Chengdu is further helping to ensure that the quality of temperature sensitive imports can be maintained, creating opportunities for new products.

Retail growth received a boost in 2005, when China removed restrictions on foreign ownership of businesses, leading Wal-Mart to open its first store in Shanghai. There are now about 102 Wal-Mart stores in China, second only to the Carrefour chain with more than 120 stores. Other important trends in the retail sector include a rapid increase in personal ownership of refrigerators, freezers and microwave ovens, which has boosted sales of frozen and heat-and-eat products. Hypermarkets and convenience stores also now offer a wide variety of ready-to-eat foods, including box lunches and rotisserie chicken. For more detail on China's retail food sector, please refer to FAS/China's [Food Retail Sector Report](#).



### III.2. Hotel, Restaurant and Institutional (HRI)



HRI is one of the most dynamic sectors of the economy, as seen in the rapid growth of revenue for the dining industry. This sector covers the entire spectrum, from roadside stands to massive cafeterias to world-class gourmet restaurants. Previous statistical series have been discontinued, making it difficult to identify trends in the HRI sector. Under the new nomenclature, statistics are only available for chain catering services, which excludes the legions of independent family

restaurants that form the bulk of the industry. Using these definitions, restaurants dominate the catering industry, at nearly 45% of total industry revenues, with fast food lagging slightly behind at 41%. The new series is useful, however, in showing the extremely rapid growth of the snack counters, which increasingly provide quick meals (steamed dumplings, for example) or meal starters (such as roasted chickens) for China's growing population of busy professionals.

HRI is a key player in introducing imported foods. High-end restaurants and hotels are less constrained by price considerations and more interested in presenting dishes and products that are unique. If successful, their efforts are likely to be copied by other restaurants, bringing them closer to mainstream middle-class consumers. Another important trend is the recent emergence of medium to high-end restaurant chains. Like other high-end restaurants, these are interested in offering consumers something different and unique, but unlike them, if a product is successful, they can purchase directly and in bulk, reducing cost considerably. This development holds a great deal of promise, as Chinese consumers view restaurant chains as a guarantee of quality in a largely unregulated industry. Though still in its infancy, this trend may become an important factor for imports.

It is important to note that while the sector as a whole has great potential, many parts of the HRI industry are not strong candidates for imported foods. Catering operations that run cafeterias and provide box lunches as well as small family-owned restaurants, account for a large portion of the industry and are extremely price-sensitive. For example, lunch box manufacturers typically aim for a production cost of \$1.00 or less, making them a poor candidate for most imported foods. Once again, exporters are advised to research the market and pick their targets carefully. For more analysis on China's HRI sector, please refer to FAS/China's [HRI Sector Report](#).

### III.3. Food Processing

The food processing industry is another of the fastest growing segments in the Chinese economy, with the China Food Industry Association citing annual growth of 10-12%, while official statistics (which typically exclude the legions of small-scale processors) show significantly higher growth. Still in its infancy, the recent development of this sector also makes it one of the most modern. Poor regulation, however, makes it difficult to determine the exact size of the industry. Official statistics indicate that there were 29,206 food processing ventures with total sales of RMB 2864 billion in 2007. The majority of these are involved in primary processing, while food manufacturing accounts for roughly 21% and beverage manufacturing accounts for approximately 18% (*China Statistical Yearbook, 2008, Table 13-2*). Currently, only 30% of China's food consumption is processed, as compared to 80% in more developed countries. According to Chinese officials, the main barrier to further development of this sector is China's underdeveloped agricultural production and distribution systems.

Food safety has become a major concern for the Chinese government, after a series of poisoning and contamination incidents culminated in a major scandal over sales of substandard infant formula, which resulted in the deaths of a number of infants. More recently, food and product safety issues in China have caught the attention of the international media, focusing a harsh glare on local manufacturing and quality assurance practices. Food contamination incidents receive widespread media coverage, and have become a fixture in many consumers' minds. Many will now buy food only from well-known and reputable manufacturers, and some manufacturers have opened their own retail stores or booths in order to prevent adulteration of their products. Government efforts to improve quality and inspection of food manufacturing facilities are likely to accelerate the trend toward consolidation.

