

**The commercialization of
Organic Food
——The business plan of Green
Rhythm Organic Food Ltd.**



**The team of organic food
2004.5.29**

The characteristic of the team work



- ❖ The open team
- ❖ The frame is reasonable
The team members are from COES
PKU 、 DISA PKU 、 EM THU.
- ❖ Team work
- ❖ Full of passion
- ❖ The cooperation make us feel
happy,we became good friends.

The lovely team member



- ❖ Han Mei 、 Xing Guanhua 、 Xin Ying 、 He Gang 、 Liu Shang 、 Wang Zhiheng 、 Su Kai-----from COES PKU
- ❖ Wu Xiwei-----from DISA PKU
- ❖ Zhang Xiaoli 、 Kong Xiangxiong-----from EM THU



The first SiChuan baby who died because of the “deadly milk powder”



- ❖ There are many food safe affairs in China.
- ❖ Farmers use poisonous pesticide in their farm in many places.
- ❖ Dirty water irrigation
- ❖ Do you think it is safe to eat this kind of food?



- ❖ 卫生部公布的2003年全国重大食物中毒情况称，2003年，卫生部共收到全国重大食物中毒事件报告379起，12876人中毒，23人死亡。与2002年比较，重大食物中毒的报告起数、中毒人数、死亡人数分别增加了196.1%、80.7%、134.1%。
- ❖ 2004年1月，卫生部共收到报告重大食物中毒24起，376人中毒，28人死亡。其中，家庭食物中毒14起，54人中毒，22人死亡；集体食堂食物中毒6起，301人中毒，1人死亡；餐饮单位食物中毒1起，9人中毒，1人死亡；其它场所发生食物中毒3起，12人中毒，4人死亡。另外，集体食堂发生的6起食物中毒，包括学校发生的4起，104人中毒，无死亡。



- ❖ This problem is connected with the economics of one country and the health of people. It is very important.
- ❖ The position in China is
- ❖ Why?
- ❖ One important reason: small!!!



- ❖ So,one way is to make the food company bigger and bigger!!
- ❖ We should eat safe food—Organic Food.
- ❖ So ,our company come

The main part of the presentation



- ❖ Related Conception and Technology Statute of Organic Food
- ❖ Market analysis
- ❖ The business plan
- ❖ Discussion



- ❖ **Related Conception and Technology Statute of Organic Food**
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❖ Organic Food

Farm produces and its processed products. rooted in Organic Agriculture system, processed according to criterions of Organic Agriculture and authenticated by self-governed institution, completely don't contain chemical assistant material、 pesticide、 growth regulator and other compound substance also don't use gene project and its outcome. Thus, organic food is genuine natural food、 be affluent in nutrition and with high quality, also, it is a environment protected and safe food.

Main Target of Organic Production and Process



- ❖ Produce high grade product, promote food security, insure human health.
- ❖ Facilitate biological and substance circle of cultivated system and promote soil long fertility.
- ❖ Produce organic food which can completely be biological decomposed, make all kinds of contamination in the lowest level.
- ❖ Increase the income of both producer and processor, endeavor the chain of produce、 process and sale develop towards justice、 equity、 ecological reasonable.



Related Technological International Statutes of Organic Agriculture and Organic Food



Divided into three level

- ❖ UN level
 - Worked by FAO and WHO
- ❖ NGO level
 - worked by International Federation of Organic. Agriculture Movements (IFOAM) .
- ❖ Country level
 - Individual statutes worked by different country, such as KRAV of Sweden、 《Criterion of Organic Food》 of America and 《Production Criterion of Organic Agriculture》 .



As our country now, there is not a special law for Organic food and it's industry. Only use 《Technical norm on organic food》 as a criterion for this industry.



