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## Policies

### **Chinese farmers to receive vocational education**

[Xinhua, 03-04-2014] More opportunities for farmers to receive vocational education were promised in a document issued by Chinese authorities on Thursday.

Courses in modern agriculture and rural construction will be opened to farmers at secondary vocational schools, according to the draft program sponsored by the ministries of education and agriculture.

All farmers below the age of 50, including agricultural business owners and managers, are eligible.

Courses will include both theoretical and practical training, covering farming, husbandry, aquaculture, agricultural engineering and business management.

Click [here](#) for details

### **Cotton production may decline 10%**

[CCTV, 03-04-2014] The latest official statistics show that China's cotton production likely will fall 10 percent this year. The expected decline is due largely to the end of a government collection and storage policy that had protected cotton farmers' benefits for the past three years. Cotton prices will be left more to the hands of the market from now on.

A 10 percent decrease in cotton planting is expected by officials who have surveyed China's 13 main cotton production zones. The forecast leads to estimates that China's cotton production will fall by a similar percentage, to about 6.1 million tons in 2014. Experts say the decline is a result of a halt of government protection for cotton farmers.

"The cotton collection and storage policy that has been implemented throughout the country for the past three years has been called off this year. And there will be a new policy, which farmers are holding a wait-and-see attitude towards. Therefore they choose to plant something else while considering this." Guo Rongmin, General Manager of Cottonchina.org said.

The previous policy that intended to protect cotton farmers made prices too high for cotton mills. There was a 5,000 yuan price difference per ton between domestic cotton prices and that outside of China last year. That caused massive inflows of cotton from overseas into China. However, that will stop in 2014 as the central government sets out clear objectives to follow cotton's market prices. The government is set to adopt target price policy, where it will subsidize cotton mills or farmers depending on market prices.

Click [here](#) for details

### **Farmers face woes after losing their land**

[China Daily, 05-04-2014] Experts have urged the government to pay more attention to the livelihoods of farmers who have lost their land.

The call comes as a research report shows that many farmers face difficulties such as rising living costs and insufficient skills training.

Some 88 percent of the families surveyed are facing higher living costs after losing their land, according to the research conducted by the Beijing-based Social Resources Institute, a non-profit organization.

After farmland and homesteads were requisitioned, the annual average living expenditure for each family increased by 21,069 yuan (\$3,392), but their income rose by only 10,049 yuan, the survey shows.

Due to rapid urbanization, a large amount of farmland and many homesteads have been acquired for other uses by the government. Farmers who lost their land generally receive compensation in cash, or are moved to the cities.

The report said that although farmers are living in cities, many of them are not covered by social security as urbanites.

The report was based on a survey of 66 families in the cities of Guiyang and Kaili in Guizhou province.

According to the Ministry of Land and Resources, more than 1.27 million hectares of land was acquired nationwide from 1999 to 2005, taking 40 million farmers away from their land. The number of farmers losing their land is still increasing annually by more than 2 million and will reach 100 million by 2020.

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### **China to boost crop insurance**

[Xinhua, 14-04-2014] China will intensify its efforts to promote crop insurance, with insured farm produce to cover 60 percent of the country's cultivated land by 2020, the country's top insurance regulator said on Monday.

The country will improve its crop insurance mechanism, especially services for the animal husbandry and planting sector, in a bid to guarantee food security, said Wang Zuji, deputy head of the China Insurance Regulatory Commission.

Insurers will be encouraged to cover farm produce prices, rural houses and infrastructure, according to Wang.

The bureau is also mulling subsidies for insurers to promote agriculture-related business, he said.

China had 1.11 billion mu (74 million hectare) of crops insured last year, accounting for 45 percent of the country's seeded area. A total of 33.67 million rural households received combined compensation worth 20.9 billion yuan (3.4 billion U.S. dollars).

Click [here](#) for details

### **China to provide better capital support for SMEs**

[Xinhua, 14-04-2014] China will provide better support for small and medium-sized enterprises (SMEs) by simplifying how funds are allocated, the Ministry of Finance (MOF) said on Monday.

The ministry, along with the ministries of industry and information technology, science and technology, and commerce, issued a notice to improve the efficiency in the way funds are allocated to SMEs.

According to the notice, funds will be allocated to SMEs to help improve technological innovation, financing, services, and international cooperation.

The notice also highlighted more support for SME innovation in information technology, resource saving, new energy development, biomedical industry and modern agriculture.

A subsidy for each new innovative project will stand at no more than 3 million yuan (487,560 U.S. dollars), or 40 percent of the research and development cost at most, according to the notice.

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## **China to maintain high grain output in 2014-2023**

[Xinhua, 20-04-2014] China will maintain a high rate of self-sufficiency in major grain output and realize the food security target for the next ten years, according to an official report published Sunday.

The report on the outlook for China's agricultural development from 2014 to 2023 was conducted by the Chinese Academy of Agricultural Sciences (CAAS).

Xu Shiwei, director of the Agriculture Information Institute under the CAAS, said that the output of China's three main grain crops - rice, wheat and corn - will achieve a high rate of self-sufficiency during the next decade.

Imports for meat and dairy products will see rising growth, while slower growth will be seen in soybean imports, and cooking oil imports will decline, Xu said.

The report also mentioned that the 3.5percent annual growth rate in domestic dairy production will exceed that of other major agricultural products in China in the 2014-2023 period.

