

# **China Agri-food News Digest**

# December 2018 (Total No 72)

#### **Contents**

Policies	. 1
Seven priority areas in economic work for 2019	
China encourages mechanized agriculture with new measures	
Futures price insurance helps Chinese soybean farmers hedge risk	
Global Food Safety Governance Forum held in Beijing	
Science, Technology and Environment	. 2
Agriculture to reap harvest of modernity	
Agriculture sector mechanization rate exceeds 66 pct in China	
E-commerce bridges Tibet's agri produce, consumers	
Big Earth data launched at digital Belt and Road conference	
DJI to invest in farm drones, train operators	3
Sino-UK program helps China's agriculture via space technology	3
China launches food safety campaign in rural areas	
China makes headway in pushing water conservancy projects	. 4
Hainan sweeps up polluting sources around drinking water supplies	. 4
Diversion project brings 19 bln cubic meters of water to 19 cities	. 4
Ancient canal returns to life, benefiting residents	. 4
China vows to tackle marine pollution in Bohai Sea	5
Trade and Business	. 5
Farm machine imports gain wider market	5
China makes first big U.S. soybean purchase since Trump-Xi truce	5
China gives go-ahead to rapeseed meal imports from Kazakhstan	5
Chinese tea exports stable as demand firm, potential huge	. 6
China's farm produce find easier access to Central Asia countries	6
Alibaba to open e-commerce hub in Belgium	. 6
UK firms still confident in Chinese market, despite trade tension	. 6
Outbreak of African Swine Fever in China	. 7
Vice-premier calls for efforts to combat African swine fever spread	7
African swine fever outbreaks under control	. 7
China continues lifting swine fever quarantine	. 7
Guangdong ensuring pork supply to HK, Macao after swine fever outbreak	. 7
China bans raising pigs in wild boar areas to block swine fever	. 8
African swine fever outbreaks in December	8
African swine fever restrictions lifted in December	

#### **Policies**

#### Seven priority areas in economic work for 2019

[China Daily, 17-12-2018] The Political Bureau of the CPC Central Committee held a meeting on Dec 13 to study the economic work for 2019.

The economic work 2019 will focus on seven areas:

- 1. The three battles against potential financial risk, poverty and pollution will continue to be prioritized and more efforts will go toward major tasks.
- 2. Promote high-quality development in the manufacturing sector and enable deeper integration between advanced manufacturing and the modern service sectors.
- 3. Promote the shaping of a strong domestic market and improve the level of integrity of the national economy.
- 4. Take solid steps to push forward the rural vitalization strategy and consolidate and build upon the upbeat situation in agriculture, rural areas and farmers.
- 5. Advance regional coordinated development and give full play to the comparative advantages of each region.
- 6. Speed up economic reforms and all-around opening up.
- 7. Improve people's wellbeing and resolve issues of greatest concern to the people.

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#### China encourages mechanized agriculture with new measures

[Xinhua, 13-12-2018] China has decided to boost mechanized farming and the upgrading of agricultural machinery, according to the State Council's executive meeting on 12 December.

The meeting said that quickening the work as required by the country's rural vitalization strategy would provide essential support for China to achieve agricultural modernization, allow farmers to increase their income and further expand the domestic market.

The meeting also listed several crops whose production and harvest could depend more on mechanized farming. They are rice, wheat, corn, potato, oilseed rape, cotton and sugarcane.

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#### Futures price insurance helps Chinese soybean farmers hedge risk

[Xinhua, 10-12-2018] Soybean farmers in northeast China's Heilongjiang Province have received a special premium of 1.44 million yuan (209,500 U.S. dollars) from a so-called "insurance plus futures" pilot project.

Under the pilot program, insurance companies provide price insurance for soybeans, an agricultural futures product. Farmers and agricultural enterprises buy insurance to ensure the minimum selling prices or earnings. Insurance companies perform reinsurance by buying OTC (over the counter) options from futures brokerage companies.

The county produces 1.05 million tonnes of soybeans a year, accounting for 10 percent of the total output in China.

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## Global Food Safety Governance Forum held in Beijing

[China Daily, 04-12-2018] The Walmart Food Safety Collaboration Center and Renmin University of China's Center for Coordination and Innovation of Food Safety Governance

held the Global Food Safety Governance Forum at Renmin University's Century Hall. Top food safety experts, heads of industry organizations and business leaders from China and around the world gathered to discuss creating shared value for the industry and advancing socially shared food safety governance through collaborations and exchanges of global best practices.

