



# “BRICS” Market Opportunities: “Omni-Channel” Sourcing Strategies of Organic Fresh Produce in China

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# Growth of Online Sales



## Growth of Online Sales

- In August, the total retail sales have a year-on-year growth rate of 0.5%. It is the first time in 2020 that the growth rate turns to be positive.
- There are three reasons that account:
  - 1) As the consumption recovers, there is still a trend of structure upgrading;
  - 2) As there is a rapid growth in online consumption, there also exists a recovery of online consumption;



# Growth of Online Sales



## Growth of Online Sales

- From January to August, the online sales of physical commodities have a year-on-year growth rate of 15.8%, which is increased by 0.1% compared to that from January to July.
- The online sales of physical commodities takes 24.6% of total retail sales, which have a year-on-year growth rate of 5.2%.

# Post-Epidemic Concerns



## Post-Epidemic Concerns

- Due to the COVID-19 epidemic, Chinese consumers have shown increasing concern for health and anything that affects health.
- Food safety is a big part of their worries.
- From February to April, Chinese people had spent a long time for quarantine. During this period, most of them had to cook themselves. It created the opportunity for people who do not cook a lot to learn some knowledge about foods.

# Post-Epidemic Concerns



## Post-Epidemic Concerns

- Most Chinese consumers got used to the mode of online shopping for fruits and vegetables during the quarantine.
- It is expected that there would be an increasing demand for online purchase of their daily needs.



# Post-Epidemic Concerns



## Post-Epidemic Concerns

- There were several repeated outbreaks happened in China after the stabilization. Since most of them were related to foods, Chinese consumers began to become very sensitive to the safety of foods.
- Consumers have paid more attention to food safety than they did before the epidemic. They care about the ingredients and how the products are grown.

# Post-Epidemic Concerns



## Post-Epidemic Concerns

- Since the past several years, there has been a trend of selecting organic foods. However, the group of customers of organic products was not very large.
- COVID-19 epidemic accelerated the growth of the number of consumers purchasing high-quality and organic products.





## Chunbo Standards

- Chunbo has built two standards: "Chunbo Best" and "Chunbo Control."
- They are based on Organic Products and Food Safety, which are food standards set by the Chinese government.
- Chunbo also has a CMA certified quality control lab to test every product sold on Chunbo to ensure their safety.





## Sales on Chunbo

- From January to August, the sale of organic products on Chunbo has reached a total number of more than ¥ 14,600,000.
- The sales of organic fruits have reached a number of about ¥ 584,000. It takes up 4% of the sale of all organic products.
- The sales of organic vegetables have achieved an amount of nearly ¥ 6,890,000. It takes up about 47% of the sale of all organic products.

# Problem Faced by Organic Foods



## Problem Faced by Organic Foods

- The biggest problem that overseas organic foods face is the problem that the Chinese government does not recognize their organic certifications.
- In 2016, China signed the Agreement on Mutual Recognition of Organic Products Certification with New Zealand. It is one reason that New Zealand organic products take a significant percentage of the whole organic market compared to other countries.



# Expectations of Organic Foods



## Expectations of Organic Foods

- Since China is becoming the biggest market in the world, more and more countries are attempting to get Chinese organic certification.
- It is expected to have organic products that from more countries to emerged in the Chinese market.

# Chinese Market for Organic Products



## Chinese Market for Organic Products

- In the Chinese market for organic products, sellers of organic products always get information about their products through two channels: the government and the corresponding associations.
- There are many difficulties that sellers face when sourcing for the information about producers of organic products worldwide.