With China's large population, the task of simply feeding the people remains a high priority, according to a statement issued after a central rural work conference attended by Chinese President Xi Jinping, Premier Li Keqiang and other senior leaders last December.

"The bowls of the Chinese, in any situation, must rest soundly in our own hands. Our bowls should be filled mainly with Chinese grain. Only when a country is basically self-sufficient in food can it take the initiative in food security and grasp the overall situation for economic and social growth," said the statement.

China has set a red-line guarantee that arable land shall never shrink to less than 1.8 billion mu (120 million hectares). The line should be strictly followed, the statement stressed.

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## **China Focus: "Green business" to tackle China's pollution problems**

[Xinhua, 21-04-2014] China faces severe environmental tasks but there are opportunities for companies to become more sustainable in the way they operate, delegates at a summit on "green business" said on Monday.

"China offers great potential for companies in environment control," said Zhao Lijun, chairman of Poten Environment Group Co. Ltd., a water treatment company.

He made the remarks at the ongoing 2014 China Green Companies Summit in Nanning, south China's Guangxi Zhuang Autonomous Region, themed "An era of transformation: reality and aspirations".

Sustainable business, or "green business", refers to a company that has little negative impact on the environment.

The country has been late in combating and curbing pollution, said Zhao.

"Technological innovation is the path, and public participation is needed for sustainable development," said Zhao.

In its 12th Five-year Plan period (2011-2015), China is aiming to boost industrial transformation and upgrade a number of key industries, including iron and steel, non-ferrous metals and building materials.

The country is expected to complete an amendment to the environmental protection law this year, and roll out other related industrial and financial policies for the environmental protection industry.

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### **Branch established for food safety risk communication**

[China Daily, 21-04-2014] An expert committee under the State Council's Food Safety Committee has been set up to better guide decision-making for food safety improvement, said Chen Junshi, a member of the Chinese Academy of Engineering at the China National Center for Food Safety Risk Assessment.

He made his remarks on Monday at an international seminar held by the China Food and Drug Administration and the Chinese Institute of Food Science and Technology. The committee comprises 51 experts.

Additionally, "a branch specialized in food safety risk communication with the public has been formed as well under the expert committee," Chen said. He added that it is very important to deliver the right message on food safety to the public.

Decision makers, as shown by the establishment of the communications branch, have begun to recognize the significance of helping the public form a rational perception of food safety issues, Chen said.

"Zero-risk situation never exists in food safety, and issues on that are different from food frauds like adulteration," he noted.

Teng Jiakai, vice-minister of the China Food and Drug Administration, said: "China is at the stage of social and economic transformation. Food safety problems are very likely, given the sheer size of the population, huge food production and consumption, and limited capacity in food safety and quality control."

Patrick Wall, former director of the EU food safety bureau, agreed and suggested that more efforts should be made to reduce food safety risks.

"Timely and proper risk communication, therefore, matters a lot," Wall said.

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### **Environmental law amendment ready for vote: lawmakers**

[Xinhua, 22-04-2014] Members of the Standing Committee of the National People's Congress (NPC) deliberated on draft revisions to China's Environmental Protection Law on Tuesday, saying the draft is "mature" and that it is ready to be put to a vote.

Lawmakers held that the draft amendment, as the country's basic environmental law, is a good response to public expectations. The measures it proposes are feasible and well-considered.

Zhang Dejiang, chairman of the NPC Standing Committee, participated in the deliberation on Tuesday morning.

The draft, lawmakers said, has properly handled the relations between environmental protection and economic development.

They approved of how it places more responsibility on local governments and law enforcement departments, sets higher environmental protection criteria for enterprises and gives harsher punishments for wrongdoing.

They also noted the draft's provisions on honing citizens' awareness of environmental protection, and how it provides smooth and orderly channels for the public to make appeals on environmental subjects, reflecting the idea that environment-related social problems should be tackled through legal means.

The lawmakers held that tackling pollution cannot be done in one action. It will be a long-term process, demanding common efforts from the whole society.

China's Environmental Protection Law has not been revised since it took effect in 1989.

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## Science, Technology and Environment

### Illegal GM food raises concerns

[China Daily, 02-04-2014] Hainan province's delayed announcement that it discovered the illegal planting of genetically modified corn and cotton has triggered public concerns about how information relating to GM food in China is disclosed.

A statement released by the Hainan provincial agriculture department on Monday said that nine corn and cotton samples out of 107 specimens were identified as genetically engineered and that they were destroyed immediately in late December. Another six suspected samples were being examined at the time. The samples were taken from various trial farms operated by agricultural companies and institutes.

Many critics have asked what took the Hainan agency so long to publicize its detection of the illegal GM plants.

The department said that the destroyed samples and the samples under investigation came from illegal trial farms. It stressed that any trials on GM crops that have not secured government permission are banned, and those who conduct such trials will be punished in accordance with the law.

The department declined further comment.

Huang Dafang, a former member of the country's biosafety committee in charge of agricultural GM organisms - plants or animals created through genetic engineering - said China has strict regulations on GM food registration and production.

He said it's rare for scientists to ignore the government's certification procedure and that the public shouldn't panic. He added that agricultural authorities are on the lookout for illegal plantings of GM food every year.

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### Research must be transparent

[China Daily, 08-04-2014] Hainan's provincial agriculture bureau has admitted that some companies and scientific research institutions planted genetically modified crops in Hainan without authorization at the end of 2013, violating the country's regulations for genetically modified organisms. The local government should raise its transparency particularly in such sensitive matters, says an article in Beijing Times.

