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Policies

China confident of food self-sufficiency: report

[Xinhua, 20-04-2015] The country will remain self-sufficient in producing its main food crops and food consumption will have guaranteed safety by the end of the next decade, according to the newly-released China Agricultural Outlook Report (2015-2024).

Compiled by the Ministry of Agriculture, the annual report forecasts demand and trade of major agricultural products in China over the next ten years to provide guidance to markets and take the initiative to react to changes in international markets.

The report said China's agricultural production will keep stable development, supply and demand of the market will remain balanced and agricultural consumption will grow fast over the next decade.

China will accelerate agricultural modernization to raise quality and efficiency of agriculture, continue to transform the pattern of agricultural development to attain intensive and sustainable growth, said the report.

China has made great progress in rural development in 2014 with grain output growing for the 11th year in a row last year, reaching 607 million tonnes.

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China's big reserves of grain come with equally big problems

[Caixin, 16-04-2015] China is building up the world's largest stockpiles of grain in a bid to address food security, but this comes at the expense of higher costs, a distorted market and exhausted land.

Although the country has reported grain production increases for 11 straight years, the government has never reduced the importance it attached to food reserves. From November 25 to March 31, the authorities purchased 76.1 million tons of corn from domestic farmers to put into national granaries, up nearly 13 million tons from the same period last year. Reserves of rice and wheat have also increased significantly.

However, some experts say China is paying great costs in capital and the environment to build up the stockpile.

Beijing set a price range that is paid to domestic farmers for grain reserve purchases in order to protect farmers' incomes and encourage production, but prices have gradually exceeded international prices in recent years.

Meanwhile, amid the continuous production increases, the agriculture industry is seeing profits decline and costs rise.

Data from the National Development and Reform Commission show that wheat planting saw an average 12.8 yuan net loss per mu (or 666.7 square meters). This compared to a net profit of 165 yuan in 2008.

Huang Jikun, an agriculture industry policy expert at the Chinese Academy of Sciences, said that since 2005, the costs of labor and land use have increased significantly, squeezing the profit margins of farmers.

"The trend will be more obvious in the next 10 years," said Huang, who also warned that China's agricultural industry is becoming less competitive globally.

Ning Gaoning, chairman of state-owned food supplier and major exporter COFCO Group, said that from a global perspective, the only solution to food security is free trade.

Cheng Guoqiang, another researcher at the cabinet's Development Research Center, said that to control risks from abroad, China should better engage in setting rules for the global market, while diversify its imports and encourage domestic companies to expand overseas.

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China's rotten grains highlight troubled policy

[FT, 19-04-2015] Chinese state television has shone light on the taboo topic of poor quality grains held in bulging government warehouses, in one of the first official acknowledgments that the country's vast agricultural reserves may have badly degraded.

Undercover footage aired by state broadcaster CCTV this weekend, in a report entitled "Rats in the Granary", documented officials at state grain warehouses in northeast China buying old or inferior grain for discounted prices, while filing paperwork to show they were buying new grain at the state-set price and rotating out old stocks. Grain prices are subsidised by the government, which guarantees a minimum price.

The true quality of China's grain reserves holds serious implications for global commodity prices. If the stockpiles include large amounts of unusable grain, China could be forced to increase imports sharply, causing international prices to jump.

However, if the reserves are of good quality, then Beijing's efforts to draw down its stockpiles by dumping them on the market would push prices down.

Grain reserves in China have become swollen thanks to the government's minimum price policy, which was designed to guarantee incomes for farmers and encourage them to grow grains. China is estimated to hold about 60 per cent of the world's cotton stocks and about 40 per cent of its corn stocks.

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China considers regulating international cooperation in seed industries

[Xinhua, 20-04-2015] China is considering regulating seed industries involved in business with foreign seed enterprises to safeguard its sovereignty over seed resources.

The draft amendment to the Seed Law was heard by the Standing Committee of the National People's Congress.

In a bid to show the country's sovereignty over seed resources and prevent leaks, seed research and use involving foreign individuals, enterprises and other institutions are subject to approvals by the authority, the draft amendment said.

