

(Review Article*)

Development Status and Trend of Prepared Dishes in China

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Abstract

Prepared dishes are a class of industrialized specialties that are produced on a large scale using modern equipment. Refrigerated or frozen at room temperature or low temperature, they are ready to eat directly through heating or simple cooking, and are industrialized prepared foods originating from dishes. In line with the current demand for cost reduction and efficiency in China's catering market and people's fast-paced life, the prepared dishes industry is developing rapidly and has a bright future. The article introduces the development history, development status, and industry chain of China's prepared dishes industry. The development of "lazy economy", the driving force of national policies, and technological progress have created unique advantages for the development of the prepared dishes industry in China. The development trend of China's prepared dishes industry is analyzed from the perspectives of strengthening scientific and technological investment and professional personnel training, and subdividing the categories and scenes of prepared dishes and the synergistic development of B-side (Business to Business, hereafter B-side) and C-side (Consumer, hereafter C-side). Finally, this paper looks forward to the development prospect of China's prepared dishes industry in terms of China's agricultural development, cold chain logistics development, and the opportunities and challenges, with a view to providing new ideas and directions for the industry.

Keywords: prepared dishes; current market status; future trends

Introduction

Prepared dishes have become the new favorite of tongue under the epidemic. It is all the more important for the government to keep a good eye on it and the government should also formulate some standards to keep in a right trail. On June 2, 2022, the China Culinary Association issued the group standard T/CCA 024-2022 *Prepared Dishes*, which clarifies the definition of prepared dishes. Prepared dishes are semi-finished or finished dishes made from one or more agricultural products as raw materials, pre-processed and/or pre-cooked on a standardized and scaled basis, and pre-packaged. With the development of the food industry and the country's economic transformation and changes in the way people consume, prepared dishes have become one of the fastest-growing categories in the food industry. Industrialized staple foods, casual convenience foods, prepared meals, net vegetables, and prepared dishes compose of prepared food system. And it complements with traditional meat products, fruit and vegetable products, catering food, meeting the people's growing demand for fresh and tasty, nutritious and safe, convenient and efficient food consumption. The industry has become the current agro-processing and catering breakthroughs in the development of bottlenecks, expanding the new direction of the important way.

The present situation of the prepared dishes industry

Development history of prepared dishes

China's traditional food culture has a long tradition of using prepared cooking materials. In ancient times, people would often treat fresh raw materials through conventional food processing techniques such as pickling, fermentation and drying, and then make them into semi-finished dishes. There are records of "ham" from the earliest times, which is a prototype of China's early prepared dishes.

Prepared dishes originated in the United States and flourished in Japan (Zhao Jinglin, 2021). As early as 2011, the sales scale of prepared dishes in the U.S. market reached \$32.45 billion. In 2021, the penetration rate of prepared dishes in the United States and Japan had reached more than 60%, while China is only about 13%. China's prepared dishes started in the 80's and 90's with the distribution of net vegetables. The development of the cold chain industry after 2000 has promoted the prepared dishes industry further. Prepared food enterprises with deep processing of semi-finished food (e.g. Xin Congchu) appeared, and some long-established catering enterprises (e.g. Quanjude) also launched branded specialty prepared food. Prepared dishes retail stores (e.g., Finding Ingredients) appeared after 2013, and with the emergence of the takeout industry in 2014, its B-side entered the discharge period, and after the 2020 epidemic, the C-side ushered in the outbreak period, and the industry scale entered the period of rapid growth and stepped into the fast lane. China's prepared dishes market shows a slow growth trend until 2019, followed by a rapid growth to reach 415.15 billion Yuan in 2022, and the market size is expected to maintain a growth rate of about 1.5% in the future to reach 831.67 billion Yuan in 2025 (see Figure 1).

