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**Policies**

**Rural vitalization strategy, timeline unveiled**
[China Daily, 30-12-2017] China has unveiled the timetable for realizing a key strategy to vitalize the country's vast countryside at the annual Central Rural Work Conference that concluded on Friday, 29 December 2017.

Nationwide efforts to accomplish the strategy will see important progress as of 2020, when the institutional framework and policy system generally take shape, according to a statement from the conference.

Decisive progress will be achieved as of 2035, when modernization of agriculture and rural areas fundamentally become reality. In 2050, the all-around vitalization will feature strong agriculture, a beautiful countryside and well-off farmers, the statement said.

Click [here](#) for details

**China to pump up support for rural startups**
[Xinhua, 17-01-2018] China will roll out more measures to support rural startups in order to further promote rural vitalization, according to a decision at a State Council executive meeting on 17 January.

It was decided that public financial support to rural startups will be bolstered. Migrant workers, college students and veteran soldiers who choose to start businesses in rural areas will enjoy the same policy incentives as locals.

The government will step up training services and offer more administrative services online in rural communities with full guidance and help.

Click [here](#) for details

**China adopts revision to Law on Farmers' Specialized Cooperatives**
[27-12-2017] China's top legislature, National People's Congress (NPC) Standing Committee, on 27 December adopted a revision to the Law on Farmers' Specialized Cooperatives.

The revision grants China's farmers' specialized cooperatives equal legal status with other market entities, as well as rights to invest in enterprises in accordance with the law.

Members of the cooperatives can invest non-monetary assets that can be evaluated and transferred, such as their land management rights and forest rights, according to the revision.

A few specific provisions to support the cooperatives have also been added to the revision.

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**China extends pilot plan to mortgage rural land rights**
[Xinhua, 27-12-2017] China's top legislature on 27th December approved a decision to extend a pilot program allowing farmers in selected areas to mortgage their land use rights and housing property rights.

Approved in December 2015, the pilot program for mortgaging contracted land use rights tried out in 232 regions in Beijing, and that for mortgaging rural property rights was tested in 59 localities in Tianjin.

Click [here](#) for details
China establishes agriculture think tank
[China Daily, 26-01-2018] The Institute for China Agricultural Development Strategy was established on 26 January, aiming to become a world-class think tank for the Chinese government.

Major tasks of the institute include supporting modernization of China's agriculture and rural areas, the Central government's "Rural Revitalization Strategy", and agricultural scientific and technological development, according to Chinese Academy of Agricultural Sciences (CASS).

The institute was jointly launched by CAAS and the Chinese Academy of Engineering, a top think tank in China.

Click here for details

Giving agriculture a 'green' light is priority
[China Daily, 28-12-2017] The rural strategy, put forward during the 19th National Congress of the Communist Party of China, urged development of agriculture and a pleasant living environment in rural areas as priorities.

China will give priority to ecological and environmental protection while developing agricultural projects, so the environment in rural areas will keep improving and the supply of green and safe products will see a big improvement by 2030, according to a guideline released by the State Council.

The Ministry of Agriculture will make more efforts to promote organic fertilizers to replace synthetic fertilizers in the production of fruits, vegetables and tea over the next few years, according to a ministry circular released in April. It is expected that use of synthetic fertilizers will be decreased by 20 percent or more by 2020 in areas where fruits, vegetables and tea are the primary agricultural products, the circular said.

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China to hold officials to account for protecting farmland
[Reuters, 19-01-2018] China plans to hold government officials to account for the protection of farmland, part of its efforts to guarantee food production amid soaring levels of urbanization.

Local governments will be held fully responsible for retaining and protecting arable land under their jurisdiction, and for improving land quality, according to new guidelines issued by China’s cabinet, the State Council, on 18 January.

Central government funding for soil remediation projects will depend on how well a local government performs when it comes to protecting land, the guidelines published on China’s official government website said.

Click here for details

China expands range of produce quality monitoring
[Xinhua, 23-01-2018] China will expand the range of its produce quality monitoring to improve food safety, according to the Ministry of Agriculture.

The ministry will add 28 monitoring indices, including some pesticides and veterinary antibiotics, to the current 94-item produce quality monitoring list.

