

# International Agribusiness Center

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Lindsey Sarbacker, Food Export Intern - IABC



## GAINS Reports

US-China Economic and Trade Agreement Brings Welcome Changes for US Pet Food Exporters – [link](#)

The implementation of the U.S.-China Economic and Trade Agreement resulted in several changes to the process of importing U.S.-origin pet food into China. While pet food products still need to be licensed by China's Ministry of Agriculture and Rural Affairs and facilities still need to be approved by the General Administration of Customs, there were new market access changes, especially to the use of animal-based feed ingredients. Another significant change is that China has committed to complete import licensing and facility registration within specific time frames. This report highlights the new changes and how they fit into the existing regulatory scheme outlined in GAIN Report CH15062: Roadmap to China's Challenging New Feed Regulatory System.

COVID-19 Will Change German Livestock Industry – [link](#)

COVID-19 infections among workers in German slaughterhouses is expected to not only have short term impacts on the hog market and global pork trade but also result in fundamental changes for German pork production. Currently, Europe's biggest pork slaughterhouse is closed due to numerous workers testing positive for COVID-19. This resulted in market distortions for European hog farmers and a Chinese ban on pork imports from this company. In the long run, the infections also exposed tough labor conditions for slaughterhouse workers, so that the German Government will enforce higher labor standards which may reduce competitiveness of the German livestock industry. COVID-19 also renewed discussions about animal welfare; Germany hence included the topic on the agenda of its current EU presidency.

US Agricultural Exports to Chile Stand Firm – [link](#)

During the first four months of 2020, U.S. exports of agricultural products to Chile increased by 4.4 percent over the same period in 2019, totaling \$335.3 million, pushed by an import surge in bulk and intermediate agricultural products. In contrast, consumer-oriented agricultural products exports decreased by 5.8 percent. Factors behind this decline are related to the COVID-19 pandemic sanitary measures in place since mid-March, and the depreciation of the Chilean peso (CLP) against the U.S. dollar (USD) since October 2019.

German Ag Minister on Priorities for EU Presidency – [link](#)

On July 1, Germany took over the rotating EU presidency. This report provides details on Germany's priorities for agriculture. These include animal welfare, Farm-to-Fork "F2F," biodiversity strategy, Common Agricultural Policy (CAP) negotiations, and fisheries.

1. Mastering the COVID-19 Pandemic and Mitigating its Impact
2. Animal Welfare and the Introduction of an EU-wide Animal Welfare Label Kloeckner wants to move the topic of animal welfare higher on the European agenda and seeks to introduce an EU-wide animal welfare label.



- a. Animal welfare is expensive and such a label would enable consumers to make an informed purchasing decision in favor of products that were produced with higher animal welfare standards. K
3. F2F and Biodiversity Strategies:
4. CAP Negotiations
5. Fisheries and Brexit

#### India - Retail Foods – [link](#)

Due to COVID-19, India's food retail sector has had to grapple with supply chain disruptions and adapt to a constrained operating environment. However, contacts remain optimistic over the sector's longterm outlook and continue to see untapped growth. In fact, new opportunities have emerged from this situation as major retailers are investing in e-commerce and other avenues to market food and beverages while maintaining social distancing norms. Consumer preferences have also changed with increased demand for convenient and healthy food options, delivering new opportunities for suppliers of highvalue, consumer-oriented foods.

#### **Food Processing Magazine**

##### COVID Ravages Fruit Industry – [link](#)

Fruit fields and processing plants are turning out to be a food industry hotspot for COVID-19, especially in the Pacific Northwest. Washington state is seeing a big increase in COVID cases, especially in Yakima County, which has left growers and processors struggling to pick and package this year's crop of apples, sweet cherries and other fruit. The county had 7,349 cases of coronavirus as of the end of June, with roughly one-fifth of them among agricultural workers, [according to the Wall Street Journal](#).

Agricultural workers are especially at risk because they often are seasonal employees who live as well as work together, in dorms, motels and tents. Authorities have tried to impose safeguards, such as mandating that beds in shared housing be at least six feet apart, but some of them say the odds are against them.

