Fruits and vegetables in Sichuan province

Xue Jiang, Food Valley NL ambassador, China
Overview

- Introduction to Sichuan Province
- Fruits and vegetables in Sichuan
- Distribution channels
- Infrastructure and logistics
- Regulations
- Contact information
Overview

- Introduction to Sichuan Province
- Fruits and vegetables in Sichuan
- Distribution channels
- Infrastructure and logistics
- Regulations
- Contact information
Introduction to Sichuan Province

Basic facts

<table>
<thead>
<tr>
<th>Location</th>
<th>Southwest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area</td>
<td>485,000 km², fifth largest</td>
</tr>
<tr>
<td>GDP 2015</td>
<td>3.01 trillion RMB, sixth, 8% increase</td>
</tr>
<tr>
<td>Population</td>
<td>81 million (2014), fourth populous</td>
</tr>
<tr>
<td>Capital city</td>
<td>Chengdu</td>
</tr>
<tr>
<td>Sister state</td>
<td>Friesland (NL) since 2001</td>
</tr>
</tbody>
</table>

1 RMB = 0.13 Euros
Introduction to Sichuan Province

- **Population**

  - **Population by age in Sichuan in 2000**
    - 0-14 years old: 22,59%
    - 15-64 years old: 69,85%
    - >65 years old: 7,56%

  - **Population by age in Sichuan in 2010**
    - 0-14 years old: 16,67%
    - 15-64 years old: 72,08%
    - >65 years old: 10,95%

- active labour force: aged people/kids= 5:2  
  sufficient labor force; high savings rate (the amount of money deducting from income to set aside); high consumer demand
- Ageing population, especially in rural area

Introduction to Sichuan Province

- **Natural Geographical Features**

  **Northwest Sichuan Plateau:**
  - 3,000 to 5,000 meters
  - alpine climate
  - alpine meadow vegetation

  **Southwest Mountains:**
  - high mountains and stiff valleys
  - climate and vegetation in vertical distribution

  **Sichuan Basin:**
  - subtropical monsoon climate
  - subtropical evergreen broadleaf forest

Introduction to Sichuan Province

Urban Geographical Features

Cities in Sichuan:
- 1 sub-provincial city
- 17 prefecture cities
- 14 county level cities
- 94% cities in the East
- Central city has prominent position

Chengdu:
- 2.6% land
- 17.6% resident population
- 34.2% GDP
- economy, culture, technology, education, transport and communication center

Introduction to Sichuan Province

- Agriculture development strategy

Development zone:
- Optimizing
- Moderate
- Protection

- 70% arable land
- 70-80% agriculture production

Sichuan province

Fruits and vegetables in Sichuan

**Basic facts**

- Vegetables: 2nd largest
- Fruits: 3rd largest
- Mainly From east part
Overview

- Introduction to Sichuan Province
- Fruits and vegetables in Sichuan
- Distribution channels
- Infrastructure and logistics
- Regulations
- Contact information
Fruits and vegetables in Sichuan

Basic facts

Yeild and sown area of **vegetables and edible fungus** in Sichuan from 2006 to 2014

Yeild of **apple** in Sichuan from 2006 to 2014

Fruits and vegetables in Sichuan

- **Basic facts**

Yeild of *citrus* in Sichuan from 2006 to 2014

Yeild of *pears* in Sichuan from 2006 to 2014

Yeild of *other fruits* in Sichuan from 2006 to 2014

Fruits and vegetables in Sichuan

- **Trends and opportunities**
  - 1) Mixed farming is practiced and highly promoted.

