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## Policies

### **Lawmakers approve China's five-year plan against economic headwinds**

[Xinhua, 16-03-2016] Chinese lawmakers on 16th March approved the country's economic and social development blueprint for the 2016-2020 period, which sets targeted average annual economic growth at above 6.5 percent in the next five years.

China has set 2020 as the target year to realize the first "centenary goal" of building a moderately prosperous society in all respects, pledging efforts to double GDP and per capita personal income from the 2010 level before the Communist Party of China's 100th anniversary of founding in 2021.

To this end, the five-year plan aims to keep medium-high growth in the next five years. By 2020, the size of China's economy is expected to exceed 90 trillion yuan (13.8 trillion U.S. dollars), compared with 67.7 trillion yuan in 2015, according to the plan.

The government now hopes to shift the economy from the previous mainstay of exports and investment toward services and consumer spending.

According to the five-year plan, the reform and opening up drive will continue between 2016 and 2020.

China will push ahead urbanization and agricultural modernization, coordinate development in urban and rural areas, and work to improve the people's well-being across the board so that all people can share the fruits of development.

An innovation-driven development strategy shall be implemented, while industries must be propelled toward medium-high end, the document read.

By 2020, advances should be made in core technologies such as information communication, new energy, new materials, aviation, biological medicine and intelligent manufacturing, it said.

The environment is another key priority in the 2016-2020 plan.

Click [here](#) for details

### **Rewards and risks in China's Five-Year Plan**

[Xinhua, 12-03-2016] Investors are optimistic that China's new five-year blueprint will support ongoing development, but reform imperatives may need to be re-prioritized to meet the proposed growth target.

With an ambitious "above 6.5 percent" average growth target for the period, it is obvious China does not want to miss its two long-hoped-for targets: Realizing "a moderately prosperous society in all respects" and doubling the size of its economy and per capita income by 2020 from the 2010 baseline.

Supply-side reform, innovation, technological upgrades, market competition, more efficient state-owned enterprises and low fossil-fuel dependency have all been given pride of place in the latest five-year plan.

China's emphasis on innovation-driven growth has particularly cheered other innovative economies.

"The United Kingdom offers a mature, proven system that promotes innovation and our two countries can take cooperation to a new level," Jeff Astle, executive director of the China-Britain Business Council (CBBC), told Xinhua.

A report on the "Made in China 2025" initiative for British companies to work with Chinese companies will be released at a CBBC forum on innovation later this month in the port city of Tianjin.

Click [here](#) for details

### **China's new five-year plan boosts global sustainable development**

[Xinhua, 14-03-2016] China's 13th Five-Year Plan (2016-2020), which experts see critical in tiding the country through a transition period, will create more opportunities for sustainable growth within and beyond its borders.

China's economy experiences different phases of its development cycle. It is now shifting its focus to consumption and service industries from heavy polluting industries and manufacturing via complex reforms, the experts said.

A natural result of the transition is lower yet sustainable and balanced growth, and it continues to create development opportunities for the world, they said.

Innovation, coordination, green development, opening up and sharing are the five cornerstones proposed by President Xi Jinping for China to secure resilient and sustainable growth.

Looking into the next five years' development, the global business circle is aware of China going global, and the economy is moving forward healthier and more balanced.

Click [here](#) for details

### **The global impact of China's 13th Five-Year Plan**

[Xinhua, 10-03-2016] China's 13th Five-Year Plan concerns more than just its own domestic affairs. The world should sit up and pay attention: it will have a global impact.

The draft of the 13th Five-Year Plan (2016-2020), outlines policies, priorities, as well as clear economic and social targets.

According to the draft, by 2020, China's R&D investment will account for 2.5 percent of GDP. The contribution of scientific and technological advances to economic growth will rise to 60 percent.

Investment into semiconductors, chip materials, robotics, aviation equipment and satellites, also aim to facilitate scientific advances.

The draft states that China will continue opening-up, in part driven by the Belt and Road initiative. Strategic mutual-trust, economic cooperation and people-to-people exchanges with other countries will also be pursued.

Analysts say local government officials and companies are already engaged in cross-border economic corridors with Mongolia, Russia, Pakistan, Myanmar and other southeastern Asian countries.

