

# International Agribusiness Center

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## **GAINS Reports**

South Africa Lifts Ban on Alcohol Sales and Distribution – [link](#)

Initially banned in response to the COVID-19 pandemic, South Africa announced that the sale and distribution of alcohol would be reauthorized from August 17, 2020. However, some restrictions will still apply, such as sales will only be allowed from Monday to Thursday during the hours 9 am - 5 pm at retail outlets and until 10 pm only at restaurants. While the lifting of the ban has been widely welcomed, the economic impact has been devastating. The domestic industry is reported to have lost more than R25 billion (US\$1.4 billion) in revenue; about 120,000 jobs have been lost; 80 wineries and 350 wine grape producers will go out of business; and about 45 percent of craft brewers have closed down. So far in 2020, U.S. exports of distilled spirits, wine and beer to South Africa are already 39 percent lower than the same period last year due to the ban and related restrictions.

Organic Trade Expansion Expected Under US Taiwan Organic Equivalency Arrangement – [link](#)

Taiwan is the fifth largest export market for U.S. organic products, reaching over \$90 million in sales in 2019. Thanks to the May 2020 equivalence arrangement between U.S. and Taiwan, U.S. organic sales in Taiwan are forecast to grow by almost 50 percent between 2020 to 2025.

Taiwan Reinforces Health Claim Regulations – [link](#)

The Taiwan Food and Drug Administration (TFDA) recently strengthened the enforcement of food labeling requirements for health claims. If food labels containing a health claim are not registered and approved, TFDA may impose a fine between US\$1,300 and US\$180,000 for misleading consumers. U.S. exporters of products making health claims need to be vigilant with packaging and advertising material to ensure compliance.

Shenzhen Institutes New COVID-19 Measures for Imports of Meat and Seafood – [link](#)

On August 18, 2020, the city of Shenzhen in South China imposed new COVID-19 handling and testing requirements for imports of frozen meat and seafood. There is concern that these new measures, which are inconsistent with international guidelines, could contribute to delays at Shenzhen ports and dampen consumer demand for imported meat and seafood. An unofficial translation of the new measure is provided herein.

China – Retail Foods – [link](#)

The United States is the second largest supplier of U.S. consumer-oriented products to the Chilean retail industry, shipping a record of \$699 million in 2019. Based on market size, market growth rate, and the United States' competitive position in the market, the following products have the greatest potential for sale in the Chilean retail food sector: meat products (pork, poultry and beef), beer, cheese, prepared food, almonds, fruit juices, fresh fruits, snack foods, sauces, mixed condiments and seasonings, and pet food. Since President Piñera declared the state of emergency in mid-March due to the COVID-19 outbreak, the retail food sector in Chile has been considered an essential or critical activity and continued to operate without interruptions while



implementing strict sanitary measures to avoid the spread of the COVID-19 among workers and customers. As a result of social distancing measures and strict quarantines, food retailers saw an increase in online sales that may continue in the long term.

Impact of COVID-19 Pandemic on Bilateral Agricultural Trade Between the United States and the Dominican Republic – [link](#)

Bilateral trade of agricultural products between the United States and the Dominican Republic has increased during the first six months of Calendar Year 2020 (CY 2020), despite the COVID-19 pandemic. Exports of U.S. agricultural products to the Dominican market have increased by 6 percent during this time period, while Dominican agricultural exports to the U.S. increased by 1 percent.

Hong Kong Pet Food Market – [link](#)

Hong Kong is the world's eleventh-largest market for imported pet food, and also the hub for pet food trade in the region. The United States is the market leader with nearly 50 percent market share in the Hong Kong pet food market, which is expected to grow in 2020. For the first six months of 2020, Hong Kong imports of dog and cat food reached nearly \$80 million, an increase of almost 23 percent over the same period in 2019. The sales of pet food are also expected to grow and reach \$264 million by 2025.

New Government of India Order Requires Genetically Modified Free Certificate on Imported Food Products – [link](#)

On August 21, 2020, the Government of India's Food Safety and Standards Authority of India (FSSAI) modified Section 22 of the Food Safety and Standards Act, 2006 mandating that effective January 1, 2021, specific food product imports (fruits, vegetables and grains) into India identified in Annex-I must be accompanied by a certificate which states that the product is of non-GM origin and does not contain genetically modified organisms and also not genetically modified, to be issued by competent authority from the exporting country. On August 26, FSSAI further clarified verbally that the order does not apply to processed food products prepared with any of the specific commodities listed in Annex-I. However, FSSAI did not confirm whether the regulation applies to any listed commodities imported for animal feed.

## **Food Processing Magazine**

Pandemic Spikes Demand for Cans – [link](#)

Demand for cans in the pandemic, caused mostly by a surge in sales of beer and other beverages, has increased to the point where U.S. can manufacturers are having to import stock to keep up. Retail sales of aluminum beverage cans went up almost 24% in March, and sales of canned food rose about as much in the first six months of this year. Molson Coors, Coca-Cola and other major can users are struggling to keep enough aluminum cans in stock, they told the Wall Street Journal.

The closing of bars and restaurants due to the pandemic shifted the demand for beer packaging from kegs to cans, as people started drinking at home. The advent of hard seltzer also helped spike demand.

Grocery Sales Growth Slows - [link](#)

*Disclaimer: This list is by no means complete, for more information please refer to the links above.*

Retail food sales are still ahead of last year, but the growth rate is slowing, possibly due to consumers running out of stimulus money. Major grocers like Walmart and Stop & Shop told the Wall Street Journal that their customers are spending less and becoming more price-conscious. Sales of grocery basics are showing a flattened growth curve. Frozen dinners were up 9% for the three weeks ending Aug. 9, as opposed to 17% for the previous two weeks; for breakfast cereal, the respective numbers were 2% and 6%.

The situation has led some grocers to bring back discounts, which they had put on hold during the surge in demand in the early stages of the pandemic.

## **The Weekly China Skinny**

**New Restrictions in China as Covid-19 is Found on Frozen Food Imports Again:** Chinese officials have announced tightened controls and inspection requirements on meat and seafood imports after more traces of the virus were found on packages of imported frozen food from Latin America. Local companies must obtain certification that strict sanitary controls are in place for production, packaging and transport of the shrimp. At Chinese ports, the screening of all incoming refrigerated containers holding meat or seafood has caused bottlenecks and delays. Since the beginning of July, temporary bans have been imposed on frozen food from 23 companies from various countries, including the US, UK, Brazil and Germany. Meanwhile, pork imports hit a record 430,000 tonnes in July.