In October 2016, Walmart and the Walmart Foundation announced a plan to invest \$25 million in funding over five years to support projects in applied science, education and communications that enhance food safety in China. The forum invited leaders from the organizations conducting supported projects to share their progress, what they've learned and future plans.

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# Science, Technology and Environment

#### Agriculture to reap harvest of modernity

[China Daily, 20-12-2018] China will accelerate agricultural mechanization and widen the use of agricultural machines, which experts said will increase efficiency for diverse cultivations and help increase farmers' incomes.

The move was decided at a State Council executive meeting on Dec 12. More machinery should be used for harvesting major crops, such as rice, wheat, corn, potato, cotton and sugar cane, said a statement released after the meeting. Subsidies will be given for operations such as deep ploughing.

Machines made by domestic and overseas producers will be used while financial institutions are encouraged to grant loans for buying such machinery. Other technologies, such as irrigation, will be promoted along with agricultural machinery. Small and medium-sized machines should be developed for hilly areas or for small family run farms.

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#### Agriculture sector mechanization rate exceeds 66 pct in China

[Xinhua, 19-12-2018] China has seen an outstanding shift in way of farming with the mechanization rate in the agriculture sector exceeding 66 percent in 2017, an official with the Ministry of Agriculture and Rural Affairs said 19 December.

China currently has more than 2,500 agricultural machinery enterprises, and the country's agricultural production is now mainly completed with farming machines, replacing previous manual labor, Zhang Taolin, vice minister of Agriculture and Rural Affairs, told a press conference.

Implementation of rural vitalization strategy and agricultural modernization mean higher demand for agricultural mechanization, Zhang said, adding the ministry will work to push forward the development of high quality agricultural machinery industry and agricultural mechanization with high quality and efficiency.

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#### E-commerce bridges Tibet's agri produce, consumers

[China daily, 03-12-2018] Farmers in poverty-stricken areas of the Tibetan plateau in Southwest China have found ways to sell their crops and related products to customers worldwide, thanks to a newly built marketing system.

By the end of 2014, about 75 percent of Tibet's population were living in rural areas, data from the Tibet Yearbook showed. They rely on agriculture for subsistence. Rice, barley, wheat, honey, and meat are the main products they trade.

For a long time, local farmers have faced challenges in selling their produce, due to inadequate communication networks like transport systems. That hindered access to customers.

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#### Big Earth data launched at digital Belt and Road conference

[Xinhua, 07-12-2018] A Digital Belt and Road big Earth data platform was launched at the on-going 3rd Conference of Digital Belt and Road held in Tengchong, southwest China's Yunnan Province.

As an A-class strategic high-tech research project initiated by the Chinese Academy of Sciences (CAS) in 2016, the cloud service platform aims to establish an open international center for big Earth data.

The platform incorporates 94 sets of thematic data involving resources, environment, climate, disasters, heritages and so on in countries along the Belt and Road.

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#### DJI to invest in farm drones, train operators

[China daily, 05-12-2018] DJI, the world's largest commercial drone manufacturer by market share, plans to further invest 10 million yuan (\$1.46 million) in agricultural drones and cultivating drone operators in the next year.

The move aims to help farmers improve the efficiency of spraying pesticides and increase the use ratio of intelligent agricultural equipment.

DJI said it will open 1,000 brick-and-mortar retail stores, train over 20,000 professional drone operators and establish more than 600 training branches across the nation in 2019. It will also increase subsidies for purchasing agricultural drones, and enhance its maintenance and aftersales services.

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#### Sino-UK program helps China's agriculture via space technology

[GT, 12-12-2018] The UK and China space industries are using the latest space applications to cope with agricultural challenges in China, including Mars rovers and soil moisture monitoring technology, the UK Embassy in Beijing said.

British and Chinese organizations are working together to use the latest space applications, from modified Mars rovers to soil moisture monitoring from space, to tackle some of the agricultural challenges facing China.

Hugh Mortimer, co-chairman of the conference and research scientist at RAL Space told the Global Times that field trials were conducted on both farms of the UK and China in 2015 and 2016. More trials in China are expected.

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#### China launches food safety campaign in rural areas

[Xinhua, 16-12-2018] Chinese authorities, including the Ministry of Agriculture and Rural Affairs, have launched a nationwide campaign to crack down on substandard and counterfeit food products in rural areas.