Debates over GM food have been going on for many years, involving not only the matter of safety, but also the transparency of the research. The scientific test data shows GM food is trustworthy, and, in reality, the fierce criticism of GM foods is related to profit-driven GM technology promotion and violations of consumers' right to know.



Some companies and institutions secretly conduct GM crop experiments, and such tests will undermine consumers' trust in GM foods, which will not only hinder the overall promotion of GM research, but also curb other controversial experiments. Even though GM technology is harmless, the public will still panic easily if they think research is being done secretly or illegally, in which case they naturally think something is being covered up.

In Hainan's case, the local agricultural authorities' delay in disclosing information to the public has dealt a blow to credibility of the local GM food projects.

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### **China bear farm to be turned into rescue center**

[CRI, 16-04-2014] A black bear farm in south China's Guangxi, where bears are raised for their bile, will be turned into a rescue center under an Animals Asia project.

The animal welfare group made the announcement jointly with the Nanning-based Flower World Bear Farm in Beijing on Tuesday.

Bear farms profit from taking bile from live bears and selling it to drug stores. The practice, which inflicts pain and damages the health of bears, has drawn criticism from animal rights activists and the public.

Under the Animals Asia project, the organization will invest 5 million U.S. dollars to send 28 sick bears raised in the farm to Animals Asia's bear rescue center in southwest China's Sichuan Province for treatment. Over the next three years it will also transform the Flower World Bear Farm, where 130 bears live, into its second rescue center in China.

"We are providing a sustainable model that shows how bile farms can be converted to sanctuaries," said Jill Robinson, founder and CEO of Animals Asia.

Bear bile is held in traditional Chinese medicine theory as a cure for ailments such as eye and liver problems. But doctors believe there are at least 50 herbs that can be used as a substitute in herbal pharmaceutical products.

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### **North China's largest lake introduces fishing moratorium**

[Xinhua, 27-04-2014] A five-year fishing moratorium will be introduced to help Hulun Lake, the largest freshwater lake in north China, rehabilitate its dwindling aquatic resources.

Sources with the municipal government of Hulun Buir said on Sunday that the core nature reserve, nearly half of the 2,339 square km lake area, will stick to the moratorium till December 2018, while the other part will be subjected to an annual fishing ban between May 1 and July 31 from this year to 2018.

Dubbed as "kidney of the grassland", the huge body of water -- the fourth largest freshwater lake in the country -- on Hulun Buir Grassland, was included on the list of internationally important wetlands in 2001.

However, excessive exploitation and desertification has been attributed to the lake's shrinking and falling amount of fishing resources.

During the moratorium, the government will cap the annual fish haul at 1,000 tonnes, which was a quarter of last year's total harvest.

The Central Government has appropriated an annual subsidy of 15 million yuan (2.4 million U.S. dollars) to help Hulun Buir to change its economic focus from fishing to other production and move people out of the lake area from 2014 to 2018.

Xu Qihui, a police officer in the lake area, said the public security bureau has stepped up patrols targeting illegal fishing activities.

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### **China alerted by serious soil pollution, vows better protection**

[Xinhua, 17-04-2014] Under the smoggy sky, another environment hazard is brought into the spotlight in China as an official report confirmed Thursday about 16.1 percent of its soil is polluted.

Alarmingly, about 19.4 percent of the farming land is polluted, said the report issued jointly by the Ministry of Environmental Protection and the Ministry of Land and Resources. ( The general condition of the land is "not optimistic" as the quality of farming land is worrying and deserted industrial and mining land suffers serious pollution, according to the report.

It was based on a survey conducted from April, 2005, to December last year on about 630 square km of land across the country, except Hong Kong, Macao and Taiwan.

The pollution has been caused by complicated factors over a long period of time. "The main pollution source is human industrial and agricultural activities," the report said.

Industrial waste contaminates land around factories and mines while automobile exhaust pollutes air along the country's main highways.

Irrigation by polluted water, the improper use of fertilizers and pesticides and the development of livestock breeding cause pollution to farming land.

In addition to reduced quality and quantity of crops that threaten people's health upon consumption, such pollution might also result in health hazards for people living in areas where there is polluted soil after breathing in or having skin contact with pollutants.

### **COUNTERMEASURES UNDER WAY**

According to the statement released by the two ministries explaining the report, the country is or will be taking "a series" of measures to better protect the soil environment and curb pollution, vowing to "uncompromisingly wage a war against land pollution."

The environment ministry is rushing to map out an anti-land pollution action plan in cooperation with other related departments, it said, citing the State Council, or China's Cabinet.

The top legislature has also given soil environment top priority in its legislative efforts, with a special group formed by the ministry responsible for drafting the law on land environment protection.

"Following a two-year effort, an initial draft has been completed," the statement said.

Meanwhile, the environment ministry is planning to launch more soil pollution surveys with joint efforts from the ministries of finance, agriculture, land resources as well as the National Health and Family Planning Commission to gather more detailed data on soil quality.

Pilot projects on soil rehabilitation will be carried out in regions that have serious soil pollution problems, and related techniques will be systematically developed and implemented in more areas.

The statement also revealed a strengthened supervision and liability-pursuing mechanism that focuses on the disposal of waste produced by heavy metal-involved industries as well as the abuse of chemical products used during agricultural production.



"Methods to collect, store, transfer and dispose of dangerous waste will be regulated to prevent secondary soil pollution," it said.