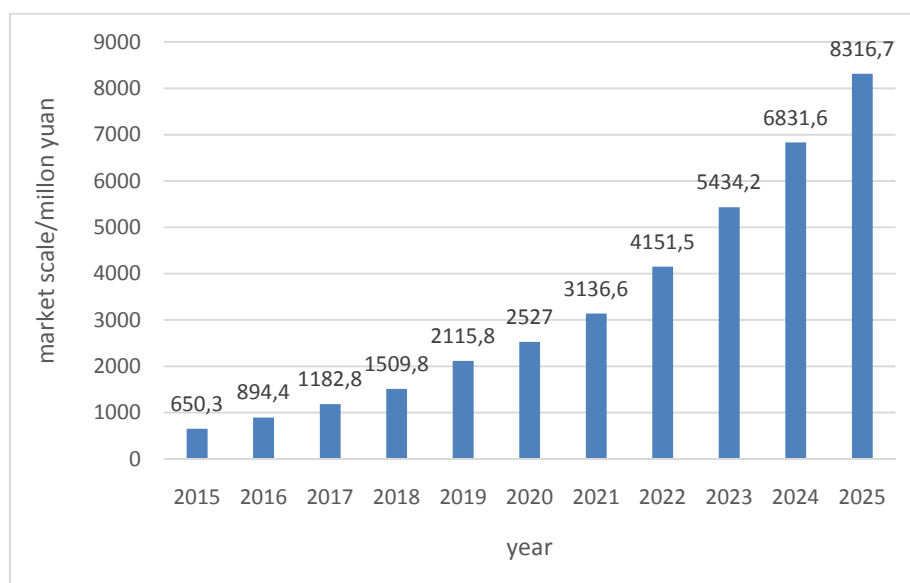


Figure 1. Market scale of prepared dishes

Current status of the development of prepared dishes

The characteristics of prepared dishes industry in China's current market are summarized as "scattered, large, new". Firstly, the concentration is scattered: the high-quality development of the prepared dishes industry is promoted everywhere. IiMedia Research data shows that there are

70,000 prepared dishes enterprises in China, nearly 58% of which were established within the past 5 years; the registration volume exceeded 10,000 for the first time in 2018, and 12,000 in 2019 and 2020, with a compound annual growth rate of more than 25%; the number of registered enterprises reduced in the 2 years of 2021-2022 due to the impact of the epidemic, with more than 4,000 new ones in 2021 and in 2022 adding more than 2,000. The industry belongs to the initial development stage. Secondly, the market scale is large: the prepared dishes industry is not only for the B-side, but also expanding to the C-side, and the consumption channels are diversified, enough to form a new big competition road. Thirdly, the industry is new. Prepared dishes in China is still a new industry, including many new categories, so the industry still has a new breakthrough model.

Among the top 10 provinces in the distribution of national prepared dishes enterprises in China, Shandong, a large agricultural province, topped the list with 0.77 million, while Henan and Jiangsu ranked second and third with 0.59 million and 0.55 million respectively. There are 7 enterprises listed on A-share market in Shandong, and their total market value reaches 30 billion yuan (see Figure 2).

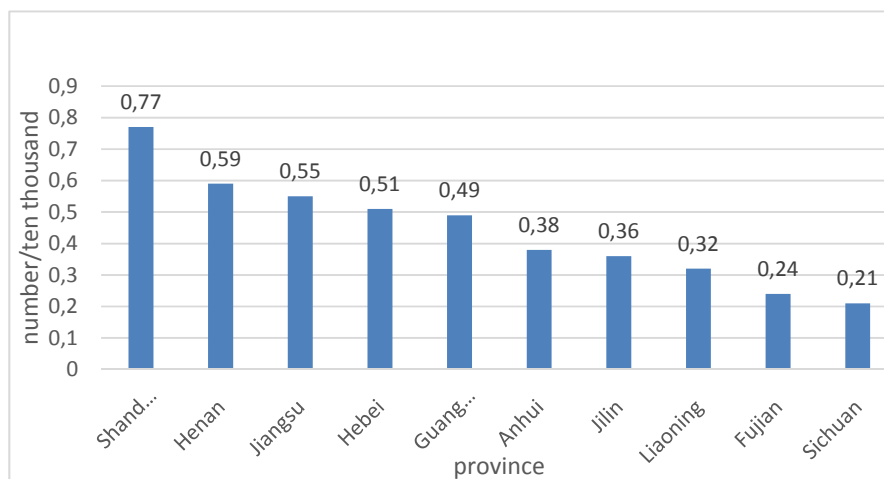


Figure 2. Top 10 Regional distribution of prepared dishes enterprises in China

Prepared dishes industry chain

Prepared dishes industry is the connecting hub between field and table, and the two-way running between supply and demand in the catering market. The rapid development of the prepared dishes industry in China is due to the completeness and development of the whole industry chain of upstream, midstream and downstream.

The upstream of the industry chain is the raw material supply industry, part of which is the planting and breeding industry such as agriculture, animal husbandry and fishery. The other part is the primary processing industry, including the primary processing of agricultural and sideline products such as rice, flour, grains and oil, the production of food additives and condiments, and so on. The midstream is the processing and production of prepared dishes, involving professional prepared dishes producers, catering enterprises, frozen food enterprises and so on. The downstream is the consumer market of prepared dishes, which is basically divided into catering market and retail market. The former customer types are mainly high-level hotels, chain restaurants, country kitchens, group meals and takeaways, etc.; the latter is mainly divided into e-commerce platforms, farmers'

markets and new retail platforms, whose product forms are based on raw and pickled products, ready-to-cook and ready-to-heat products, finished and semi-finished products, respectively.