Law enforcement agencies will target instant food, snacks, alcohol, condiments as well as dairy and meat products, consumption of which is large in rural areas, while fake label information, knock-offs and substandard products are high on the campaign agenda.

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#### China makes headway in pushing water conservancy projects

[Xinhua, 09-12-2018] China has made headway in pushing major water conservancy projects amid efforts to enhance capacity on flood control, drought relief, as well as food and ecological security, a senior official said.

Some 132 key water conservancy projects have been under construction since 2014, with the total investment exceeding one trillion yuan (about 146 billion U.S. dollars), according to an official with the Ministry of Water Resources (MWR).

These projects have also promoted the coordinated development among regions and poverty alleviation work, as 75 percent of the 132 projects are located in central and western regions, and 56 percent are in poverty-stricken areas.

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#### Hainan sweeps up polluting sources around drinking water supplies

[Xinhua, 12-12-2018] Hainan swept up all polluting sources around drinking water supplies in the province's prefecture-level cities by late November, more than a month ahead of the schedule set by the State Council, as reported by China Daily on Wednesday.

By implementing measures such as installing sewage treatment facilities in communities and closing livestock and poultry farms near major reservoirs, the city governments of Haikou, Sanya and Danzhou have resolved all 34 environment violations discovered in an inspection of drinking water supplies by the Ministry of Ecology and Environment this year.

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#### Diversion project brings 19 bln cubic meters of water to 19 cities

[Xinhua, 13-12-2018] China's first phase of the middle route of the south-to-north water diversion project has delivered more than 19 billion cubic meters of water to northern cities, according to the project office.

Over 53.1 million residents of 19 cities have benefited from the water diversion project that began in late 2014, said the office.

The water diverted from the Yangtze River has helped ease water shortages and ensure water security in cities such as Beijing, Tianjin, and Zhengzhou, the capital city of Henan.

The diversion has accounted for 73 percent of Beijing's daily tap water supply and helped increase the city's average water resource per capita by 50 percent.

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#### Ancient canal returns to life, benefiting residents

[China Daily, 08-12-2018] Lingqu Canal, the world's oldest man-made navigable canal with a history of over 2,000 years, is returning to full vitality in time for a boom in tourism and modern agriculture.

The water conservation project, in Xing'an county, 70 kilometers from Guilin, the Guangxi Zhuang autonomous region, was ordered built by Emperor Qin Shi Huang in the Qin Dynasty (221-206 BC) to help unite the country.

The 36.4 kilometer canal, according to a statement by the government, irrigates about 43 square kilometers of paddy and benefits over 59,000 people.

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#### China vows to tackle marine pollution in Bohai Sea

[Reuters, 11-12-2018] China has promised to take action to "significantly reduce" the volume of industrial wastewater flowing into the Bohai Sea, one of the world's busiest and most polluted shipping routes, the environment ministry said.

China has been struggling to reverse the environmental damage done to the Bohai Sea, which stretches along the coast of the major heavy industrial provinces of Liaoning, Hebei and Shandong. Its waters have been contaminated by sewage, heavy metals, plastic waste and fertiliser run-off.

The Ministry of Ecology and Environment said in a new policy document that it would take action to ensure that around 73 percent of Bohai coastal waters are fit for human contact by 2020.

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#### **Trade and Business**

#### Farm machine imports gain wider market

[China daily, 20-12-2018] China will further open up its agricultural machinery market and offer equal treatment to domestic and foreign makers, which will promote fair competition and bring farmers more benefits, officials said.

Starting this year, all agricultural machinery will be eligible for government subsidies regardless of country of origin, provided the equipment meets certain criteria, said Zhang Xingwang, director of the Department of Agricultural Machinery at the Ministry of Agriculture and Rural Affairs.

Subsidies for farm equipment purchases were introduced in 2004 to accelerate modernization of the industry and rural areas, said Zhang.

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## China makes first big U.S. soybean purchase since Trump-Xi truce

[Reuters, 12-12-2018] China on Wednesday made its first major purchases of U.S. soybeans since President Donald Trump and his Chinese counterpart Xi Jinping struck a trade war truce earlier this month, providing some relief to U.S. farmers who have struggled to find buyers for their record-large harvest.

The purchase of over 1.5 million tonnes of beans is the most concrete evidence yet that China is making good on pledges the U.S. government said Xi made when the two leaders met on Dec. 1 and agreed to a 90-day detente to negotiate a trade deal.