The Five-Year Plan also presents China's approach to global governance. According to the plan draft, China will actively participate in global economic governance, support major global and regional governance and cooperation platforms, and contribute to a fair and reasonable global governance mechanism.

Click [here](#) for details

## **Key figures and facts in China's government work report**

[Xinhua, 05-03-2015] Following are 20 figures and facts highlighted in a government work report distributed to media ahead of the annual session of the National People's Congress (NPC).

### **Major targets & policies for 2016**

- Increase gross domestic product (GDP) by a rate between 6.5 and 7 percent;
- Keep the growth of consumer price index (CPI) at around 3 percent;
- Pursue a more proactive fiscal policy with a deficit of 2.18 trillion yuan (335.38 billion U.S. dollars), 560 billion more than that of last year and accounting for 3 percent of GDP;
- Add more than 10 million urban jobs with a registered urban unemployment rate at no more than 4.5 percent;
- Pursue a prudent monetary policy that is flexible and appropriate while the growth of the broad money supply (M2) being set at about 13 percent;
- Reduce energy intensity by at least 3.4 percent;
- Chemical oxygen demand and ammonia nitrogen emissions down by 2 percent, sulfur dioxide and nitrogen oxide emissions down by 3 percent, and the density of fine particulate matter (PM2.5) in key areas down;
- Help more than 10 million rural residents lift themselves out of poverty, including over 2 million poor residents to be relocated from inhospitable areas;
- Increase central government funds for poverty alleviation by 43.4 percent;
- Increase central government budgetary investment to 500 billion yuan.

### **Main goals for next five years**

- Double the 2010 GDP and per capita personal income by 2020;
- Annual economic growth of at least 6.5 percent in next five years;
- Aggregate economic output exceeding 90 trillion yuan;
- Permanent urban residents accounting for 60 percent of China's population;
- Registered permanent urban residents accounting for 45 percent of China's population;
- Expansion of high-speed railways in service to 30,000 kilometers while the network linking more than 80 percent of big cities;
- Water consumption, energy consumption and carbon dioxide emissions per unit of GDP down by 23 percent, 15 percent and 18 percent respectively;
- Poverty relief of all rural residents falling below the current poverty line, and poverty alleviation in all poor counties and areas;
- 50 million new urban jobs;
- One-year increase in average life expectancy.

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## **China farm sector needs supply-side reform: agriculture minister**

[Reuters, 07-03-2016] China's agriculture sector needs to undertake supply-side reform, especially in corn production, given bumper harvests and surplus grain stockpiles, Agriculture Minister Han Changfu said on Monday, 7<sup>th</sup> March.

Han told a news conference in Beijing that China will no longer pursue increased grain output over the next five years, after 12 consecutive years of increasing harvests.

Grain surpluses cause problems and put a financial burden on the government, which is obliged to stockpile crops at artificially high prices to support farm incomes, he said, although having too much grain was preferable to shortages.

While output itself would not be raised, China would continue to work on boosting production capacity in the coming years in order to avoid the risk of shortages in case demand were to increase, Han said.

China could not relax when it came to food supplies, he said, with urbanization changing the country's eating habits and its population set to rise further following the relaxation of the nation's "one-child policy".

Click [here](#) for details

### **China's food security issue is "strategic"**

[CRI, 07-03-2016] Chinese Agriculture Minister Han Changfu has highlighted the issue of safeguarding food security as "strategic".

Han Changfu said that food security is always a major issue in China, a country with a population of 1.3 billion people.

The country's demand for food will still remain high in the long run as the population further increases with the ending of the one-child policy, as urbanization is progressing and as the country's consumption structure is changing.

China's grain output reached over 620 million tons in 2015. However, about one-fifth of the country's grain output last year was actually imported grains, amounting to around 120 million tons.

Han explained that the large amount of grain imports resulted from structural demand and price competition.

He added that China will not seek a consecutive increase in grain output during the next 5 years, but authorities will consolidate and improve grain output capacity.

The minister also says that concrete methods will be taken to improve China's soil quality, as intensive farming in certain Southern regions has left the soil more vulnerable to pests and diseases.

Click [here](#) for details

### **Corn price to be set by market**

[China Daily, 28-03-2016] The nation's top economic planner issued guidance about corn pricing on Monday 28<sup>th</sup> March in a step by the government to open more space for market principles to operate.