Monitoring efforts will be targeted at vegetables, fruit, tea, livestock, poultry and seafood.

Click here for details
China moves to ensure vegetable supplies as severe winter bites
[Reuters, 11-01-2018] China’s state planner asked local governments to stand ready to distribute vegetables from reserves to ensure supplies during coming holiday and parliament meeting, according to a statement released on the planner’s website on 11January.

The statement came after fruit and vegetable prices in major cities in central and northern China surged after severe winter weather damaged crops and disrupted road transport.

It was issued to ensure vegetable supplies and stable prices during the upcoming Spring Festival holiday and the country’s annual parliament meeting, despite the extreme weather, the National Development & Reform Commission said in the statement.

Click here for details

China moves to ensure fertiliser output for spring planting as supplies tighten
[Reuters, 15-01-2018] A gas supply crunch this winter has tightened supplies of urea and other gas-based fertilisers and boosted prices. The crunch following a government campaign that asked millions of households to switch from coal to natural gas.

To address the issue, National Development & Reform Commission (NDRC) asked natural gas and coal producers, including China National Petroleum Corp, Sinopec and CNOOC, to fill contracted deliveries and step up efforts as the heating season draws to an end to ensure feedstock and fuel supplies to fertiliser producers, according to the statement.

The NDRC also asked railway bureaus to prioritise the transport of fertilisers and raw materials during preparations for spring planting, the statement showed.

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Science, Technology and Environment

China pushes technology development to modernize agriculture
[Xinhua, 29-01-2018] The general office of the State Council has issued guidelines on the development of high-tech agricultural industrial demonstration zones, highlighting the importance of technology in modernizing agriculture.

The document said that by 2025 a group of national agricultural high-tech industry demonstration zones would be built, innovation-driven agricultural development explored, and land output, labor productivity and green development of the zones significantly increased.

Click here for details

China's GM rice Huahui-1 gets FDA nod
[ECNA, 22-01-2018] Huahui-1, a genetically engineered rice developed by Huazhong Agricultural University, has received an approval email from Dennis M. Keefe, director of the FDA's Office of Food Additive Safety in the United States.

Huahui-1 rice is genetically engineered to express an insecticidal protein to improve resistance to lepidopteran insect pests. The letter also disclosed that the FDA received a summary of the safety and nutritional assessment of Huahui-1 on June 13, 2016, and then additional information on January 8, 2017.

China maintains strict technical standards and procedures in evaluating genetically modified crops.

Click here for details
Survey on China's pesticides market
[EShare, 04-01-2018] Currently, China can produce 500 kinds of pesticide technical, and over 300 kinds have the actual productive capacity, which is usually generic products. Traditional pesticides like glyphosate and chlorpyrifos usually account for the largest proportion of China's pesticide products. However, most traditional pesticide varieties face overcapacity currently.

According to market intelligence firm CCM, China’s pesticides market will continue growing in 2018, driven by updated processing technology and market consolidation. Large enterprises will profit the most in 2018 and more pesticides are getting banned. Foreign traders of Chinese pesticides will face good opportunities to bring the products under trusted brand names to international markets and benefit from the growing demand worldwide.

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China’s ambitions for drone industry flying high
[Caixin, 22-12-2017] China wants its drone industry to take off to $27 billion in total output by 2025, as part of the “Made in China 2025” campaign to add more high-tech spice to country’s domestic manufacturing sector.

In a guideline issued Friday, 22 December 2017, China’s Ministry of Industry and Information Technology (MIIT) pledged support and regulations that bolster the country’s drone industry.

The industry ministry said it would promote the applications of drones in areas such as agriculture, logistics, geographic mapping and emergency response.

China is already the world’s largest manufacturer of consumer drones. In 2016, 350 manufacturers produced 2.23 million units for civil use, with a total value of 15 billion yuan. More than 70% of the products were exported, official data show.

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China rules global drone industry
[China.org, 01-01-2018] Held on November 29-30, the 2017 National Drone Show in the Walter E. Washington Convention Center in the American capital, informed the world the big winner in the global drone industry is China.