- ❖ Related Conception and Technology
Statute of Organic Food
- ❖ **Market analysis**
- ❖ The business plan
- ❖ Discussion

Global Situation



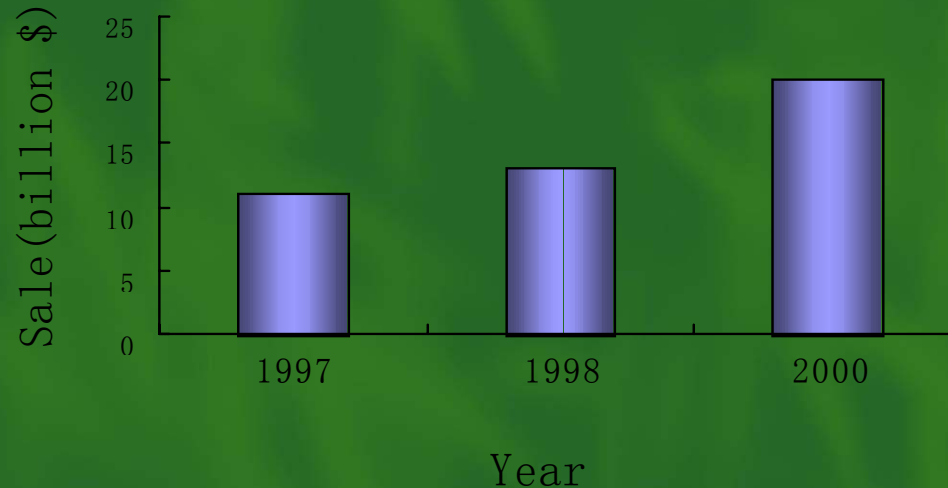
- ❖ Sales amount
- ❖ Market Share
- ❖ Best salable category
- ❖ Consumer buyer
- ❖ Market Distribution
- ❖ Price location



Sales amount

- ❖ Sale Statistic (ITC/UNCTAD/WTO)

THE SALES OF ORGANIC FOOD



- ❖ The sales of organic food and drink will increase 75 percent to the year of 2007.



Market Share

- ❖ Organic food shared 1 – 1.5 percent of global food market in 2001
- ❖ Organic food may account for 5-10 percent of food gross in developed countries to the year of 2005.(refer to ITC/UNCTAD/WTO)



Best Salable Category

- ❖ Organic tea, cereals, milk products, soybeans and condiments, etc.

- ❖ For example:

America:

Import: organic soybean, fresh fruits,
dehydrate vegetables and rice

Export: organic tropical fruits and
artificialities

Consumer buyer

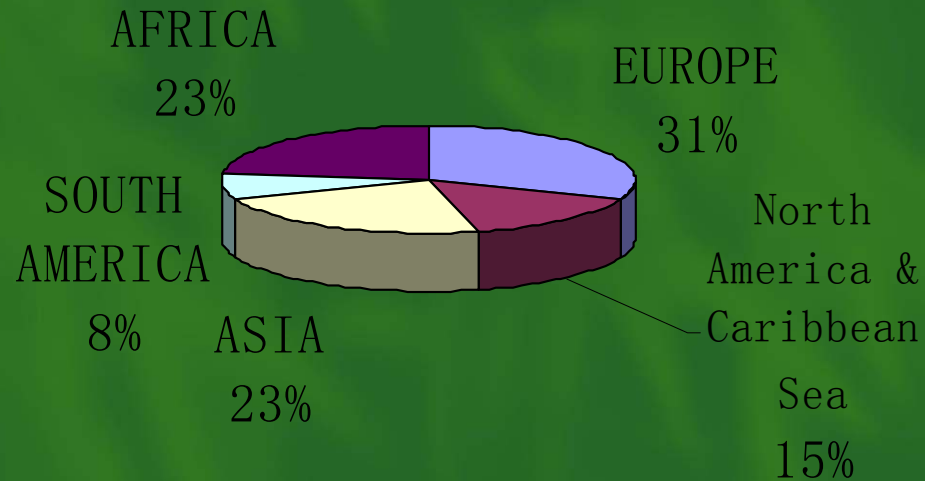


- ❖ The age distribution of consumers: major at 25~55 years old
- ❖ It is estimated that people who consume organic food will increase from today's 2,400,000 to 11,000,000 in the future.