"The price of corn will be completely determined by the market," said Liu Xiaonan, deputy head of the Economics and Trade Department of the National Development and Reform Commission.

Farmers will still be able to get subsidies, but instead of adding subsidies to the corn price as before, the government will directly provide subsidies to planters in major corn-producing regions in northeastern provinces.

Local governments will be able to make more detailed plans for the subsidies after studying the guidance. Pricing reforms for other major agricultural products are expected to be adopted in the future, Liu said.

Liu said the new pricing scheme was made because overcapacity of corn production has stood out in recent years, as the country subsidized farmers on a large scale and stored surplus crops.

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### **Farmers cut grain cultivation as prices plunge**

[Xinhua, 22-03-2016] Plunging prices and changing tastes mean Chinese grain farmers are having to think carefully about what they plant this year.

"No more corn, that's for sure. It doesn't make money. And wheat is risky as it depends on purchases at set prices by local authorities," said Wang Cuifen, who farms 200 hectares in Shandong Province. Wang has reduced her wheat crops by 27 hectares this year.

State granaries' large inventories and competition from imports have depressed grain prices in China, making life difficult for farmers.

With corn purchase season a month away, state inventories in northeast China's corn production bases already stand at 8.8 million tonnes.

Farmer Zhang Baohua in Zhangqiu, Shandong, still has 90,000 kg of corn piled in his yard. It was harvested last year, when he balked at selling it at the prices offered at the time.

But the price sank further this year. Selling now would mean a loss of more than 30,000 yuan (4,623 U.S. dollars), according to Zhang, who has more than 20 years of planting experience.

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### **China working on law to tackle soil pollution**

[Xinhua, 10-03-2016] A senior lawmaker said on Thursday 10 March that China is working on a law to tackle a "grave situation in the soil environment," which will join existing laws on air and water quality to fight rampant pollution.

The draft of the law on soil pollution prevention will be presented to the Standing Committee of the National People's Congress (NPC) for deliberation in 2017, Yuan Si, vice chairman of the Environment Protection and Resources Conservation Committee (EPRCC) of the NPC Standing Committee, said at a press conference on the sidelines of the ongoing NPC annual session.

He said the country is in urgent need of a specific law on soil pollution because the lack of such a law undermines efforts by the government to deal with soil pollution, which is grave in parts of the country and threatens food and water safety.

Yuan said, the law on soil pollution prevention will stipulate the division of duties between government agencies, the establishment of a surveying and monitoring system, and increased funding, among other things.

Click [here](#) for details

### **China's ministry to establish departments dedicated to water, air, soil protection**

[Xinhua, 03-03-2016] The Ministry of Environmental Protection (MEP) plans to set up three departments dedicated to water, air and soil protection, according to a statement released by the ministry.

The current departments of pollution prevention and control, and pollution emission control will be revoked, it said, adding the plan was already approved by the central authority in February 2015.

The move is vital for implementing the authority's requirement of strengthening environmental protection and improving environmental quality, the ministry said.

Research has been conducted in the past year, it said, adding a detailed plan will be unveiled after all preparation is finished.

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### **Officials in China call for national standards on halal food**

[NYT, 14-03-2016] The Chinese characters for “pure” and “true,” signifying “halal,” hang over numerous restaurants across China, a symbol of a commitment to prepare food in accordance with Islamic law, including its ban on pork and alcohol.

But some of China's more than 23 million Muslims worry that businesses routinely flout those guidelines, selling sweets laced with lard, for instance, or pork disguised as beef.

As political leaders gathered in Beijing for the annual session of the Chinese People's Political Consultative Conference, officials once again raised the idea of imposing national standards on halal food, which have been under consideration since 2002.

Many local governments in China, including Ningxia and Shanghai, have put in place rules on preparing halal food. Islamic law bans the consumption of pork and alcohol, and it dictates how animals should be slaughtered before they are eaten. As the market for halal products booms around the world — some analysts expect it to reach \$1.6 trillion in the next several years — Chinese businesses are looking for ways to enter the market. But halal business owners in China face several obstacles to selling their products abroad, including the perception that food in China is unsafe or not prepared in accordance with Islamic law.