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### **China begins soil pollution clean-up amid doubt over funding**

[Reuters, 10-04-2014] China has announced its first pilot projects to treat metal pollution in soil and prevent farmland from further contamination, but critics say the government's overall efforts are underfunded and inefficient.

The Ministry of Finance will subsidise soil pollution prevention and treatment in three cities in the central province of Hunan, state media reported, as pilot efforts to halt developments that have rendered 3.33 million hectares (8 mln acres) of Chinese farmland too polluted to grow crops on.

Hunan was the source of rice containing dangerous levels of toxic cadmium sold in the southern city of Guangzhou last year.

Under the plan, the Ministry of Agriculture will monitor and control metal residues to prevent them from leaking into the soil, while the rice crop will be replaced with cotton and other non-edible products.

But government efforts to protect agricultural and urban soil fall massively short of what is needed, said Lan Hong, a professor at Renmin University's School of Environmental and Natural Resources.

In the current five-year plan, the Ministry of Finance has budgeted 30 billion yuan (\$4.8 bln) in spending on soil pollution prevention efforts, but Lan said it would cost at least 140 billion yuan, nearly five times above the budget, to solve the problem.

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### **China's underground water quality worsens: report**

[Xinhua, 23-04-2014] Nearly 60 percent of monitored areas of China had "very poor" or "relatively poor" underground water quality last year, a new report showed on Tuesday.

Among 4,778 spots in 203 cities monitored by the Ministry of Land and Resources, underground water quality was ranked "relatively poor" in 43.9 percent of them and "very poor" in another 15.7 percent last year, said the annual report unveiled by the ministry.

According to China's underground water standards, water of relatively poor quality can only be used for drinking after proper treatment. Water of very poor quality cannot be used as source of drinking water.

The result means 59.6 percent of underground water could not be directly drunk last year, up from 57.4 percent for 2012.

On a year-on-year basis, water quality became worse in 754 monitored spots, but improved in only 647 areas.

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### **Thousands in Wuhan see taps shut for a day amid 'stinky water' contamination**

[SCMP, 24-04-2014] Hundreds of thousands of residents were affected as Wuhan suspended three water plants after detecting high levels of pollutants in the drinking water, just days after a benzene scare in a neighbouring province.

The authorities in Wuhan, Hubei province, found that the water contained ammonia and nitrogen exceeding the national safety standard, but the exact figures were not revealed. Excessive ammonia and nitrogen would cause tap water to smell bad, an environment protection bureau official said.

The *Changjiang Times* newspaper said the incident affected more than 300,000 residents in a 260 square kilometre area, while water supply to more than 100 food production factories were suspended as well.

The official, who chose not to be named, said they were investigating whether the pollution was coming from the Yangtze River, which along with its tributaries supply hundreds of mainland cities with water.

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### **Coal barons return to farmland**

[Xinhua, 10-04-2014] More and more Chinese coal mine operators are looking beyond mining, with some returning to their agricultural roots.

"After selling some of my mines, I started to invest in potato processing," said Zhang Bao, a former coal baron, now boss of Huajin Potato Company in Datong City, in north China's Shanxi Province.

Since 2011, Zhang has invested 130 million yuan (21 million U.S. dollars) in potato starch. His company processes around 140,000 tonnes of potatoes every year.

Zhang is just one example of a transformation in Shanxi. Data from the Statistics Bureau of the province shows that investors are more interested in farms than coal mines.

In 2013, fixed assets investments in primary industries in Shanxi, represented by agriculture, amounted to 70.5 billion yuan, a 92.6 percent increase year-on-year. This is a three-year high, far surpassing the 13 percent enjoyed by the secondary industries, where mining and manufacturing are included.

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### **Unmanned helicopters help Chinese farmers**

[Xinhua, 29-04-2014] Each April, farmers in east China's Anhui Province toil to protect crops from pests and disease, but for those who work the wheat fields in Liuzhai Village, the job has been made a little easier with help from above.

In this village in Bozhou City, several unmanned remote-control helicopters were busy spraying pesticides over the fields.

"I cannot imagine that four helicopters finished spraying farm chemicals on 1,000 mu (66.7 hectares) of land within two hours," said Liu Baohua, a villager from Liuzhai Village.

Zhang Kunyi, the technician who controlled the helicopters, said that each helicopter can carry about 15 kilograms of pesticides to spray 20 to 25 mu of land.

Liu said it used to take farmers two days to cover that amount of land. In addition to fatigue from carrying heavy pesticides while working, farmers were often soaked in health-threatening chemicals, Liu said. The crop-dusting helicopters have not only improved farming efficiency, but also protect farmers from poisonous pesticides.

Along with Anhui, unmanned helicopters have also become popular in farming in the provinces of Hubei, Henan, Hebei, Shandong and Jiangxi since 2012, according to Zhou Liru,

chairman of Bozhou City Traffic Intelligence Aviation Plant Protection Technology Co., Ltd., where the helicopters were produced.

Liu said the cost of using the helicopters is no more than that of employing locals. Farmers may use helicopters from their village agricultural cooperatives if they provide the pesticides and pay eight yuan (1.3 U.S. dollars) per mu of cropland.

As a growing number of villagers find jobs in big cities, more and more rural elderly and women have stayed at home to shoulder the responsibilities of farming, and mechanized farming has really helped these groups, Liu said.

China has vowed efforts to raise its farming mechanization rate to more than 61 percent in 2014, according to Vice Minister of Agriculture Zhang Taolin at a work conference in February.