The food processing sector provides growing opportunities for U.S. exporters. The industry is concentrated primarily in Guangdong, Shanghai and Shandong provinces. Although inputs are primarily domestic, many processors are seeking new ingredients to help distinguish their products from competitors. U.S. products that have been particularly successful in this area include nuts (almonds, pecans, walnuts and pistachios), dried fruit (particularly raisins and prunes), soy flour, flavorings and sauces, and dairy ingredients and supplements. ATOs in Shanghai and Guangzhou have launched a series of seminars for Chinese bakeries, promoting the use of U.S. food ingredients, and baking ingredients continue to be one of the best export prospects. Frozen and dehydrated potato products continue to be successful, due largely to the lack of local equivalents. For a more in-depth analysis of the food processing sector, please refer to FAS/China's [Food Processing Sector Report](#).

#### Section IV. Best High-Value Product Prospects

The following chart shows China import statistics on the most valuable export products from the U.S., as well as their market development constraints.

Product Category	2007 Imports (\$million)	3-Yr Avg. Import Growth	Import Tariff Rate	Key Constraints on Market Development
Red Meats Fr/Ch/Fz	143	100.1%	12 – 25%	Competition from other import sources (Australia), limited capacity for handling fresh imports, growing competition from domestic product, BSE restrictions on U.S. beef, drug residues in U.S. pork.
Processed Fr. & Veg.	102	61.6%	5 – 30%	Competition from Asian countries with similar tastes; rapid development of domestic industry.
Poultry Meat	348	321.8%	20% (specific duties are applied to broiler cuts)	Import quotas, sanitary barriers, and competition from other exporting countries.
Wine & Beer	15	140.5%	Bottled: 14% Bulk: 20%	Fierce competition from Old World and other New World wine exporting countries.
Dairy Products	154	149.3%	6 – 20%	Competition from the EU, New Zealand and Australia.
Fresh Fruit	39	-50.9%	10 - 30%	Competition from domestic products. U.S. advantage is in special varieties.
Tree Nuts	54	10.7%	0 – 25%	Competition from low-price, low quality exporters; counterfeits.
Fruit & Veg. Juices	7	57.4%	7.5 – 30%	Competition from other exporting countries.
Breakfast Cereals	4	-7.1%	20 – 30%	Breakfast cereals are still a novelty in China.
Nursery Products and Cut Flowers	2	-5.3%	0-23%	Lack of phyto protocols, lack of approved import quarantine facilities.
Salmon Whole/Evis	158	121.1%	10 – 14%	Cost and competition from other exporters, esp. Norway.
Crab & Meat	14	-34.5%	10%	Limited supplies
Note: All data are derived from FAS BICO reports.				

## Section V. Key Contacts and Further Information

For a list of Chinese government regulatory agencies in Beijing, Shanghai and Guangzhou, please see FAS/China report number [CH1068](#), available on the FAS website at [www.fas.usda.gov](http://www.fas.usda.gov).

For further information, please contact the appropriate ATO office. FAS/China has ATOs in Beijing, Shanghai, Guangzhou and Chengdu. Contact information is as follows:

ATO Office	Email Address	Fax Number	Telephone Number
ATO Beijing	<a href="mailto:ATOBeijing@fas.usda.gov">ATOBeijing@fas.usda.gov</a>	(8610) 8531-3055	(8610) 8531-3950
ATO Shanghai	<a href="mailto:ATOShanghai@fas.usda.gov">ATOShanghai@fas.usda.gov</a>	(8621) 6279-8336	(8621) 6279-8622
ATO Guangzhou	<a href="mailto:ATOGuangzhou@fas.usda.gov">ATOGuangzhou@fas.usda.gov</a>	(8620) 8667-0703	(8620) 8667-7553
ATO Chengdu	<a href="mailto:ATOChengdu@fas.usda.gov">ATOChengdu@fas.usda.gov</a>	(8628) 8526-8118	(8628) 8526-8668