The soybean exports will also provide relief to U.S. farmers. Soybeans are the single most valuable U.S. agricultural export product and China bought 60 percent of those exports in 2017, worth \$12.25 billion.

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#### China gives go-ahead to rapeseed meal imports from Kazakhstan

[Reuters, 10-12-2018] Chinese customs officials said on Monday that they had approved rapeseed meal imports from Kazakhstan, the latest move aimed at diversifying the country's sources of protein for animal feed.

Soybeans are China's most important source of protein for its huge livestock herd, with the United States its No. 2 supplier.

But new Kazakh supplies are expected to have little impact on the overall market, with very limited potential for exports from the country.

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#### Chinese tea exports stable as demand firm, potential huge

[China daily, 17-12-2018] China is expected to export 300,000 metric tons of tea leaves by the end of 2018 out of 2.8 million tons of output. Demand in Europe, the United States and emerging economies such as Africa remains stable, according the China Tea Marketing Association, a non-government industrial union.

According to China customs data, in the first three quarters of 2018, China exported 263,000 tons of tea, up 0.29 percent year-on-year. It was worth \$1.28 billion, up 10.41 percent year-on-year.

Green tea was the most popular category among various teas that China offered to the world, accounting for 83 percent of the exports.

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#### China's farm produce find easier access to Central Asia countries

[Xinhua, 04-12-2018] Fresh farm produce from northwest China's Xinjiang Uygur Autonomous Region and other provinces now are more quickly served on the dinner table of families in Central Asia, thanks to optimized customs services.

Value of the trade of agricultural products via Urumqi Customs reached 661 million yuan (96.7 million U.S. dollars) in the first ten months, up 7.95 percent year-on-year, according to figures released by Urumqi Customs.

The main exports of agricultural products included apples, peaches, citrus fruits, peppers, and tomatoes. The export growth of ketchup reached 12.8 percent year-on-year during the period.

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#### Alibaba to open e-commerce hub in Belgium

[Xinhua, 06-12-2018] Chinese e-commerce giant Alibaba inked an agreement with the federal government of Belgium on Wednesday 5 December to open its first Electronic World Trade Platform (eWTP) in Europe with the aim of promoting long-term cross-border trade.

A major element of the eWTP agreement signed is the establishment of a logistics infrastructure to support cross-border trade.

Cainiao Smart Logistics Network Ltd., the logistics arm of Alibaba Group, and Liège Airport also signed a contract to lease a 220,000-square-meter area to build a world-class smart logistics hub at the airport. The initial investment will be 75 million euros, with the first phase of the facility planned to commence operations in early 2021.

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#### UK firms still confident in Chinese market, despite trade tension

[CGTN, 18-12-2018] Although impacted by the U.S.-China trade tension, a number of British companies are still optimistic about conducting business in China, according to a survey released by the British Chamber of Commerce in China.

With 212 respondents representing approximately 3.8 billion U.S. dollars of revenue in China, the British business in China sentiment survey reveals British companies' thoughts towards China's current business environment, the impact of global affairs, and their 2019 outlook.

Looking forward, around two-thirds of the respondents said they were still confident about the business environment in China for their sectors.

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# **Outbreak of African Swine Fever in China**

#### Vice-premier calls for efforts to combat African swine fever spread

[Gov.cn, 02-12-2018] Vice-Premier Hu Chunhua called for greater efforts to combat the spread of African swine fever and ensure a stable pork supply on Nov 1.

Despite positive results China has achieved in controlling the spread of the disease, Hu said the situation remained grave and it was a pressing task to intensify the control efforts.

Hu urged a crackdown on illegal activities and irregularities of pig farmers and slaughterhouses to ensure that all control efforts are firmly implemented.

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#### African swine fever outbreaks under control

[Xinhua, 04-12-2018] African swine fever outbreaks are generally under control in China as prevention and control measures have been effective, a senior agricultural official said Tuesday 4 December.

A total of 81 cases of the disease had been reported in 21 provincial regions as of Monday 3 December, vice minister of agriculture and rural affairs Yu Kangzhen said at a meeting with political advisors.

Some 631,000 pigs were culled across the country and measures including strengthened monitoring of live pig transportation and tightened entry inspection and quarantine have been taken, according to Yu.

