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Report Highlights:

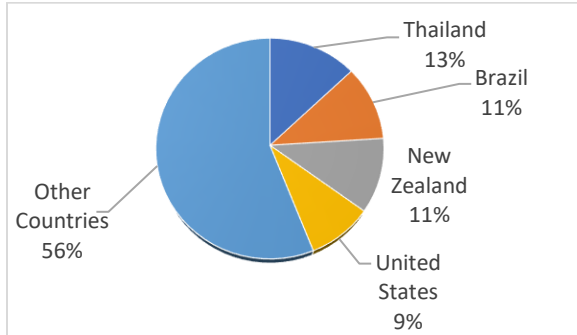
China is a leading producer of food and agricultural products in the world and one of the top markets for U.S. agricultural exports. Despite China's slower-than expected economic recovery in 2023, demand for U.S. agricultural and food products remain strong with imports of consumer-oriented products totaling \$84 billion. This report provides practical tips for U.S. agricultural exporters on how to conduct business in China, including information on market overview, export opportunities, local business practices, a review of consumer preferences, food standards and regulations, and import and inspection procedures.

Executive Summary:

China's GDP reached \$17.52 trillion in 2023, showing a 5.2 percent growth year-on-year, positioning the country as the second-largest economy in the world. China is a leading producer of food and agricultural products in the world and one of the top markets for U.S. agricultural exports.

Consumer-Oriented Agricultural Imports

Chart 1: Top Exporting Countries to China



Source: Trade Data Monitor

Food Retail Industry:

China's total food retail sales exceeded \$1 trillion in 2023, up 7.6 percent year-on-year. Annual online retail sales increased by 8.4 percent over the previous year, accounting for 27.6 percent of total retail sales of social consumer goods. In 2024, food retail growth is forecast at 7.5 percent.

Food Processing Industry:

In 2023, China's food production grew by 2.9 percent in value over the previous year. Demand for U.S. food processing ingredients, such as tree nuts, dried peas, dried fruit, ginseng, hops, and surimi, experienced significant growth. Consumers' growing appetite for healthier and premium food are likely to encourage the development of China's food processing industry.

Food Service Industry:

China's food service industry witnessed a robust recovery in 2023, especially the catering industry, with total revenues at nearly \$743 billion. Among the 15.73 million catering enterprises across China, more than 4.1 million were newly registered in 2023. In addition, a rapidly increasing market for prepared food is driving foodservice market growth in China, with 23 percent growth in 2023 and growth forecasted at 20 percent in 2024.

Quick Facts CY 2023

Imports of Consumer-Oriented Products (US \$84 billion)

List of Top 10 Growth Products in Host Country

- 1) Fresh Fruit
- 2) Beef & Beef Products
- 3) Dairy Products
- 4) Pork & Pork Products
- 5) Soup & Other Food Preparation
- 6) Poultry Meat & Products
- 7) Processed vegetables
- 8) Meat Products Nesoi
- 9) Tree Nuts
- 10) Distilled Spirits

Food Industry by Channels (U.S. billion)

Retail Food Industry	\$1,007
Food Service-HRI	\$743
Food Processing	\$1,250
Food and Agriculture Exports	\$98.9

Top 10 Host Country Retailers

Wal-Mart; Yonghui; RT-Mart; CR-Vanguard; Wu-Mart; Freshippo; Jianhua; Jiajiayue; Zhongbai; Century Hualian

GDP/Population

Population (*millions*): 1,409
 GDP (*billions USD*): 17,520
 GDP per capita (*USD*): \$12,622

Sources:

Trade Data Monitor, National Bureau of Statistics of China, and CCFA

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
- U.S. products enjoy a high reputation in China for their high quality and food safety standards.	-Consumer spending intentions are weak due to deflation. -Continued retaliatory tariffs on U.S. exports.
Opportunities	Threats
-The rapid growth of live streaming e-commerce. -Consumers in China value healthy, sustainable, and environmentally friendly products	-Uncertainty in the U.S. – China relationship. -China's economic recovery has been weaker than expected. -Growing high-end domestic production of key consumer goods.