Table 1. Key Trade and Demographic Information, 2006: Fast Facts		
	Millions	Annual Growth Rate (%)
<b>Total Population</b>	<b>1,321</b>	<b>0.53%</b>
Urban Population of China	594	2.95%
<b>Unemployment Rate (Urban population)</b>		<b>4.00%</b>
<b>Per Capita Income &amp; Expenditures</b>	<b>\$ USD</b>	
Annual Per Capita Disposable Income, Urban Households	\$1,814	
Annual Per Capita Disposable Income, Rural Households	\$545	
Per Capita Consumption Expenditure on Food, Urban Households	\$477	
	<b>\$ Million</b>	<b>U.S. Market Share (%)</b>
<b>Agricultural Imports, All Sources</b>	<b>39,341</b>	<b>21.90%</b>
Consumer Food Imports, all sources	5,956	22.54%
Fish and Seafood Imports, all sources	3,503	13.23%
<b>Average Exchange Rate in 2007</b>		<b>7.6040</b>
<b>Exchange Rate (as of November 17, 2008)</b>		<b>6.8271</b>
(Source: China Statistical Yearbook, 2008, except import statistics which are from Global Trade Atlas)		

## Appendix 1. Statistics

Table 2. Consumer Food and Edible Fishery Product Imports

China (Peoples Republic of) Imports of Agriculture, Fish & Forestry Products (\$ Millions)				
	2004	2005	2006	2007
<b>CONSUMER-ORIENTED AGRICULTURAL TOTAL</b>	<b>3,206</b>	<b>3,463</b>	<b>4,256</b>	<b>5,955</b>
Snack Foods (Excl. Nuts)	94	112	119	138
Breakfast Cereals & Pancake Mix	7	8	10	10
Red Meats, Fresh/Chilled/Frozen	322	252	223	571
Red Meats, Prepared/Preserved	3	4	8	8
Poultry Meat	154	335	463	945
Dairy Products (Excl. Cheese)	455	476	579	773
Cheese	22	26	38	54
Eggs & Products	1	1	2	0.6
Fresh Fruit	436	483	512	592
Fresh Vegetables	3	3	7	1
Processed Fruit & Vegetables	528	612	867	984
Fruit & Vegetable Juices	61	74	99	146
Tree Nuts	113	100	118	160
Wine & Beer	87	102	166	286
Nursery Products & Cut Flowers	51	69	70	84
Pet Foods (Dog & Cat Food)	4	4	4	4
Other Consumer-Oriented Products	867	801	971	1,198
<b>FISH &amp; SEAFOOD PRODUCTS</b>	<b>2,363</b>	<b>2,915</b>	<b>3,196</b>	<b>3,486</b>
Salmon	126	239	337	292
Crustaceans	330	306	316	339
Groundfish & Flatfish	1,156	1,592	1,704	1,983
Molluscs	333	268	336	387
Other Fishery Products	393	487	483	485
<b>AGRICULTURAL PRODUCTS TOTAL</b>	<b>33,871</b>	<b>34,952</b>	<b>40,306</b>	<b>50,696</b>