There’s no doubt China has achieved a dominant status in manufacturing of consumer drones with a new generation of homegrown entrepreneurs creating world-class unmanned aerial vehicles (UAVs) by developing their own technologies.

China has quickly emerged as a technology superpower to rival the United States in drone manufacturing. In fact, Chinese drones now rule the skies.

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Beijing to build technology park for developing artificial intelligence
[Xinhua, 03-01-2018] A technology park dedicated to developing artificial intelligence will be built in Beijing in five years, authorities said.

With an estimated investment of 13.8 billion yuan (about 2.1 billion U.S. dollars), the park is expected to attract about 400 enterprises, with an estimated annual output value of about 50 billion yuan (about 7.7 billion U.S. dollars).
The developer of the park will seek partnership with Chinese and overseas universities, research institutes and large companies to establish various research centers in the park, including a national-level artificial intelligence lab.

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**Alibaba to combat poverty in China via e-commerce**

[Alizila, 18-01-2018] Alibaba on 18 January reaffirmed its commitment to combat China’s poverty and improve the country’s rural economy by utilizing its core competence of e-commerce and digital analytics.

Speaking at a summit attended by officials from Ministry of Agricultural, Ministry of Commerce, and the Food and Agriculture Organization under the United Nations, Alibaba Chief Executive Officer Daniel Zhang echoed the government’s ambition of aiming to eradicate poverty by 2020, saying the group has already set up e-channels to enable rural entrepreneurs to sell their goods online, such as agricultural products, to cities across the nation.

To start, Alibaba this year will select 10 counties as models and help them establish both online and offline infrastructures, set up financial services, and build a logistics network to help farmers up their games.

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**Online micro-lessons boom in China**

[Xinhua, 31-12-2017] Self-empowering through online study by making use of small time slots is becoming a trend among young Chinese, as a large number of educational entrepreneurs venture into e-learning.

Analysts attribute the rapid growth of paid online study programs to the country's increasing number of Internet users, convenient mobile payments and government efforts in protecting the copyright of Internet works.

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**China to expand crop rotation and fallow systems trials**

[Reuters, 02-01-2018] China will expand trials of crop rotation and fallow systems to cover 24 million mu (1.6 million hectares) of land in 2018, official news agency Xinhua reported.

That would double the area of land covered by similar trials in 2017, Xinhua reported, citing agriculture minister Han Changfu.

China launched trials of the programmes in 2016 and expanded them last year to 10 million mu for crop rotation and 2 million mu for fallow land.

The crop rotation trials are mainly applied in the northeastern areas, between corn and soybeans. The fallow land trials are carried out in areas in Hebei province suffering from underground water shortages, fields in Hunan province polluted by heavy metals, and seriously degraded areas in northwestern and southwestern China.

Beijing will also keep improving the quality of arable land and strengthening soil pollution management and recovery in the new year, Xinhua said.

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**China to create new forests covering area size of Ireland**

[Reuters, 05-01-2018] China will plant new forests covering an area roughly the size of Ireland this year as it aims to increase forest coverage to 23 percent of its total landmass by the end of the decade.

China, which has to feed a quarter of the global population using just 7 percent of the world’s arable land, has long struggled to strike a balance between industrial growth, maximizing food production and protecting its environment.

The government is currently promoting an “ecological red line” program which will force provinces and regions to restrict “irrational development” and curb construction near rivers, forests and national parks.

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**Plan issued to improve water quality in China's second-largest freshwater lake**

[Xinhua, 12-01-2018] Central China's Hunan Province recently released an action plan to improve the environment of Dongting Lake, the second-largest freshwater lake in China.

Dongting Lake is one of the most important wetlands in China and the world. But water in the lake has been polluted and resources have been illegally exploited in recent years.

The province publicized the three-year plan (2018-2020) to tackle pollution by agriculture, households, industry and ships, regulate sand excavation, and restore wetlands.

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**China agricultural site named as world heritage**

[Xinhua, 19-01-2018] A traditional agricultural site in east China's Shandong Province has been inscribed as a Globally Important Agricultural Heritage System, a world heritage equivalent.

