

USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 12/9/2005

GAIN Report Number: CH5624

China, Peoples Republic of Promotion Opportunities ATO Guangzhou Promotion Opportunities Report FY2006

Approved by:

Keith Schneller US ATO Consulate Guangzhou

Prepared by:Kristen Durham

Report Highlights:

This report provides information on upcoming market development activities planned by ATO Guangzhou from October 2005 to September 2006. These events include trade shows, instore promotions, menu promotions, trade seminars and trade missions to the United States. Interested U.S. exporters and food organizations are encouraged to contact either the respective organizers or ATO Guangzhou for further information.

Includes PSD Changes: No Includes Trade Matrix: No Unscheduled Report Guangzhou [CH3]

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Disclaimer:

The promotional activities listed are provided for informational purposes only. No endorsement should be implied unless specifically stated. Terms and conditions of participation are the responsibility of the activity organizer.

I. FAS/USDA Endorsed Trade Shows

FAS will not endorse any trade shows in South China in 2006. The Food and Hotel China show that was previously scheduled to take place in Guangzhou in May 2006 has been moved to Beijing instead. The show organizers decided to focus their efforts on the HOFEX trade show in Hong Kong, which attracts a greater number of international visitors. ATO Guangzhou (ATO/GZ) will recommend that FAS endorse Interbake China and China Fisheries & Seafood Expo in the future. Interbake China is one of the most important food ingredient shows in China, and China Fisheries & Seafood Expo, which alternates locations on an annual basis, is the largest show of its kind in Asia and a key trade show for U.S. seafood exporters.

II. Other Trade Shows (Recent and Upcoming)

If any U.S. exporters and/or agricultural organizations are interested in participating in the trade shows listed below, please contact either the respective organizers listed beneath each individual event or communicate with ATO Guangzhou for additional information.

A. Chinese Export Commodities Fair (Canton Fair)

Date: October 15-20, 2005; October 25-30, 2005

April 15-20, 2006; April 25-30, 2006

Venues: Chinese Export Commodities Fair Pazhou & Liuhua Complexes

The Chinese Export Commodities Fair, also called Canton Fair, has been held twice a year in the spring and autumn since it was inaugurated in Spring 1957. It is China's largest export trade fair with the more product variety, larger attendance and better business turnover than any other show. Approximately 400,000 visitors attended the fair this past year, representing 210 regions throughout the world. The fair is now broken down into two phases, with each phase about one week long. The first phase features industrial products, textiles and garments, foodstuffs, and medicines and health products. Just five days later, the second phase brings attention to consumer goods and gifts. Many traders, both foreign and domestic, attend or exhibit their best products at this fair. The fair provides numerous opportunities for US food companies to meet major Chinese food manufacturers that export product all over the world, manufactures who may have interest in sourcing high quality US ingredients.

Contact: China Foreign Trade Center; Address: No. 117 Liu Hua Road, Guangzhou, China 510014; Tel: (8620) 26089999; Fax: (8620) 83335880; Email: info@icecf.com Website: www.cantonfair.org.cn

B. SFT China (Shenzhen) International Fruit, Vegetable & Technology Trade Show

Date: November 10-12, 2005

Venue: China Hi-Tech Fair Center, Shenzhen

This show is being advertised as one of the largest international fruit expos aimed at accelerating the trade of fresh fruits and expediting promotion of new technology in the fruit industry. Co-organized by Agropress of Switzerland, the China Council for the Promotion of International Trade, and many other groups, SFT contains three concurrent events: exhibition of fresh fruits, vegetables and new technology, conferences and a fruit carnival.

The show provides an excellent trading platform for produce growers, processors, and traders and investors from over 35 countries. It also offers a good opportunity for foreign companies to exchange information with Chinese fruit professionals, learn the most advanced techniques of the industry and build up business relationships with Chinese companies.