Section I: Market Overview

According to the data released by the China Bureau of Statistics, China's economy grew 5.3 percent in the first quarter of 2024, which was higher than expected. As the second largest economy in the world, the 2024 PRC work report forecasts China's GDP growth in 2024 to be around 5 percent. In 2023, the General Administration of Chinese Customs (GACC) trade data showed China's total imports and exports of agricultural products reached \$333 billion in 2023, down 0.4 percent year-on-year. Imports accounted for \$234 billion, down 0.8 percent year-on-year. Brazil, the United States, and Australia are among the top three exporters of agricultural products to China.

The recovery of domestic consumption continues to lag behind production. According to data from the China Bureau of Statistics, in March 2024, food prices in China declined by 2.7 percent compared to the previous year. In general, consumers' purchasing behavior has shifted toward lower-cost products.

The legacy of the COVID-19 pandemic in China significantly facilitated the digitalization of China's retail industry. The rise of live-streaming e-commerce has seriously impacted traditional distribution channels. Key Opinion Leaders (KOLs, commonly called influencers in the United States) have driven consumption. Product purchases have shifted from brands consumers trust to brands recommended on livestreaming platforms or by trusted influencers. KOLs act as a communicator between manufacturers and consumers. This new information exchange process continues to change the landscape of traditional retail marketing.

The [U.S.-China Economic and Trade Agreement](#) continues to support the growth of U.S. food and agricultural exports to China. The PRC has continued to waive retaliatory tariffs on imports of certain U.S. agricultural products (see GAIN report [CH2022-0131](#)), and the case-by-case application of tariff exclusions on other products has generally been smooth (see GAIN report [CH2020-0017](#)).

Advantages and Challenges

ADVANTAGES	CHALLENGES
U.S. food and agricultural products are perceived as high-quality products with high food standards.	Consumers are more inclined to choose low-cost products during the economic downturn.
USDA- Endorsed and non-endorsed trade shows with USA Pavilions and educational seminars bridge the gap for importers unfamiliar with U.S. food and agricultural products.	A perception of an improved but uncertain bilateral relationship between the United States and PRC.
The rise of China's second and third-tier cities has boosted consumption in these regions, making them a new point for growth.	Retaliatory tariffs against U.S. products are still in place.
The U.S.-China Economic Trade Agreement expanded market access and improved competitiveness for some U.S. agricultural products.	Import requirements for food and agricultural products are sometimes unclear, unjustified, and unevenly enforced.

Section II: Exporter Business Tips

The Chinese export market is large, competitive, and complex; competition is fierce.

Exporters must remain current, connected with importers, and prepared to invest in marketing. For the best chance of success, exporters should familiarize themselves with current and forecasted market data. See Section VI (Trade Assistance for Exporters) for further resources.

Protect your brand early by registering patents and trademarks with the China Trademark Office (CTMO). China has a "first-to-file" policy for trademark registration.

Market Research

- It is essential to visit the market to conduct market research, especially to understand consumer preferences, target demographics, and regional differences. China is a massive market with varied preferences; understanding these differences and tailoring your export approach to specific markets within China can assist in product acceptance. FAS provides free market research reports that are available via [GAIN](#).
- Working through a local business consultant will help you navigate your engagements in China. Local partners and distributors are especially useful for smaller companies without large marketing budgets, and they can assist with marketing and taking orders. Visitors are encouraged to [check the latest State Department travel information](#) before making travel arrangements.
- Joining more extensive marketing campaigns with FAS and State and Regional Trade Groups (SRTGs), including [Food Export-Midwest](#), [Food Export-Northeast](#), [Southern United States Trade Association \(SUSTA\)](#), and [Western United States Agricultural Trade Association \(WUSATA\)](#) are more cost-effective and can draw more attention than individual promotions.

Local Business Customs and Trends

Understanding China's business and cultural customs and the current bilateral relationship is vital to establishing and maintaining business relationships. Though regional differences exist, Chinese communication styles are generally more subtle than Western ones. Hire an interpreter who can help with the language and navigating cultural norms.

