

# China Agri-food News Digest July 2017 (Total No 55)

#### **Contents**

Policies	1
Rural economy needs new impetus	1
Agriculture insurance aids poverty reduction in China	1
China issues guideline for developing artificial intelligence	
China calls for reducing food waste nationwide	2
Chinese government agencies set up aquaculture consultancy for overseas projects	2
China's dairy products quality continues to improve: report	2
China's farmland slightly shrinks in 2016	2
Science, Technology and Environment	3
The world's first pigs cloned by robotic instrument born in Tianjin	
China produces world's first cloned dog using gene editing	
Chinese researchers create antioxidant-rich purple rice to combat cancer, other diseases	3
How has e-commerce changed life in rural China?	4
CCCAP research facility launched in Beijing	
Experts reap farming know-how	4
China strengthens scientific research cooperation with B&R countries	5
Trade and Business	5
Agricultural imports in 2017 rise rapidly	5
More imported food fails China's quality tests	
China's CITIC Agri Fund buys Dow corn seed assets for \$1.1 billion	6
China's Kingenta building service centres to boost fertiliser sales	
International Blueberry Summit to be staged in China	6
China, US reach certain consensus on agricultural cooperation during economic talks	7
U.S. beef returning to Chinese dining tables	7
China signs second-largest deal for U.S. soybeans	7
US-style farm set to put down deep roots near Beijing	8
Norway's Salmon Run Into China Spawns Success	

#### **Policies**

#### Rural economy needs new impetus

[China Daily, 22-07-2017] The country needs to deepen reforms in rural areas to bring fresh impetus to the rural economy, which has seen growth rates slow, experts said after the Chinese Academy of Social Sciences published a report on Friday 21 July on China's rural development.

There has been a slowdown in farmers' income growth with the increase of agricultural costs, the decrease of job opportunities for migrant workers and the slowdown in the growth rate of land rights transfers, which hinders economies of scale, according to the report.

The low returns from agriculture has slowed the growth of land transfers since 2013.

Many previous reforms are short-term ones meant to handle immediate problems and lack forward-looking and overall strategic consideration and system planning, said the report.

Scaling up agricultural operations has been made possible by the departure of many farmers to urban areas, however, many of those remaining are either too old or not knowledgeable enough. The government needs to draft preferential policies to keep well-educated young farmers in agriculture.

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### Agriculture insurance aids poverty reduction in China

[Xinhua, 08-07-2017] China's insurers paid 34.8 billion yuan (5.12 billion U.S. dollars) in agriculture insurance in 2016, which helped with poverty reduction, a senior official said.

Some 45.75 million rural households received compensation from agriculture insurance as insurers developed various products for farmers, said Chen Wenhui, vice chairman of the China Insurance Regulatory Commission.

By the end of 2016, critical illness insurance covered 1.01 billion rural and urban residents. More than 10 million people in poverty-stricken rural provinces such as Jiangxi, Henan and Yunan had access to supplemental medical insurance, beside their basic medical insurance.

About 90 million rural residents have bought micro-life insurance worth over 1.4 trillion yuan in total.

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## China issues guideline for developing artificial intelligence

[China daily, 20-07-2017] The State Council issued an guideline on Thursday, 20 July, in developing artificial intelligence (AI), vowing to catch up world advancing levels in artificial intelligence technology and application by the year 2020.

The guideline vows to make artificial intelligence a key economic driving force for China by 2020, while its appliance can help greatly with improving people's livelihood as well as China's innovation capacity.

China aims for theoretical breakthrough in AI by the year 2025 in both technology and its application, so that AI can play a significant role in driving China's economic transition and industrial upgrading.

It was also made clear in the guideline that China vows to become an innovation center of artificial intelligence by the year 2030.

Advancing the AI will bring China with new development opportunities, the guideline says, especially when China now faces a set of challenges of an aging population and development restricted by environmental resources.

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#### China calls for reducing food waste nationwide

[Xinhua, 12-07-2017] Restaurant and catering associations in China should issue regulations against food waste, according to an official statement.