Islamic leaders said a set of national standards could help promote China's image abroad.

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## **Science, Technology and Environment**

### **Political advisers call for open-mind on GMO**

[CRI, 10-03-2016] At this year's two sessions, discussion of Genetically Modified Food has been a heated topic among the country's political advisers.

When it comes to the subject of GM foods, the public have a lot to say.

To address the public concern, Chen Xiwen, a political advisor and director of the central agricultural work leading team office, says China has been strengthening the research and supervision of technologies of GM food, and promoting them carefully on the basis of security.

China had so far only approved the domestic growth of GM papaya and cotton, and allowed the import of GM soybeans, corn, rapeseed and beets from overseas, with the stipulation that the imported GM crops can only be used as feed for animals and in the manufacture of oil.

Chen admits, however, that GM corn has been illegally planted in a number of places in China, reflecting gaps in official supervision.

Chen has vowed to take immediate actions against such illegal conduct.

Bio-technologists are voicing their support for a technology that, they feel, will add new varieties to people's diet and also better quality.

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### **China rules out industrial-scale GM grain farms**

[GT, 29-03-2016] China has reassured the public that it will not establish industrial-scale genetically modified (GM) grain farms in the short term, amid citizens' dissenting opinions on GM food.

"At present, GM rice is developing rapidly, and its technology is advanced. However, the agriculture ministry won't plant it on an industrial scale in the short term," Zhang Xianfa, deputy director in charge of GM organisms at China's Ministry of Agriculture, told China National Radio (CNR).

GM food remains a controversial issue in China, as public opinion remains divided as to whether the modified genes will affect human beings.

Concerns were raised in January after China vowed to carefully promote technology related to GM organisms with tighter supervision in this year's No.1 Central Document, an annual agriculture policy paper, while previous documents refrained from discussing the development of GM products.

"The safety committee judges severely, including in assessments of food safety and environmental safety. We have zero tolerance on food safety issues. If either assessment fails, the food will not pass the safety evaluation," Zhang noted, reiterating that GM food approved to be sold on the market is safe, CNR reported.

Not all food containing GM ingredients can be called GM food, Zhang added.

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### **China prioritizes water conservation projects in poor areas**

[CRI, 15-03-2016] China will give more financial and policy support to improving water conservation infrastructure in impoverished regions, the country's top economic planner has pledged.

During the 13th Five-Year Plan period (2016-2020), around 40 percent of the central budget for rural water conservation infrastructure should be invested in poverty-stricken regions, according to a guideline released Tuesday by the National Development and Reform Commission.

Priority will be given to developing "high-standard farmland" that is drought- and flood-resistant in poor areas, with a target of adding more than 30 million mu of such land from 2016 to 2020, the agency added.

The planner did not disclose the exact figure.

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### **New tech reforms in China's agriculture look to modernize market**

[CCTV, 07-03-2016] 2016's Number One Central Document on agriculture shows supply side reforms will be applied to agricultural modernization, not just to increase the quantity and quality of agricultural products, but also meet the needs of China's modern agricultural market.

With continued migration of young people from the countryside to cities, many of China's elderly farmers are left behind to do the work themselves. More modernized machinery may be making their work easier at the moment, but it's only temporary relief.

To utilize its farmland efficiently, China is encouraging farm cooperatives by accelerating rural land transfers, granting higher subsidies to large-scale landholders, and helping to establish bigger and more specialized farming units.

It's not easy to transfer rural land. Many farmers don't know much about the advantages of land transfer, so they would rather keep their land, even leave it untapped. But it's up to them to decide.

China has made great achievements in agricultural and rural economic development, but still faces serious structural problems: some produce is over-supplied, and more is in short supply. President Xi Jinping reiterated the importance of enhancing structural reform of the supply side, in the No. 1 Central Document on agriculture for 2016.

While it's been a long time since China had anything related to a "food shortage," its agricultural products can't satisfy today's demand, and the amount and quality of arable land is declining.

Structural reform is of great urgency to reverse these trends.

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### **Science is a major plank in China's new spending plan**

[Science, 07-03-2016] China will invest heavily in S&T over the next 5 years and cut red tape hampering science spending with the hope that innovation will help the country weather its economic slowdown.