The UN Food and Agriculture Organization (FAO) has officially designated the traditional mulberry system in Xiajin's ancient Yellow River course as Globally Important Agricultural Heritage System, authorities in Xiajin County announced on 19 January.

The heritage site covers an area of 2,200 hectares on the ancient course of the Yellow River. Over 12,000 mulberry trees aged over 100 years are in the site.

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**Beginning of the end: ivory trade finished in China**

[Xinhua, 31-12-2017] The doors to the ivory trade in China close on Dec. 31, 2017, and the world starts 2018 a step closer to a land free of the slaughter of endangered animals.

China honors its commitment to ending commercial processing and sales of ivory by the end of 2017, the State Forestry Administration has said, adding it was China's "new year gift to the elephant."

The move affects 34 processing enterprises and 143 designated trading venues, with all of them to close, in the world's once largest ivory market.

In 2015, China joined global efforts to announce it would phase out the ivory trade and ban imports of ivory and ivory products.

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Hebei urged to rectify land reclamation problems
[Xinhua, 16-01-2018] The State Oceanic Administration (SOA) criticized north China's Hebei Province for failing to properly approve and supervise land reclamation and implement national policy.

An SOA inspection team found a number of issues concerning land reclamation in Hebei during an inspection in August and September, said an SOA press release.

The marine environment is degraded, with red tides and green tides. Quality of water flowing into the sea does has not reached the national standard for a long time, the statement said.

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Trade and Business

British beef back on menu after China lifts BSE ban
[FT, 31-01-2018] British beef will return to Chinese dining tables for the first time in more than two decades, Theresa May has announced.

Speaking in Beijing on the first day of her three-day trade mission to China, the prime minister revealed that British beef would be exported to the country for the first time since the BSE crisis in 1996.

Speaking at a joint press conference in the Great Hall of the People in Tiananmen Square, with Li Keqiang, the Chinese prime minister, Mrs May said: “We have agreed new measures to improve market access in China and remove barriers to trade.

“This includes an agreement to make progress on the lifting of the BSE ban on British beef exports within six months and an agreement to…”

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UK looks to benefit from China's desire to upgrade its pig stocks
[China Daily, 06-01-2018] The United Kingdom will send its largest shipment of pig semen to China this month, as the latter looks to improve the genetics of its domestic herd.

Dozens of major pig farmers in China will look to strengthen their stock using semen from pigs bred at the Deerpark Pedigree Pigs artificial insemination facility in Northern Ireland.

China accounts for half of all global pork consumption. And as its pork imports continue to grow, at an annual rate of 150 percent since 2007 China is restructuring and investing in its pig sector to boost domestic supply.

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Huge potential exists for China-UK economic cooperation
[Xinhua, 18-01-2018] A spokesman for China's Ministry of Commerce said 18 January that economic and trade cooperation between China and Britain had huge room for development.

"Britain is an important economic and trade partner of China in Europe," spokesman Gao Feng said at a press conference.

In 2017, bilateral trade rose 6.2 percent to 79.03 billion U.S. dollars, with China's exports to Britain up 1.8 percent, while its imports from Britain surged 19.4 percent.

Click here for details
A decade after scandal, China's dairy industry regains public trust
[Xinhua, 04-01-2018] In 2008, infant formula produced by Sanlu Group, then a leading dairy company, was found to contain melamine, killing six babies and leaving thousands seriously ill.

Since then, more cases have been discovered, plunging the industry into a years-long crisis and prompting Chinese consumers to turn to overseas milk products.

To revive the battered industry, Chinese authorities passed strict laws, tightened supervision, shut down unqualified dairy operations, encouraged industry consolidation, and increased policy support to improve milk quality.

A report jointly released by the Dairy Association of China and the Ministry of Agriculture said the quality of domestic dairy products continued to improve in 2017, with 99.8 percent of fresh milk and 99.5 percent of dairy products-checked up to standard.

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China's food delivery market grows 23 pct in 2017
[Xinhua, 21-01-2018] China's food delivery market registered fast growth last year as young Chinese are increasingly choosing to order food online, a report showed.

The online food delivery market hit 204.6 billion yuan (about 31.9 billion U.S. dollars) in 2017, 23 percent more than the previous year, according to a report by Meituan Waimai, a major food delivery firm.