Jointly released by the Ministry of Commerce and the General Office of Central Commission for Guiding Ethic and Cultural Progress, the statement points out that food waste can still be found in restaurants and cafeterias.

Besides establishing regulations, the "clean your plate" campaign that aims to put an end to extravagant banquets should also be continued, the statement said.

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## Chinese government agencies set up aquaculture consultancy for overseas projects

[Seafoodsource, 21-07-2017] Two Chinese government agencies have set up an international consultancy to share Chinese know-how on aquaculture and fisheries.

The Fisheries Bureau of China's Agriculture Ministry and the Chinese Fisheries Academy have come together to set up the International Fisheries Research Center, which will offer "information and consultancy services."

The establishment is a "milestone" for the China Fisheries Academy, said Cui Li Feng, head of the academy. He suggested the new center would be a "think tank" for international exchange at home in China.

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#### China's dairy products quality continues to improve: report

[Xinhua, 19-07-2017] Some 99.8 percent of fresh milk and 99.5 percent of dairy products checked last year were up to standard, according to a dairy quality report released Wednesday, 19<sup>th</sup> July.

The quality of domestic dairy products continued to improve in 2017, according to the report jointly released by the Dairy Association of China (DAC) and the Ministry of Agriculture (MOA).

The country's milk industry has recovered from the 2008 safety scandal, when infant formula produced by Sanlu Group, then a leading dairy company, was found to contain melamine, killing six babies and leaving thousands seriously ill.

Spot checks last year detected no illegal additives, such as melamine, the report said.

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## China's farmland slightly shrinks in 2016

[Xinhua, 22-07-2017] China's total farmland area dropped slightly in 2016, while the amount of construction land went up, official data showed.

At the end of 2016, China had a total of 2.024 billion mu (about 1.349 million hectares) of farmland, down 1.153 million mu from the 2015 level, according to a survey by the Ministry of Land and Resources (MLR).

Meanwhile, an extra 8.09 million mu of land was used for construction land in 2016, up 4.4 percent year on year, a large part of which has been set aside for infrastructure construction, said the ministry.

China must retain at least 1.865 billion mu of farmland in 2020, under a new target set by the MLR in 2016, which is above a government red line of 1.8 billion mu.

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## Science, Technology and Environment

## The world's first pigs cloned by robotic instrument born in Tianjin

[People's daily, 04-07-2017] Recently, China proved its success in cloning pigs, as test results show the new-born pigs and their surrogate sows are unrelated.

The two sows gave birth to 13 purebred baby pigs after a 110-day pregnancy in April.

The Robotics Institute at Nankai University in Tianjin headed the study on cloning pigs derived from somatic cells, in cooperation with the Animal Husbandry and Veterinary Research Institute.

The technique involved is called somatic cell nuclear transfer, a classic technique used for improving the variety of crops. It transfers the cell nucleus of a somatic cell into an egg without a nucleus. The advantage of this method is that it guarantees the quality of the egg. However, the low rate of success limits the development of this technique.

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### China produces world's first cloned dog using gene editing

[China daily, 07-07-2017] Already home to the world's first cloned dog using somatic cell transfer technique, China is now the world's first country to clone a dog using gene editing, after Sinogene, a Beijing-based biotech company, announced the achievement on July 5, Science and Technology reported.

Dog cloning has always been regarded in the scientific community as the most difficult, despite multiple successes in the cloning other mammals, including sheep, mice, cows, and pigs. Poor oocyte quality and the asynchronous reproduction cycle of the surrogate mother and the cloned embryo limit the application of the technology.

The company said it will promote commercial dog cloning services worldwide by establishing a gene-editing development and research base and a bank for somatic cells and genes.

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## Chinese researchers create antioxidant-rich purple rice to combat cancer, other diseases

[Xinhua, 03-07-2017] Researchers in China have successfully created genetically modified purple rice that is rich in antioxidants and thus has the potential to reduce the risk of cancer and other diseases, according to the study published this week in the journal Molecular Plant.