Market Distribution

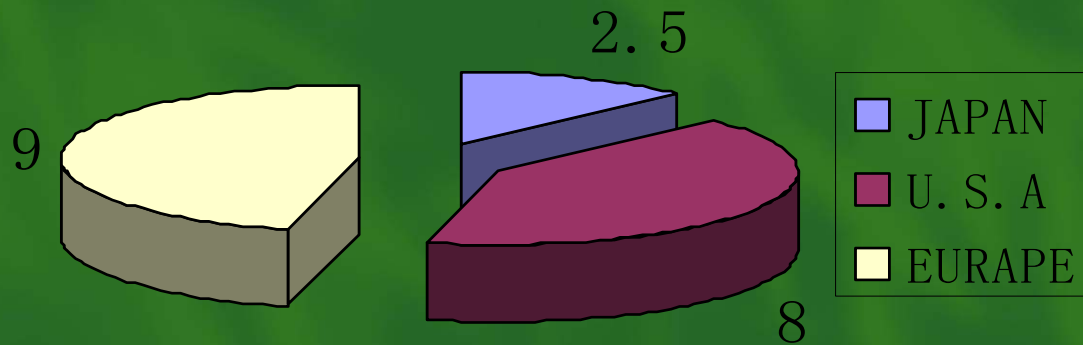
GLOBAL DISTRIBUTING





The Main Trade Markets

THREE DOMINATING MARKETS' SALES
IN 2000 (BILLION \$)





Price location

- ❖ The retail price of organic food is 50-150 percent higher than that of general food in the Occident.
- ❖ The price ratio of organic food to general food in other countries is lower than that in China.

Domestic Market



- ❖ General situation
- ❖ Leading organic food firms and their operating patterns
- ❖ Advantages and disadvantages of organic food enterprises in China

General situation



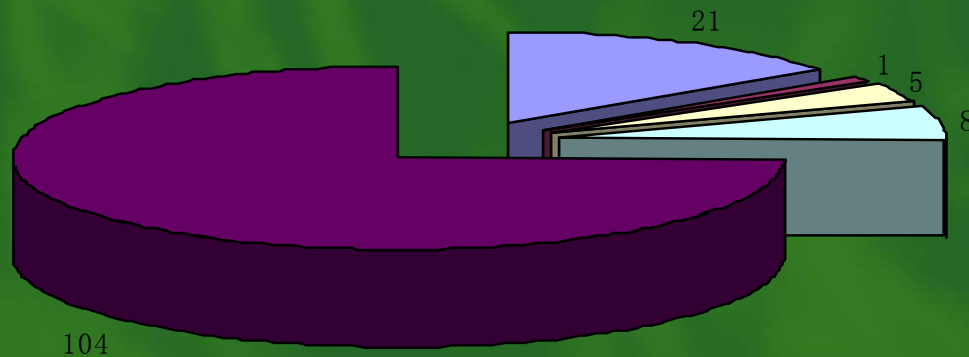
- ❖ Scale and development degree of market are low
- ❖ Mainly export
- ❖ Export can not meet demand
- ❖ Domestic market comes into being gradually

Types of domestic organic food firms



Type	Number	Distributing Provinces
agricultural base + processing workshop	21	Jiangsu (13) , Liaoning (2) , Shanghai (5) , Zhejiang (1)
exploitation company + processing workshop	1	Jilin
merchant	5	Liaoning (2) , Shandong (1) , Guangdong (1) , Heilongjiang (1)
agricultural base + processing workshop + merchant	8	Jiangsu (4) Zhejiang (1) , Shanghai (2) Jiangxi (1)
exploitation company + processing workshop + merchant	104	Jiangsu , Liaoning et. 18 Provinces and Cities

Domestic organic food firms' run patterns



- agricultural base + processing workshop
- exploitation company+processing workshop
- merchant
- agricultural base+processing workshop+merchant
- exploitation company+processing workshop+merchant



Advantages and disadvantages of domestic organic food enterprises in China

- ❖ Advantages

- ❖ Disadvantages



Advantages

- ❖ The change of consumption idea
- ❖ Wide international market
- ❖ The most effective method to break through the “green bulwark”
- ❖ Strong support from government
- ❖ Natural resources and labor force



Disadvantages

- ❖ Concept confusion
- ❖ The attestation system needs to be improved
- ❖ Consumers' acceptance extent to the quality of organic food
- ❖ Price



