The development of organic foods in the world and China's export trade

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Abstract. With the maturity of consumers' pursuit of quality of life and the rise in the level of needs, international relations, especially international economic and trade relations, have been severely affected. Green barriers have gradually become an important factor hindering the development of international trade, and China's organic food exports also face major problems. Therefore, this article analyzes the market conditions and regulations of organic food in the world, studies the demand of organic food producers and exporters in China for the target market, and provides reference for China's organic food trade.

1. Introduction

Since the emergence and development of sustainable development thoughts, environmental issues have become more and more noticeable[1]. The awakening and strengthening of environmental awareness has begun to have a direct or indirect impact on the development strategies of countries. At the same time, people's thinking, values, and consumption concepts have also changed, and a green consumption boom has begun to emerge.

According to statistics, the global market value of global organic food and beverage consumption in 2009 reached US $55 billion. By 2025, the global organic food and beverage market is expected to reach US $320.5 billion, much higher than US $77.4 billion in 2015 [2]. Global organic food consumption is mainly concentrated in developed countries or regions such as Europe, North America, and Japan. People in these regions have a relatively high degree of acceptance of organic food, and market demand is also more robust. However, China has begun to export organic food with tea, and its export value has been increasing year by year, with an annual export growth rate of more than 50%. The main types of exports are soybeans, tea, vegetables, and miscellaneous grains. The main targets of exports are the United States, Japan, and EU countries. At present, there are 27 certification agencies in China, including Nanjing Guohuan, China Green Huaxia, Yuantong Certification, and Wantai Certification. Certifications are managed by the Ministry of Environmental Protection, the Ministry of Agriculture, and the Certification Regulatory Commission. In 2007, there were 285 newly
certified organic food companies, with 1,113 products, an increase of 35% and 9.2% over 2006. The total number of organic food companies reached 692, and the total number of products reached 3010, an increase of 33.1% and 32.1%, respectively[3].

The development of organic food in China is in the stage of comprehensive advancement towards socialization, marketization, and internationalization. The market environment is getting better and better, and the market coverage is also increasing. Moreover, organic foods have certain competition in quality standards and brand influence. Advantages, have the technical conditions to expand exports. China's organic food has a huge international market and has a very bright future. However, since China has only developed its organic food business for more than a decade, there are still many shortcomings in aspects such as experience and technology, which makes organic food exports face some problems.

This paper analyzes and discusses the state of the world's organic food markets, regulations and standards, and studies China's export trade. It will enable our organic food producers and exporters to have a general understanding and understanding of the main target markets, and it will have certain reference significance for the future organic food trade.

2. The meaning of organic food
Organic food is also called ecological or natural food in other languages. All agricultural and sideline products, including food, vegetables, fruits, dairy products, livestock and poultry products, honey, aquatic products, and seasonings, produced and processed in accordance with international organic agricultural production requirements and corresponding standards and certified by independent organic food certification agencies. In addition to organic food, there are organic cosmetics, textiles, forest products, biological pesticides, and organic fertilizers. They are collectively referred to as organic products. Organic food is a type of environmentally-friendly and safe food that is truly derived from nature, nutrition, and high quality.

3 State of the world organic food market

3.1 EU market
The European Union is one of the earliest and fastest regions in the development of organic agriculture. People's acceptance of the concept of organic agriculture is relatively high, and the organic food market is developing rapidly. Although the European Union's organic agriculture is far more developed than most Asian countries, and most organic agricultural products can basically meet the needs, these countries do not produce tea and must rely on imports, which provides a huge market opportunity for the export of organic tea from China and other tea producing countries. At the same time, the demand for tea in the European market is also large. In 2006, the total tea consumption in the European Union was 246,000 tons, of which the consumption of organic tea was about 10,000 tons[4]. According to the information provided by the EU's relevant organic certification agencies and traders, the EU's organic tea market is in its growth stage. At present, organic tea is in short supply, and the price is 20% -30% higher than ordinary tea. From the perspective of development trends, the current total tea consumption in the EU market has basically stabilized, but the market share of organic tea still has room for growth.

3.2 US market
The United States is a new global tea consuming country, with an average annual tea consumption of 110,000 tons. In a survey of the affordability of organic tea by American consumers, it was found that more than 65% of consumers indicated that they were unwilling to buy organic tea that was more than 50% of the price of ordinary tea[4]. The price response is more sensitive, but due to the high degree of acceptance of the organic concept, the demand for organic tea is strong. Due to the excellent quality and health benefits of organic tea, the consumer group of organic tea in the United States is also
expanding. Among the growing consumers, Asian, African and Hispanic Americans are most likely to be buyers and consumers of organic tea.