Contact: Ms. Vicky Dong; Address: 9/F Block East Wenhua Bldg, No.1031 Shennan East Road, Luohu District, Shenzhen, China 518002; Tel: (86-755) 25126650; Fax: (86-755) 25125239; E-mail: info@sftexpo.com; Website: www.sftexpo.com or www.worldfruit.org

C. CITYSCAPE Expo 2006

Date: September 13-15, 2006

Venue: JinHan Exhibition Center, Guangzhou

CITYSCAPE Expo 2006, hosted by the Guangzhou Real Estate Industry Association and organized by Real Estate Biweekly, is a trade show focusing on urban design and landscape construction based on creative architecture and the natural environment. It provides a communication platform and trading channel among design companies, engineering firms, and material suppliers.

Contact: Mr. Frank Huang, CITI Expositions Ltd.; Address: Rm 904, West Tower, Yangcheng International Commercial Center, No. 122 Tiyu Rd. E., Guangzhou, China 510620; Tel: (86-20) 38871271; Fax: (86-20) 38870947; E-mail: info@clexpo.com; Website: http://www.clexpo.com

D. The 4th Session China (Shenzhen) Consumer Goods Procurement Fair (CCGPF)

Date: November 8-11, 2005

Venue: Shenzhen Convention & Exhibition Center

CCGPF strives to create an ideal place for domestic and foreign retailers and manufacturers to negotiate, trade, and transact face to face. It intends to play a positive role in establishing long-term, stable cooperative relationships between buyers and sellers and to reduce transaction costs of doing business internationally. USA Poultry & Egg Export Council participated in the 2003 show as an exhibitor. The show and affiliated meetings attracted about 93,000 visitors in 2004 and generated positive responses from both exhibitors and visitors. ATO staff attended this show in 2005 and were extremely impressed with the quality of the show, which is really a consumer oriented fair.

The 2006 fair is expected to occupy 60,000 square meters, with 2,600 booths. Exhibition areas are divided based on products offered, such as garments, headgear and footwear; electronic appliances; food and beverage; commercial equipment; and high quality imported goods. It will offer not only a stage to showcase products in the retail world but also an opportunity for exhibitors to gain access into global a merchandising network.

Contact: Organizing Committee of CCGPF; Address: 4/F Ludeng Building, Caitian South Road, Futian District, Shenzhen, China 518026; Tel: (86-755) 82948450, 82959051; Fax: (86-755) 82945223, 82945078; E-mail: postmaster@ccqpf.com; Website: www.ccqpf.com;

E. China Wood Markets Export & Import Conference

Date: October 30-November 2, 2005 Venue: Dongguan Exhibition Center

Organized annually by China Wood International, Inc., the China Wood Markets Export & Import Conference is the premier conference for the wood processing industry in China. The conference features a two-day exhibition of wood products from around the world, designed to allow buyers and sellers to share product information and develop business relationships. Additionally, attendees can participate in seminars on the global and Chinese markets for lumber and tour local processing facilities through conference-organized field trips.

Contact: Moli Wang, China Wood International, Inc.; Address: C-2003 Jinqiuzhichun, No. 6 Zhichun Rd, Haidian Dist, Beijing, China 100088; Tel: (86-10) 82357166, 82358779 ext 811; Fax: (86-10) 82358546; E-mail: trade@chinawood.org; Website: www.chinawood.org/english/index.asp

F. China Fisheries & Seafood Expo

Date: November 10-12, 2005

Venue: Chinese Export Commodities Fair Pazhou Complex, Guangzhou

Touted as Asia's largest seafood show and the only show of its kind to be held in China, the China Fisheries & Seafood Expo has grown dramatically over its ten years of existence. While traditionally held in Qingdao (or another northern city) and expected to return there in 2006, the expo will be held in Guangzhou this year to celebrate its 10th anniversary and to recognize the rapid development of aquaculture in South China. With participation expected to reach 1,000 booths and more than 15,000 visitors in 2005, the expo will continue to attract importers, exporters, processors, and suppliers of seafood, services and equipment from across the globe for the opportunities provided to forge new business relationships. In addition to ATO Guangzhou, American groups such as Alaskan Seafood Marketing Institute (ASMI), Western United States Agriculture Trade Association (WUSATA) and National Oceanic and Atmospheric Administration (NOAA) and a variety of private companies will exhibit at the expo. While some of the American companies exhibiting in the show are interested in exporting their finished products to China and other markets, opportunity exists for many U.S. fisheries to export seafood to China for processing and re-export.