In a speech to open the National People's Congress on 5 March, Chinese Premier Li Keqiang gave a broad-brush overview of the central government's draft plan for economic development during the 13th 5-year plan, which runs from 2016 to 2020. Major elements include boosting science spending, which will rise 9.1% this year to 271 billion yuans (\$41 billion), reducing bureaucratic barriers for scientists, and improving environmental protection while curbing carbon emissions and other pollutants.

Themes in the new 5-year plan include the domestic production of gas-turbine engines and planes, and increased focus on neuroscience and genetic research, national cyberspace security, and deep space exploration. Chinese aerospace officials told state media last week they hope to launch a Mars probe by 2020. Big data, high-tech medical devices, and cloud computing also earned mention as priority projects.

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### **Chinese female scientist wins UNESCO award**

[CCTV, 26-03-2016] In Paris, some of the world's brightest scientific minds have been lauded for their ground-breaking research. Five women from around the world singled out for the L'Oreal UNESCO Women in Science Awards. They're being recognized for their individual contributions to medicine, agriculture and the environment.

Among their number, China's Hualan Chen, for her life-saving work on the lethal bird flu virus. This ultimately led to the development and use of an effective vaccine.

Tributes to a lifetime achievement. The work of China's Hualan Chen in the field of bird flu virus makes her an extraordinary lifesaver and this year a laureate of the world science community. Taking her place in a pantheon of acclaimed women scientists at the 'L'Oreal UNESCO' awards, a moment of pride.

Hualan Chen is based in northeastern China's Harbin City, at the Chinese Academy of Agricultural Sciences.

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## **Drone Maker DJI Sets up Agricultural Services Network**

[Chinatopix, 22-03-2016] Shenzhen-based drone maker DJI Innovation Technology Co has revealed that it is currently setting up a network to promote and support the use of unmanned aerial vehicles (UAVs) (or drones) in agriculture.

DJI said that it will train 10,000 people across China in UAV operations, and will also set up 100 centers offering after-sales service nationwide. DJI added that it will give subsidies to up to 10,000 people who are planning to start a business in agricultural drones.

DJI officials say that using drones in agricultural or farm work has many benefits, their agricultural drone can load up to 10 kilograms of pesticide and spray it over an area of up to four hectares in an hour.

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## **China's attempt to stimulate slowing economy won't prevent environment cleanup**

[IBT, 11-03-2016] Pressure to boost China's slowing economic growth will not be allowed to undermine attempts to tackle the country's serious pollution problem, Chen Jining, the nation's minister of environmental protection, said at the annual session of China's legislature.

China's leaders have pledged to roll out fiscal stimulus measures to help boost growth, which slowed to 6.9 percent — its lowest level in a quarter century — last year, amid slumping demand for exports. But Chen said this would not undermine attempts to move away from low-end and often polluting manufacturing industry. China was now pursuing not only "economic quality, but also environmental quality," he told a news conference in Beijing.

Chen stressed that it was important to ensure that "polluters bow out of the market" in order to "set aside some development space for good companies to focus on innovation and improving product quality, and to avoid the phenomenon of 'bad money driving out good' in our development,"

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## **China marks World Wildlife Day with pledge of greater protection**

[China Daily, 03-03-2016] China pledged to make more efforts to protect endangered wildlife to mark World Wildlife Day on Thursday, 3 March. The State Forestry Administration will revise laws and regulations for the protection of wild animals, according to a statement released by the country's top forestry authority.

The revised draft of the Law on the Protection of Wildlife will build a mandatory protection system for their habitats, set a threshold for wildlife products to be traded and put a stricter rein on trafficking and other illegal business involving wildlife, it added.

Protection projects on wildlife will be listed in work agendas for the next five years as the 13th Five-Year Plan (2016-20) has stipulated protection targets, for example, conducting specific protection programs on precious species such as the panda and Siberian tiger.

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## **China plans national park to protect headwaters**

[Xinhua, 11-03-2016] China is considering establishing a national park in the Sanjiangyuan (Sources of Three Rivers) Area to protect the headwaters of the Yangtze, Yellow and Lancang (Mekong) rivers.