Young people were among the most active users, according to Jiang Junxian, director of the China Cuisine Association (CCA).

China's booming online catering market was also boosted the popularity of mobile payment. Around 60 percent of Chinese paid for food via smartphones, according to the CCA.

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Services sector emerges as key to FDI in China
[China Daily, 26-12-2017] Led by supply-side structural reform and booming size of the middle class, China is confident of its services' ability to attract foreign direct investment or FDI.

The supply-side reforms aim to improve all the three economic sectors: services, manufacturing and agriculture.

Environmental protection, the quality and scale of production, and the further opening-up of Chinese markets to foreign investors are also priority areas.

In the first 11 months, FDI in the services sector climbed 13.5 percent year-on-year to 582.75 billion yuan ($88.08 billion), or 72.5 percent of the total.

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China’s potato production to rebound; demand for french fries and chips stronger
[potatonewstoday.com, 20-12-2017] As the largest potato producer in the world, China’s 2017/18 fresh potato production is forecast at 97 million metric tons (MMT), due to an expansion of potato area. During the 2016/17 season, production was forecast to increase 3 percent to 100 MMT, but actually dropped 5 percent to an estimated 92 MMT. This decrease was due to continuing drought in the North and large-scale late blight occurrences in the Southwest.
Processing potatoes account for about 15 to 20 percent of total production, and include such products as starch, dehydrated potatoes, chips, and frozen french fries. China’s Frozen French Fries (FFF) production is forecast at 250,000 MT, a 10 percent increase from 230,000 MT in 2016/17, driven by strong domestic demand.

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**China launches apple futures**

[Xinhua, 22-12-2017] The world's first apple futures contracts started trading on the Zhengzhou Commodity Exchange in central China's Henan Province Friday 22 December 2017.

China is the world's largest apple grower and consumer, and its apple output and farms have been increasing over the past decade. In 2016, China had 2 million hectares of apple trees with an output of 43.88 million tonnes, accounting for 57 percent of global supply.

Currently, apple prices are solely determined by the market, and farmers and enterprises are at the mercy of market price fluctuations.

Click here for details

**A vegetable vending app in China has grown to a value of $2.8 billion**

[Fortune, 1-01-2018] Meicai, a China startup that helps farmers sell vegetables to restaurants, has raised $450 million in a funding round led by Tiger Global Management and China Media Capital.

Meicai allows owners to use an app on their smartphone to order specialties like bok choy and eggplant directly from farms. Meicai is the latest emerging player aiming to disrupt traditional retail operations by cutting out middlemen.

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**China’s ‘pigless villages’ tame volatile pork cycle**

[FT, 22-12-2017] In recent years a nationwide drive to reduce water pollution and to steady pork prices has led to the mass closure of pig farms.

Livestock-farming-ban zones covering 636,000 square km have been designated nationwide since 2014, and authorities have shuttered hundreds of thousands of pig and poultry farms – more than 200,000 in the first half of this year, according to officials.

Meanwhile, large agribusinesses have ramped up production, slaughtering 15m more animals than the previous year. Listed companies invested Rmb41bn in new pig projects last year, mostly in China’s north-east.

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**Mutton prices rise in China**

[Xinhua, 12-01-2018] China is witnessing a rise in the price of mutton and related products. According to the Ministry of Agriculture, by the end of 2017, the average price of mutton at wholesale agricultural product markets was 52 yuan (8 U.S. dollars) per kilo, almost 6 yuan higher than the same period of 2016.

The market is already feeling the pinch.

Experts attributed the price hike to recent tight supply and high demand. The outbreak of peste des petits ruminants, a sheep plague, since 2013 has also hurt those who raise sheep.

Click here for details
**China slashes number of baby formula brands in quality drive**

[FT, 07-01-2018] China has slashed the number of permitted milk powder products by 1,400, to boost the market share of the bigger domestic brands damaged by a safety scandal a decade ago, which led overseas companies to dominate the $20bn market.

New regulations require factories to register with the Chinese Food and Drug Administration (CFDA) and pass safety inspections to sell in China. Plants that pass inspections are limited to marketing three brands.