The country will step up the implementation of subsidy policies for farm machine purchases and push forward mechanization in the production of major crops this year, according to the ministry.

China's farming mechanization rate reached 59 percent in 2013, up 2 percentage points from the previous year.

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## International Relations

### **Cofco buys Noble agri unit stake as China seeks food supply**

[Bloomberg, 02-04-2014 ] Cofco Corp., China's largest grain trader, agreed to pay \$1.5 billion upfront for just over half of Noble Group Ltd. (NOBL)'s agricultural trading unit to broaden its access to food supplies.

The purchase highlights China's push to secure more food overseas as it juggles insufficient farming resources at home against a dependence on imports. It's the second such deal for Cofco this year after it agreed to buy a majority stake in Dutch grain trader Nidera BV in February.

"The transactions will strengthen Cofco's strategic importance to the Chinese government," as the "resultant access to Nidera's and Noble's agriculture assets overseas will allow China to better meet its increasing demand for agricultural products," Kai Hu, a senior credit officer with Moody's Investors Service, said in a note today.

The deal creates a venture that will be Cofco's main base for sourcing food materials internationally, according to a statement today from Hong Kong-based Noble, Asia's biggest commodity trader by sales. It will integrate with the food raw material processing assets owned by Cofco, Noble said.

Cofco will share the investment with an international group led by Hopu Investment, a private equity fund. Hopu was set up by Fang Fenglei, the chairman of Goldman Sachs Group Inc.'s Chinese securities venture. Noble's Chief Executive Officer Yusuf Alireza, who will head the operation on an interim basis, joined the Hong Kong trader from Goldman Sachs in 2012.

Noble rose 5 percent to S\$1.255 at the close of trade in Singapore, the highest since November 2012. The benchmark Straits Times index fell 0.2 percent.

The initial payment of \$1.5 billion will be adjusted to equal 1.15 times of the audited book value for the 51 percent stake in the unit, Noble said. The unit has \$2.5 billion of debt and sales of about \$14.9 billion last year.

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### **Policy paper charts China-EU cooperation in next decade**

[Xinhua, 02-04-2014] China on Wednesday issued a policy paper on the European Union (EU). Following is the full text of the policy paper: [China's Policy Paper on the EU: Deepen the China-EU Comprehensive Strategic Partnership for Mutual Benefit and Win-win Cooperation.](#)

The document, consisting of ten parts, reviews the progress of China-EU strategic partnership in the last decade and suggests how to deepen collaboration covering politics, trade and economy, urbanization, finance, agriculture, science and technology, education, culture and other sectors.

On agriculture, the document says:

Give play to the guiding role of the China-EU Dialogue on Agriculture and Rural Development, achieve fast growth of trade in agricultural products, promote China-EU cooperation in pursuing balanced urban and rural development, protecting and benefiting from agricultural cultural heritage, building the model of environment-friendly agriculture, promoting diversified rural economy and farmers' vocational education, coping with the impact of climate change on agriculture, research on agricultural science and technology, geographical indication and quality and safety of agricultural products.

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### **Tanzania: size of Tanzania's market too small - China**

[AllAfrica, 09-04-2014] CHINA'S foreign direct investment to Tanzania is hampered by limited scale of the market and experts have called for regional integration to enhance opportunities.

The investors regard the size of the second biggest economy in the East Africa as a small market and opt to go to other areas with economies of scale.

The Chinese Academy of Social Science, Institute of West-Asia and African Studies (IWAAS), Director General, Prof Yang Guang, said Chinese private investors were looking at maximising profit like any others.

"The major obstacle to Chinese private investors is the limited scale of the market," Prof Yang said when answering 'Daily News' on Tuesday.

The Prof who was in Tanzania last year said: "Chinese investors are not different businessmen, they are like Americans, they see profit first."

However, he said, the best solution for Tanzania or African countries to woo investors is by integrating individual country's markets with supportive infrastructure such as roads and railways.

In 2012 South Africa, Nigeria, Algeria, Angola and Zambia recorded the highest inward FDIs flowing values from China. The total values to these five countries accounted for almost 60 per cent of Chinese FDIs to Africa.

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### **PepsiCo feeling fizz in local beverage and food market**

[China daily, 10-04-2014] China is PepsiCo's top priority market in the world due to its rapid growth, said Sanjeev Chadha, chief executive officer of PepsiCo Asia, Middle East and Africa.

China is already the company's second-largest market in beverages in the world, right behind the United States, and the local snacks business is one of the fastest growing for the multinational.

Both of PepsiCo's snacks and beverage businesses grew by double digits in 2013.

PepsiCo has invested more than \$2 billion in China and remained committed to its investment in the country. The company opened a food plant in Wuhan, Hubei province, in 2012 and will open a new plant for the Quaker brand in Beijing in October.

In 2012, the company also opened an Asia R&D Center in Shanghai, its largest outside the US.

In 2012, PepsiCo and Tingyi (Cayman Islands) Holding Corp, one of the nation's leading food and beverage companies, completed their transaction to create a strategic beverage alliance.

Combined with Tingyi, PepsiCo now boasts the No 1 liquid refreshment beverage system in China.

The partnership not only brings the best of PepsiCo's brands and R&D capabilities but also the best of Tingyi's reach and cost-efficient operations.

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### **China has success in food smuggling crackdown**

[China Daily, 03-04-2014] Chinese customs authorities have put 114 smuggling cases of agricultural products on file for investigation since beginning a nationwide crackdown at the beginning of this year.