Chinese consumers are highly conscious of food and beverage products' freshness, price, and nutritional value. Securing a reliable importer with a verified cold chain and warehousing infrastructure is critical.

Purchases of high-end goods, which include many U.S. products, increase around key Chinese holidays that can serve as valuable marketing tools. The two most significant holidays are the Lunar New Year, a one-to-two-week celebration that takes place sometime between mid-January and mid-February, and the Mid-Autumn Festival, which typically takes place during the first week of October. Most holidays follow the lunar cycle, so the dates will vary.

General Consumer Tastes and Trends

- **Food Safety:** Prior food safety incidents combined with COVID-19 have resulted in safety conscious consumers.

- **Localized Products:** China is a massive country with specific regional tastes. It can be valuable to target specific audiences of Chinese consumers. Southwest regions including Yunnan, Sichuan and Guizhou provinces welcome food or snacks with strong flavors such as spicy or sour. Meanwhile, people living in coastal areas such as Guangdong, Zhejiang, and Fujian are more likely to purchase food with lighter and less seasoned flavors.
- **Health foods:** Consumer health consciousness continues to expand. Products that are preservative-free, low-sugar, low-fat, and have fewer additives are becoming more popular.
- **Convenience:** The fast-paced lifestyle in urban cities has made consumers more likely to choose portable and easy-to-prepare, such as pre-packaged and pre-prepared products.
- **Increased utilization of live streaming platforms:** Livestream sales account for almost 20 percent of all retail Gross Merchandise Volume (GMV) in China and saw a 35.2 percent year-on-year growth in 2023.

Section III: Import Food Standards, Regulations and Procedures

The United States' food and agricultural legal, commercial, reporting, and enforcement systems differ from the PRC's. Furthermore, the PRC revises its procedures regularly and often without warning, making it challenging to understand and stay current with the systems. Exporters are encouraged to use all resources available to avoid as many customs clearance problems as possible. The five USDA FAS offices across China (see the contact information below in the appendix) can support exporters and routinely publish reports on new policies and developments. You can view recent reports about China or search for reports by topics or keywords via [GAIN](#). GACC also lists laws, regulations, and decrees on its [website](#).

The [FAIRS Export Certificate Report Annual](#) and [China FAIRS Country Annual Report](#) lists major export certificates the PRC requires for imports of food and agricultural products and serves as an index of agricultural product import regulations and standards. The USDA Animal and Plant Health Inspection Service (APHIS) has an office in Beijing. APHIS ensures that U.S. agricultural and food products exported to China meet entry requirements and resolve unjustified sanitary and phytosanitary issues. The APHIS [website](#) provides information for U.S. exporters on plant and plant products and animal and animal products, including relevant international regulations.

The USDA Food Safety Inspection Service (FSIS) has an office in China. [The FSIS Export Library](#) for China provides detailed guidelines on eligible (and ineligible) food products for export to China. FSIS often works closely with U.S. exporters to meet U.S. meat product entry requirements and resolve sanitary and phytosanitary issues.

Labeling: According to the International Trade Administration, incorrect labeling is the most common reason products do not pass customs. All U.S. food exports must include labeling in English, Chinese, or just Chinese. More on this is [in the FSIS library](#). Some products also require a China Compulsory Certification (CCC) mark. [China Customs](#) provides detailed information on tariffs, declarations, certificates, and more. Search by product or H.S. code. See the [World Trade Organization's](#) website for more tariff resources and databases.

PRC's Tariff Exclusion: PRC's retaliatory Section 232 and 301 tariffs make U.S. products less price competitive. However, their Section 301 tariff exclusions process on some products from the United States are still in place. Though Chinese importers can only undertake the process, U.S. exporters should know the process, tariff rates, and how it may affect pricing. A consolidated GAIN report [CH2020-0017](#) outlines the process and a consolidated tariff rate table by H.S. code. Please refer to additional [GAIN](#) reports on Section 301 tariff exclusion extensions for various products.