- Dung
  - Biogas
  - Daily use
  - Fertilizer
  - Growing of fruits and vegetables

- Benefits:
  - Waste reduction
  - Reduced use of chemical fertilizer
  - Energy saving
  - Improved yield
Fruits and vegetables in Sichuan

- Trends and opportunities
  2) Increase of online business

1st of quarter of 2016
- 1 billion RMB
- 10% of agriculture sales
- 1,2% increase compare to 2015

source: Sichuan Provincial Agriculture Department, http://www.scagri.gov.cn/ztzl/nyxxh/201608/t20160808_483211.html
Fruits and vegetables in Sichuan

- **Trends and opportunities**
  3) change in diet

**2010-2012**
- Too much intake of fat
- Insufficient intake of protein, mineral and vitamin
- Increasing obesity rate

**By 2020**
- Salt and oil reduction
- Ensure protein intake
- Ensure mineral and vitamin intake
Fruits and vegetables in Sichuan

- **Trends and opportunities**
  4) water management

- Numerous water resource available
- Mainly from rivers
- Lakes, glacier, swamp

Map of Sichuan showing the Yangtze River.
Fruits and vegetables in Sichuan

- Opportunities
  1) water management

Precipitation of each month in Sichuan province in 2014

source: edit from annual report of Sichuan Meteorological Service http://www.scqx.gov.cn
Overview

- Introduction to Sichuan Province
- Fruits and vegetables in Sichuan
- Distribution channels
- Infrastructure and logistics
- Regulations
- Contact information
Distribution channels – farmer’s market

- Farmer’s market
  - Indoor
  - Outdoor
  - Prepared food
  - Vegetables
  - One stand
  - Different classification
Distribution channels – farmer’s market

- Farmer’s market

**Facts and features**

- Most traditional way of buying fruits & vegetables
- Open all year around
- Cheap price
- Fresh, no infrastructure for long-term storage
- No processing or extra package
- Supporting and connected to local farmers
- Best time: early morning
- Poorly organized, less popular within people with higher income
Distribution channels -- supermarket

- Supermarket
Distribution channels -- supermarket

- Supermarket

**Facts and features**

- Growing way of buying fruits & vegetables
- Open all year around
- Higher price compare to farmer’s market
- Fresh & infrastructure for long-term storage
- Various level of processing and package
- Supporting local farmers & international business
- Best time: not a specific time
- Well organized, popular within people with higher income
Distribution channels -- supermarket

- Supermarket
  - Fresh fruits & vegetables
  - Clean and cut vegetables
  - Ready to go food
  - Processed food
  - Imported fruit
Distribution channels – online shopping

- Online shopping

  - Online platform
  - Order
  - Delivery company
  - Consumers

<table>
<thead>
<tr>
<th>Facts and features</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Growing way of buying fruits &amp; vegetables</td>
</tr>
<tr>
<td>• Convenience</td>
</tr>
<tr>
<td>• Price can be higher or lower</td>
</tr>
<tr>
<td>• High requirement for infrastructure</td>
</tr>
<tr>
<td>• Various level of processing and package</td>
</tr>
<tr>
<td>• Less supporting to local farmers</td>
</tr>
<tr>
<td>• Possible risk: food fraud</td>
</tr>
</tbody>
</table>
Overview