The draft amendment added that the State will establish a security check system for seed security to regulate activities involving investment, mergers, and technological cooperation with Chinese seed enterprises.

In addition, the draft amendment called for strengthened tracing and supervision of genetically modified plant seeds and publicizing related information in a timely manner.

Enterprises that produce seeds of genetically modified plants should be licensed by agricultural and forestry departments of the State Council, the draft amendment said.

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China to strengthen oversight of GM crops under development

[Reuters, 27-04-2015] China plans to increase its oversight of genetically modified crops due to heightened public concern over Beijing's ability to keep illegal GM products out of the food chain.

Beijing supports genetically modified organisms (GMO) technology, which it sees as crucial to future food security. But critics have alleged the technology could pose health risks, and while China allows imports of some GMO crops it is yet to permit domestic cultivation of GM food crops.

The revisions, published by the agriculture ministry on its website on Monday, stress the primary responsibility of research institutes to ensure that GMO products are developed according to safety rules.

They also require organizations doing research and testing on GMOs to clearly document each procedure. Agriculture officials at county and town level will also need to increase supervision of GMO trials.

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Chinese lawmakers weigh harsh regulation on baby formula

[Xinhua, 20-04-2015] Tougher regulations on infant milk formula will be introduced to restore public confidence in the domestic dairy industry.

Producers will be required to register powdered baby milk formula with the food and drug regulatory agency, according to a draft revision to the Food Safety Law, submitted to the bi-monthly legislative session of the National People's Congress (NPC) Standing Committee for its third reading.

The policy change is more strict than an earlier draft submitted in December, which stipulated that firms only needed to ensure their powdered baby milk formulas were on record.

There are more than 1,900 varieties of baby formula available in China and each company has around 20 varieties each. In other countries, firms produce and sell two or three, according to the Food and Drug Administration.

In 2008, infant formula produced by the Sanlu Group, a leading dairy firm in north China, was found to contain melamine. Six babies died and thousands fell ill.

As a result, the first Food Safety Law was enacted in 2009 but public confidence in domestic baby formula has not recovered.

According to a new article, the country will encourage and support the use of effective pesticides with low toxicity and residues, speed up a full ban on highly toxic pesticides and promote the research and application of substitutes.

Despite the failure to propose a complete prohibition of highly toxic pesticides, the draft added a special provision to forbid the use of highly toxic pesticides in the planting of vegetables, fruit, tea and medicinal herbs.

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China announces water pollution controls

[China Daily, 16-04-2015] A plan to intensify the government's fight against water pollution in China was announced on Thursday.

The Action Plan for Prevention and Treatment of Water Pollution aims to reduce pollutants, improve the quality of drinking water, and promote water saving, according to the State Council, China's cabinet.

The targets of improvements include 70 percent of the water in the seven major river basins, including the Yangtze River and the Yellow River, should be in good condition by 2020. Similar targets were set for offshore waters.

The aquatic ecosystem has been severely damaged in many parts of China. According to the findings of a survey conducted by the Ministry of Environmental Protection last year, 60 percent of China's underground water is either "bad" or "very bad", and 17 out of 31 major lakes are polluted.

To reach the goal, the country will phase out outdated capacity, increase the efficiency of water use, and further allow market forces to help manage water resources.

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Ban on highly toxic pesticides should be just the first step

[China Daily, 23-04-2015] Chinese lawmakers have proposed a ban on highly toxic pesticides in their third revision of the Food Safety Law. The ban, though long overdue, will better protect the public health if implemented.

Chinese farmers still use highly toxic pesticides containing organic phosphorus.

Yet, there are many international agreements and conventions restricting the use of highly toxic pesticides and it is conventional practice to put dangerous pesticides under effective control in farming.

And if China can lower the pesticide residue in its agricultural products, it will reduce trade barriers and pave the way for agricultural trade with the developed economies.

