



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 12/12/2007

GAIN Report Number: CH7616

China, Peoples Republic of

Market Development Reports

Nanning: Strategic Gateway to Southwest China

2007

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Report Highlights:

With strategic support from Beijing, excellent location, transportation development and communication linkages with South China and ASEAN, Nanning is poised to ride the crest of an economic boom. No doubt, this will further drive consumer demand and attract investment. Increasing growth of hotels, restaurants and supermarkets already substantiate this. ATO Guangzhou interviewed scores of governmental officials and executive managers across sectors who shared surprising insights about market opportunities for U.S. agricultural products.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Guangzhou ATO [CH3]
[CH]

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I. Nanning: Well connected to Southwest China and ASEAN

Nanning is the capital of Guangxi - Zhuang Autonomous Region. Its deep sea ports and location are ideal for businesses looking for new development opportunities in booming Southwest China.

Guangxi's strategic position offers good access to developing regions key to the Beijing government's agenda for national development.

On a regional level, Nanning is an integral part of South China's Economic Circle (including the Pearl River Delta and Guangdong Province), Southwest China's Economic Circle (including cities such as Kunming, Chongqing and Chengdu), and ASEAN

Economic Circle (Note - ASEAN is the Alliance of ten Southeast Asia Nations consisting of Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.)



The People's Republic of China, with GuangXi outlined in black (Source: Chinaonline.com)

A. Sea Ports

In Southwest China, Guangxi is the only province with direct ocean access to the South China Sea through Fangcheng, Qinzhou and Beihai, all deep water ports that can receive ocean vessels from foreign ports and Hong Kong. Nanning is linked to the three ports by highways within a radius of 1 to 1-1/2 hours drive. Last year these ports alone handled 37.4 million tons of cargo.

B. Railway

There is direct rail access between Nanning, Chengdu and Chongqing, the fastest developing cities in less developed Southwest China. However, rail access between the city and each of the three sea ports is still under construction. Once completed, Nanning becomes an important supply route for Southwestern China markets.



Map of Guangxi (Source: Travelchinaguide.com)

C. Highway

Even more ambitious plans are underway for rail and road links between Nanning and Hanoi (Vietnam's capital). These plans are part of a grand vision to connect key ASEAN nations into a future "Economic Corridor" running from Nanning to Singapore. From Hanoi, the road and rail network would pass through Phnom Penh, Bangkok, and Kuala Lumpur before reaching Singapore. With this goal in mind, a highway was constructed between Nanning and Pingxiang bordering Vietnam. It takes about a four hours drive from Nanning to Hanoi.

D. Airport

Another key infrastructure development is *Nanning Wuxu International Airport*, recently expanded to receive international flights from mostly Southeast Asian cities. By the end of 2007, Nanning will be connected with Singapore, Jakarta, Bangkok and Phnom Penh by regular flights.

Politically, Guangxi enjoys many favorable policies from the central government in Beijing. For example it is recognized as a National Minority Autonomous Zone which means its provincial government has more self governing rights than other provinces. It is also part of Beijing's Western Development Policy, which aims to fast track economic development of China's lagging rural areas. Other significant policies include "Coastal Area Open" policy and "Border Open" policy status enabling Guangxi to develop international trade links, much in the same way as key coastal cities and special industrial zones have grown successfully in the past 15 years.

It's clear to see Nanning is poised to become an important logistics hub for Southwest China. Some even speculate Nanning will become the next "Shenzhen" success story because both cities are built on their valuable ports and sophisticated logistic networks to support economic development.

II. Nanning at a glance

Nanning has sub-tropical weather with a monsoon season between May to August, and annual rainfall of 34.77 inches. It is a pleasant "green city" with a temperate climate for most of the year making it a comfortable place to live.

October 1, 2007, the United Nations (UN) – HABITAT awarded the "Habitat Scroll of Honor" to the Nanning Municipal People's Government for having developed China's first Integrated City Emergency Response System to collocate the city's police and fire emergency, paramedic ambulance response and traffic accident reporting systems, along with 30 other non-emergency public services previously managed by many different administrative departments.



Nanning is a green city and comfortable to live in
(Source: www.nanning.gov.cn)

From an economic perspective, Nanning is relatively undeveloped and ranked 86th on the nation's top 100 cities list. However, many investors view this as a tremendous opportunity, given its logistic linkages with fast developing Chongqing, Chengdu and Kunming.

