FIELD OF DREAMS: The Qimei Story

Hebei Qimei Agricultural
Science and Technology Co., Ltd.

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The Problem

Qimei, an export driven company, is looking to capture a larger share of the domestic Chinese organic food market.





Qimei Background

Hebei Qimei Agricultural Science and Technology Co., Ltd. (Qimei), established in 1999, is an organic food company located in Handan City, China. Guided by their mission, which attests that, "Food safety is our responsibility, environmental protection is our mission," Qimei is dedicated to enhancing the lives of Chinese farmers and providing high quality, safely produced products.

Products

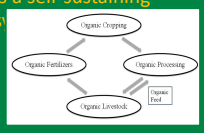
Peppers, cauliflower, broccoli, snap peas, sweet corn, soybeans, sweet potatoes, yellow beans, peanuts, soybeans, chestnuts, asparagus dumplings, sweet potato chips, cereal, and frozen fruits and vegetables.

Social Responsibility

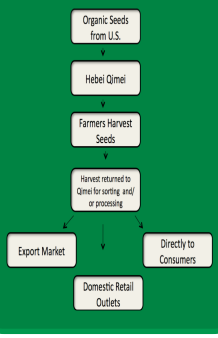
Qimei views part of its company mission as having a positive social impact on China and its local communities. Qimei thus enacts environmental protection on a local level. Qimei also works to ensure a better quality of life for its farmers by providing higher and more secure incomes.

The Organic Cycle

Qimei's ultimate goal is the completion of an "organic cycle," where the entire production process of organic goods is a self-sustaining s



Supply Chain



Acknowledgements

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The Organic Vegetable Industry

- China cultivates nearly 3.5 million hectares of land under organic management
- In 2007, the total domestic organic production reached nearly 3 million tons
- The Chinese organic food and beverage sales for both exports and imports reached $7.2 billion in 2008, which is more than a 140% increase from 2003
- It is expected that organic acreage and production will increase 20-30% per year through 2017
- It is predicted that annual organic consumption will increase by 30-50% over the next decade, positioning China as the fourth largest organic market in the world by 2020

Chinese Food Scandals

Year	Incident	Ensuing Effects
2001	Antibiotic residues in poultry and shrimp	EU, Japan ban products
2002	Antibiotic residues in honey, pesticide residues in frozen spinach and tea	EU, Japan ban products
2005	Parasites in red cabbage	South Korea bans product
2008	Melamine contamination in infant formula	6 infants die, 300,000 suffer from related illnesses





Certifications

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Resources

- 3000 farmers and 11 villages
- 12-person management team
- 5-acre processing facility upgrading to 55 acres
- 120 factory workers

Financials

Year	Gross Revenue (10,000 RMB)
2008	3186
2009	5173
2010	6124



Our Recommendations

- Educate the consumer
- Develop consumer feedback capabilities
- Practice sustainable farming
- Hire agricultural expertise

References

Paull, J., 2008. China's Organic Revolution. In: S. Bhaskaran, & S. Mohanty 2008. *Marketing of Organic Products: Global Experiences.* Hyderabad: The Icfai University Press. pp. 260-275.; USDA Foreign Agricultural Service, 2010. *Global Agricultural Information Network Report: Organic Report.* Beijing: USDA Foreign Agricultural Service.