The added health benefits of the new rice came from high levels of anthocyanins, a group of antioxidant-boosting pigments that also provide the purple, red or blue colors of many fruits and vegetables.

Consumption of rice rich in anthocyanins can benefit human health, decreasing the risk of certain cancers, cardiovascular disease, diabetes, and other chronic disorder, said the journal Molecular Plant.

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#### How has e-commerce changed life in rural China?

[Xinhua, 10-07-2017] E-commerce is helping revitalize China's rural villages, home to half of the country's population. It has also emerged as a new growth driver for consumer spending in the world's second largest economy.

China has the world's largest e-commerce market. As the incomes of rural residents increase, growth in online retail purchases by rural shoppers has outpaced their urban counterparts.

China's rural residents spent 894.54 billion yuan (131.47 billion U.S. dollars) online in 2016, accounting for 17.4 percent of the nation's total, according to the Ministry of Commerce.

E-commerce is also opening the doors to the huge rural market for companies and farmers.

Alibaba, which began a rural strategy on its e-commerce platform Taobao in 2014, has set up local service centers in about 30,000 villages across 700 counties to support its e-commerce business and provide delivery services in rural areas.

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### **CCCAP** research facility launched in Beijing

[MoA, 13-07-2017] The Handover Ceremony of the International Potato Center (CIP) - China Center for Asia Pacific (CCCAP) Yanqing Premises was held in Beijing on 11 July 2017.

Vice Minister Qu Dongyu attended and addressed the event, he was also joined by Dr. Tang Huajun, President of the Chinese Academy of Agricultural Sciences (CAAS).

Vice Minister Qu Dongyu and CIP Director General Barbara Wells, on behalf of the MOA and the CIP respectively, sign the agreement on the handover of equipment of the research facility.

Vice Minister Qu stated that the handover marks a historic moment since the CIP proposed to establish the CCCAP in China in 2004, and this should be attributed to the support by the national leadership and the joint efforts of the MOA, the Beijing Municipal Government, the CAAS and the Yanqing District Government.

CIP Director General Barbara Wells stated that China and the CIP enjoy a long history of cooperation and the year of 2018 will mark the 40th anniversary of China-CIP cooperation.

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## **Experts reap farming know-how**

[China Daily, 31-07-2017] A group of around 20 Chinese scientists sponsored by the Ministry of Agriculture begins a weeklong course in the UK on Monday that will include lectures and farm visits aimed at sharing knowledge on biodiversity protection, conservation agriculture, and agricultural waste recycling.

In May, Beijing announced new policies to increase agricultural waste recycling by 2020, through subsidies and the creation of recycling infrastructure.

Liu Jie, head of the Rural Energy Institute at the Heilongjiang Academy of Agricultural Sciences, is a member of the Chinese delegation, said: "The training comes at an opportune time," Liu said. "China's agricultural sector is now at a turning point because we have already overexploited our agricultural resources. We must seek change and develop this sector's sustainably."

According to Liu, China's current pace of agricultural development is leading to problems with water and soil fertility.

"The UK's technology and practices ... can be directly applied to address China's challenges," said Liu.

The training was arranged by the China-UK Sustainable Agriculture Innovation Network, an academic alliance established in 2008 to support bilateral agricultural collaboration, with support from the Chinese Ministry of Agriculture and the UK's Department for Environment, Food and Rural Affairs.

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### China strengthens scientific research cooperation with B&R countries

[China.org, 06-07-2017] The press conference on the International Symposium on Funding Science and People Cooperation for a Prosperous Belt and Road was held on July 4.

A consensus was reached at the symposium held from July 3 to 4 on strengthening the cooperation on scientific research collaboration among Belt and Road countries and regions, and decided to build a framework to fund the cooperation of Belt and Road scientific talents, aiming to solve common challenges and boost the economic and social development of Belt and Road countries and regions.

Yang Wei, director and academician of the National Natural Science Foundation of China (NSFC), said international cooperation becomes increasingly important now.