Contact: Sea Fare China Ltd; Address: 16 F/A No. 58 Freetown Center, Dongsanhuan South Rd, Beijing, China 100022; Tel: (86-10) 58672620; Fax: (86-10) 58672600; E-mail: info@seafarechina.com; Website: www.chinaseafoodexpo.com

G. Natural Products Expo Asia

Date: November 30-December 2, 2005

Venue: Hong Kong Convention & Exposition Centre

Natural Products Expo Asia is the only show of its kind in Greater China to provide both an exhibition for natural products from throughout the world and a conference with seminars focusing on topics such as health, marketing, and government regulation. Products that will be on display range from natural and organic foods to nutritional supplements, and from organic raw materials to natural pet products. As incomes in China continue to rise and consumption patterns change accordingly, it is believed that this show will only grow in

prominence and its ability to connect natural products buyers and sellers from across the globe. ATO/GZ staff will accompany South China buyers that have interests in purchasing US products to the 2005 show and make introductions with appropriate American suppliers.

Contact: Penton Media Asia Ltd.; Address: 20/F, Yu Fung Commercial Centre, 289 Hennessy Road, Wanchai, Hong Kong; Tel: (852) 2975-9051; Fax: (852) 2857-6144; E-mail:

info@pentonasia.com; Website: www.naturalproductsasia.com

H. China International Foodstuffs Trade Fair

Date: December 16-18, 2005 Venue: R & D Center, Zhongshan

This will be the inaugural edition of the China International Foodstuffs Trade Fair, sponsored by the China Foodstuff Industry Association. The show intends to offer a platform for domestic and foreign buyers to meet with food manufacturers, exchange product information and establish business relationships. The will have five exhibition areas—wines and brews, dairy and beverage, tobacco, food ingredients, and food technology—and showcase processing equipment utilized in all of these sectors.

Contact: Mr. B. S. Goh, F.A.S.T. Syst & Mgmt Services; Address: No 13 Xingpu Road, Huangpu District, Zhongshan, Guangdong, China; Tel: (86-760) 3300111, 3226179, 3228333; Fax: (86-760) 3300222; E-mail: fastsyst@singnet.com.sg; Website: www.hpfood.cn

I. Interbake China 2006 (10th China Bakery Exhibition)

Date: May 12-14, 2006

Venue: Guangzhou International Convention & Exhibition Center

This is one of the largest baking industry trade shows in China, anticipating 110,000 visitors for the 2006 session. Hosted by All-China Bakery Association, the show features all areas of the baking sector—products & ingredients, equipment & fittings, food services and technology. Several US food organizations have participated in this show in the past, including the American Soybean Association, CA Raisin Administrative Committee, Almond Board of CA, and US Potato Board. ATO/GZ office also secured a booth to support these US organizations. This show provides a good opportunity for US companies to introduce their ingredient products to Chinese food processors and local baking companies. The 2005 show occupied over 32,000 sq. meters and hosted more than 530 exhibitors. ATO/GZ plans to participate in this show again and will provide services to US participants and visitors. Many Chinese food manufacturers attend this show to place orders for moon cake ingredients for the Mid-Autumn Festival, which usually takes place in September or October. This market is forecasted to reach an annual volume of nine billion US dollars.

Contact: Ms. Rita Jia, Deputy General Manager, Canton Universal Fair Group Ltd; Address: Rm 2501 North Tower, New World Times Center, 2193 Guang Yuandong Rd, Guangzhou, China 510550; Tel: (86-20) 87639852, 87746095; Fax: (86-20) 87746096, 87639807; E-mail: interfair@faircanton.com; Website: http://www.faircanton.com/interbake2006/

J. SIAL China

Date: May 29-31, 2006

Venue: Shanghai New International Expo Centre

SIAL China, the country's leading international tradeshow for the food and beverage industry, has been a consistent performer in attracting large crowds from across the globe. Organizers estimate that 2006 show will draw 900 exhibitors and over 20,000 guests to visit the exhibition and attend additional SIAL events such as seminars, demonstrations and competitions. ATO/GZ, while not directly involved in this show, will accompany a buyers delegation from South China to attend the show and meet with US exhibitors.