Chart 1: Nanning at a glance

1. Nanning City Area:	8,535 square miles
2. Urban Area:	2,501 square miles
3. Population:	6.7 million
4. Urban Population:	2.6 million
5. GDP:	US\$11.6 billion, up 16.4% from 2005
6. Per Capita GDP:	US\$1,743, up 14.4% from 2005
7. Per Capita Annual Disposable Income	US\$1,359, up 10.8% from 2005
8. Per Capita Annual Consumption Expenditure	US\$974, up 6.1% from 2005
9. Per Capita Annual Food Consumption Expenditure	US\$382, up 3.2% from 2005
10. Hotel (star-rated)	4 five-star, 6 four-star and 66 other hotels
11. Retail	International chain: <ul style="list-style-type: none"> • <i>Wal-Mart</i> (2 stores) Chinese national chains: <ul style="list-style-type: none"> • <i>Beijing Hualian</i> (3 stores) • <i>Nancheng Baihuo</i> (2 stores) • <i>Ren Ren Le</i> (2 stores) Local chains: <ul style="list-style-type: none"> • <i>Likelong</i> (15 direct sales stores, 22 franchised stores, 4 convenience stores) • <i>Daremen Shopping Center</i> (1 store)

Source:

1 - 9 reflect Calendar Year 2006 data from *Guangxi Statistic Yearbook (2007)*;

#10 – 11 reflect Calendar Year 2007 data from interviewees.

Together Nanning, Liuzhou and Guilin alone make up 43.5 percent of the GDP generated in Guangxi. (Refer to Chart 2 below)

Chart 2: CY 2006 - GDP in Guangxi Province and GDP by City (US\$billions)

Guangxi Province	64.4	100%
Nanning	11.6	18.0%
Liuzhou	8.3	12.9%
Guilin	8.1	12.6%
Total for three cities	28.0	43.5%
All other cities	36.4	56.5%

A. Beibu Gulf Economic Zone (BGEZ)

China wants to make it easy to trade with ASEAN.

The Beibu Gulf Economic Zone (BGEZ) is a promising strategic initiative that has won a great deal of attention recently. It integrates Nanning, the three ports Beihai, Qinzhou and Fangcheng as well as the transport and logistics networks of Yulin and Chongzuo. The vision for BGEZ is to develop an international logistics, trading, processing and information exchange base that will become a leading center for the China-ASEAN free trade zone. The aim is to enhance the flow of commodities, capital, labor, and information between China and ASEAN members.



China-ASEAN Expo Center, landmark of Nanning
(Source: www.nanning.gov.cn)

Since the Free Trade Agreement was signed in July of 2005, by China and ASEAN, tariffs of 5,735 products have been either reduced or exempted.

In 2006, the overall trading turnover was US\$16.08 billion. By 2010, it is expected to reach US\$20 billion, and over 90 percent of commodities will be tariff free.

Since 2004, Nanning has hosted the China-ASEAN Expo every October to support traders and investors throughout the region.

Nanning has even made provisions for the ten ASEAN member nations to construct consulates to provide diplomatic services to the region. Vietnam and Cambodia have already opened theirs in downtown Nanning.

B. Nanning spearheads BGEZ's development

In July 2007, the Guangxi government incorporated two companies to manage BGEZ's future development. *Guangxi Beibu Gulf Development Investment Company* (DIC) and *Guangxi Beibu Gulf International Harbor Affairs Group Company* (IHAGC) together lead integration. The DIC will manage State assets as authorized by the regional government for the development of key infrastructure projects such as harbors, transport system, supply of water/power and use of coastal resources in the BGEZ. The IHAGC will integrate property rights of State assets of *Fangchenggang Harbor Affairs Group Co.*, *Qinzhou Port (Group) Co.*, *Beihai Harbor Co.* and *Guangxi Coastal Railway Co.* and be responsible for construction, operation and management of the zone's three ports and railways.

Recent BGEZ project announcements include;

- **Iron and steel** venture valued at US\$7.2 billion in Fangcheng;
- **Oil refinery** valued at US\$1.6 billion in Qinzhou (*with a capacity of 10 million tons annually*);
- **Paper pulp plant** valued at US\$53 billion in Qinzhou;
- **Aluminum smelter** in Nanning valued at US\$384 million;
- **Nuclear power plant** in Fangcheng.

