

# Agricultural Products Online Suppliers and “China. Taobao.com”

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# How do we think of agricultural products online suppliers?

The prelude of fierce competition has just been drawn...

- Chinese agricultural products (ecological, health) B2C (including ordinary online retail and O2O style delivery) market has great potential. Ali Research Center predicts that in 2014, the volume of trade of agricultural products online suppliers will exceed 100 billion RMB. (Based on food safety threat, middle class population and the rise of such factors as healthism).
- 2013 is referred by the industry as "the first year of an era of agricultural products online suppliers " with far-reaching influence. It can be seen that the government, enterprises, as well as the capital, will deepen their exploration in all aspects of the layout. Electronic business platform is no exception (the race between open platform and vertical platform has already began).
- **But still many problems remain .....**



# The reason why Taobao.com promotes “China.Taobao.com” ?



## ➤Orientation:

Taobao' s **professional market of regional Chinese specialties** built with efforts, featuring local specialties and tourism resources. The official domain: china.taobao.com.

## ➤Project Objectives:

- To establish a online market of food safety: Local Government +Trade Association + product quality inspection system
- To help local areas to build agriculture brands for different regions in China: prior development of competitive industries+100% place of origin supplying + travelling experience marketing
- To support restructuring and development of traditional agricultural enterprises / cooperatives / farmers: Direct selling Store + Network Agent service (TP)
- To promote upgrading of local industrial economy: Policy + talent + enterprise + Logistics

## ➤China.Taobao.com:

a new exploration in China's agricultural E-business, as well as a new measure in actively addressing rural issues and assuming greater social responsibilities by Taobao.com..



# Homepage: china.taobao.com

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# Will agricultural products online suppliers encounter any problems?

## What' s their road ahead?

- **Given the specialty of products (non-standardized, lacking in standard, long-span industrial chain, large supply chain challenges, special production subjects), there has not been a suitable model to solve the problems between agricultural products marketing and supply chain servers.** Problems commonly exists in professional channel and the procurement of produce platform providers (especially for higher-end users).
- **Produce subjects (even leading agricultural enterprises) and online business operators (agricultural distributors) have great difficulties in directly getting into E-business supplier retail market (B2C) (the activity and sale-based E-business platform is difficult for network operators to bear, no matter how large and professional they are.**

Point of view: In the past traditional market, produce marketing can not compete with clothes, cosmetics, household appliances. In the era of E-business providers, the same gap persists, and will grow bigger and bigger.



## Exploring Suichang model: China's first agricultural E-business supplier module

In October 30, "Suichang model" press conference just concluded  
2013 China Summit Forum on Agricultural E-business supplier and the Suichang Model  
Research Conference

is sponsored by the Chinese Academy of Social Sciences and Ali research center, participated by the Ministry of Agriculture, Ministry of Commerce, the Ministry of Industry and Information and others.



## How to solve the problems?

### Suichang model: to create the ecosystem of agricultural E-business suppliers.

- Creating a public service platform between agricultural producers, markets, government and the platforms, which provide non-core business integration for participants in the industry chain, as well as providing comprehensive professional integration solutions concerning agricultural E-business providers and market-orientation.



## Can“agricultural public service platform“ model solve the problem?

### Model value:

- The value for suppliers: professional and reliable agricultural products online suppliers, produce and service providers
  - The value for network operators: affordable products with good quality, professional training, service, shipping platform
  - The value for third-party service providers: value-added partners
  - The value for the government: assist local governments to create E-business platform, cooperative solutions to sell agricultural products, business starting and business employment, the development of new-type third-party services.
  - The value for the channel and E-business platform provider: reliable, safe agricultural product providers, professional service providers
- 



- **A mature industry has an iconic phenomenon, that is: the appearance of professional service providers.**
- - Liang Chunxiao, Ali Center (August, 2013, a speech in Beijing)



**Farmer cooperatives has soived the problem of agricultural production, but has no effective solution to the problem of market ... The problem of market is especially pressing, while Suichang agricultural service platform appeared, walking in the forefront of China.- Wang Xiangdong, CASS (a speech in 2011 during Suichang inspection)**





What kind of attitude shall we adopt with agriculture and production?

A "good fruit" in practice ...





善果









**For more information and exchange of ideas,  
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