A meeting of the Central Leading Group for Reform at the end of 2015 decided to upgrade the Sanjiangyuan Nature Reserve, established in 2000 in northwest China's Qinghai Province, into a national park managed by the central government.

The Sanjiangyuan National Park will cover 123,100 square kilometers. The Yangtze River area of the park alone will span 90,300 square kilometers including 15 villages and more than 20,000 people.

The headwaters of the Yangtze River will account for about 70 percent of the national park, including the Tuotuo, the Tongtian rivers and the Hol Xil nature reserve, through which water from the glaciers of Tanggula Mountains flows into the Yangtze River.

The park will also be rich in wildlife, including some endangered species such as Tibetan antelope and snow leopard.

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### **Blacklist urged to halt invasive species**

[Xinhua, 21-03-2016] China should blacklist people who habitually carry or mail invasive species and other prohibited items across its borders, a senior quarantine inspection official has suggested.

Such a system would check the rising number of such violations, according to the official, who is also a member of China's top advisory body.

Information on those who are blacklisted should be shared between departments, including the Entry-Exit Inspection and Quarantine Bureau and visa-issuing departments, said Xu Jinji, vice-president of the Chinese Society of Inspection and Quarantine.

At Shanghai port, inspection officers have found some foreigners repeatedly trying to carry prohibited species in to China, he said.

But Xu, the former head of the Shanghai Entry-Exit Inspection and Quarantine Bureau, said the officers can do little apart from imposing fines when necessary, due to the lack of a blacklist system.

The number of invasive species intercepted by inspection and quarantine authorities in China has increased in recent years, according to the General Administration of Quality Supervision, Inspection and Quarantine.

China bans a number of species from being carried or mailed to the country, including most live animals and fresh vegetables and fruit.

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## **Trade and Business**

### **Agri-stocks may rise on modern farming**

[China Daily, 14-03-2016] Stocks of companies in agriculture-related sectors may coast on recent announcements that the government will expedite development of modern farming in China, said analysts.

They further said more than 80 companies listed in Shanghai and Shenzhen, and engaged in farming, agricultural services, food processing and cold-chain logistics, may all benefit.

A research note from Huatai Securities Co Ltd said stocks of companies engaged in seeds, automated farm machinery, crop cultivation projects and agri infrastructure could rise as the nationwide campaign for upgrading farm production methods would benefit such firms.

Even companies engaged in big data, surveying, automated design, biotechnology and food safety may benefit from the sharpened focus on modern agriculture, the note said.

A research note from Dutch lender Rabobank said demand for cold-chain logistics in China is high. So, companies that provide such services and technologies may also benefit.

Researchers also said small investors, however, should evaluate risks of investing in agriculture-related stocks.

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### **Foreign investment promising in China despite economic downturn**

[Xinhua, 14-03-2016] Foreign investment is still promising in China amid an economic slowdown with new opportunities emerging from consumption and service in the domestic market, a Xinhua investigation has found.

"The closure of low-end export-oriented OEM manufacturers has eliminated outdated capacity and offers room for more quality programs," said Fang Jianbo, deputy head of the commerce bureau of Dongguan, a southern Chinese city in Guangdong Province dubbed as the "world's factory" and a barometer for the country's economic changes.

There is an obvious trend that the OEM firms that only take China as a production base are struggling for survival while those manufacturers that take China as a sales market are expanding their businesses, said Harley Seyedin, president of the American Chamber of Commerce in South China.

About 80 percent of its members provide products and services solely for the Chinese market, up from 23 percent in 2003, said Seyedin.

China attracted a total of 126 billion U.S. dollars of foreign capital in 2015, up 5.6 percent over the previous year, with service and high-end manufacturing sectors attracting over 70 percent of the total, according to the Ministry of Commerce.

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### **China's global food quest**

[The Diplomat, 24-03-2016] In November 2015, China National Chemical Corp (ChemChina) entered talks to buy the Swiss-based Syngenta for \$41.7 billion. Subsequently, ChemChina increased its offer to more than \$43 billion. This is the largest overseas acquisition by a Chinese company to date. In February 2016, Syngenta agreed to the offer from ChemChina.

Food Security is certainly not the first major overseas acquisition by ChemChina. However, what ChemChina is more interested in is Syngenta's seeds business, particularly genetically modified (GM) seeds. This in turn primarily reflects China's rising food security concerns and strategic considerations.