Contact: Ms. Natacha Gislard, Exposium Shanghai Office; Address: Dongyi Building, Room 301, 88 Changshu Road, Shanghai, China 200040; Tel: (86-21) 62492028; Fax: (86-21) 62493414; E-mail: natacha_gislard@exposium-shanghai.com; Website: www.sialchina.com;

K. FHC Beijing 2006

Date: June 7-9, 2006

Venue: China World Trade Center (CWTC)

As one of the leading international food and hospitality shows in China, FHC (Food and Hotel China) Beijing will offer countless opportunities for US suppliers to prepare and introduce products for export to China. With an exhibition area of 5,500 square meters and anticipated attendance of 7,000 industry professionals, many American companies and organizations will again include this show on their list of key trade events. Participants can develop a better understanding of doing business in China and be better prepared for bilateral trade in the future.

While Guangzhou was previously scheduled to host FHC South China, the city's geographical closeness to Hong Kong, and thus HOFEX, led show organizers to change locations to Beijing for June 2006. ATO/GZ will organize a small buyers mission from South China to visit US exhibitors at this show.

Contact: Ms. Lily Zhu, China International Exhibitions Ltd; Address: Room 2402, Singular Mansion No. 318-322 Xian Xia Road, Shanghai, China 200336; Tel: (86-21) 62095209; Fax: (86-21) 62095210; E-mail: fhc@chinaallworld.com; Website: www.fhcbeijing.com.cn

L. HOFEX 2007

Date: May 13-16, 2007

Venue: Hong Kong Convention & Exhibition Centre

Hosted biennially by Hong Kong Exhibition Services Ltd., HOFEX 2007 will connect US suppliers with a broad range of food and beverage industry representatives. The show is committed to drawing a large group of purchasers from hotels/resorts, restaurant chains, supermarkets, caterers, bakeries and many other business sectors, and it has successfully delivered on that promise in the past. In 2005 there were over 28,000 visitors in attendance. In cooperation with staff at ATO/Hong Kong, ATO/GZ will organize meetings during this show for South China buyers and US exhibitors with relevant products for export.

Contact: Ms. Heidi Au or Ms. Vivian Lui, Hong Kong Exhibition Services Ltd.; Address: Unit 2010, 20/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong; Tel: (852) 28041500; Fax: (852) 25283103; E-mail: exhibit@hkesallworld.com; Website: www.hofex.com

III. Upcoming Promotional Activities

ATO Guangzhou is responsible for promoting US food and agricultural products in South China, a region that includes the provinces of Guangdong, Fujian, Hainan, Guangxi, Hunan and Guizhou. To fulfill its mission of market development, ATO Guangzhou plans to provide more services to represented areas, assist US exporters wanting to enter the South China market, and help local traders source more high quality US agricultural products.

Over the last year, ATO/GZ organized major in-store promotions with C.R. Vanguard and Jusco and participated in countrywide initiatives with Carrefour. Of the two promotions wholly sponsored by ATO/GZ, American products were featured in 21 hypermarkets and supermarkets covering seven cities. Several US producer associations also participated in the American food promotions. The events increased sales of U.S. products by approximately \$205,000 over a period of five weeks and saw the introduction of 177 new SKUs to South China stores. About 50 new products introduced with the promotions were reordered to become regularly offered items. Beyond in-store promotions, ATO/GZ has been involved in activities such as chef seminars and menu promotions with participation by numerous US producer associations. ATO/GZ coordinated a series of baking seminars and promotions last year, lasting for six months and introducing several new US bakery ingredients to bakeries in South China. Recipes using US products are now included in the Sino-American Bakery School's regular teaching curriculum, and ATO/GZ plans to cooperate with this leading institution based in South China in the future.