He added that the communication and exchanges, cooperative research, as well as working in different countries will boost the friendship, encourage mutual learning, facilitate the resolution of difficult problems, and will promote scientific innovation and economic growth of Belt and Road countries and regions. The communication among international scientific research personnel has deepened the cultural exchange among Belt and Road countries and regions, which lays a foundation for sustained cooperation.

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#### **Trade and Business**

## Agricultural imports in 2017 rise rapidly

[China daily, 18-07-2017] China's imports of major agricultural products continued to increase fast in the first five months of the year, driven by price gaps between domestically produced products and imported products, according to the Ministry of Agriculture.

Wheat imports between January and May reached 2.2 million metric tons, an increase of 67.3 percent year-on-year, while import of soybeans increased by nearly 20 percent to 37 million tons, and imports of beef rose by 14 percent during the period, compared with the same period last year.

Imports of some major agricultural products kept increasing quickly between 2011 and 2016, with grain imports increasing at an average annual rate of 32.2 percent, meat at an average annual rate of 24.9 percent, and dairy at 16.6 percent during the five-year period, according to the ministry.

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#### More imported food fails China's quality tests

[Xinhua, 15-07-2017] China's consumer quality watchdog said that 35,000 tonnes of imported food products failed to pass quality inspections last year, up 325.2 percent year on year.

Those products, coming from 82 countries and regions, had a total value of 56.54 million U.S. dollars, up 135.5 percent year on year, the General Administration of Quality Supervision, Inspection and Quarantine said in a white paper.

They failed examinations due to incompliance with Chinese laws, regulations and standards, and thus were not permitted to enter China, the paper said.

Top reasons for their failures included excessive amounts of additives, microbial contamination and substandard quality.

As people's lives improve, demand for imported food products has risen consistently. In the past five years, the value of China's food imports rose by an annualized rate of 2.6 percent.

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#### China's CITIC Agri Fund buys Dow corn seed assets for \$1.1 billion

[Reuters, 11-07-2017] A Chinese fund part-owned by congolomerate CITIC Ltd has paid \$1.1 billion for some of Dow Chemical Co's corn seed business in Brazil, in a further sign of China's fast-expanding role in the global seed sector.

The deal includes seed processing plants and seed research centers, a copy of Dow AgroSciences' Brazilian corn germplasm bank, the Morgan seed brand and a license for the use of the Dow Sementes brand for a certain period of time, Dow said on Tuesday, 11 July.

The assets, which generated revenue of about \$287 million in 2016, are being sold by Dow to meet conditions set by U.S. antitrust regulators for its \$130 billion merger with DuPont.

The deal will boost China's share of the global seed business, which is being remade by a series of huge mergers.

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### China's Kingenta building service centres to boost fertiliser sales

[Reuters, 18-07-2017] Chinese fertiliser-maker Kingenta will build around 1,000 service centres in China to boost sales of compound fertilisers and other agricultural products, it said on Tuesday, 18 July.

China is the world's top fertiliser consumer, and the move comes as Beijing tries to cap the growth in traditional fertilisers and pesticides that have caused severe pollution.

International Finance Corporation (IFC), the private sector investment arm of the World Bank, says products such as those offered by Kingenta can reduce environmental harm through more efficient plant take-up and less contamination of water.

Kingenta is aiming to reach 50 million farmers with the service centres that will be run by a new venture called Kingfarm Co-operative, according to a statement. The company said the Kingfarm centres will be the first in China to offer farmers full agricultural services in one outlet.

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## **International Blueberry Summit to be staged in China**

[FreshPlaza, 13-07-2017] The International Blueberry Organization (IBO) decided that the 5th International Blueberry Summit will be held in Qujing from 9-12 September. After Chile, Mexico, Australia, Argentina and Uruguay, this will be the first time that the summit is held in China.

This International Blueberry Summit will be organized by the Qujing government, the Yunnan Department of Agriculture and the International Blueberry Organization. This summit's topic will be "South of the colorful clouds - A new vision for blueberries worldwide".

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## China, US reach certain consensus on agricultural cooperation during economic talks

[Xinhua, 21-07-2017] China and the United States have reached certain consensus on agricultural cooperation during the first China-US Comprehensive Economic Dialogue (CED) concluded on Wednesday, 19 July.