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Core value of the Company



Students of Peking Univ. and Tsinghua Univ. Joint to Enterprise



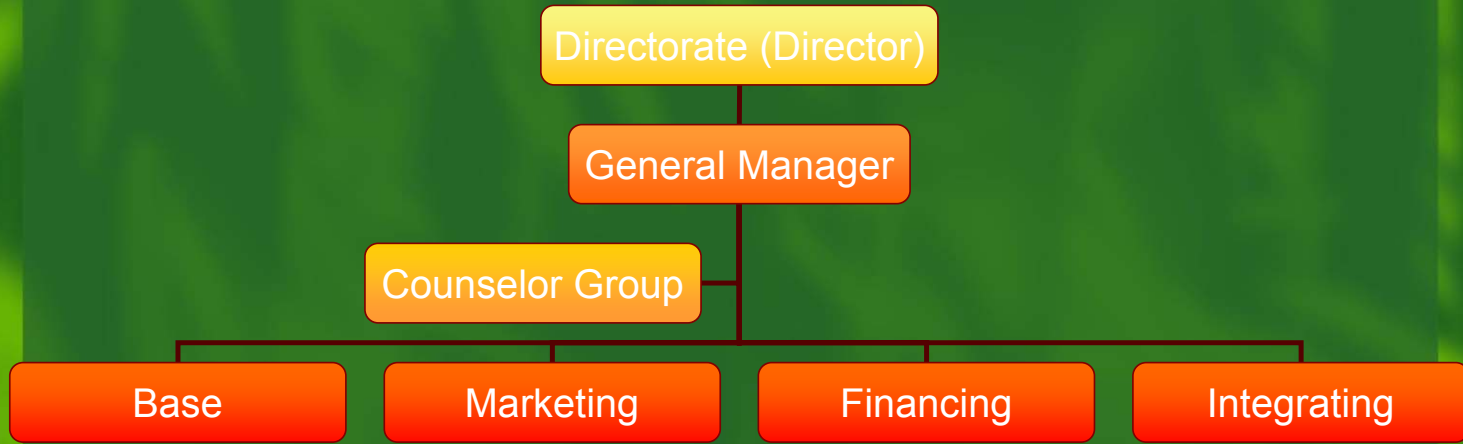
Shape a vision of Healthy Life

Basic info of the company

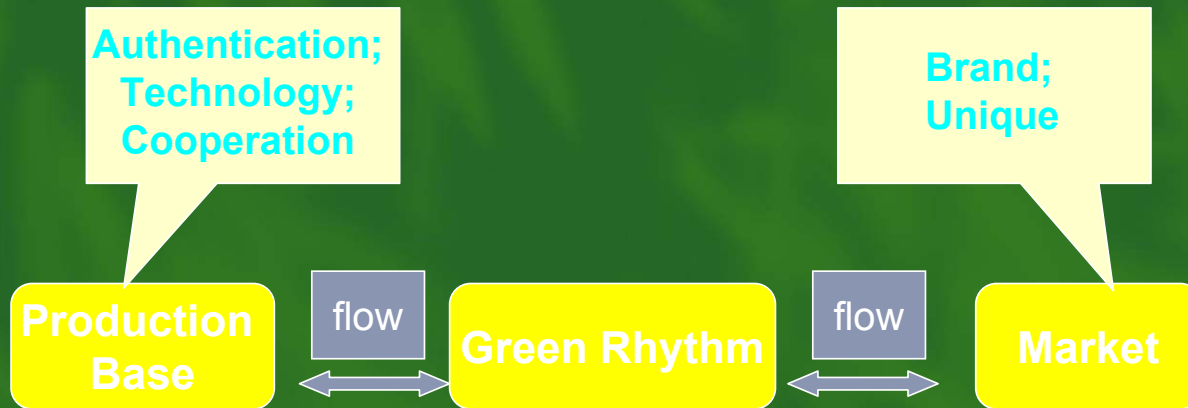


- ❖ **Name: Green Rhythm**
- ❖ **Tenet: Organic food; Healthy life**
- ❖ **Slogan: Organic food is healthy Green Rhythm cares your health**
- ❖ **Strategy: Promote health,
Lead consumption**

Structure of the company



management —From cradle to grave



Xi'an -Production Base chosen



- ❖ Natural factors (Vast West of China)
- ❖ Transportation (Highway; Railway)
- ❖ Market (West Center of economy, culture high education and tourism)
- ❖ Labor Force (low price, high quality)



