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# **China, Peoples Republic of**

## **Market Development Reports**

### **Market Outreach to Fujian Province**

### **2002**

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#### **Report Highlights:**

**Langqi Island (in Fujian) wants to source new varieties of vegetable seeds from foreign companies for planting. At its invitation, ATO/GZ staff traveled to Fujian Province in late August to meet with the officials of Langqi. Through the outreach, ATO staff feel that Langqi, being an island, could be developed into a testing lab for foreign seed varieties. Interested US seed exporters might visit Fujian to explore the market.**

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Guangzhou [CH3], CH

Langqi Island (in Fujian) wants to source new varieties of vegetable seeds from foreign companies for planting. At its invitation, ATO/GZ staff traveled to Fujian Province in late August to meet with the officials of Langqi. While in Fujian, ATO staff also visited Changtai County of Zhangzhou District, some supermarkets and wholesale centers in Fuzhou, the Capital of Fujian Province.

### **The Langqi Island of Mawei District**

The Langqi Island, No.4 largest island of Fuzhou Province, is very close to Fuzhou, the Capital of Fujian Province. Just like Changtai county, agriculture is the main industry for the Island. With a population of about 70 thousand residents, fruits, vegetables and seafood are the main agricultural products. Natural environment is well preserved with only a few food processing plants present on the Island.

Grapes, watermelon, Lychee and logan are the main fruits while sturgeon, shrimp, crabs, oysters and mussels are major varieties for seafood. Fish ponds can be spotted almost everywhere on the Island. However, not many vegetable varieties are available. The Island wants to source new varieties of vegetable seeds from foreign companies for planting.

Lack of cold storage facilities is also a major concern of the Island. Without proper post harvest care, the quality of fruits is easily deteriorated during transportation. Because of this, the Island is looking for foreign investment to help them build up better post harvest packaging facilities.

### **Changtai County of Zhangzhou District**

Changtai county is one of the most important counties of Zhangzhou District. With a population of about 80 thousand people, its main economic pole is still the agricultural industry. Fresh fruits and vegetables remain as the major agricultural products for the county. As of now, most of the peasants continue using primitive methods in their cultivation, meaning labor intensive planting. However, some growers from Taiwan had entered the industry by organizing many peasants together and planting as a group. In this way, it saved costs of raw materials and increased the harvesting efficiency.

Among 30 fruit varieties available, guavas, oranges, bananas, lychee and logan are the main fruits for the county. As for vegetables, the county has limited sources of varieties. Peas are probably the most popular type. Mass fields uncultivated can be seen along the road waiting to be planted. The county is looking for new varieties from foreign countries to plant, hoping that they would produce more added value to increase the income of local vegetable growers.

The county claimed to have about 10 food processing plants by now. Majority of the plants run by people from Taiwan and Singapore. What the county also needs are the cold storage facilities and post-harvest packaging technique. Keeping fruits and vegetables fresh during the transportation remains as a tough challenge to them.

### **Supermarkets and Wholesale Centers in Fuzhou**

ATO staff visited Sam's Club and Trust Mart, a local supermarket chain store, in Fuzhou. More US food and agricultural products are apparently present at Sam's Club than Trust Mart. Most of the US beverage companies had already set up their own plants in different areas of China. Besides fully utilizing the cheaper labor and lower inventory costs, some of the companies also changed the taste of their products to meet the preference of Chinese consumers. By now, consumers are still required to show their membership cards to be able to shop at some of the supermarkets, such as Sam's Club.

There are many wholesale centers for different products in Fuzhou. ATO staff visited a few of them and found that majority of the products are domestically made. Taking fresh fruits wholesale center for example, we can hardly see any imported foreign fruits' presence. According to local people, the prime time of most wholesale markets are either in the early morning or late evening, therefore, ATO staff did not have the chance to view how busy the markets would be or what imported products would go through those centers.

### **Comments/Conclusion**

Fujian Province is slowly recovering from the negative impact on its economy by the infamous smuggling scandal (the Lai Chang Xing case). Companies and enterprises of Fujian tried very hard to reinstall their reputation. As agriculture remains a main economic sector of the Province, officials of some counties are seeking ways to import new varieties of seeds from foreign countries to improve the productivity of the crops and increase the income of local peasants. However, importing new seed varieties from foreign countries faces quarantine and testing challenges in China. The State General Administration of China for Quality Supervision, Inspection & Quarantine (AQSIQ) has implemented strict quarantine and testing requirements on seed imports. (Please refer to GAIN report #CH1052 "Seed Law Implementation Regulations" for details through the Foreign Agricultural Service web site at [www.fas.usda.gov](http://www.fas.usda.gov) under the Attache Reports section.)

Under such circumstances, Langqi, being an island, could be developed into a testing lab for foreign seed varieties. AQSIQ might be more lenient with seed imports to the island in view of the controlled result. Even if the seeds could not adjust to the climate and soil condition of the Island or create unforeseen effects to the plants, the damage could be contained within the island.

Interested US seed exporters might visit Fujian to explore the market. For further information, please contact ATO/GZ at (86-20) 86677553 or fax at (86-20) 86660703.