The cases involved 1.46 billion yuan (\$235.2 million), the General Administration of Customs (GAC) said Thursday.

Zhu Feng, deputy head of the administration's anti-smuggling bureau, said the GAC initiated an intensive one-year campaign, running till the end of December, to combat smuggling of agricultural products.

Nanning, Kunming and Jinan customs have ferreted out a large amount of sugar, rice and cotton in the campaign, he said.

Zhu said rising production costs in China have driven up prices of domestic agricultural products, fueling smuggling activities.

The administration's figures showed that China seized 14,000 tonnes of sugar, 52,000 tonnes of rice and 94,000 tonnes of frozen meat in the crackdown last year.

Food safety problems have emerged with the smuggling as a third of the frozen meat confiscated last year, about 30,000 tonnes, came from epidemic-stricken areas, according to Zhu.

Smuggling also affects domestic food production and results in losses of taxes, the official said.

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### **China's agricultural foreign trade growth slows: report**

[Xinhua, 11-04-2014] Chinese agriculture's dependence on foreign trade will keep declining, with total import and export growth for agricultural products predicted to be lower than 5 percent in 2014, a think tank report said Friday.

Total imports and exports are predicted to hit around 200 billion U.S. dollars this year, with a growth rate of less than 5 percent year on year, compared with 6.2 percent in 2013, according to the report released by the Chinese Academy of Social Sciences.

Strong production capacity and low domestic demand for agricultural products contributed to the slack growth, according to the report.

Despite slowing foreign trade growth, China's imports will continue to expand, the report said.

The report predicts that China's total grain output in 2014 will reach 610 million tons. The output of oil crops will increase to 36 million tons, while cotton and sugar output will continue to fall.

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### **Britain's chicken farmers heading to China to find new market**

[Daily Mail, 12-04-2014] Britain's chicken farmers are heading to China later this month in the hope that its insatiable appetite for chicken feet and other 'delicacies' will provide a big new market.

Exports of chicken are currently blocked to all of China except Hong Kong, but Britain's other food exports to the country hit £12.8 billion last year.

The British Poultry Council will visit China to negotiate with veterinary experts in the hope of lifting the block on British chicken.

The BPC's Andrew Large said: 'We are going through a long process to get full certification so we can export wings, feet, heads and offal, which for them are delicacies even if we wouldn't want to eat them in the UK.'

'We have a delegation travelling to China this month with the UK's chief veterinary officer. Next the Chinese will visit our factories and effectively verify and audit them.'

The BPC represents 30 slaughterhouses and 2,500 chicken farms. The top four producers – 2 Sisters Food, Moy Park, Faccenda and Cargill Meats – provide 85 per cent of poultry eaten in the UK.

The UK supplies 14 per cent of the European Union's poultry. The BPC says this contributes £3.3 billion to GDP.

The industry supports 35,400 direct jobs and 37,900 indirect jobs.

By weight, poultry makes up just under half of all meat sold in the UK, with beef contributing a quarter, pork 15 per cent and lamb about 7 per cent.

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### **UK to export horses for China courses**

[ECNS, 14-04-2014] Some of the finest racehorses in Britain will soon be exported to China thanks to an agreement by the two governments this month.

Under the agreement, Britain will be allowed to export thoroughbreds and sports horses to China. France and Ireland had earlier signed similar agreements with China.

Horse exports to China could soon be worth 10 million pounds (\$17 million) a year to the British economy, the British government says.

Racehorse owners and associations in Britain have increasingly been eyeing the Chinese market, having witnessed growing demand in recent years.



In February last year, a delegation led by Paul Bittar, chief executive officer of the British Horseracing Authority, visited China to initiate discussions with the country's horseracing industry.

Other organizations represented in the delegation included Great British Racing International, Ascot Racecourse, the Racecourse Association and The Jockey Club.

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### **Chinese company sows the seeds of agricultural cooperation in Zimbabwe**

[China Daily, 14-04-2014] When He Hongshun arrived in Zimbabwe four years ago from Hefei, Anhui province, he didn't realize that he was going to play a major role in the African nation's efforts to revitalize its agriculture sector.

He, general manager of the Zim-China Wanjin Agricultural Development Ltd project in Chinhoi, Zimbabwe, says the joint venture now has 10,000 hectares (seven fields) of land under agricultural crops.

The project, a joint venture between the Anhui Provincial State Farms Group and the Zimbabwean ministry of defense, will have 50,000 hectares of land under cultivation by 2015.

Once considered the breadbasket of Africa, Zimbabwe has suffered recurring food shortages for more than a decade as a result of a decade-long recession that saw a sharp drop in agricultural production. That made for alarming statistics in a country where more than 70 percent of the people depend on agriculture for sustenance.

Although the Zimbabwean government had initiated a series of measures to rejuvenate its ailing agriculture sector, it got a shot in the arm after teaming up with the State-owned Chinese firm. The joint venture has through its efforts ensured that several idle and half-idle farmlands are brimming with activity again.

"Crop cultivation is in full swing in several places and most of the farms are humming with activity. The number of idle and half-idle farms is on the wane," He says.

That is in sharp contrast to a few years back, when farmers in Zimbabwe were facing uncertain prospects and had even considered giving up farming. It was a process that also saw huge swaths of farmland lying idle.

APSTFG, however, knew that it was not going to be an easy task. The task involved considerable investments in agricultural infrastructure and machinery, as well as getting the support from local farmers who had not been exposed to modern techniques.