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#### China continues lifting swine fever quarantine

[Xinhua, 18-12-2018] Chinese authorities lifted quarantine in three more areas hit by African swine fever, as prevention and control measures have put outbreaks under control.

Laboratory tests and on-site assessments by local authorities show that the epidemic has been eliminated in the counties of Taoyuan and Yuanling in central Hunan Province and Taiyuan, northern Shanxi Province, the Ministry of Agriculture and Rural Affairs said Tuesday 18 December on its website.

The ministry has demanded local governments to step up monitoring of pigs and take proactive measures to prevent recurrence of the disease.

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#### Guangdong ensuring pork supply to HK, Macao after swine fever outbreak

[Xinhua, 21-12-2018] South China's Guangdong Province has said that actions have been taken to ensure pork supplies to Hong Kong and Macao after the province's first African swine fever outbreak prompted it to cull nearly 2,000 pigs.

The agriculture and rural affairs department of Guangdong, a major hog and pork supplier to neighboring Hong Kong and Macao, said they had formulated plans to prevent disruptions in hog and pork supplies to the two cities.

Inspections of farms have also been strengthened to ensure quality and safety of products, it said.

Guangdong supplies 1.6 million and 120,000 hogs to Hong Kong and Macao, respectively, every year.

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#### China bans raising pigs in wild boar areas to block swine fever

[Reuters, 10-12-2018] China's agriculture ministry said on Monday 10 December it will ban pig farming in areas inhabited by wild boars to prevent the spread of highly contagious African swine fever.

The ministry said last month a strain of the virus found in a wild boar was different from the one circulating among pigs, and it warned of the risks of an additional strain infecting its domestic herd.

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#### African swine fever outbreaks in December

Date	Location	Details
3 Dec	Three cases in Huyi District, Xian City, Shanxi	Click <u>here</u> for details
	Province; Tongzhou District, Beijing; Beian City,	
	Heilongjiang Province	
5 Dec	Three cases in Hejiang County, Sichuan Province;	Click <u>here</u> for details
	Changan District, Xian City, Shaanxi Province; Shunyi	
	District, Beijing City.	
6 Dec	Yaodu District, Linfen City, Shanxi Province	Click <u>here</u> for details
10 Dec	Two cases in Shenmu City, Shaanxi Province and	Click <u>here</u> for details
	Baiyun District, Guiyang City, Guizhou Province	
12 Dec	Two cases in Bazhou District, Bazhong City, Sichuan	Click <u>here</u> for details
	Province and Datong County, Xining City, Qinghai	
	Province	
16 Dec	Two cases: Yanting County, Mianyang City, Sichuan	Click <u>here</u> for details
	Province; Jiguan District, Jixi City, Heilongjiang	
	Province	
18 Dec	Bishan District, Chongqing City	Click <u>here</u> for details
19 Dec	Xiangzhou District, Zhuhai City, Guangdong Province	Click <u>here</u> for details
20 Dec	Youxi County, Sanming City, Fujian province	Click <u>here</u> for details
21 Dec	Longli County, Guizhou Province	Click <u>here</u> for details

#### African swine fever restrictions lifted in December

Date	Location	Details
3 Dev	Panjin City, Liaoning Province	Click <u>here</u> for details
3 Dev	Jinzhou City, Liaoning Province	Click <u>here</u> for details
5 Dec	Sanmen County, Zhejiang province	Click <u>here</u> for details
5 Dec	Jizhou District, Tianjin City	Click <u>here</u> for details
10 Dec	Taojiang County, Yiyang City, Hunan Province	Click here for details

13 Dec	Hezhang County and Qixingguan District of Bijie City,	Click <u>here</u> for details
	Guizhou Province	
14 Dec	Simao District, Puer City, Yunnan province	Click <u>here</u> for details
17 Dec	Taoyuan County, Changde City, Hunan Province;	Click <u>here</u> for details
	Yuanling County, Huaihua City, Hunan Province;	
	Taiyuan City, Shanxi Province	
18 Dec	Abag Banner and Zhenglan Banner, Xilingol League,	Click <u>here</u> for details
	Inner Mongolia; Youzhong Banner, Xing'an League,	
	Inner Mongolia	
19 Dec	Longjing City, Yanbian Korean Autonomous	Click <u>here</u> for details
	Prefecture, Jilin Province	
21 Dec	Fengdu County, Chongqing City	Click <u>here</u> for details
21 Dec	Baojing County, Hunan Province	Click here for details

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