Enter Chinese market Customs policy and compliance regulation of Foods & Beverage

Liser.Liu 2018.11



T&G SUPPLY CHAIN



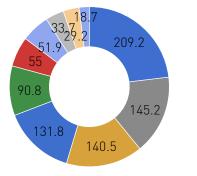
China's food market and difficulties

Accelerate Growth of Imported Foods and Food Additives

The fundamental reason is the increasing consumption demand for imported goods and the increase in per capita income.

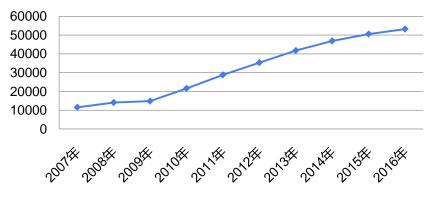
According to the forecast of the American Food Industry Association, China will become the largest consumer of imported food by 2019 and the market size will reach 480 billion Yuan.

Distribution of sales of imported food in 2017





Food Import as of 2017



Data Sources: Global Food Expo

Data Sources: National Bureau of Statistics of the PRC

China's food market and difficulties

Chinese consumption has reached 50% of household consumption In 2017, achieved 3.5 billion market size

Imported Fruits

10% increase compare to 2017 Import quantity is over 367.5 million tons

Imported Meat

increasing 63.1% compare to 2016, import quantity reached 460.4 million tons

Imported Aquatic

21.17% increasing compare to 2017, import quantity reached 489.71 million tons

Based on monetary value, the first three fruit is : Grape, Cherry, Durian

5.1% of Domestic meat supply . First three trade country is European, Brazil and USA.

Fish powder and aquatic food increase a lot



China's food market and pain points

Difficulty on Cold Chain whole process control

Aquatic products required cold chain. The multiple links of importing bring the difficulty of temperature control.

Complexity of International Market

Aquatic products has a mature market in every country, breed aquatic, food processor, distributors, etc leads to the difficulty of price control.

Complicacy of Customs business

Imported products have professional requirement over label, custom document.

Pain points of exporting food to Chinese market

Hardness of balancing purchase and sales

Aquatic food has a long lead time, usually over 30days, increasing the difficulty of purchasing amount management

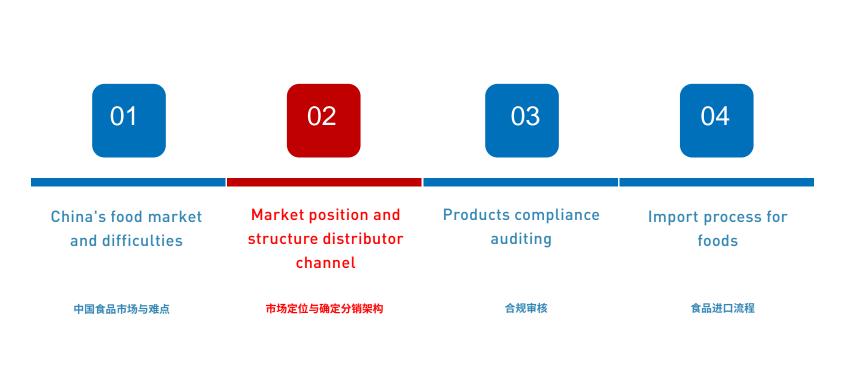
Distribution patter iterate quickly

As the development of online selling, tradition distribution through offline will be defeated, facing the challenge of online and off line

Import policy change quickly

Since meat product, aquatic product, fruits are very important for house hold, every country has strict requirement for it, will become the main point of international trade protection. How to catch the market opportunity, brining the high quality aquatic food from all over the world to Chinese market safely, efficiently, economically

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Market position and structure distributor channel



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First check Allowance of entry

Second check Ingredient

Third check Technical index

Allowance of aquatic products highly depend on Latin name

Check the supplier whether is on the CNCA's list or not

Make sure the forbidden of pesticide

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Category	Others
Meat & Poultry related foods	Manufacture
Grain & Fruit	Species checking
Aquatic products	GMO
Dairy products	Organic
General foods	Function foods

Product's compliance auditing Canadian Meat & poultry products

47 Canadian factories get the CNCA registration

Pork, Beef are permitted to China, but Poultry is still banned.

Chilled Port

Frozen pork

Registered product Frozen Pork refers to the eatable part of pig, include entrails Currently there are 17 factories has registered CNCA. Product Chilled Pork refers to the eatable part of pig, include entrails

Frozen Beef

Registered product refers to boneless beef with less than 30 months from birth, not including ground beef, muscle.

Frozen Boneless Beef

Registered product refers to boneless beef with less than 30 months from birth, not including ground beef, muscle.

Chilled Boneless Beef

Registered product refers to boneless beef with less than 30 months from birth, not including ground beef, muscle.

Products Compliance audit Canadian Grain & Fruits



Grain Exporting

As authorized by the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), Canada is permitted to export the following grain and oilseed commodities to China: wheat, barley, soybean and canola

Fruits Exporting

Fresh British Columbia Cherry - Around 300 Canadian Packing plant got approval

Fresh British Columbia Blueberries-31 Canadian Packing plant got approval



Products Compliance audit Canadian Aquatic products



Aquatic products

Around 700 Canadian frozen warehouse or fishing company got approval

Aquatic products

Around 200 species of aquatic products fished in Canada sea area be approved to enter Chinese market

Like Cod, Black cod, Theragra, Tuna, Salmon, King crab, Mussel



Canadian Dairy products



Dairy products

Canadian Infant formula products are not permitted to come into Chinese Market





Dairy products

For the other dairy products except infant formula products, There are 41 Canadian Manufactures already approved by CNCA.