"According to our estimates we envisage an approximate investment of around \$240 million, including infrastructure and machinery, on the project," He says, adding that the company started to break even from last year, without disclosing earnings or investment numbers.

Pointing to the vast soybean, wheat and maize fields behind him, He says the harvested grain will be sold in the local markets so that it can benefit the local communities.

Click [here](#) for details

### **Walmart tells Beijing to improve food labelling rules**

[Telegraph, 14-04-2014] For most international companies, getting ahead in China means playing by Chinese rules. However, the world's biggest retailer, Walmart, has taken the unusual step of asking Beijing to rewrite them.

The supermarket giant, whose international empire includes Asda, has challenged China to make food manufacturers and suppliers more accountable for problem labelling, instead of placing the burden on retailers.

Executives are reported to have met China's Food and Drug Administration after being fined scores of times for labelling breaches.

Many complaints have been minor. In 2012 Walmart was fined \$383 (£228) for selling food with a label that had English letters printed larger than the Chinese ones. Last March, it was slapped with a \$667 penalty for missing the edible rice paper wrapper off a list of ingredients. Then came a \$486 fine for using the wrong font size, and a \$2,323 fine for omitting the correct botanical name for almonds.

One might not expect Walmart – a \$250bn heavyweight – to care about such trifling punishments, which over the past three years have added up to \$9.8m. After all, this is the biggest retailer in the world, which rakes in five times that figure in profits every single day.

Paying the fines may also seem like a small price to pay for a chance of a bigger bite of China's \$1 trillion grocery market.

However, the tipping point for Walmart came earlier this year when it was forced to recall hundreds of packages of donkey meat. In a case which echoes of 2013's horse-meat scandal in Britain, the packages were found to contain fox DNA, and threatened to put a serious dent in Walmart's reputation for quality.

Walmart had already gone to some lengths to combat these sorts of problem. Food testers at its Chinese distribution centres check more than 600 products a day, to ensure they are up to scratch. After the fox debacle, they added DNA tests to their routine inspections.

However, Walmart also wants manufacturers to bear more responsibility.

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### **China inks corn pact with Brazil**

[China daily, 14-04-2014] China's move this month to allow Brazilian corn imports not only gives the world's second largest economy an alternative source to US-produced grain, it also affords international growers the opportunity to increase dialogue with Chinese agriculture authorities, according to an official with the National Corn Growers Association (NCGA).

Nathan Fields, director of biotechnology and economic analysis for the NCGA, said persistence and diligence are two key aspects in addressing any agricultural trade matter with China.

"We developed a coalition with growers groups in Brazil and Argentina — it's called MAIZALL — to stay consistent on our messaging and how to work with China," Fields said.

The International Maize Alliance — MAIZALL — is a non-governmental organization (NGO) organized in May that encourages North and South American corn producers to collaborate on issues including food security and biotechnology developments.

China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) approved corn from Brazil for import on March 31, and the public announcement was made online on April 8.

The news regarding the admission of Brazilian corn gives Latin American producers another foothold in the Chinese market. Argentina, the world's third-largest corn exporter behind the US and Brazil, sent its first corn shipment to China in July, according to an April 8 report from The Wall Street Journal.

Click [here](#) for details

### **UK Soil Association in new partnership to certify organic exports to China**

[Soil Association, 14-04-2014] Soil Association Certification and China's organic certification body, Organic Food Development Centre (OFDC), have entered into a unique partnership that makes it cheaper and simpler for the UK's organic businesses to export to China.

Demand for organic products in China is growing rapidly, with the market estimated to be worth USD 7.8 billion by 2015, indicating that China's consumers are increasingly looking for food and products they can trust. The partnership will allow Chinese organic consumers to access more high quality UK organic produce, as well as enabling UK Soil Association certified organic businesses, who saw strong growth of 6% in 2013, to export to this major market.

The new partnership is part of the Soil Association Certification's Export Support Programme, where experts are working with international governments, trade associations, export agencies and certification bodies in different markets, working to open up new business opportunities for Soil Association certified organic businesses. The formation of this partnership was supported by the Regional City Engagement team at the British Embassy in Beijing, and the Department for the Environment, Food and Rural Affairs (Defra) in the UK.

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### **China: Imported food will soon have "Black List" warnings**

[Fresh Plaza, 16-04-2014] Regulations on imported foods will now be stricter. The National Quality Inspection Bureau released yesterday the "Rules of Imported Food Record Management" (进口食品不良记录管理实施细则). This will serve as a guideline for imported goods. Importers who do not follow the rules will be recorded and given warnings. Control measures will then be implemented in different degrees.

The new rules will take effect as of 1 July, 2014. According to the new rules, the bureau will have the right to inform other government departments, industry associations, other enterprises, consumers, international organizations, foreign governments, about the food safety information, in addition to food safety inspection and quarantine work. The bureau will now regularly publish a "Black List" for those who do not meet quality standards. Previously, the state department only takes action on the quality of what is being inspected, and does not take action on the importer.

The bureau will implement measures involving enterprises and products with bad records. If a pattern is detected and an enterprise continues to maintain a bad reputation, more stringent control measures will be taken to the point that a company may be suspended or even get its certifications and registrations revoked.

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### **Chinese experts help Argentina protect its fisheries**

[China Daily, 21-04-2014] Despite being two very distant countries, Argentina and China are "like neighbors connected by the sea and connected by the heart of the fishing sectors," said Zhao Xingwu, director general of fisheries at China's Ministry of Agriculture.