With these announcements and many others in advanced discussion, there is good reason to view BGEZ as a booming region and an ideal logistics hub for entering Southwest China.

III. U.S. imports

Soybeans are big business.

Last year 2.6 million metric tons of soybeans with a value of US\$676 million were imported into Guangxi. This is an increase of 27.5 percent over 2005 figures, and accounted for 9 percent of China's total soybean imports because process capacity in Guangxi increased. Most were crushed by two plants, one in Fangcheng port and the other in Qinzhou port. Both plants source from the United States, Brazil, Argentina and Uruguay.

Chart 3: Soybean exports to Guangxi

Country of Origin	2006 Volume (millions of tons)	% Change from 2005
Brazil	1.45	+12.4%
Argentina	0.71	+700%
United States	0.28	-40%

Source: Nanning Customs

Soybean import trade figures illustrate the trend that Brazil has surpassed the States in supplying soybeans to China, and Argentina has gained significant market share. For the most part, however, U.S. and South American soybeans don't directly compete with each other since they have different harvest periods.

Chart 4: Soybean exports to China

Country of Origin	2004/2005 Volume (Millions of tons)	2005/2006 Volume (Millions of tons)	% Change	Total Import
Brazil	6.7	11.7	+75.3%	41.5%
Argentina	6.4	7.1	-9.4%	22.7%
United States	11.9	9.7	-18.2%	34.3%

Source: Grain & Oil Market (Newspaper)

While the national average for soybean imports from Argentina dropped by 9.4 percent, it's interesting to note that Guangxi increased its volume by 700 percent from 2005. One significant factor influencing these trade figures was in April 2006, the Qinzhou port crushing plant was purchased by a Singaporean grain trader that has considerable soybean interests in Argentina.

China mainly purchases second grade U.S. soybeans and processes them into edible oil and into soy meal feed. Oil and protein content are important gauges of quality which are factored into export sales quotations. Post was told that U.S. soybeans that enter Fangcheng port average around 12 percent moisture which matches the standard moisture level of U.S. soybeans. Lower moisture levels make the beans brittle and subject to splitting during handling. This leads to quality problems.

China has a zero tolerance policy for weeds such as Columbus grass, ragweed, Johsongrass and Giant Sumpweed in soybean shipments.

A trade source stated that shipments with weeds bound for crushing at port are allowed by *China Inspection and Quarantine* (CIQ) local inspectors, because weeds are destroyed in the process. However, shipments bound for overland transport (train & truck) to other locations are strictly prohibited.



A shipload of imported soybean at the Fangcheng Port
(Source: ATO Guangzhou)

Chart 5: Comparison among U.S., Brazilian and Argentine soybean

Origin	Protein	Oil	Moisture	Price US\$/MT	Color (depends on variety)	Availability
U.S.	34%	20%	12%	390	Yellow/Light Brown	Oct. -April
Brazil	36%	21%	11%	380	Reddish	April –Oct.
Argentina	34%	20%	11%	375	Green	April – Oct.

Source: *Interviewed importers*

U.S. soybeans have certain competitive advantages. New crops of U.S. soybean are available in October while South American soybeans are available in April. Furthermore, Chinese feed mills traditionally have a preference for U.S. soy meal which has a brighter appearance because most U.S. soybean has yellow or light brown skin. Soy meal made of South American soybean is darker because the skin is either reddish or green.

Through Nanning, the two crushing plants supply Southwest China and part of South China by rail and truck. Taking the Fangcheng port crushing plant as an example, it supplies soy meal and edible oil to the local Guangxi market as well as Yuannan, Guizhou, Sichuan, Chongqing, Hunan, and Hainnan.

Thanks to geographic proximity, it started to penetrate into the Vietnamese feed market by supplying soy meal in 70 kg (154 lbs) bags by barge to small Vietnam inland river ports which normally handle 500 to 20,000 tonnage vessels.

Soy meal feeds are mainly consumed by swine and poultry industries in Guangxi. Despite recent blue ear epidemic outbreaks among swine and concern about curtailed demand for soy meal, crushers are considering further expansion to manufacture Soybean Protein Concentrate (SPC) feeds for the booming aquatic industry in Guangxi.

IV. U.S. imports

Livestock is in hot demand.

Livestock is an important agricultural sector in Guangxi. In 2006, there were 40.4 million fattened hogs slaughtered and 26.1 million raised on local farms. Pork accounts for more than 60 percent of meat served in Chinese diets. However, few Chinese realize some of the pork is from U.S. sourced genetic stock.