##### Meat Plant Workers Still Afraid – [link](#)

Cases of coronavirus infection are continuing to soar in meat and poultry plants, leaving workers afraid despite safety measures instituted by the industry. Meat and poultry plants have been [hotspots](#) for COVID-19 since the beginning of the outbreak, with more than 32,000 infections to date and 123 deaths, according to the [Food & Environment Reporting Network](#). Production is now returning to normal levels, and companies say they have safeguards in place that include temperature scanning and safety equipment.

##### COVID Drives Up Snack Consumption – [link](#)

Snack consumption saw a surge in the early stages of the coronavirus, with sales up 8% in April, according to a [new report from NPD Group](#). Snacks were a priority, with 37% of consumers saying they wanted to make sure they had enough on hand during the lockdown. Salty snacks and frozen sweets were especially popular, the report says.

#### **Specialty Foods Magazine**

##### Amazon Moves Ahead with Go, Traditional Grocery Store Locations – [link](#)

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

Amazon will open Amazon Go grocery stores in Richmond, Washington and Washington D.C., as well as traditional grocery locations in North Hollywood, California and three suburbs of Chicago, reports *Geek Wire*. This expansion is the latest in Amazon's plans to expand its physical retail footprint. The Amazon Go grocery stores offer a wider selection than smaller Amazon Go convenience stores, while still providing a cashierless experience, while the grocery stores operate with a traditional checkout experience.

E-Commerce Sales Reach \$7.2 Billion – [link](#)

E-commerce sales reached \$7.2 billion in June, a 9 percent increase over May, according to Brick Meets Click/Mercatus Grocery Survey, reports *Progressive Grocer*. In addition, grocery delivery and pickup have seen an increase since the pandemic began. In June, 45.6 million households used delivery and pickup services and order frequency grew from 1.7 to 1.9 orders per month.

Makers Increase Digital Marketing Efforts - [link](#)

Marketing, which has been moving more and more online, has taken a giant leap in that direction, thanks to the COVID-19 pandemic. Instead of in-store demos and sampling, brands are turning to influencers. These online personalities promote products they support, primarily through Instagram, but also through other social media sites and their blogs.

Influencers come in every shape and form and so do the working arrangements with them. Sometimes brands pay them, which gives them more control about what the influencer will say; sometimes they simply give them free product.

### **China Weekly Skinny**

**BrandZ Top-100 Most Valuable Global Brands 2020:** China now has 17 brands in the global 100-most valuable brands according to the BrandZ index, with Alibaba and Tencent ranking sixth and seventh. Two of the five new entrants to the list were Chinese: TikTok and Bank of China. The world's most valuable liquor company, Kweichow Moutai, was the fastest growing brand globally at 58% versus the average of 6%. [Here's the infographic.](#)

**China to Implement First Rules on Livestream Ecommerce in July:** Rules have been implemented for livestreaming which restricts false and misleading advertising on livestreams and requires real-name registration from both merchants and individual livestreamers. From July 1, ecommerce livestreams have to give "comprehensive, truthful, and accurate" descriptions of the product and services without misleading exaggeration to guarantee the consumers' right to know and to choose.

**Beyond Meat Makes Grocery Debut in China With Hema:** Beyond Meat started stocking its flagship plant-based Beyond Burger in 50 Hema stores in Shanghai last weekend, following launches in Starbucks and Yum China (KFC, Pizza Hut and Taco Bell) in April. The brand will later roll out the product more broadly, starting with select locations in Beijing and Hangzhou in September. Hema now has 207 stores in over 20 Chinese cities, and is experimenting with new store formats including farmers' markets, breakfast take-out stands and even a shopping mall. About 40% of Hema's products are imported from overseas.

**More Chinese Students Want to Study in UK than US: Survey:** 42% of Chinese students would choose the UK as the first country in which to study abroad, with 37% of students choosing the US. It is the first time the UK has overtaken the US as the top destination for Chinese students in the New Oriental Education survey. The recent tension between China and the US has affected the choices of Chinese students, while the UK reformed its visa

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policy and allowed overseas students to stay in the UK for two years after graduation. Just 3% of Chinese students currently enrolled at UK universities have cancelled their study plans according to a British Council survey in June. However, UK institutions are forecast to have nearly 14,000 less enrolments from East Asia in 2020-21 as a result of COVID-19.