

Day 12: May 27, 2013 - Agriculture Trade Office, Wet Market, Metro Supermarket, Seafood Market

Good Morning!

We started off the morning at the American Trade Office in Shanghai to discuss current and future trade situations between China and the United States. Mr. Keith Schneller, the Consulate General for Agriculture Trade was our host. The United States Meat Export Federation and a representative of JBS United gave us a briefing. It was a great opportunity to visit with people who work daily with trade in China. The American Trade Office also was very generous in organizing two days of touring various Chinese markets.

The first tour stop was a wet market named Lotus. Lotus is a wholesale market composed of 160 separate vendors selling an assortment of poultry, beef, pork, and specialty meats. The total annual gross of Lotus is over 6 billion Yuan. In contrast to the majority of the markets in China - which are fresh markets, Lotus is a frozen market and considered an innovation. This visit provided an excellent look into how Chinese meat trade is conducted.

The next stop for our group was Metro, an advanced supermarket similar to Sam's Club in the United States. There are 58 Metros across the country of China. The particular Metro we visited processed 30 pigs per day on site. Metro is working hard to confront the food safety issue in China; it even provided a tracking system on particular meat products that shows the customer traceability of each individual product from farm to fork.

We ended the day's market touring a local fresh seafood market. Vendors lease a space in the market and sell product they have bought from fishermen. The seafood market was large in comparison with the wet market and housed more vendors. During this visit we saw the source of a large majority of the food we have eaten throughout the trip.

Overall today was another very eye-opening day from a food safety standpoint. It gave us an in-depth and hands-on look at how marketing is conducted in China.

Sincerely,

Leah Middendorf and Bayleigh Antonsen

Bayleigh's Reflection: I was surprised at the difference in technology between the wet market and Metro supermarket. Even though the wet market was the largest market hub in Shanghai, the technology it utilized was very minimalistic. In comparison, Metro was using marketing and technologies that were extremely advanced. Perhaps the most interesting technology at Metro was the fresh product tracking system. Each fresh item—including beef, pork, seaweed, etc.—was labeled with a barcode that could be scanned at an in house scanner. As soon as the item is scanned the location of the farm where the harvested animal or plant was raised appears on screen. It then shows how the products are processed, the journey the product takes, refrigeration temperature, and the face of the farmer who grows the product. A product from Kingbull, a specialized farm we visited earlier in our trip in Yangling, was scanned and the exact farm and farmer we met popped up on screen. We had also seen this same tracking technology being researched in Nanjing Agricultural University a few days earlier. It was incredible to be able to see connections and see a product go from farm to supermarket and also the connections from research to customer utilization. Today really helped me to make connections as to how the whole agricultural system can come together in China.

Leah's Reflection: We started the day by visiting with the Ag Trade Office in Shanghai. We had talked with people about China's growth and trade. It was awesome to see this side of trade and see it as a step farther than the farm. It was very interesting to talk about what imports China receives and the high volume of goods entering China.

Today was extremely eye opening; I really enjoyed seeing the wet market. Lotus was a special kind of wet market because it sold more frozen product than fresh product. It is rare in China to see a frozen meat market, usually they are fresh. A "fresh kill" tells the customer that it is a recent and fresh product whereas meat can be frozen for a longer period of time so it may not be as fresh. It is crazy to see this kind of marketing because it is so different compared to what we have in the United States. In addition, food safety is definitely different in China compared to the United States. The vendors would sell product in an alleyway location. This is the way a lot of marketing happens in China and it is the way they have been doing it for thousands of years. It was also interesting to hear that Lotus had 70% domestic product and 30% imported. Although wet markets are popular in China there is a growing trend for supermarkets and other grocery stores that are similar to the United States. It is awesome to see the wide variety of marketing in one location.

Today was helpful in making a deeper understanding of trade and different types of marketing that are offered in China and the United States. It has made a clear connection between marketing, trade, and food safety.