- Introduction to Sichuan Province
- Fruits and vegetables in Sichuan
- Distribution channels
- Infrastructure and logistics
- Regulations
- Contact information
Infrastructure and logistics -- summary
<table>
<thead>
<tr>
<th>Main city served</th>
<th>IATA</th>
<th>Airport name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chengdu</td>
<td>CTU</td>
<td>Chengdu Shuangliu International Airport</td>
</tr>
<tr>
<td>Daocheng</td>
<td>DCY</td>
<td>Daocheng Yading Airport</td>
</tr>
<tr>
<td>Dazhou</td>
<td>DAX</td>
<td>Dazhou Heshi Airport</td>
</tr>
<tr>
<td>Guangyuan</td>
<td>GYS</td>
<td>Guangyuan Panlong Airport</td>
</tr>
<tr>
<td>Hongyuan</td>
<td>AHJ</td>
<td>Hongyuan Airport</td>
</tr>
<tr>
<td>Jiuzhaigou/Songpan</td>
<td>JZH</td>
<td>Jiuzhai Huanglong Airport</td>
</tr>
<tr>
<td>Kangding</td>
<td>KGT</td>
<td>Kangding Airport</td>
</tr>
<tr>
<td>Luzhou</td>
<td>LZO</td>
<td>Luzhou Lantian Airport</td>
</tr>
<tr>
<td>Mianyang</td>
<td>MIG</td>
<td>Mianyang Nanjiao Airport</td>
</tr>
<tr>
<td>Nanchong</td>
<td>NAO</td>
<td>Nanchong Gaoping Airport</td>
</tr>
<tr>
<td>Panzhihua</td>
<td>PZI</td>
<td>Panzhihua Bao'anying Airport</td>
</tr>
<tr>
<td>Xichang</td>
<td>XIC</td>
<td>Xichang Qingshan Airport</td>
</tr>
<tr>
<td>Yibin</td>
<td>YBP</td>
<td>Yibin Caiba Airport</td>
</tr>
<tr>
<td>Luzhou</td>
<td></td>
<td>Luzhou Yunlong Airport (under construction)</td>
</tr>
<tr>
<td>Bazhong</td>
<td></td>
<td>Bazhong Enyang Airport (scheduled for construction)</td>
</tr>
<tr>
<td>Chengdu</td>
<td></td>
<td>Chengdu Tianfu International Airport (scheduled for construction)</td>
</tr>
<tr>
<td>Garzê (Ganzi)</td>
<td></td>
<td>Garze Gesar Airport (scheduled for construction)</td>
</tr>
<tr>
<td>Yibin</td>
<td></td>
<td>Yibin Wuliangye Airport (scheduled for construction)</td>
</tr>
</tbody>
</table>

- In use, 13 in Sichuan
- Under construction, 1 in Sichuan
- Scheduled for construction, 4 in Sichuan
Infrastructure and logistics -- airport

- Chengdu Shuangliu International airport

**Facts and features**

- 16 KM southwest of downtown
- 4th busiest airport in China
- handled 42.2 million passengers and 0.6 million ton cargo in 2015
- core hubs of AirChina, China Eastern Airlines, Sichuang Airlines, Chengdu Airlines, Tibet Airlines
- flights to more than 50 international destinations
- Non-stop flight to European cities: Amsterdam, Frankfurt, Paris, Moscow, London, Prague

**CTU ↔ AMS**

Flight time: 11 hours

5 flights/week
Infrastructure and logistics -- railway

Facts and features

- Centered in Chengdu
- In eastern part
- Western part under investigation
- Connected to other cities in western, southern and central part China
- Chengdu-Chongqing high speed Railway, 2 hours.
- Chongqing-Xinjiang-Europe International Railway
Infrastructure and logistics -- railway

- Chongqing-Xinjiang-Europe International Railway
Infrastructure and logistics -- road

Facts and features

- Centered in Chengdu
- 310,000 KM in total, Top 1 in China
- Highway covers all cities
- 32 national highways in Sichuan (119 national highways in China)
- Connected to other cities in western, southern and central part China
Overview

- Introduction to Sichuan Province
- Fruits and vegetables in Sichuan
- Distribution channels
- Infrastructure and logistics
- Regulations
- Contact information
Regulations


Full text available at:
Regulations

- **Labeling & packaging:**
  - Name, specification, net content, date of production, table of ingredients or formulation, producer name, address and contact information, shelf life, code of product standards, storage requirements, generic name of the food additives, production license number.

  - Imported pre-packaged food shall be provided with labels and instructions in Chinese

  - The labels of staple and supplementary food for babies and other specific populations shall also indicate main nutritional ingredients and their contents.

  - Labels, instructions and packaging of food and food additives may not contain false or exaggerated information, nor may they make statements about disease prevention and treatment functions. Food producers or distributors shall undertake legal liability for declarations on the label, instructions and packaging.
Regulations

- **Imports and exports:**
  -- Imported food and food additives and food-related products shall comply with China’s national food safety standards.