China needs to strengthen its research and development of the substitute pesticides that are of low toxicity and less persistent. Without these substitutes, the farmers will have claim ignorance of the Food Safety Law in pursuit of higher output per unit area of farmland.

Banning the highly toxic pesticides is only the first step toward reducing the overall use of all pesticides.

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Three trends plowing ahead in Chinese agriculture

[China Economic Review, 09-04-2015] Chinese agriculture has been shaped over the last 30 years by intense modernization and industrialization, as well as a stubborn commitment to self-sufficiency. While many policies have held steady through the start of this year, 2015 looks set to get more interesting as we head into the second quarter.

One area to watch is the slow-burning growth of the organic market in China, which is now the fourth largest organic market in the world after the US, Germany and France. The Chinese government itself has forecast continued annual growth in organic markets, and new organic shops are popping up to meet demand. This could be a significant opportunity for investment, but current domestic organic production still has hurdles to overcome.

A second, broader development is the government's acceptance of genetically modified produce, this despite cries to the contrary from the public in recent years. In early January 2015 GM cotton and papaya was approved for commercial production in China, and the importation of GM soybeans, rapeseed, cotton and corn have all been given the go-ahead, though as US corn farmers will note, some took longer than others. Government officials further proclaimed that China is now a world leader in GM research of some crops, notably rice and corn, and asserted wholehearted support of scientific inquiry into GM products.

Last and by no means least, China has begun aggressively pumping up potato production. The Ministry of Agriculture announced in January that 50% of potatoes grown in China would be consumed as a staple food by 2020, no small feat considering the country is already one of the world's largest producers of said root. The humble tuber offers an alternative crop to

cultivate on land that has been degraded by intensive cereal farming or pollution, and requires significantly less water compared with rice and wheat. This makes it ideal for China's notoriously dry northern and western provinces, which are subject to rapid desertification as a result of environmental degradation.

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Science, Technology and Environment

China's "long, steep road" to safer food

[China Daily, 07-04-2015] Having safe, nutritious food on every plate in China is a momentous task and one that China's government has made great strides in achieving. Yet for every gain there are setbacks, from unsafe use of pesticides to insufficient inspectors in food production facilities. The high profile food crises in the past years have gained headlines in China and around the world. When will the people of China be able to fully trust the food they eat? To ensure food safety for every citizen, China has a long, steep road ahead.

The enormous scale of the food safety industry – like the country it works to feed – shows there are no quick fixes or easy answers. China feeds around 20% of the world's population with 9% of the world's land, and 6% of its water. The food industry is made up of millions of businesses – and valued at approximately 12 trillion RMB (\$1.93 trillionUSD) in 2014, it is an important sector in China's powerhouse economy. Ensuring the safety of all food grown, produced and consumed in China is no small task.

Unsafe food poses major health threats, as it contains harmful bacteria, viruses, parasites or chemical substances. These cause more than 200 diseases ranging from diarrhea to cancer. Most of these health threats are preventable.

Aside from food hygiene (which can cause foodborne disease from bacteria and other infectious agents), some of the causes of unsafe food in China include chemical contamination by pollutants, and veterinary drug residue, such as from misuse and overuse of antibiotics in farming. The Government of China is taking steps to address these problems. But they cannot be solved overnight: addressing many of these issues will require fundamental changes all the way along the food chain.

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Beijing, Tianjin, Hebei to develop integrated food safety mechanism

[China Daily, 10-04-2015] Professionals attending the seminar on the Beijing-Tianjin-Hebei integrated mechanism of food safety risk control suggested that the three sides should unify related local governmental regulations and standards on food safety.

The attending professionals came from institutions including the China National Center for Food Safety Risk Assessment (CFSA), Renmin University, Tsinghua University, Central University of Finance and Economics, Tianjin University of Finance and Economics, and Hebei University of Economics and Business.

The seminar aims at specifying the target audience and improving the efficiency of food safety monitoring. In addition, the seminar serves to break the geographic limitations and helps to promote communication among each element.

Apart from constructing a complete Beijing-Tianjin-Hebei food safety integrated management mechanism, the participating professionals thought an administrative mechanism of food safety risk control is expected to be established.

