

SPECIAL REPORT NO.

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Shanghai
(City)

China
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Subject: SHANGHAI AND CHINA IMPORTED FOODSTUFFS MARKETS - 1932,
STATISTICS AND COMMENTS ON

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BUTTER, MARGARINE AND COOKING FATS

BUTTER imports into all China for the eleven months period ended November 30, 1932, totalled 10,263 piculs (1,368,400 lbs) valued at Gold Units 713,274. (equivalent to U.S. Gold \$285,309.60.) This amount represents approximately the same volume as imported in the same period of 1931, the total import for the entire year 1931 being 11,009 piculs (1,467,866 lbs). Australia and New Zealand are the principal suppliers nearly 70% of imports (in 1931) coming from those sources. Insignificant quantities come from the United States and about 5% (in 1931) from Canada. The foregoing figures include weight of immediate packing and the quantities imported (free of duty) for the use of various foreign navies and military forces of foreign governments stationed in China. The import tariff is high amounting to the equivalent of about 10,1/5¢ U.S. currency per pound. Consumption is limited to foreigners residing in China and a small proportion of the better class Chinese. Current retail selling prices of fresh Australian butter in the Shanghai market in terms of U.S. currency at present exchange rates are in the neighborhood of 40¢ per lb. Recent quotations from the United States were as high as 36¢ wholesale, c.i.f. Shanghai, which would mean a landed, duty paid, cost of no less than 47¢ U.S. currency per pound without either China importer's or retailer's profit. Hence American

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butter is virtually shut out of the China market by competition from Australia, New Zealand and also Japan.

MARGARINE AND SIMILAR PRODUCTS MADE FROM VEGETABLE FATS. Imports into China of goods in this category during the eleven months period ended November 30, 1932, totalled 4829 piculs (610,533 lbs.) valued at Gold Units 169,890. (U.S. Gold \$67,596.) Imports for the entire year 1931 totalled 6868 piculs (915,733 lbs). There is no segregation in the Customs figures of Margarine from vegetable cooking fats but margarine is estimated very roughly to represent about 60% of the total. Imports of this category of goods are chiefly from Great Britain which ships about 60% of the supply and the Netherlands, with the United States contributing only about 6% of the trade. (This based on 1931 statistics, division of figures by sources for 1932 not yet available.) There is very little future for imported products of this sort in the China market as margarine manufacture in Shanghai has already begun and 1933 will see increasing quantities put out by local plants. As to cooking fats the imported article is used by only a few fastidious housewives. There are a few American brands of vegetable cooking fats on the market but the volume of business is small. Chinese lard is very cheap, and both bean oil and cooking fats prepared from bean or other vegetable oils locally may be expected to supply almost the entire market demand of the future.

The import duty on this class of merchandise is Gold Units 14. per picul (133-1/3 lbs.) including weight of immediate packing (i.e. \$5.60 U.S. currency per 133-1/3 lbs. or \$4.20 U.S. currency per 100 lbs.)

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