3.3 Japanese market
Japan is the only tea-producing country among the six major organic food consuming countries. It has a good tea consumption foundation and the annual tea consumption is around 140,000 tons. Japanese consumers' awareness of organic tea is as high as 83%, and the age of consumers is mainly concentrated in the 30-40 years[4]. The survey shows that 91% of consumers said that quality is the most important factor in determining whether they buy organic tea, and taste and aroma are important contents in judging the quality of organic tea. In terms of the price of organic tea, consumers generally believe that the price of organic tea can be increased by 20% to 30% on the existing basis. 76% of the respondents indicated that they are willing to pay 100% to 200% for organic tea price. The survey also shows that manufacturers and distributors of organic tea in the Japanese market favor national brands.

4 Status of organic food in China
4.1 China's Organic food market potential
China's organic food is in a period of rapid development. Due to the popularity of organic food in the international market, export profits are also relatively high, and many manufacturers are more inclined to export. In 2005, domestic sales of organic products were 3.71 billion yuan and exports were 136 million US dollars; the total certified area reached 1.655 million hectares [4]. By the end of 2006, the domestic sales of organic foods had reached 5.6 billion yuan, the market size in 2007 had reached 6.17 billion yuan, and more than 2,300 domestic organic food production enterprises.

As the Chinese government attaches great importance to the production of organic food, the development of organic food industry is the best way to prevent rural and agricultural pollution. Relevant national departments have increased their support and formulated industrial development plans. The international market demand for Chinese organic products is also increasing year by year. China's organic rice, vegetables, tea, miscellaneous agricultural and sideline products, and camellia oil, walnut oil, honey and other processed products are in short supply in the international market. In 2006, China's organic food exports amounted to US $ 350 million, accounting for only 0.7% of the international organic market share [5]. Therefore, China's organic food industry has great potential and good market prospects.

4.2 Demand analysis of organic food market
Figure 1 shows that organic food has a small market share. On the one hand, it shows that there are fewer consumer groups of organic food, and the purchasing power of organic food is low. On the other hand, we can see that organic food has a huge potential market, which requires us to tap and develop, and has low competitiveness.

![Fig. 1. Organic food purchase frequency.](image-url)
4.3 Factor analysis of consumers' purchase of organic food

It can be seen from Figure 2 that the main reason for consumers to buy organic foods is gift gifts, and the second is to have high nutritional value, so the result we have drawn is to make fine-packed high-grade organic food gifts, so that consumers do not spend sending some processed health products, instead of pollution-free green organic food, is more characteristic.

Fig. 2. Reasons affecting purchase of organic food.

5. Problems in China's organic food trade

5.1 Organic food trade is threatened by foreign “green barriers”

At present, China's major export trading partners, such as Japan, the United States, Germany, South Korea, Singapore, and the United Kingdom, are mostly members of the World Trade Organization's "Trade and Environment Committee" and are the areas where green trade protectionism is most prevalent [6]. By virtue of their monopoly advantages in economic and technological conditions, they have formulated strict environmental standards on the grounds of protecting resources and the environment, and closely linked trade and environmental protection through the WTO to offset other international issues such as labor prices, transportation, and raw material prices. The adverse effects of trade competition factors on domestic products. This has hindered the export of a large number of organic foods (mainly A-grade green foods) in China in recent years.

5.2 The governance mechanism of organic trade export enterprises is not standardized

China's organic trade export enterprises are small in scale, low in organization, and weak in the concept and ability of organic brand management, showing a pattern of "small scale, large group, small production, and large market". In the export trade, many enterprises lack the support of technical forces, and most of them adopt the low-cost strategy of "winning by volume" and "mainly relying on export volume expansion." Most export companies lack in-depth research and overall grasp of the international green food market, compete with each other blindly, suppress prices on their own, and objectively have dumping tendencies, which have adversely affected China's organic food exports.

5.3 The product structure is unreasonable and lacks innovative varieties

The scale of organic food development, total production and development area are relatively small, accounting for only about 2% of the country's total agricultural product cultivation area and total output. In addition, the product structure of organic foods is not reasonable, which is mainly manifested in a single variety, more rough-processed products, fewer deep-processed products, similar brands of similar products, and few well-known brands, etc[7]. Obstacles to the diversification of China's green food product exports. Green food manufacturing companies have weak R & D and technological innovation capabilities for new varieties. Most companies export more traditional products, fewer innovative products, and insufficient deep processing capabilities, which cannot meet the needs of diversified consumption in the international market.
5.4 The certification standard system is incomplete and the current export system is not smooth
China's current certification system has complex certification processes, backward technology, poor supervision of certification enterprises and production enterprises, and credibility of certification. These problems make China's certification standards have not been recognized by all countries in the world, especially developed countries in Europe and the United States, it is difficult to integrate with international standards, making organic food export channels poor [8]. At the same time, China's opening-up policy makes the export system still unable to meet the requirements of an open market economy, resulting in the separation of production and trade, which also makes it difficult to export green food.

6. suggestions
In order to promote the export of organic food in China, we should break down green trade barriers, increase research and development and technology promotion, adjust the structure of organic food products and regulate the management of export enterprises, implement the strategy of organic brand, adhere to and improve the construction of organic food certification standard system, and speed up organic food. International certification creates good conditions for the internationalization of green food.

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