For fiscal year 2006, ATO Guangzhou intends to undertake a series of promotional activities to help U.S. exporters penetrate the South China market. These events include in-store promotions, menu promotions, trade seminars and trade missions to the United States. If any U.S. exporters and/or agricultural organizations are interested in participating in or learning more about any of the events listed below, please contact ATO Guangzhou for additional information.

A. In-Store Promotions

Hypermarket chains are developing at a very rapid pace in South China. Facing fierce competition, stores are trying to differentiate themselves in order to attract more customers. Through sponsorship of American food festival promotions, they are able to do just that.

ATO Guangzhou plans to work with additional retail chain stores to promote American food products in fiscal year 2006. These in-store promotions will help US exporters evaluate the marketability of their products. By introducing US suppliers directly to Chinese importers and retailers, promotions will provide the incentive for US companies to follow up with long-term product registration and labeling on new products for the China market. Tentatively, ATO/GZ intends to launch a "U.S. Food Products Festival—Christmas Edition" promotion with China Resources Vanguard Co. in its Shenzhen Olé store for the 2005 Christmas holiday season and similar promotions with other hypermarket retailers later in 2006. Post will also launch a regional in-store promotion with the 7-Eleven convenience store chain in Spring 2006.

1. Hypermarket Promotions

C.R. Vanguard Co.

ATO/GZ plans to cooperate with several US producer associations in sponsoring a "U.S. Food Products Festival—Christmas Edition" promotion with China Resources Vanguard Co., a major retailer in South China. The proposed promotion will be launched in mid-December 2005 at the company's new concept store in Shenzhen and last for approximately three weeks. C. R. Vanguard's Olé store represents the future of supermarket design in Mainland China, adopting many elements from neighboring Hong Kong gourmet stores and featuring a wide assortment of imported products and fine foods.

Multi-store retail chain

In addition to the holiday promotion with C.R. Vanguard, ATO/GZ also intends to cooperate with at least one other large hypermarket chain for an in-store promotion featuring high quality American foods. Unlike the holiday promotion, however, this American food festival will be conducted throughout several stores held by the same parent company in order to improve visibility and impact with consumers. Most multi-store promotions include anywhere from 6-14 stores and are held in numerous large cities in South China. Besides just increasing sales for US foods, these events are also very effective in assisting importers and distributors to develop long-term relationships for supplying American products to large chains.

2. Convenience Store Promotion

7-Eleven

While more and more retail giants keep expanding their existence in China, the prevalence of convenience stores is also increasing rapidly. Many convenience stores already carry US snack foods such as almonds, pistachios, raisins, prunes and assorted confectionaries. For products often consumed on the go or in small serving sizes, this would be another area where US food suppliers could develop market share.

Following the 2006 Spring Festival, 7-Eleven and ATO Guangzhou will launch a convenience store promotion highlighting U.S. snack foods. Plans for the promotion include introducing 10-15 new products to the shelves of the more than 230 7-Eleven stores in South China, which could include jerky snacks, U.S. wine and fresh produce, among other items. Products will be prominently placed in end-cap displays or emphasized by shelf-talkers, all specially designed for the promotion. A lucky draw and grand opening ceremony will also be included in the overall efforts.

B. Menu Promotions

In view of the limited exposure to the breadth of American cuisine in South China and a persistent desire to export food ingredients to China, ATO/GZ has organized several menu promotions in the past to introduce new dishes that utilize high-quality U.S. ingredients. Those promotions were widely successful and featured a variety of American-style foods and ingredients including U.S. pork, WA State wine, CA almonds, and Alaskan seafood. ATO/GZ will continue working with various leading Western hotels and restaurants to introduce more high quality US ingredients in their menus through joint menu promotions.

1. Annual Appreciation/Holiday Dinner

ATO/GZ will organize an annual appreciation dinner for key trade contacts in South China in January 2006. HRI, retail, media, and government officials will be invited to attend this

event to sample traditional American foods. This event will provide an opportunity for professionals in the local food service sector to get together and learn more about traditional American holiday foods, while also offering them a chance to network with US cooperators. ATO/GZ will recruit sponsorship from various US cooperators to participate in this annual event. More than 300 people joined last year's festivities that featured a wide array of American products.