In 2004, a Nanning suburban breeding farm imported an airborne shipment of 268 U.S. breeding swine. In 2007, it spent another US\$2 million importing 460 U.S. purebred pigs (Duroc, Yorkshire - a.k.a. "Large White" - and Landrace breeds). Duroc boars are valued for their fast growth rates and crossbred with either Yorkshire or Landrace sows that have higher fertility rates. The same farm plans to import more from the States in 2008.



*This sow looks forward to farrowing 12 piglet litters
(Photo - Courtesy of Kexinyuan Company)*

Post was told U.S. crossbred offspring are well received locally because of their appearance, rapid growth rate, high fertility, disease resistance and adaptability. Chinese pig farmers prefer strong rear legs to support body weight and wide shoulders suggesting higher ratios of lean meat.

It generally takes 180 days and 419 to 485 pounds of quality feed for these U.S. crossbreds to reach market weight of 100 kilos (220 pounds). In contrast Chinese breed equivalents require 210–240 days and more feed.

Industry sources say U.S. sows typically produce 12 piglets which show good levels of resistance to common diseases or even recent devastating outbreaks of *Porcine Respiratory and Reproductive Syndrome* (PRRS, also known as Blue Ear Disease) that usually cause high piglet mortality rates. In comparison Chinese sows are said to have up to 15 piglets, but growth is slow. Generally, reports of U.S. crossbred piglets are positive as they adapt quickly to the local climate, living environments and feeds. At 90 days, piglets are at its best physical shape and sold to large scale commercial farms at this time.



A group of crossbred piglets
(Photo - Courtesy of Kexinyuan Company)

Given China's growing demand for improved livestock production, importers can apply to the *Ministry of Agriculture* for tariff exemptions on imported animal genetic products (such as live breeding animals and frozen semen/embryos). However, swine industry importers generally prefer live animals, mainly because they care more about visual appearance rather than pedigree records.

Another noticeable livestock development is in the dairy sector. In Guangxi, the largest dairy company is headquartered in Nanning and has a modern processing plant collecting raw milk from over 7,000 Holsteins raised by its own two farms and 11 other contracted farms. Its management is interested in importing alfalfa hay and frozen bovine semen from the States to improve milk yield and quality.

V. HRI Sector

More development means more hotels and opportunities to promote U.S. products.

In line with Nanning's recent and future development, more hotels have been built, or are in the planning phase and set to open soon.

Nanning has four 5-star hotels, six 4-star and 66 other rated hotels that accommodated 22,539 domestic and 83,916 foreign overnight tourists (person – time) in 2006.

The international hotel chain *Best Western* manages a newly opened four-star, and in 2008-2009 two five-star hotels by *Marriot* and *Shangri-La* will open.



A 5-Star hotel by the Nan Hu Lake
(Source: www.nanning.gov.cn)

According to one 5-star hotel manager interviewed, 30 percent of their 338 rooms were usually filled with international guests visiting predominantly for business. At the same time, 10 percent were said to be there to adopt Chinese orphans, the majority coming from the United States while others came from Spain, Holland, Norway and other European countries.

On average, international guests stay four to five nights. Most visitors are domestic business travelers who stay two to three nights. Room rates average US\$65 for a standard room and US\$107 for executive suites which come with complimentary broadband service, breakfast, and laundry services.

High season starts in May and extends through to February each year. Overall business sentiment in Nanning is positive with a number of large domestic and international joint ventures setting up local operations. A few examples include *Lenovo and British Tobacco*. Fine dining options are on the rise quickly responding to the rapid increase in international visitors and successful mainland travelers coming to Nanning.

Therefore good opportunities exist for exporters looking to find emerging markets to promote their high quality foods, ingredients, condiments and wine etc. Currently, though local distributors are still not well established.

Meanwhile, U.S. wines are available and find its way onto many good restaurant menus. However, there is stiff competition from French, Australian, Italy and local wines. Pricing is erratic; for example, a bottle of *Vintner's Reserve Chardonnay* from California's *Kedall-Jackson* was available in one hotel at US\$64.