Zhao was speaking as co-chair to a workshop of 150 Chinese entrepreneurs and officials and representatives of the Argentinean fishing industry held last week in the Chinese city of Guiyang as part of an ongoing cooperation.

Last year, Argentinean fisheries sent about 67,940 tons of seafood to the Chinese market, mainly shrimp, squid, fishmeal, frozen fish and fillets, at a cost of \$137.45, according to the National Institute of Statistics and Census. Those figures represent an increase over 2012 of 77 percent in value and 79 percent in volume.

"The progress made to date on fisheries cooperation between the countries have been made possible due to the work, reliability and achievements made by the respective authorities in the framework of cooperation between the two countries," said seminar co-chair Nestor Miguel Bustamante, head of Argentina's Undersecretariat of Fisheries and Aquaculture.

The seminar was sponsored by the Chinese Overseas Fisheries Association (COFA), an organization founded in Beijing in 2012 to promote the sustainable and healthy development of China overseas fisheries, a move that was seen as a response to increasing worldwide competition and declining catches in Chinese waters.

The fishing area covered by China's COFA is vast, including agreements with 37 countries, stretching from Morocco to the Antarctic, as well as the blue waters of the Pacific, Atlantic and Indian oceans. And there are sharks in them all.

The kind of cooperation and exchange demonstrated by the Argentinean fishery delegation's trip to China, and the coming together of everyone wanting to protect the great resources of the sea, bodes well for the global pond.

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### **China to become top corn importer in 2020**

[FT, 23-04-2014] China becoming the world's largest corn importer has always been a question of when, not if – a point underlined by the recent forecasts from the US Department of Agriculture.

These show China, which is already the world's leading importer of soyabeans, will overtake Japan in 2020 at the top of the corn purchasing leaderboard. (The world's most populous country will leapfrog South Korea as the third top corn importer in 2017 and take Mexico's number two spot in 2019).

China's corn imports, which are currently 5m tonnes, are projected to rise to about 16m tonnes by the end of the decade and 22m tonnes by 2023/24 as increased demand for meat fuels the need for livestock feed.

The USDA projects China to increase its pork, poultry and beef output to reach 90m tonnes by 2023/24, a rise of about 30 per cent from 2012.

"Since about 3kgs of feed are needed to produce each kilogramme of meat, feeding a large and increasing population of animals will be a growing challenge," say James Hansen and Fred Gale, authors of the USDA report *China in the Next Decade: Rising Meat Demand and Growing Imports of Feed*.

The sharp rise in meat demand underlines the country's need to secure grain imports and also explain recent transactions by Cofco – or China National Cereals, Oil and Foodstuffs Corp – where the state-owned group is paying between \$1bn-\$2bn for a stake in a sugar, soyabean and wheat joint ventures with Noble Group, and separately purchased a controlling stake in Dutch agricultural trading house Nidera valued at about \$1.3bn.

With its rising dependence on grain imports, Cofco is trying to buy directly from farmers around the world and reduce its reliance on international traders such as Archer Daniels Midland, Bunge, Cargill and Louis Dreyfus Commodities.

China is expected to account for 40 per cent of the rise in global corn trade over the next decade, as well as increase its share of soyabean imports to 70 per cent from the current 65 per cent. Its rising dominance as a buyer as well as its presence as a trader in grains will increase its influence in the global agribusiness sector.

US corn producers are expected to be the main beneficiaries of China's appetite for corn imports, but other exporters such as Ukraine, Argentina and Brazil will also play key roles, according to the USDA.

Click [here](#) for details

### **China, Denmark seal five agreements in food, agriculture**

[CCTV, 27-04-2014] Queen of Denmark Margrethe II has continued her state visit to China. The Queen has arrived in east China's Nanjing city, and visited the Memorial Hall of the Victims in Nanjing Massacre by Japanese Invaders. During her stay in Beijing, China and Denmark have sealed five agreements in terms of food and agriculture.

Those agreements focus on importing Danish foods like cooked pork, poultry, as well as dairy products. And Denmark has now become the first country that has been allowed to export cooked pork products, including the sausage. The country will also increase export volume of dairy products.

The country's dairy production association is comprised of 34 companies nationwide, with an annual production of 500 million kilograms. Denmark has a total population of five million, however, less than two percent of them are engaged in the farming industry. And two thirds of the agriculture production they produce each year is export-oriented, as they can meet the demands of 15 million people.

China and Denmark have decided to work together in pork production, and will set up more demonstration projects to maintain long-term cooperation.

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### **Chinese premier to visit Africa in May**

[Xinhua, 30-04-2014] Chinese Premier Li Keqiang will pay official visits to Ethiopia, Nigeria, Angola and Kenya from May 4 to 11.

This is the first time for Li to visit Africa since taking office in 2013.

Foreign Ministry spokesman Qin Gang said on Wednesday that Li was invited by Prime Minister of Ethiopia Hailemariam Desalegn, President of Nigeria Goodluck Ebele Jonathan, President of Angola Jose Eduardo dos Santos and President of Kenya Uhuru Kenyatta.

During his stay in Ethiopia, Li will also visit the headquarters of the African Union (AU) in Addis Ababa on May 5 at the invitation of AU rotating Chairperson Mohamed Ould Abdel Aziz, also president of Mauritania, and Chairperson of the AU Commission Nkosazana Dlamini-Zuma.

While visiting Nigeria, the premier will also attend the 2014 World Economic Forum on Africa to be held in Abuja, capital of Nigeria.

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