2. WUSATA Cooking Competition and Menu Promotion

ATO/GZ and the Western U.S. Agricultural Trade Association will launch a series of cooking competitions featuring US ingredients used in both international and Chinese dishes in Spring 2006. Each session of the competition will feature ingredients that have been designated by WUSATA and require chefs prepare foods from only those ingredients in an "Iron Chef"-style setting. During this promotion, ATO/GZ will work with host sights, most likely five-star hotels, to have some special dishes incorporated into their menus that reflect the on-going competition and the wide range and versatility of high quality US food products. Regional winners from across China will then be taken to the U.S. to visit chefs and learn more about the variations in regional cuisine that exist in America.

3. American Wine and Cheese Tasting

In view of the growing incomes in South China and changing tastes of consumers, it is becoming increasingly important to provide education about new, high-end products entering the market. Two products that demand such education, wine and cheese, will be paired in an event hosted by ATO/GZ in February 2006. Post will recruit the help of such cooperator groups as the California Wine Institute and the U.S. Dairy Export Council to provide local media and HRI professionals with information about the variety and quality of products produced in America.

4. American-style Barbeque Media Promotion

Western foods continue to increase in popularity throughout China, and ATO/GZ's emphasis on increasing the breadth of exposure for U.S. regional cuisines will be highlighted through an American-style barbeque media promotion. Through partnership with the U.S. Meat Export Federation, the USA Poultry and Egg Export Council, or one of the SRTGs, ATO/GZ hopes to host an American chef to work with locals on food preparation techniques in addition to partnering with a local restaurant chain to showcase a wide variety of U.S. barbeque styles and products. Based on current consumer preferences for foods such as Cantonese-style barbequed meat, it is believed that this promotion will receive support throughout the HRI sector and local media.

5. "Yan Can Cook" Television Series

Celebrity chef Martin Yan, star of the TV cooking show "Yan Can Cook", is planning to produce a series of TV programs targeted to the Mainland China market. The series will consist of 52 episodes featuring cooking demonstrations, field visits, useful tips, Q&A sessions and games. Martin is currently seeking sponsors for this program, with one potential source being U.S. producer associations. Opportunities for cooperators could exist in feature segments with Chef Yan for particular American products, as well as other joint promotional efforts. ATO/GZ intends to take the lead in coordinating with "Yan Can Cook" to include as many U.S. food ingredients as possible in the new series.

C. Trade Missions

Many Chinese importers are not aware of what products are available in the United States. For fiscal year 2006, ATO/GZ will organize several self-financed buyer missions to visit various trade shows in the United States to source more US food products. Teams will be recruited from the retail, import, distribution and food service sectors for attendance at the PMA Fresh Summit, FMI show, NRA show, IFT, World Dairy Expo, Boston Seafood Show and World Ag Expo, which have generated the most interest from South China buyers. ATO/GZ will continue to work with SRTGs in organizing mini, table-top shows to introduce US food suppliers to Chinese buyers and arranging company tours, processing demonstrations, and educational programs for these teams at different cities so they can gain a better understanding of US food products. In addition, Post hopes to take two Cochran-funded teams to the US—one of dairy specialists to major milking areas in the United States and another of media representatives to create print and video documentary series on regional US agriculture and cuisine.

ATO Guangzhou welcomes US exporters to visit and explore the South China market. The office will help them plan their itinerary, match them up with Chinese importers who might be interested in their products and, if necessary, accompany them for their visits in South China. US exhibitors of other trade shows in Asia area, including but not limited to FHC Shanghai, SIAL Shanghai, HOFEX Hong Kong, Natural Products Expo in Hong Kong and FHC Singapore, are also encouraged to contact our office for a post-show visit to South China. Depending on visitors' preferences, ATO/GZ will make arrangements for them to meet with local importers, distributors, retailers and food service providers.

1. South China Dairy Specialists Team

Given increasing demand for dairy products in China, now is a critical time for dairy producers in South China to improve their operations through the incorporation of sound management practices, better inputs and new technologies. Tentatively scheduled for March 2006, this Cochran-funded trade mission will take dairy operators to key milking areas of the US to educate them on American dairy facility design and management. Additionally, this team will have the opportunity to learn about numerous, high-quality American products, such as semen and feed, which could be used to improve dairy herd performance in South China.