One successful national western style franchise restaurant in Nanning began to offer U.S. seafood including halibut, black cod and snow crab as part of its regular menu after a successful U.S. menu promotion held by the *Alaska Seafood Marketing Institute* and *ATO/Guangzhou* in 2005. He stated that U.S. pork did not sell well, but Post believes this had to do with the use of sauces that typically hide its natural succulent taste as well as improper cooking. U.S. pork has to be cooked at high temperatures to shorten cooking time and better maintain moisture. Chinese tend to use low temperatures. His chefs had never been to the States. This indicates that chef training on correct and creative ways to prepare western foods is vital.

Given that beef is the most popular dish, the restaurant owner was confident that U.S. beef would be one of top sellers on his menu once the embargo is lifted. Nanning consumer preference is similar to Cantonese who prefer meat dishes prepared in either black pepper or sweet barbecue sauce.

Optimistic about Nanning's pending economic boom, investors congregate in the downtown central business district such as the *Five Elephants Square* which has a 58-story office building, the tallest in Nanning, and houses many high-end restaurants.



Nanning's tallest office building at "Five Elephant" Square, an ideal venue for high-end restaurants (Source: www.nanning.gov.cn)

Similarly, in 2006-2007, three wine agents entered Nanning promoting wines from Australia and Europe. They organized several promotional events and sell their product for US\$26-66 per bottle.

Fast food franchises have also been well received including two *McDonalds*, one *KFC* and a *Pizza Hut*. Also, there's about 20 western style restaurants and several high-end cafes in hotels.

However, U.S. food and wine exporters need to aggressively increase promotional efforts in the HRI sector. Examples include:

1. Promote U.S. ingredient promotions in key hotels and restaurants;
2. Invest in developing local distributors to better represent U.S. products in Nanning and surrounding areas;
3. Conduct more research into emerging cities like Nanning and view them as future new consumer markets.

VI. Retail

This sector is growing, but there aren't many U.S. food imports around

In 2006, per capital disposable income of Nanning residents reached US\$1,359, up by 10.75 percent from 2005 figures. Total retail volume was recorded at US\$5.81 billion, up 15.21 percent. Spending on food, drinks, cigarettes, and wine were up by 38.23 percent.

A. Wal-Mart



Imported sector at Wal-Mart



U.S. California dried raisins



U.S. apples and oranges
(Source: ATO Guangzhou)

Wal-Mart has one store in Nanning and plans to open another 15,000 square meters (approx. 161,400 square feet) store soon. A number of U.S. fruits (such as *Washington apple*, *Gala apple*, *California grape*, *orange*, *plum*, and *cherry*) are sold here. Generally speaking, U.S. fruit is popular; however, it remains a premium priced product compared to local equivalents.

Gift baskets that include U.S. fruit, wine, candy and cookies are most popular during traditional Chinese festivals (e.g., Chinese New Year around February and Mid-Autumn Festival in October). As a result, demand for such highly regarded import items increases dramatically leading up to these gift giving festivals when close relatives, friends and/or important business associates are presented gifts.

All imported items are sourced by Wal-Mart's Shenzhen headquarters. However, when inspected, the grocery section only had California raisins and a few condiments such as *Tabasco* brand pepper sauce and *Heinz* BBQ sauce. When staff was asked why this was the case, their response was many U.S. imported food items were kept off shelves because less than two-thirds shelf life remained.

Californian white wine, *Saint Pierre*, stood alone on the imported wine shelf fighting armies of imported rivals from Germany, Australia, New Zealand, Canada, and France. Top sellers were to be said in the range of US\$10-\$13.

In 2006, this *Wal-Mart* Nanning store participated in a nationwide U.S. food promotion activity held by USDA/ ATO Guangzhou. The store later also put together its own "U.S. Turkey Festival." Both helped increase sales and attract a good flow of customers who in general believe that U.S. imported food is a safe, healthy and quality choice representing an elevated living standard and style.

B. Beijing Hualian

Beijing Hualian Hypermarket Co., Ltd. is a nationwide supermarket chain that has three stores in Nanning, where sales of food account 45 to 50 percent of its annual sale worth US\$80million.

In Nanning, *Beijing Hualian* carries U.S. fruits such as *Washington apple*, California grape, plum, and orange. Although there is no U.S. imported grocery on shelves, *Beijing Hualian* is interested in carrying leisure or confectionary food items such as candy, nuts, biscuit, potato chip and meat jerky from the States. Imports are from Australia, Germany, Belgium and Southeast Asian countries.