Eight of the top 10 brands in China are foreign, according to consultancy Euromonitor.

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**China’s farming costs to rise in 2018 as fertiliser prices jump**

[Reuters, 17-01-2018] China’s agriculture production costs are set to rise fairly quickly in 2018, pushed up by higher fertiliser and pesticide prices, an agriculture ministry official said.

Domestic urea prices rose 34.0 percent in December on a year earlier and compound fertiliser rose 17.1 percent due to higher raw materials prices and falling operating rates at fertiliser producers, said Tang Ke, director of the agriculture ministry’s market and economic information department.

Click [here](#) for details

**China's largest retailer extends global cold chain reach**

[JOC, 19-01-2018] The logistics division of China’s largest retailer JD.com has partnered with Air China Cargo to extend its cold chain network deeper into key global markets to satisfy the mainland’s soaring appetite for fresh food.

JD Logistics will work with Air China Cargo to connect with fresh food producers globally and further develop China’s fresh food market. Fresh produce — including fresh fruit and vegetables, meat, and seafood — will be flown from its country of origin via Air China Cargo’s network of regional cold chain transit hubs to JD’s distribution centers in China.

Click [here](#) for details

**China’s New Hope Group acquires Australian Real Pet Food for $770M**

[chinamoneynetwork.com, 20-12-2017] China’s largest private agriculture company New Hope Group has completed the acquisition of Australia’s Real Pet Food Company from Quadrant Private Equity for A$1 billion (US$770 million), in a move to further its foray into the fast-growing pet industry in the country.

The pet industry in China has been growing rapidly. In 2017, 59 million families in China have pets, accounting for 17% of all families in the country. The market size of the pet industry is RMB134 billion (US$20 billion) in 2017, and will continue to grow at a rate of 31% to reach RMB188 billion (US$28 billion) in 2020, according to data from Askci, a Chinese market research company.

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**China's COFCO makes painful cuts in drive to lead global food trade**

[Reuters, 12-01-2018] China’s COFCO International is in the throes of a staffing upheaval as the group pursues its professed ambition of sitting at the top table of global agricultural traders.

But doubts persist among some in the industry over whether the trading firm will really challenge the existing four dominant players in grains, oilseeds and sugar. In the end, they
suspect, it may prioritize securing strategic food supplies for China over commercial aims in an era of rising trade tensions.

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**SoftBank-backed agri-tech firm to build indoor farms in China**  
[Bloomberg, 17-01-2018] Vertical farming startup Plenty Inc. plans to build 300 indoor farms in or near major Chinese cities to meet rising demand from the country’s middle-class who are willing to pay more for safer food.

The company also plans to set up what it calls experience centers in Beijing and Shanghai so that local residents can taste raw vegetables. The first farm will be built in about a year.

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**U.S. soy cargo to China traded using blockchain**  
[Reuters, 22-01-2018] A cargo of U.S. soybeans shipped to China has become the first fully-fledged agricultural trade conducted using blockchain, participants said.

Louis Dreyfus Co, Shandong Bohi Industry Co, ING, Societe Generale and ABN Amro took part in the trade where the sales contract, letter of credit and certificates were digitalised on the Easy Trading Connect (ETC) platform.

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**Top U.S. pig farm equipment maker expands in China amid modernization push**  
[Reuters, 29-01-2018] The largest U.S. maker of equipment for pig farms opened a new factory in China on 26 January, investing in its third plant in the world’s top hog market in a bet the country’s ambitious push into large-scale pig farming will bring a surge in demand.

Chinese companies are building hundreds of new facilities to replace backyard pig farms that have shut in recent years. Many are using foreign equipment and expertise to boost efficiency and output in the world’s top pork producer.

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**Israel plans leasing Negev land to Chinese investors**  
[Globes, 25-12-2017] The Ministry of Agriculture and Rural Development is promoting a new plan for cooperation with governmental agencies and business concerns in China. The plan includes a large allocation of land in Israel for growing crops for the Chinese market.

The Chinese government’s global policy is paying particular attention to nutritional security and food supplies, (in addition to taking over mines and energy all over the world, mainly in Africa).

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