Despite billions of dollars of investment in GM technologies over the past few years, the Chinese government has been quite cautious about commercializing GM crops, particularly GM grains. This is primarily because of a highly skeptical public and the strong resistance from the defense establishment towards GM food.

Making ChemChina a national champion of GM technologies by acquiring Syngenta could ease this resistance, creating a clear path for the commercialization of GM grains in the future.

Click [here](#) for details

## **Lawmakers raise concerns about ChemChina's purchase of Syngenta**

[WSJ, 23-03-2016] U.S. opposition to the largest acquisition by a Chinese company is growing, with a top farm-state senator saying the \$43 billion takeover of seed giant Syngenta AG could pose risks to the security of America's food supply.

Sen. Charles Grassley (R., Iowa) launched a public broadside against China National Chemical Corp.'s planned deal, saying that the government must ensure that "we're not permitting the sale of too much of our food industry, especially when government-controlled entities like ChemChina are the buyers."

The lawmaker's comments raise a new threat to a deal that investors don't yet regard as a sure thing. The USDA has already expressed concerns over the deal's potential impact on the sector.

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## **Syngenta says ChemChina deal poses no food-safety or major security issues**

[WSJ, 24-03-2016] Syngenta AG said its planned sale to China National Chemical Corp. posed no food safety or "significant national security issues," responding to U.S. lawmakers' growing concerns over the seed and pesticide giant's takeover by the Chinese state-owned enterprise.

Four senators representing farm states sent a letter to the U.S. Treasury requesting that the Treasury-led Committee on Foreign Investment in the U.S., or CFIUS, analyze the deal's potential effects on the U.S. food system.

"We welcome a full review of the transaction by the U.S. government and will continue to work closely with all of the agencies as we move forward in the review process," a Syngenta spokesman said. "We do not believe the proposed transaction raises any food safety or significant national security issues."

ChemChina's planned takeover of Swiss-based Syngenta, unveiled in February, would rank as the biggest-ever foreign acquisition by a Chinese company.

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## **China's New Hope accelerating fund raising for future acquisitions**

[Reuters, 06-03-2016] Chinese agribusiness group New Hope will accelerate overseas acquisitions in a bid to become a top supplier of high-end meat to feed demand in the world's largest consumer, its chairman Liu Yonghao said on Saturday, 5 March.

Just a few months after acquiring 20 percent of U.S. grains and energy merchant Lansing Trade Group LLC, New Hope is raising more funds for bigger expansions abroad, Liu told reporters on the sidelines of China's annual parliament meeting.

Liu said the investment in Lansing helps New Hope globalise feed procurement and cut costs. It also fulfills part of the group's broad strategy to become a major producer and distributor of high-end animal protein, such as beef, lamb, shrimp and milk, up the value chain from chickens and ducks.

The group last month launched a 3 billion yuan fund with the Zhejiang provincial government and the Harvest Fund to lead overseas agriculture acquisitions.

New Hope is also raising \$450 million through the Hosen Capital, which counts Singapore's Temasek and Japan's Mitsui as founding investors, as another pool to acquire overseas. Liu didn't specify future acquisition targets.

At home, New Hope is expanding pig farms, planning to spend 8.8 billion yuan over the next three to five years to grow 10 million hogs, Liu said.

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### **The Great Land Rush: China's Pengxin hits overseas hurdles**

[FT, 03-03-2016] The marketing of "Theland" milk powder says it all — cows graze on emerald grass below white clouds shaped like New Zealand. "A Cow per Acre" reads the slogan on the package.

For anxious mothers in China's crowded cities, Theland's promise of space and quality in faraway places comes through loud and clear.

Pengxin, a little-known Shanghai real estate developer that owns Theland, will become the world's largest private landowner if Australia's authorities clear its most ambitious bid yet: to gain control of the grazing lands of the S Kidman & Co cattle empire. That, plus holdings in New Zealand, make Pengxin the boldest of Chinese corporations investing in land, and has helped trigger a backlash.

"China has seen fast development; lots of people have made money and now they don't know where to put it," says agriculture expert Li Guoxiang of the Chinese Academy of Social Sciences, explaining why Chinese invest in land overseas. "It's part of the desire to move capital overseas and diversify choices . . . But we worry about tensions."