Both countries have reached an agreement on inspection and quarantine protocols for US rice exports to China, said a statement released by a Chinese delegate to the dialogue on Thursday.

According to an announcement by the US Department of Agriculture, US rice export to China can begin following the completion of an audit of US rice facilities by China's General Administration of Quality Supervision, Inspection and Quarantine.

It will be the first time for the United States to export rice to China, said the US Department of Agriculture.

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#### U.S. beef returning to Chinese dining tables

[Xinhua, 02-07-2017] As Chinese and U.S. representatives cut into a rib in Beijing to mark the return of U.S. beef to China after a 14-year absence, customers in Shanghai also started to receive the U.S. beef they had pre-ordered online via domestic retailers.

The beef sent to Shanghai homes via retailers like FruitDay is of the highest quality in terms of tenderness, juiciness, and flavor according to U.S. Department of Agriculture (USDA) standards, and is known as Prime grade.

The reopening of the Chinese market to U.S. beef, one of the first results from the China-United States 100-day action plan reached in May, ends a ban initially triggered by concerns over mad cow disease in 2003, and may well start a new chapter in bilateral economic and trade cooperation.

The return of U.S. beef to China and, in reciprocity, China's cooked poultry to the United States, are at the forefront of the China-United States 100-day action plan, which also covers areas including financial services, investment, and energy.

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## China signs second-largest deal for U.S. soybeans

[Reuters, 13-07-2014] A delegation of commodity importers from China signed agreements on Thursday 13 July to buy 12.53 million tonnes of U.S. soybeans and 371 tonnes of U.S. beef and pork even as President Donald Trump warned about issuing trade sanctions against the country.

The total value of the combined soybean and meat deals was set at \$5.012 billion by the U.S. Soybean Export Council. The beef deal came just weeks after China reopened its market to U.S. supplies after a 14-year ban.

But traders and analysts said the agreements from the world's top buyer of soybeans provided little insight for the market, as final prices and shipment dates were not specified. The agreements added up to the second-largest on record between the two countries.

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### US-style farm set to put down deep roots near Beijing

[China daily, 22-07-2017] A landmark demonstration farm modeled faithfully on a Midwestern farmstead situated in the US state of Iowa, is set to start construction in September near Beijing with the aim of helping advance the technology of modern mechanized agriculture in China.

The farm—called the Sino-US Friendship Model Farm—will cost an estimated \$1 billion and will cover 3,300 acres (1,336 hectares) outside the town of Hushiha in northern Hebei province, according to a senior official.

Last year, an agreement on building the model farm near Chengde was signed in Hebei, when Iowa's former Governor Terry Branstad visited the province.

The farm will introduce crop varieties, and use farming equipment and techniques as well as management experience from Iowa, according to Ye Changqing, executive deputy head of the Hebei People's Association for Friendship with Foreign Countries.

It will also invite US farmers to run it. In addition, the farm will act as an educational base for agricultural development and become a draw for eco-agricultural tourism.

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### Norway's Salmon Run Into China Spawns Success

[Caixin, 22-07-2017] Although China has a voracious appetite for salmon, what you might really be eating here is rainbow trout, according to an official from the Norwegian Seafood Council.

"China is currently producing a similar species to Atlantic salmon, the rainbow trout. This is mainly produced in freshwater bodies and not in the ocean like Norwegian salmon," said Sigmund Bjørgo, director of the Mainland China and Hong Kong department at the Norwegian Seafood Council.

The issue of rainbow trout being sold as salmon in the country is one of the issues that Bjørgo discussed with Caixin in a wide-ranging email interview on his country's seafood industry and how it is growing in China.

But it is difficult to weed out the imposter salmon, given problems with tracing the origins of fish and livestock. China currently imports salmon mainly from Chile and the Faroe Islands, a Danish self-governing archipelago about 200 miles north of Scotland. But soon, it is estimated that half of the tender, pink fish meat that dominate the sashimi plates in China will come from the cold ocean off the coast of Norway.

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