Development advantages of prepared dishes

Development of “lazy economy”

With the rapid development of economy and the improvement of living standards, people's demand for quality of life is also getting higher and higher, and the constantly updating technology is also meeting people's needs (Li Xuan, 2022). The “lazy man economy” is born by the trend. The so-called “lazy economy” refers to an economic model in modern society that provides a variety of convenient and efficient services and products by means of technology and innovation to meet people's needs for convenience and time-saving. This concept emphasizes the improvement of the quality of life through technological development enabling people to perform their daily tasks with greater ease, which shows that people are enjoying a higher quality of life. Behind the lazy economy is actually a new concept of life and the attitude towards life of people. Social progress and the upgrading of the consumption level make people start to pursue a simple and convenient lifestyle, therefore, “lazy economy” gradually develops and creates market many business opportunities, and goods that meet the market demand also come into the public's view. Prepared dishes are one of them. It is favored by consumers for its convenience and instancy. Dingtone grocery sales tripled year-on-year in 2022, and Taobao prepared dishes sales increased by 100% year-on-year. The rise of the lazy economy has boosted the development of the pre-prepared dishes industry, meeting modern people's demand for a convenient and efficient lifestyle.

Drive from policy

In addition to the impact brought about by the pandemic, the policy support and dividends also drive the prepared dishes industry. In February 2023, *The Opinions of the Central Committee of the Communist Party of China and the State Council on Doing a Good Job in Comprehensively Promoting Rural Revitalization in 2023* was released, which explicitly proposes to improve the standardization and normalization level of net vegetables, central kitchens and other industries and to cultivate the development of the prepared dishes industry, which injected a powerful agent into the development of the industry. As a new industry of rural revitalization, prepared dishes connects land and market, production and consumption, as well as farmers' income and market supply. It is regarded as a new model for the integrated development of rural primary, secondary and tertiary industries and a new channel for farmers to increase their income, which has a positive significance in promoting entrepreneurship and employment, consumption and rural industrial revitalization.

Advances in science and technology

The development of the prepared dishes industry cannot be separated from the progress of science and technology, and the process of making and transporting prepared dishes requires the support of them. In the production process, series of processing technology is in need to reproduce or retain the flavor of the product after effective sterilization, which is the key to ensure the quality and safety of prepared dishes. The current emergence of microwave-assisted thermal processing technology can well retain the flavor of the dishes and reduce the loss of nutrients in the food. Ultra-high temperature instantaneous sterilization, radio frequency sterilization and other short-time and efficient sterilization technology provide a guarantee for the safety of prepared dishes.

During the transportation of prepared dishes, the development of cold chain technology is conducive to extending the shelf life of prepared dishes, for example, smart technologies for cold

chain monitoring freshness indicators, radio-frequency identification devices, time-temperature indicators, and so on. Among them, the time-temperature indicator system ensures real-time monitoring of temperature and time in cold chain transportation, providing consumers with the real situation of transported food.

Development trends of prepared dishes industry

More scientific and technological investment and professional personnel training

Chinese food has eight major cuisines, paying attention to the “color”, “aroma”, “taste”, but at present the degree of reduction of the prepared dishes is low. Ai Media Consulting reported that nearly half of the consumers think the taste of the prepared dishes is low in the degree of reduction. There are many prepared dishes enterprises, but only a few of them have the ability to innovate in product development and production technology. Scientific and technological inputs and technological upgrading are bound to be the breakthroughs in the improvement of the quality of prepared dishes, in order to solve the technical problems, such as the degree of taste restoration, freshness of the dishes and the diversification and standardization of flavors. The research team of Northwest Agriculture and Forestry University (NAFUST) has carried out field research and university-enterprise cooperation in prepared dishes enterprises, injecting scientific and technological power into the local prepared dishes industry and solving many difficult problems (Cai Tuo, 2021). The specialized talents are the core competitiveness of the prepared dishes industry, and the industry needs professional scientific research technicians to dock with enterprises, promote the cooperation between enterprises and universities and research institutes to overcome the technical problems in the process of industrial development. Only by giving full play to the advantages of scientific and technological talents can we realize technological innovation and transformation of achievements, thus opening the high-end development mode of prepared dishes industry.

Segmentation of prepared dishes categories and scenarios

Chinese food culture has a long history. Dietary habits vary from place to place. It is difficult for a single product to sell well throughout the country. So it can be subdivided into categories and precisely positioned. For example, Dalian Gai Shi Food, the first share of prepared cold dishes listed on the Beijing Stock Exchange, is the champion of prepared cold dishes; in 2022 Sanquan launched charcoal fried meatballs, which inherits the traditional northern cuisine. Modern consumers seek to match the scenario with the prepared dishes, but also the trend of future development. Prepared dishes are expected to be divided into breakfast, lunch, dinner, night snacks, food for one, family, camping, etc. Guangdong Global Aquatic launched the “Extremely Fresh” camping series, and some products are also accompanied by alcohol lamps, wire racks and other tools. The proportion of dinner and lunch in C-side consumption scenarios in China’s prepared dishes industry in 2022 both exceeded 50%, with 76.6% and 64.4% respectively (see Figure 3).