The administrative mechanism should include joint conferences participated by mayors and officials from the Food Safety Commission and the China Food and Drug Administration

(FDA), a special institution on Beijing-Tianjin-Hebei's food safety management; a proposal on the implementation of food safety risk control; an information sharing system; and a talent attracting system.

In addition, the professionals thought a law enforcement coordination mechanism should be established. Furthermore, food safety risk control should be included into the overall blueprint of Beijing-Tianjin-Hebei integrated development.

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Antibiotics abuse makes China's pork industry a hotbed for drug-resistant bugs

[China Economic Review, 13-04-2015] As Chinese agriculture scales up, key features of industrial farming – including antibiotics overuse, large-scale farms and breeding practices – could prime the pump for drug-resistant disease to take a serious toll on the country's porcine population. A veneer of modernization is also helping popularize the companies that have adopted these practices among consumers who are already on high alert for more immediate food safety problems. The size of that pork-hungry populace means a major loss in domestic swine stocks would have serious ramifications for the global meat market and undermine Beijing's efforts to secure an adequate domestic supply.

Also potentially troubling is the possibility of such resistance spreading in a way that could pose a direct threat to human populations, and scientists are have begun to research the extent to which these practices may actually endanger people. Accurately gauging the likelihood and potential severity of these outcomes would require extensive industry data that scientists and policymakers don't yet have but urgently need.

"With such large scale use, drug resistant microbes generated in animals can be later transferred to humans through the food chain," said Martin Taylor, team leader for health systems at the World Health Organization's China office. "Major change is needed to find new ways to treat infection, and to change how we produce, prescribe and use antibiotics in both people and animals in China and worldwide."

Yet with global population projected to reach 9 billion in the next 35 years, countries will become increasingly interdependent and competitive for food, and a microbe's adaptation in one locale has perhaps more potential than ever before to spread across the globe. China, along with the rest of the world, needs to better regulate its pork production.

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Chinese children exposed to high levels of antibiotics

[Shanghai Daily, 14-04-2015] Chinese children are widely exposed to antibiotics, which come from both drug use and residue in the environment and food, according to findings of a survey of 1,000 children between 8 and 11 years old in Shanghai and nearby Jiangsu and Zhejiang provinces, were published in the latest international scientific journal, Environmental Science and Technology.

To study the influence of antibiotics in Chinese school children, Fudan's experts took urine samples from 1,064 school students to test 18 representative antibiotics. It is the first time in the world that experts studied antibiotics from children's urine samples.

All the 18 antibiotics were detected in urine samples with the detection frequencies ranging from 0.4 to 19.6 percent. "The antibiotics with the highest detection is an antibiotics used in animal raising and feed subsidy, which means there is a big residue even though it is legal," said Wang Hexing, who participated in the research.

“The findings were alarming. Being exposed to low level of antibiotics for a long time can result in drug resistance and lead to intestinal disease, asthma, obesity and even tumor,” Wang said.

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CPPCC discusses soil protection

[Xinhua, 10-04-2015] China's political advisors discussed soil protection along the black earth belt in northeastern China during a bi-weekly consultation session.

According to a statement issued after the session, political advisors agree that protection of the black earth belt is vital to China's food security and the sustainable use of its land and agricultural resources.

The black earth region of northeast China, one of the world's three-largest fertile areas, now accounts for about one fifth of China's total grain production. However, excessive reclamation over the years has significantly reduced the fertility of the black earth belt.

Earlier reports quoted a senior Chinese geologist as saying China will lose all of its black earth topsoil in 50 years without proper protection.

Political advisors suggested that the country should incorporate black earth protection into its 13th Five-Year Plan, push forward circular agriculture and advance reforms on the rural property right system.

They also called for technological innovations and urged the central authorities to increase financial support for black earth protection.

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China risks social conflict if war on pollution lags - govt researchers

[Reuters, 10-04-2015] Any failure to tackle China's huge pollution problems in the coming years could stoke public discontent and create "social conflicts", government researchers warned, underlining political concerns driving Beijing's war on smog.