Management stated that it was difficult for *Beijing Hualian* to find qualified agents locally to supply imported goods. Due to the complexity in importation procedure, supermarkets rely on agents to import and distribute. There are three such agents supplying to *Beijing Hualian*, but none carries U.S. products. There is an absence of big local importers/distributor that can sustainably supply a wide variety of imported products. *Beijing Hualian* sometime needs to source from Guangzhou for its Nanning stores.



Imported food at Beijing Hualian



U.S. Washington apples
(Source: ATO Guangzhou)

C. Retail market development for U.S. imports

Consumers need a lot more exposure

As Nanning's economy grows, the retail market follows suit. Another international retail giant, *Carrefour*, plans to enter Nanning by opening three stores in the newly developed commercial districts.

However, this market is still at its infancy and requires in-depth research and analysis as well as continued efforts to nurture the market. For many U.S. imports, Nanning is a new market full of curious customers who became affluent but lack knowledge. With extensive media coverage, in-store promotion activities including sampling, tasting, and on-site demonstration will achieve an imminent and positive result.

It is critical to help local consumers to differentiate U.S. products such as California plums from Chinese ones and California pistachio from Iranian ones. They are similar in appearance but lower in price and quality.

Gauging acceptance and profitability of U.S. imported products, post-promotion sales data may attract new agents/distributors to the Nanning market or make those current ones expand their portfolio.

VII. Conclusion

There's a bright future for U.S. agricultural exports if aggressively promoted

Nanning, is an emerging gateway to Southwest China that business development professionals and investors need to further explore. Over time, with the combination of strategic location and favorable policies from the central government, it is destined for rapid growth and development.

As its economy grows and infrastructure improves in line with other key southwestern developments such as Chengdu, Chongqing and Kunming, Nanning will rise in prominence, and U.S. producers will fully note.

In the livestock and feed sector, U.S. soybean and piglets advance market shares as consumers can afford and enjoy eating more pork and poultry; hay and genetics products will find their niches. In the HRI sector, U.S. seafood and wine have great potential to grow. In the retail sector, Nanning consumers will become more receptive to U.S. fresh fruits, dried fruits and tree nuts. Much will depend on market promotion efforts.

Chart 6: Promising U.S. Products

Product	Markets	Notes
Beef	HRI	Beef steak is the best seller in western restaurants that mostly use imported Australian beef for the high-end, and Chinese beef as a more affordable option. HRI has a strong interest in introducing U.S. beef back on menus once the ban is lifted.
Seafood: halibut cod snow crab	HRI	Halibut, black cod and snow crab are found on menus and are among the best sellers. Consumption of U.S. seafood could go up if menu promotions are held during special occasions such as the <i>China-ASEAN Expo</i> .
Wine	HRI and retail	Very promising, but must compete with European and Australian counterparts. Those successful agents carrying U.S. wine in first tier cities such as Shenzhen or Guangzhou need to give Nanning market a try.
Fruits: apple citrus grape cherry	Retail	Washington apple, California citrus and grape will continue having a decent market share; high-end products such as cherries could have a niche before major traditional festivals (such as Chinese New Year) when people tend to buy expensive gifts for important family members and business associates.
Dried Nuts: pistachio almond	Retail	U.S. pistachios are shipped in bulk and repackaged. One interviewed supermarket store carries salted U.S. pistachio in 250 gram bags.
Dried Fruit: grape	Retail	U.S. brand <i>Sun-Maid</i> dried grape is sold in <i>Wal-Mart</i> Nanning stores. Vietnam is also supplying various dried tropical fruit & vegetable (jackfruit, banana & sweet potato, taro) products to the market.

Feeds: soy meal and corn DDGS	Feed	Soy meal (particular High Protein Concentrate Soy meal) and corn DDGS have a big potential in Guangxi for swine, poultry and aquaculture production.
Dairy bovine genetics and Hay(alfalfa)	Dairy livestock and feed	Nanning dairymen receive substantial funding from the <i>Ministry of Agriculture</i> to develop its dairy sector, particularly for cross-bred milking water buffalo. There is also a sizeable herd of Holsteins (7,000 head) in this region. There should be a niche market for U.S. genetics (frozen semen and embryo) and hay (alfalfa).
Breeding pig	Livestock	Given a Nanning farm has successfully introduced U.S. breeding swine since 2004, it is optimistic U.S. breeds will outpace counterparts from Denmark, France and Australia in this region.

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