Source: Global Trade Atlas

Table 3. Top Suppliers to China of Consumer Food Products

## Consumer Foods

Rank	Partner Country	United States Dollars			% Share			% Change
		2005	2006	2007	2005	2006	2007	2007/2006
	World	3,462,871,077	4,254,544,123	5,955,550,901	100.00	100.00	100.00	39.98
1	United States	660,401,879	850,502,966	1,342,157,197	19.07	19.99	22.54	57.81
2	Thailand	600,039,618	728,576,833	798,919,311	17.33	17.12	13.41	9.65
3	New Zealand	380,738,359	445,567,575	493,420,622	10.99	10.47	8.29	10.74
4	France	120,912,064	199,409,263	444,206,298	3.49	4.69	7.46	122.76
5	Vietnam	112,751,303	216,438,398	303,217,454	3.26	5.09	5.09	40.09
6	Brazil	192,822,056	185,357,670	293,202,901	5.57	4.36	4.92	58.18
7	Australia	126,212,571	151,743,881	237,314,513	3.64	3.57	3.98	56.39
8	Denmark	104,382,470	102,776,599	187,324,555	3.01	2.42	3.15	82.26
9	Netherlands	114,989,847	125,438,464	160,446,239	3.32	2.95	2.69	27.91
10	Argentina	38,231,849	39,518,296	153,705,881	1.10	0.93	2.58	288.95
11	Singapore	64,431,233	113,356,495	151,234,474	1.86	2.66	2.54	33.41
12	Japan	116,208,472	112,843,104	127,149,718	3.36	2.65	2.13	12.68
13	Chile	78,133,377	85,465,724	119,330,315	2.26	2.01	2.00	39.62
14	Philippines	97,372,643	124,782,768	117,556,086	2.81	2.93	1.97	-5.79
15	Canada	87,310,106	67,049,455	92,502,980	2.52	1.58	1.55	37.96
16	Germany	32,077,377	45,784,156	81,950,974	0.93	1.08	1.38	78.99
17	Italy	41,437,929	56,386,152	72,200,935	1.20	1.33	1.21	28.05
18	Hong Kong	31,063,456	41,855,545	60,865,993	0.90	0.98	1.02	45.42
19	Indonesia	51,279,235	46,844,170	60,592,230	1.48	1.10	1.02	29.35
20	Korea, South	61,481,653	57,966,087	59,143,268	1.78	1.36	0.99	2.03

Source: Global Trade Atlas



Table 4. Edible Fishery Products

Rank	Partner Country	United States Dollars			% Share			% Change 2006/2007
		2005	2006	2007	2005	2006	2007	
	World	2,914,950,213	3,195,761,317	3,502,512,974	100.00	100.00	100.00	9.60
1	Russia	1,093,710,979	1,212,561,478	1,340,135,632	37.52	37.94	38.26	10.52
2	United States	343,188,935	409,217,031	463,207,888	11.77	12.80	13.23	13.19
3	Japan	171,495,057	235,275,599	209,443,144	5.88	7.36	5.98	-10.98
4	Norway	155,641,803	159,937,029	172,552,741	5.34	5.00	4.93	7.89
5	Canada	170,744,554	173,815,341	163,104,098	5.86	5.44	4.66	-6.16
6	Korea, South	110,259,527	78,359,714	142,362,841	3.78	2.45	4.06	81.68
7	Thailand	59,796,825	67,590,413	99,125,137	2.05	2.12	2.83	46.66
8	India	57,255,185	90,885,180	86,102,701	1.96	2.84	2.46	-5.26
9	Netherlands	64,761,702	82,892,798	84,567,922	2.22	2.59	2.41	2.02
10	Peru	26,854,785	63,967,649	65,905,856	0.92	2.00	1.88	3.03
11	New Zealand	67,779,026	56,408,406	58,072,851	2.33	1.77	1.66	2.95
12	Taiwan	21,556,026	34,324,200	51,226,106	0.74	1.07	1.46	49.24
13	Indonesia	41,171,058	44,157,257	41,310,671	1.41	1.38	1.18	-6.45
14	Greenland	29,433,768	29,662,048	37,953,706	1.01	0.93	1.08	27.95
15	Vietnam	26,613,400	22,895,671	36,158,779	0.91	0.72	1.03	57.93
16	Iceland	42,435,988	38,604,612	33,411,143	1.46	1.21	0.95	-13.45
17	Korea, North	92,954,728	44,158,474	31,180,848	3.19	1.38	0.89	-29.39
18	Chile	27,349,768	33,831,158	27,945,062	0.94	1.06	0.80	-17.40
19	Spain	17,175,943	24,441,073	26,178,455	0.59	0.76	0.75	7.11
20	Malaysia	13,541,062	13,236,195	25,859,081	0.46	0.41	0.74	95.37
Source: Global Trade Atlas								