China market ripe for fresh US foods

2018-05-30

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 China Daily USA |  
 Updated: 2018-05-30 13:37

While China is geared up to increase imports of US agricultural products, its potential as a market for fresh produce means big opportunities for US companies.  
US fresh produce exports to China are small because of logistics, but one way to penetrate the market would be to build processing facilities and supply chains in China with US technology, said industry experts in California.  
An interesting business partnership would be taking the blueprint of a highly advanced fresh produce processing facility to China and deploy it, said Brian Curtis, CEO of Concentric Power, which provides microgrid systems to the agriculture sector to optimize their energy efficiency.  
"Not trying to sell a box of lettuce from the US to China, but partner with the local economy to take the local product into that plant and then manage the distribution from there," he said.  
Curtis got the idea from an experience he had at a McDonald's in Shenzhen. He ordered a Big Mac but there was no lettuce that day.  
"The service is not only supplying lettuce but supplying reliability with good quality and food safety," he said.  
Demands for good-quality produce are rapidly rising in China, driven by a growing middle class and millennial generation that demand food safety and freshness.  
Huge investments have been poured into the supply chain to meet that demand, including Alibaba-backed fresh-food chain Hema Food Market and fresh produce online marketplace Yiguo.  
"Some basic supply chain management in China is still in its early days," said Curtis. The potential of the Chinese market for fresh produce will be huge once the second- and third-tier cities are unblocked, he said.  
Innovation plays a key role in the industry to be able to grant access to fresh products within the US and North America, said Nicole Flewell, director of sustainability at Salinas, California-based Taylor Farms.  
"Over 100 years ago it wasn't really possible to get a fresh product from the West Coast to the East Coast. So a huge advantage in our industry is opening up windows of opportunity and being able to provide healthy high-quality produce for people," she said.  
The company has supplied fresh vegetables to Hong Kong, but has yet to enter the Chinese mainland.  
Salinas Valley - called "the Salad Bowl of the World" for its production of lettuce, broccoli, peppers and other crops - "figured it out" more than 100 years ago with a "very complex system", said Andrew Myrick, economic development manager of Salinas.  
"Logistics is such a big deal, when it doesn't work like it's supposed to. The example with the Big Mac is that it's not just a matter of growing it but also the transporting - can you get it to where it needs to go and are you producing the correct amount?" he explained.

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