  -- In the case of importing food for which national food safety standards are not available, overseas exporters, overseas producing enterprises, or their entrusted importers shall submit their implemented national (regional) standards or international standards to the health administration under the State Council.

  -- Food importers shall establish a import and sale record of food, food additives, and food-related products, and shall truthfully record information.
## Regulations

### Tax

<table>
<thead>
<tr>
<th>Category</th>
<th>Tax rate</th>
<th>Category</th>
<th>Tax rate</th>
<th>Category</th>
<th>Tax rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk powder</td>
<td>15%</td>
<td>Bottled water</td>
<td>15%</td>
<td>Beer</td>
<td>50%</td>
</tr>
<tr>
<td>Dairy product</td>
<td>15%</td>
<td>Tea</td>
<td>15%</td>
<td>Grape wine</td>
<td>50%</td>
</tr>
<tr>
<td>Biscuit</td>
<td>15%</td>
<td>Pastry</td>
<td>20%</td>
<td>Brandy</td>
<td>50%</td>
</tr>
<tr>
<td>Condiment</td>
<td>15%</td>
<td>Chocolate</td>
<td>10%</td>
<td>Whisky</td>
<td>50%</td>
</tr>
<tr>
<td>Carbonated drinks</td>
<td>15%</td>
<td>Fruit</td>
<td>25%-30%</td>
<td>Vodka</td>
<td>50%</td>
</tr>
<tr>
<td>Coffee</td>
<td>15%</td>
<td>Cooking oil</td>
<td>25%</td>
<td>Tobacco</td>
<td>50%</td>
</tr>
</tbody>
</table>

General Administration of Customs People’s Republic of China:
[http://www.customs.gov.cn/publish/portal0/tab49564/info793342.htm](http://www.customs.gov.cn/publish/portal0/tab49564/info793342.htm)
Overview

- Introduction to Sichuan Province
- Fruits and vegetables in Sichuan
- Distribution channels
- Infrastructure and logistics
- Regulations
- Contact information
Contact information

- Government

- University
  1. Sichuan University
     • Nutrition and Food Hygiene, Botany
     • Close collaboration with oversea university and research institution
     • Contact: [http://www.scu.edu.cn/](http://www.scu.edu.cn/)  Email: gjc@scu.edu.cn  Tel:+862885467116
  2. Sichuan Agricultural University
     • Focus on biological and agricultural technology
     • Contact: [www.sicau.edu.cn](http://www.sicau.edu.cn)  Email: aumdwxb@sicau.edu.cn  Tel:+8608352882233
Contact information

- **Company**

  1. Wuliangye Yibin Company Limited
     - Spirits (Bai Jiu)

  2. JNC Group Company Limited
     - Spirits (Bai Jiu)
     - Email: jnc@jnc.com.cn

  3. Yili Group
     - Dairy product
     - Email: yljw@yili.com
Contact information

- Company

4. Nongfuspring
   - bottled water and beverage
   - Contact: [http://www.nongfuspring.com/](http://www.nongfuspring.com/) Tel: 0571-87631800
     Email: nfsq@mail.nfsq.com.cn

5. Sichuan New Hope Group
   - Meat, animal feed, dairy product
   - Contact: [http://www.newhopegroup.com/](http://www.newhopegroup.com/) Tel:+862865721666
     Email: contact@newhope.cn

6. Sichuan Bluesword Beverage Group
   - Plant protein beverage, mineral water
   - Contact: [http://www.bluesword.cn/](http://www.bluesword.cn/) Tel:+862869931209
     Email: xzzx@bluesword.cn
Highlight

- Chengdu is an essential city in southwest China with great potential market.
- Convenient infrastructure and transpiration.
- Strong support from government and university & research institution.
- Open and friendly attitudes towards foreigners.
- Amazing living environment (relaxing pace of life, delicious food, numerous tourist attractions).
Thanks