Marketing

- ❖ **Make use of existed market**
- ❖ **Choose the possible best market (supermarket; Top grade Hotel and Restaurant)**
- ❖ **Credit and Brand**

Near future plan and perspective



	Near future	Perspective
Base	Xi'an, Inner Mongolia	Close to the market; Best region constructed
Product & Service	Vegetable; fruits	Diversification; Further process
Market	Mainly domain; Familiar region familiar market	Monopolization; Radiate; International market (Export)



Key Tache

- ❖ Production Base Authentication
- ❖ Risk (Product; Tech; Market)
- ❖ Brand management

Our Superiority



- ❖ **Region**
- ❖ **Team (Background)**
- ❖ **Experts**



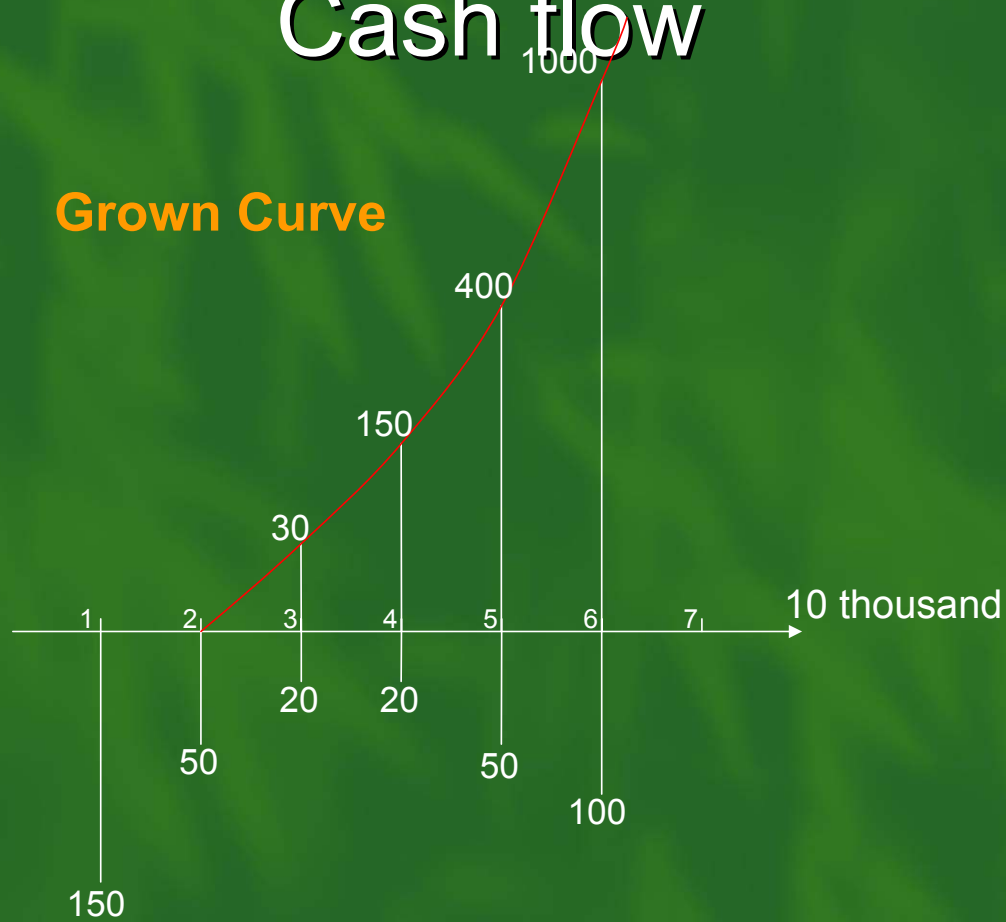
Money needed

- ❖ Angel Fund (Risk Capital)
- ❖ Fund rising
- ❖ Every possible channel



Cash flow

Grown Curve





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Statute of Organic Food
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- ❖ We can have market.
- ❖ We can have resource.
- ❖ Our future is bright.
- ❖ The way is hard.
- ❖ There are many problem for us to solve.
- ❖ We believe we can solve some of them by our hard work.

The End!!

Thank you!!