Synergistic development of both B-side and C-side

At present, the B-side of prepared dishes market has become mature, and the C-side is still in the exploratory period. However, it is bound to see a big development with the diversification of dishes, the facilitation of purchase channels, the development of cold chain logistics and the increase in consumer awareness of prepared dishes. The demand for the B-side of the market is large and in line with the demand for cost reduction, efficiency and standardization in the catering industry. At the same time, the proportion of group meals is increasing year by year, which will also promote the rapid development of the C-side of the prepared dishes market.

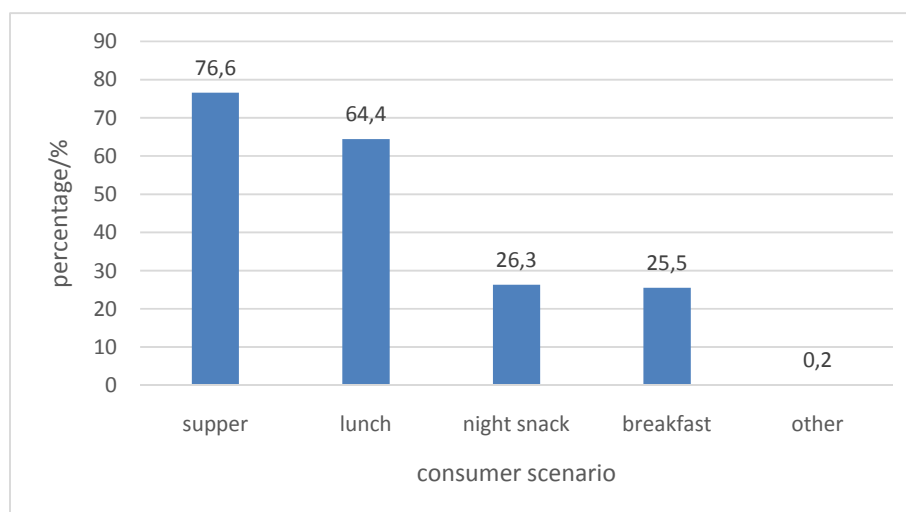


Figure 3. Market scale of prepared dishes

The B-side produces high-quality prepared dishes through professional kitchen equipment and technology with the advantage of its own industrial scale. The C-side can provide market feedback through feedback of their taste preferences, needs and other information, helping the B-side to innovate products according to actual needs. Therefore, it is crucial to establish a good communication channel between B-side and C-side to understand the market demand, product preference and other information, so that B-side can adjust the product strategy according to the market feedback. In other words, B-side and C-side can jointly participate in marketing activities, including online promotions and offline activities, to enhance the visibility and recognition of prepared dishes products. The C-side usually needs easy access to purchases and fast delivery services, and B-side can cooperate with logistics companies to ensure that products can be delivered in time. To sum, the B-side and C-side can work together to explore new market segments, such as expanding specific food delivery services, developing specialty prepared dishes, etc., and find growth opportunities together. Through the synergistic development of the B-side and C-side, a virtuous cycle can be formed to enhance the development and competitiveness of the entire prepared dishes industry. At the same time, it is also able to provide consumers with a more abundant and convenient selection of prepared dishes to satisfy different tastes and needs. The B-side + C-side synergistic and double-wheel drive is supposed to create a broad future of the prepared dishes industry.

Conclusion

At present, China's prepared dishes industry is in the early stages of development, but the momentum is rapid. China is a large agricultural country, and the supply of raw materials for the prepared dishes industry is sufficient and stable. At the same time, in recent years, the degree of industrialization of agriculture and food has been increasing, providing a guarantee for the large-scale development of prepared dishes. In 2021, China's cold chain logistics market reached 569.9 billion yuan, and the total capacity of cold storage reached 52.24 million tons. The General Office of the State Council issued *the 14th Five-Year Plan for the Development of Cold Chain Logistics*, which puts forward the overall requirements, layout and development initiatives for the development of

cold chain logistics in the 14th Five-Year Plan period. The steady development of cold chain logistics has built a solid foundation for the development of the prepared dishes industry towards standardization and industrialization.

In addition, there are a large number of prepared dish enterprises in China. Although they are still facing many problems such as minimized profitability, poor product reproduction, short shelf life, and increasing competition in production, catering and retail, there are things to improve the situation. They need to focus on products, marketing and scale. With the increasing demand of consumers for the quality of prepared dishes, the optimization of processing technology, introduction of advanced technology, improvement of industry standards and innovation of product types have become the main direction of enterprises to break out. In future, with the further implementation of the national strategy of rural revitalization and integration of related industries such as farming, processing and distribution, the prepared dishes industry will usher in good development opportunities and embrace a bright future. .

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