2. Regional Cuisines Media Team

In view of limited exposure to American cuisine in South China, ATO/GZ proposes to take a local television and print teams to visit the US and create documentary series on regional US agriculture and cuisine using Cochran funds. These participants will be recruited from well-known South China television and print outlets, and SUSTA or another SRTG will be asked to help sponsor these participants' international travel that is not covered by the Cochran funding. This team would incorporate material filmed from their visits to American farms, restaurants and kitchens into a series of television programs and feature articles. ATO/GZ will also seek support in developing an itinerary and arranging restaurant tours and cooking demonstrations for this team in different cities to properly reflect the regional differences in US cuisine. It is expected that through these feature series, the food service industry in South China will become better informed about American cuisine and increase the inclusion of American food products on menus in South China.

D. Trade Seminars

Many Chinese firms are not well informed with proper product handling methods. Whether addressing importers, distributors or end-users, education is necessary to insure that U.S. products are stored and used in the ways intended. ATO/GZ, in cooperation with US producer associations and other organizations, plans to offer several seminars throughout the year to increase local awareness of a variety of products and technologies. Through these seminars, post hopes that local traders could gain more knowledge about the proper handling of high quality US products and ultimately increase usage of these products in daily operations.

1. Cosponsor Dairy Seminars with US Partners

The Chinese government is encouraging increased consumption of milk and other dairy products. The increasing demand for fresh milk has made it difficult for local dairies to rapidly increase their supplies, creating opportunities for US companies to assist dairies in boosting yields through improved genetics, forage consumption and general management. Thanks to funding received through the USDA/FAS Quick Market Response Fund, ATO/GZ will be hosting a series of seminars and consultations in conjunction with the South China Dairy Improvement Project. While the alfalfa feed trials will serve as the basis of the dairy activities, a team of US dairy experts will travel to China in January and May of 2006 to present seminars on herd nutrition, disease, system design and breeding and educate local dairies about technologies available from the US. Through these seminars, ATO/GZ hopes to introduce high quality US dairy genetics and forage products to Chinese companies, resulting in large sales of such products from America.

2. "Green Food" Seminars

With increasing emphasis on food safety and nutrition issues, Chinese consumers are becoming increasingly health conscious and are willing to pay premiums for organic foods. China currently has three categories of organic food standards, namely, non-harm foods, green foods and organic foods. Depending on the availability of US speakers, ATO/GZ intends to organize one or two seminars to introduce US government standards set for the organic market and provide information regarding current and future markets for such products. Following the seminars, ATO/GZ will organize some field visits to organic vegetable and fruit farms in the region. These seminars will be conducted with ATO Hong Kong based on that market's increasing demand for organic products.

3. Supplier Credit Guarantee Program Seminar

Traders in South China depend heavily on the financial institutes in Hong Kong to process their business transactions. At the same time, USDA's Supplier Credit Guarantee Program (SCGP) is not being utilized in China. If Chinese buyers were more familiar with the SCGP and had more relationships with US suppliers, they might be more aggressive in using the program, thus resulting in larger purchases. ATO/GZ plans to hold a series of seminars in to educate local importers on how to utilize the program.

IV. ATO Guangzhou Reports

ATO/GZ will periodically undertake market research and compose market briefs on the latest developments in agriculture and related sectors in the South China market. Those reports will be submitted to the Foreign Agricultural Service in Washington, DC as GAIN reports and made available to the public on the following website: www.usdachina.org.

V. Post Contact and Further Information

ATO GUANGZHOU

Keith Schneller Agricultural Trade Officer United States Consulate of Guangzhou China Hotel Office Tower 14/F Guangzhou, Guangdong 510015, China

Tel: (86-20) 8667-7553 Fax: (86-20) 8666-0703

E-mail: atoguangzhou@usda.gov Website: www.usdachina.org

If you find the above information in this report to be of value, we would greatly appreciate your feedback. Please fax or e-mail your comments to the above number/address.