With pollution identified as a major source of unrest, China's ruling Communist Party has promised to tackle a host of environmental problems brought about by more than three decades of breakneck economic growth, an environment ministry think tank said.

The Institute of Environmental Planning, run by the Ministry of Environmental Protection, said China's economy has now "basically said goodbye" to scarcity and the state was now having to meet rising public demand for a cleaner environment.

"There is a huge gap between how fast the environment is being improved and the how fast the public is demanding it to be improved, and environmental problems could easily become a tipping point that leads to social risks," the institute said in a report published by the official China Environmental News.

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China farm pollution worsens, despite moves to curb excessive fertilisers, pesticides

[Reuters, 14-04-2015] Farm pollution in China is worsening, despite moves to reduce excessive use of fertilizers and pesticides, said the agricultural ministry, urging farmers to switch to organic alternatives to tackle severe soil and water pollution.

But experts say achieving the ministry's goal will be difficult without sacrificing food output, a top priority in the world's most populous country.

Growers apply 550 kilograms (1,212 pounds) of fertilizer to a hectare (about 2.5 acres) of fruit trees and 365 kilograms (805 pounds) of fertilizer to a hectare of vegetables, vice agriculture minister Zhang Taolin told reporters.

Pesticide consumption should be cut to 300,000 tonnes, down from the current 320,000 tonnes, said Zhang.

"I believe it is absolutely possible to guarantee our food security strategy," added Zhang, while proposing farmers use more organic fertilizers.

Qiu Huanguang, professor at Renmin University, expressed doubt over the plan, however.

"China's soil fertility is declining so it needs fertilizers to maintain it," he said, adding that switching to organic fertilizers such as animal manure was much more labor-intensive for farmers already facing rising labor costs.

Beijing also wants to promote the use of waste management systems at livestock farms and try to reduce pollution from plastic film, promoting biodegradable products as an alternative, said Zhang.

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A century of spectacular wheat yield improvements in China

[Phys.org, 21-04-2015] Almost 100 years of data on China's wheat yield improvements have been unearthed for the first time by researchers. Data on more than 1850 Chinese wheat varieties from the 1920s to 2014 were collected and analysed to better understand the evolution of yield-related traits, and to formulate strategies for future breeding.

The wheat growing regions of China are divided into three major agro-ecological production zones: northern China winter wheat region, southern China winter wheat region and spring wheat region. Grain yields for all three regions have steadily increased since the 1920s through an increase in kernel weight and number of kernels per spike. Plant height and seeding density decreased contributing to an overall enhanced yield and efficiency.

The increase in wheat yield in China is associated with improved varieties but other factors such as increasing use of fertilisers and supplemental irrigation have also contributed. China produced 126 million tonnes of wheat in 2014.

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China-led research team sequences cotton genome

[Xinhua, 25-04-2015] A joint biological research team led by Chinese scientists has completed genome sequencing of cultivated upland cotton, a new breakthrough in cotton genome studies.

The research sequenced and assembled the genome (AtDt) of *Gossypium hirsutum*, an important fiber crop cultivated worldwide, providing insights into the genomic evolution of the cotton, the Chinese Academy of Agricultural Sciences (CAAS) said on Saturday.

The results will not only support multiple areas of cotton study but also speed up seed selection, said Li Fuguang, one of the researchers.

The research was completed with the combined effort of scientists from several organizations, including Peking University, BGI-Shenzhen, Wuhan University and Southern Plains Agricultural Research Center under the U.S. Department of Agriculture.

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Firm named for top rice scientist pulls variety of seeds after crop failure

[Caixin, 14-04-2015] A company named after China's "father of hybrid rice" said it has stopped selling a certain seed variety after reports of a large crop failure in the eastern province of Anhui last year.

Shenzhen-listed Yuan Longping High-tech Agriculture Co. announced the decision regarding its Liangyou 0293 variety of seeds on April 13. It said cold weather was responsible for lower rice yields in the Anhui city of Bengbu in 2014.