The Financial Times is examining governments and private investors' increasing interest in grand-scale land deals. With the commodity supercycle ending, land — the ultimate resource — could either become the next big thing or the source of cross-border disputes.

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### **Aussie-China trade relations transform from 'mining to dining'**

[Australianetwork, 10-03-2016] The main focus of trade between China and Australia has always been iron-ore, coal and other minerals.

However, it has been recently observed that China takes little interest in these Aussie products because of the slowing Chinese construction industry productivity. Moreover, China has looked for other options as far as importing iron ore, coal and other minerals are concerned, which include Brazil.

To help itself, Australia has planned new strategies and shifted its trade partnership with China relating to sectors other than mining, including agriculture, tourism and education. As far as investing in agriculture is concerned, Australia has seen several options coming its way. Recently, Australia approved a Chinese investor to purchase Australia's largest dairy firm Van Diemen's Land Company spread across 17,800 hectare of Tasmania.

Australia and China have signed a free trade agreement that is effective since December 2015. This will pave the path for Australia to crack many other trade deals with its largest trading partner, China.

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### **Belgian pork producer gets approval to export to China**

[Xinhua, 10-03-2016] A Belgian pork producer has been given approval to export an estimated 56,000 tonnes a year to China, which Belgium's agriculture minister says will give a major boost to the country's farming sector.

Belgian leading pork company Noordvlees Van Gool, along with other local pork companies welcomed on Tuesday 8<sup>th</sup> March Chinese Ambassador Qu Xing and Belgian Agriculture Minister Willy Borsus in Kalmthout, near the northwest Belgian port of Antwerp, to mark an approval of pork exports to China.

During the signing ceremony, several Belgian enterprises have been granted licenses of export to China.

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### **Russia to feed China via online commerce**

[Moscow Times, 14-03-2016] Russia and China plan to create an online platform that will allow Russian producers to sell fresh food products to the Chinese market for the first time, according to Russian Export Center (REC).

The online platform will be created with the participation of major Chinese e-commerce company JD.com and the REC, controlled by Russian state development bank Vneshekonombank (VEB).

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### **China's 2016-17 soy imports to prove higher than thought**

[Agromoney, 23-03-2016] China's soybean imports will prove more buoyant than initially expected next season, US officials said, citing "unrelenting growth" in oilseeds demand, and limited knock-on effects on sowing of farm subsidy shake-ups.

China, the world's top soybean buyer, will import a record 84.5m tonnes of the oilseed in 2016-17, on an October-to-September basis, the US Department of Agriculture's Beijing bureau said.

The estimate is above the 83.0m tonnes forecast by the USDA last month in a report on long-term agricultural projections, which were also relatively downbeat on Chinese imports this season.

"Soybean imports are expected to continue on an upward trend," the bureau said flagging "strong" demand from crushers, whose profit margins have "improved slightly" after a spree of nine successive months of decline. Furthermore, food use of imported soybeans, for making the likes of tofu and soy milk, is increasing.

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### **China food safety testing market & regulations worth 791.5 million USD by 2020**

[PRNewswire, 18-03-2016] Food safety testing market in China is estimated to reach USD 791.5 Million by 2020 and is projected to grow at a CAGR of 9.9% from 2015 to 2020.

The growing level of foodborne illnesses due to food contamination and the rising inclination of consumers toward better quality and safe food have led to the growth of the food safety testing market for varied food products in China. Furthermore, the growth of the food safety testing market is influenced by the rising trade food products, and the increasing severity of food scandals and frauds and other malpractices including cases of food adulteration.

The high intensity of food contamination cases has caused a significant impact on consumer health, and a growing level of serious food safety concerns in China. This has prompted the need of food pathogen testing.

The meat & poultry segment is projected to grow at a significant rate in the upcoming years. Meat & poultry products are often exposed to a high level of contamination along with malpractices such as adulteration. Safety testing for this segment is projected to grow at a significant rate from 2015 to 2020.

With globalization of food trade and increasing import-export activities between China and the rest of the world, the food safety testing market in China is projected to experience a significant growth in the upcoming years, which would result in positive structural changes in the Chinese food safety regulations.

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