Trademarks and Patents Market Research: See SECTION II (Protect your brand). In addition, note that trademark copyright can take 18 months to process in China. Plan well before exporting to China to ensure you are as protected as possible from intellectual property theft and rights violations.

Section IV: Market Sector Structure and Trends

China is a massive market with room to grow U.S. market share for a number of product categories. Health food products, ready-to-eat foods, pet food, non-alcoholic beverages, and other categories represent export opportunities for U.S. products.

Table 1: Key Export Opportunities for Consumer-Oriented Products to China Based on Five-Year Import Growth

Product Description	5-year annual growth average	2023 Global Export Value (USD Millions)	Market Situation
Fruit and Vegetable Juices	115%	\$783	China's non-alcoholic beverage imports reached \$752 million in 2023, up 18 percent from 2022. Currently, China's fruit and vegetable drink market is still dominated by low-concentration drinks, but with raising health awareness, sales of 100 percent concentrate are expected to increase.
Poultry Meat and Products	110%	\$4,219	In 2023, driven by rebounding HRI demand, China has emerged as the second-largest destination for U.S. poultry exports. In particular, frozen chicken feet (or paws) are preferred by Chinese consumers for their unique large size and consistent high quality.
Dog & Cat Food	86%	\$573	The increasing rate of pet ownership, now exceeding 100 million households, is driving the development of the pet food market. E-commerce has become the primary pet food sales platform.
Processed Vegetables	81%	\$3,685	China has an increasing demand for processed vegetables. Top products include peas, lentils, kidney beans, cowpeas, chickpeas, and other broad beans. The United States ranked as the top eight suppliers, representing four percent of the market share.
Processed Fruit	82%	\$2,192	The rapid growth of the snacking and baking industry in China has boosted the demand for processed fruits. Popular items in this category include those with health benefits or marketed to have health benefits

			such as cranberries, blueberries, and tart cherries, are popular among Chinese consumers.
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Source: TDM (This chart includes the top 5-year growth products within the top 25 consumer-oriented products exported to China.)

Retail Industry

In 2023, China's total retail sales of consumer goods exceeded \$6.5 trillion, an increase of 7.2 percent year-on-year. Online shopping has become one of the most important consumption channels in China. China's online retail sales reached \$2.2 trillion, ranking number one worldwide for 11 consecutive years. Online retail sales of physical goods accounted for 27.6 percent of total retail sales of consumer goods, reaching a record high. Consumers are becoming more cautious and paying more attention to price and performance. Discount stores proliferated in 2023 due to consumers' increased price sensitivity. Some leading retailers have started lowering prices across the board. Fresh Hippo, a grocery store operated by Alibaba, lowered the prices of more than 5,000 products in their stores to enhance price competitiveness. However, it is important to note that consumers of imported, high-end products (including most U.S. products) may not feel the same economic pressures as mid- or lower-end consumers.

Online retail continues to play an increasingly essential role in China regarding daily necessities. The pandemic significantly accelerated the digitalization of businesses and the proliferation of e-commerce and consumer technology adoption. As a result, e-commerce is set to continue to be the primary driver of retail sales growth. Please see the latest [Retail Food Report](#) for additional information.

Hotel, Restaurant, and Institutional (HRI) Industry

In China, premium imported food and beverage products are typically introduced in hotel restaurants and stand-alone restaurants. Most international hotel chains employ experienced and well-trained chefs familiar with international food ingredients for both Chinese and Western-style cuisine. Chinese cuisine is diverse, with each region having a unique flavor profile. With quality and cost efficiency, chefs are willing to use imported protein products in the HRI sector.

The HRI sector's recovery from the pandemic is mixed. International travelers are slowly picking up in 2024. Hotels in China are seeing a robust return of domestic customers, particularly families and kids, while restaurants are seeing broader shifts in consumer spending habits driven by lower consumer confidence and uncertainty in disposable income.

