

Current Status of the Organic Produce Market in China

—A Case Study of Shenzhen—

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1. Background and Purpose of the Research

The Chinese food safety scandals in overseas or domestic markets have become into a very serious social problem that has evoked worldwide attention in the past few years. At the same time, the contradictory between economic development of ecological agriculture and agricultural protection becomes more and more remarkable. As far as one countermeasure to current situation, there have been some previous researches that pay close attention to organic produce and discuss the possibility to develop organic produce market in China. However, it is necessary to clarify the current status of organic produce, transport and consumption in China under the sharp changeable Chinese society and economy. In this study, Shenzhen as an observation city where the sale and consumption is growing, the current status and developing tendency was investigated.

2. Research Methods

To demonstrate the domestic organic agriculture, organic agricultural production and the behavior of consumption, the development of Chinese organic agricultural procedure and the legal standards were referred firstly. Secondly, interviews were carried out for retail enterprise and production enterprise. Thirdly, questionnaire survey was carried out for the customers in supermarkets where organic products are sold.

3. Results and the Conclusion

Currently in China, except for international standard "organic food", another standard called "Green Food of AA Grade" is introduced by Chinese government; but none of the three interviewed enterprises is conducting this standard. Considering numerous problems during the certification and sales, this standard probably will be replaced by the "organic food" in future. According to the results in this study, the characters of organic produce and consumption are concluded as: (1) Unique translation pathway without delivering to wholesale markets is used for organic products. (2) Price is decided by the negotiations between the retailer and producer. (3) The safety is given first precedence to keep great feature under the separate supervision of certification organization and sellers. (4) In addition, enterprises are the major entities comparing with the individual producers.

From questionnaire, it can be found people such as women of 30s to 40s, entrepreneurs, people living with their family in Shenzhen, and the high income classes are likely to pick up organic products. However, it shows that people like lower income class are also buying organic products. And we can know that people of different consumer levels always purchase organic produce in Shenzhen.

Actually, consumers are looking for the safety from organic products. Approximately 80% people are concerning for the problems on normal products about pesticide residue and food additive; this anxiety accelerates the consumption of organic products. 30% higher price is acceptable to half of the consumers. It shows that the organic products market would be more active by appealing advantages like higher quality, healthier certification, and lower pesticide residue, accompany with the further comprehension of the standards of the organic produce.