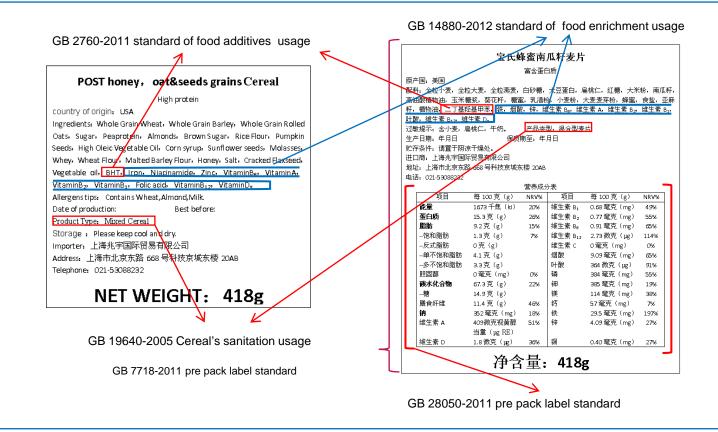
Ingredients Compliance Checking

Applied standard

Applied standard Raw material: new resource, Additive, spice, processing aid, ferment

Products description

Apply to GB7718,GB28050 Brand protection Products description



Nutrition Table	Quality Index
Energy Fat Proten Carbohydrate Sodium	Sensory Index Physicochemical Parameter Microbiologic Parameter

Quality Index Main reported unqualified **Basic Index** index for imported food * Mould Sensory • Mould • Foreign matter •Agglomeration Index • Agglomeration •Moisture, Acid value, exceed limit; • The additive amount of nutrition enhancer Heavy metalMeet GB Physicochemical exceed standard; 2762 request Parameter •Lead, Copper, Aluminum exceed limit Pesticide residues • Growth hormones for meat products; GB2763 imidacloprid for tea; exceed limit • Mould Microbiologic • Mold, Aerobic plate count, exceed limit • Aerobic plate count Parameter • E coli exceed limit • E.coli

Nutrition Table

Kirkland Signature 科克兰混合橄榄油 配料:精炼橄榄油,初柠橄榄油。« 原产国:西班牙。 包装日期: 年/月/日。 保质期: 730 天。 贮存条件: 请置于阴凉干燥处,避免阳光直射,请确保密封保存。。 进口商: 好市多(上海)商业有限公司。 地址:中国上海市长宁区延安西路 2299 号 2105 室。 邮编: 20036。 电话: 021-02577065。

能量。	3464 千焦(kJ)↩	41%
蛋白质₽	0克(g)↓	O%+2
脂肪↩	92.0克(g)√	153‰
──饱和脂肪酸↩	14.0克(g)≁	70%+
一反式脂肪酸↩	0克(g)↩	Ģ
碳水化合物。	0克(g)≁	O%+2
钠↩	0 臺克 (mg) @	0%2

The difference between China and Canada regulation

- •The element
- Format
- •Basic nutrition value
- •Defination for Carbohydrate

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Import process for foods

Chinese government place a huge revolution on import regulation, increase the efficiency of importing and exporting, simplified the process

Past

Take about a month for import declaration

Now

Import customs declaration finish within one week after arrival •80% of product is ready to sell •checking, taking about two weeks before ready to sell

Import process for foods

The goods without Chinese label

The goods with Chinese label

保税区进口

对于新品,有展示保税需 求或者在国外未加贴中文 标签的产品,建议通过保 税区进口,避免高额的码头 与口岸仓库费用,同时保证 分装与贴标的品质。

Import Via Free Trade Zone

Clear customs at boned area is suggested for new product or product without Chinese label affixed, in order to avoid heavy charge occurred at terminal and port warehouse, and also to ensure the quality of labeling, packing and repacking.

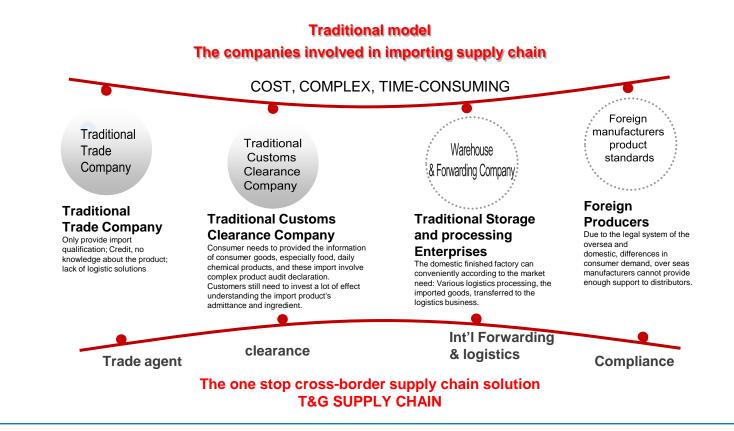
口岸直接进口

对于长期进口的成熟商 品,已经在国外加贴了中 文标签的产品,可以选择 在口岸直接清关。

Direct Import At Port

Clear customs at port of entry is workable for long-time-imported mature product with Chinese label already affixed before shipping.

Import process for foods



THANKS

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