In March 2024, according to the newly issued 2023 China Pre-Prepared Dish Industry Blue Paper, the market size for pre-prepared dishes was \$73.8 billion in 2023, with a year-on-year growth of 23.1 percent and is expected to exceed \$153 billion by 2026. Pre-prepared dishes primarily focus on traditional Chinese staple foods, such as Baozi, spring rolls, dim sum, and protein products such as fish, shrimp, poultry, and duck. Please see the latest [Food Service - Hotel Restaurant Institutional Report](#) for additional information.

Food Processing Sector

The food processing industry, comprised of agricultural products processing and food and beverage manufacturing, reported an accumulated sales value of \$1.25 billion (9 billion RMB) in 2023. In 2023, China's food production grew by 2.9 percent in value over the previous year. This was 1.9 percent higher than average industrial growth. In the next few years, China is expected to continue importing increasing volumes of food ingredients.

The food price index dropped by 0.3 percent year-on-year in 2023, whereas the national consumer price index grew by 0.2 percent year-on-year. In particular, the food price index recorded negative consecutive monthly growth from June to December. As a result, food manufacturers have begun purchasing increasing shares of cheaper ingredients to produce lower-priced food items.

Trends in the food processing sector primarily include health products, clean packaging, sustainability, and alternative proteins. Thus, products that can market their sustainability and health benefits may receive more traction in this sector. Please see the latest [Food Processing Annual](#) for further information.

Cross-Border E-commerce Market

China's cross-border e-commerce (CBEC) channel has maintained strong momentum since its inception. It allows exporters to offer zero tariffs, reduced value-added and consumption taxes, and streamlines customs clearance processes for specific products on the CBEC positive list. In 2023, China's CBEC trade value reached \$330.5 billion, an increase of 15.6 percent from the same period in 2022. The CBEC channel may be an entry point for companies new to the Chinese market, offering new-to-market products a chance to test products and often lowering market entry barriers. Please see the latest report, [China Cross-Border E-commerce Market Opportunities for U.S. Agricultural Products](#), for additional information.

Section V: Agricultural and Food Imports

Despite ongoing political tensions, China maintains its position as the top market for U.S. agricultural products. While the United States is currently ranked fourth for exports of consumer-oriented products to China, the United States offers different products, targeting different consumer groups for many products compared to competitors.

Table 2: China's Major Imports of Consumer-Oriented Products and Competition

Product Category	Imports 2023 (USD in millions)	1st Supplier (Share)	2nd Supplier (Share)	U.S. Ranking (Share)
Fresh Fruit	\$14,712	Thailand (39 percent)	Chile (21 percent)	11 (8 percent)
Beef & Beef Products	\$14,434	Brazil (41 percent)	Argentina (15 percent)	4 (11 percent)
Dairy Products	\$13,358	New Zealand (45 percent)	Netherlands (17 percent)	6 (5 percent)
Pork & Pork Products	\$6,269	Spain (24 percent)	Brazil (17 percent)	3 (16 percent)

			percent)	
Soup & Other Food Preparations	\$5,441	United States (21 percent)	Australia (17 percent)	1 (21 percent)
Poultry Meat & Prods. (excl. eggs)	\$4,219	Brazil (46 percent)	United States (20 percent)	2 (20 percent)
Processed Vegetables	\$3,685	Thailand (65 percent)	Vietnam (20 percent)	5 (1 percent)
Meat Products NESOI	\$3,468	New Zealand (32 percent)	Australia (23 percent)	4 (13 percent)
Tree Nuts	\$3,213	United States (29 percent)	Vietnam (16 percent)	1 (29 percent)
Distilled Spirits	\$2,823	France (62 percent)	United Kingdom (18 percent)	8 (1 percent)

Source: TDM

Best High-Value, Consumer-Oriented Product Prospects

Private label products: Local retailers have gained a new and deeper appreciation for the importance of a stable supply chain. To provide product sustainability and more competitive products, local retailers increasingly look to private-label product offerings, especially tree nuts, dried fruit, and cookies.

