Unique offering under the same brand, challenge of stone fruit export to China

I Tertulia Agro Business Marketing DO WE SPEAK?: marketing stone fruit in China, which was held on September 29th in Lleida, has thrown its main conclusions address the challenge of this demanding and vast market under a brand of quality differentiated focus the supply of Spanish stone fruit exports to this country. The sector has welcomed the announcement of MAGRAMA director general Valentin Almansa, that Russia "that Russia "will not hinder the logistic transport by train".

As stressed in this forum, jointly organized by Seven Agromarketing, e-Commerce Agricultural (ECA) and the Business Association of Fruit of Catalonia (Afrucat), the fact that the Chinese consumer with some purchasing power prefer the imported goods rather than those produced in the country, given the limited guarantees they offer, *represents for the Spanish production of stone fruit the opportunity to differentiate in quality and food safety and retain a segment of the Chinese population estimated at about 200 million population.*

With the signing between Spain and China, on April 13th, of the protocol for the export of stone fruits, our country has become the world's first with free access to this kind of fruit at the Chinese market. During the opening session (which was attended by the Director General of Food Quality and Food Industries (DARP) of the Generalitat of Catalonia, Antoni Diaz, the director general of Health of the Agricultural Production of MAGRAMA, Valentin Almansa; Deputy mayor for Promotion of Lleida, Rafael Peris, and Gissele Falcon, CEO of Seven Agromarketing and ECA), the representative of MAGRAMA informed, in relation to the importance of alternative routes of transport to the sea which shorten transit times, *that Russia has confirmed in writing that the Government will not hinder the transport by rail through its territory of Spanish fruit to China.*

> Almansa: "China is an example of what will be our future in export, as strong pressure from mass distribution on the producer sector is forced to seek new alternatives. So we are forced to look further and by a longer period of time"

Meanwhile, Antoni Diaz, said among the challenges of export of stone fruit to China, on the one hand, the need for a thorough knowledge of the market, its distributors and business contacts because, culturally and traditionally, business with Chinese companies basically get "making friends". On the other, taking into account the conditions in this type of fruit, of more perishable nature than others, leading to work logistical and crop areas to get to reach such a remote destination in the shortest possible time and in the most optimal conditions. In that sense, Rafael Peris said that, unlike the Asian market, "selling to Europe, is to sell to neighbors, as sell yourself", with logistical and transport very similar.

On the importance of *a joint strategy in the export sector of stone fruit to successfully reach the Chinese market*, Valentin Turegano, Business Manager of Tecnidex referred to *the convenience of opting for a brand policy, through a quality distinction recognized (protected Geographical Indication (PGI), protected Designation of Origin (PDO),* following the example of Chile with cherry exports to China, where the product has already been done with a name and prestige.

> PRODECA manager, Ramon Sentmartí Director stressed the importance of positioning as a quality brand to compete in the Chinese market

In this commitment to address the Chinese market in a joint and coordinated manner under the same umbrella brand of "Premium" quality, virtually all commentators agreed. Thus, the manager director of Afrucat, Manel Simon, pointed out that "our production of stone fruit should offer, compared to those produced in China, size, quality, (rather sweet) intense flavor and durability. In that sense, and although these are not an easy challenge, our exports have in this country a unique opportunity to join through a brand quality ".

Meanwhile, Joan Solanes, CEO of Chinese-Spanish Commercial Office (OCCHE), said that aggregate brand"Peach Spain" to distinguish the productions of our country, it would be a good opportunity to gain market share in China. "In that sense, we have an excellent vehicle to promote and disseminate trade online and RR.SS" he assured. In that vein, Joan Presseguer, CEO of Fruits de Ponent, said that *to boost a powerful export to China is necessary to combine the efforts of industry, research, and institutions. "We must work on the concept of" collective intelligence "to export more and better,"* he remarked.

Logistics, technology and finance, key to success

Issues of technology, logistics and financial, as essential to successfully reach the Chinese market key, would focus the debate on the first talk show, starring representatives of Syngenta, Tecnidex, Caixa Company and Port of Barcelona, all sponsoring entities of this event.

Thus, in relation to aspects of postharvest, Rui Correia, CP Asset Mgt Lead Iberia Syngenta, highlighted the efforts of his company to offer solutions so that the fruit is marketed under the best conditions and satisfy the end consumer, *"considering that the postharvest period is calculated from the fruit is harvested until it reaches the consumer, without forgetting its time "shelf life", which, in the case of a remote destination as China can be a period of up to two months"*.

For Valentine Turegano, business manager of Tecnidex, *"the taste will be one of the fundamental keys to take position strongly in this market in the future".*

Judith Illa, foreign trade expert of CaixaEmpresa, advised exporters that *in cases of markets such as China with other currencies than the euro charge, had this aspect into account to better calculate their margins.*

> Lluis Paris, commercial manager of Port of Barcelona, said that China is the biggest trading partner of Port de Barcelona and 21% of their containers (400.000) have this country as origin or destination

"For the Port of Barcelona it is very important to know at all time what happens in this country and how to get our goods to that destination, as well as our commitment to the railroad, since 12% of the goods of our port also move by that means", noted Paris.