Ready-to-Eat Products: China's market for ready-to-eat meals has continued to grow rapidly in recent years, reaching \$72 billion in 2023, a year-on-year increase of 23.1 percent. Small-packaged, ready-to-eat meal products are more popular among consumers due to factors such as refrigerator capacity and portability. By 2026, the industry's market size is expected to reach over \$140 billion.

Almonds, Pistachios, Cranberries: The daily consumption of nuts and dried fruits such as almonds, pistachios, and dried cranberries continues to grow in China. These products perform well at retail outlets, social media platforms, and other retail sales platforms. Small-sized packaging is in demand, such as handheld sizes or sizes below 50 grams, which are popular on e-commerce platforms for freshness, daily nutrient needs, and low unit retail prices.

Cheese: Processed cheese dominates the market. Mozzarella, cheddar, and cream cheese are popular in the Hotel, Restaurant, and Institutional (HRI) sector and in-home baking, while processed cheese sticks marketed towards children dominate the retail market. Post forecasts cheese imports in 2024 to continue to grow but at a slower pace due to slowing consumer demand. China's cheese supply mainly relies on imports. In the first four months of 2024, China imported \$293 million of cheese.

Animal Guts, Bladders, and Stomachs (HS 050400): The United States exports more than half of all of China's imports of animal guts, bladders, and stomachs. There is a further opportunity to increase exports of these products, often used in Chinese hot-pot and other traditional dishes. U.S. exports of this category have increased 309 percent between 2019 and 2023, totaling \$434 million in CY23.

Heat-treated Chicken paws: Over 90 percent of U.S. poultry product exports to China are chicken paws, but due to recent HPAI issues, a large increase of heat-treated chicken paws are entering the market for use in the food processing sector. The United States is the only country that can export heat-

treated chicken paws to China, which are mainly processed into ready-to-eat snacks. While quality concerns exist due to the newness of this product, competitive prices and industry efforts to improve processing techniques may help expand opportunities for these items.

Section VI: Key Contacts and Further Information

The Foreign Agricultural Service offices in China maintain up-to-date information covering food and agricultural import opportunities in China and would be pleased to assist in facilitating U.S. exports and entry into the Chinese market. Questions or comments regarding this report should be directed to the Foreign Agricultural Service offices in China at the following addresses:

United States Department of Agriculture in China

Agricultural Affairs Office
Physical Address:
No. 55 An Jia Lou Lu Road
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USDA FAS Support Programs

[Market Access Program \(MAP\)](#)– Through MAP, FAS partners with U.S. agricultural trade associations, cooperatives, SRTGs, and small businesses to share the costs of overseas marketing and promotional activities that help build commercial export markets for U.S. agricultural products and commodities.

[Branded Program](#)– Under the Branded Program, eligible companies can be reimbursed up to 50 percent of their approved promotional expenditures in a foreign market, including advertising and freight cost of samples. This program is generally administered by the four [SRTGs](#) with support from USDA.

[Quality Samples Program \(QSP\)](#)– QSP enables potential customers worldwide to discover the quality and benefits of U.S. agricultural products. The program focuses on processors and manufacturers rather than consumers, and QSP projects should benefit an entire industry or commodity rather than a specific company or product. Projects should focus on developing a new market or promoting a new use for a U.S. product.

[Emerging Markets Program \(EMP\)](#)– EMP helps U.S. organizations promote exports of U.S. agricultural products to countries that have, or are developing, market-oriented economies and that have the potential to be viable commercial markets. EMP supports exports of generic U.S. agricultural commodities and products.

For links to these programs and several other USDA programs not referenced herein, please visit <https://www.fas.usda.gov/programs>

USDA Endorsed Trade Shows – USDA has four endorsed trade shows in China each year: Food Ingredients China, SIAL Shanghai, China Fisheries and Seafood Expo, and Food and Hospitality China. U.S. exporters can meet with importers at these events and learn about the latest market developments. Please visit [USDA Endorsed Trade Shows](#) for more information.

Attachments: [U.S. agricultural imports into China BICO report.pdf](#)

[U.S Trade Association and Cooperator Groups in China.pdf](#)