The company also said it is talking to rice growers, seed wholesalers and local agricultural regulators to work out plans to help farmers control their losses, but did not elaborate on what that aid would entail.

The Southern Weekend newspaper said on April 9 that rice growers in Bengbu planted a total of 667 hectares of Liangyou 0293 in 2014, but suffered heavy losses due to an infection of a fungal disease called rice blast. Farmers said the problem was so serious that some had no yields.

An agriculture ministry official told the Economic Daily newspaper that Liangyou 0293 is not listed as a type of super hybrid rice.

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China to tighten assessment of hybrid rice varieties

[Xinhua, 14-04-2015] The assessment of hybrid rice varieties will be reviewed following substantial losses by farmers, a senior official said.

The hybrid rice variety Liangyou 0293, developed by Yuan Longping High-Tech Agriculture Co. Ltd. (Longping High-Tech), is vulnerable to rice blast. Farmers growing this variety in east China's Anhui Province reported massive crop failure after it was infected with rice blast, a serious fungal disease.

Zhang Taolin, vice minister of agriculture, said at a press conference held at the State Council Information Office that a rice variety assessed as suitable for one location may not be appropriate for another.

"We need to cultivate a more resilient rice variety," said Zhang.

More than 10,000 mu (about 667 hectares) of rice had low yield or even outright crop failure last October, according to the provincial seed management station in Anhui. The province planted around 40 million mu of rice last year, including 180,000 mu of Liangyou 0293.

Longping Hi-Tech, was established by Hunan Academy of Agricultural Sciences in 1999. Yuan Longping, the "father of hybrid rice" is its honorary chairman and shareholder, according to the company's official website.

Liangyou 0293 has been available in China for eight years. In Hunan, where Longping High Tech is headquartered, it has been replaced by more resilient varieties.

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China's first biomass-solar power plant begins initial operation

[Xinhua, 02-04-2015] China's first power plant producing electricity both from biomass power generation and photovoltaic power generation started its first phase operation on 2nd April.

The Zhejiang Longquan Biomass Power Plant in east China's Zhejiang Province began operating its two biomass power generators, which boast a total installed capacity of producing 162 million kilowatt-hours of electricity a year.

To reach the capacity, the generators need to consume 250,000 tonnes of biomass fuel, which is processed from rural waste.

The plant will see the installation of its 1.44-megawatt photovoltaic power generation system later this month. It is expected to go into operation 4 months later. The solar power generation is able to add 1.3 million kilowatt-hours of electricity a year to the power grid, which is equivalent to the thermal power generation of burning 430 tonnes of coal.

Saw dust, along with straw and other agricultural waste, is the main raw material that the plant purchases from farmers to fuel the biomass power generation.

If recycled, rural waste has the potential to produce the biomass energy equivalent to thermal power generation from 656 million tonnes of coal a year, or half of the country's annual coal output.

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Trade and Business

China's Cofco lays out global agricultural ambition

[FT, 21-04-2015] State-owned grain trader Cofco of China plans to transform itself into a "global agricultural company" that helps meet not only its home country's rising food import needs but ships to other destinations around the world, its chairman said.

China's agricultural imports would rise from about 120m tonnes to 200m tonnes in a decade as its people "consume more meat than rice" and "more milk than tea," Ning Gaoning said.

Mr Ning's comments come as Beijing loosens a long-held goal of self-sufficiency in grain, a legacy of past famines. Cofco recently took a stake in an agriculture joint venture with Noble Group, and separately purchased a controlling stake in Dutch agricultural trading house Nidera to extend its reach into grain exporting regions such as Europe and South America.

He confirmed Cofco's plans to eventually list shares in an initial public offering, saying the company should be governed by "a global standard." Cofco's ambitions will reshape its relations with traditional agricultural suppliers such as Cargill, Archer Daniels Midland.

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China opens taps for water conservation funding

[Xinhua, 31-03-2015] China plans to build 27 major water conservation projects in 2015, and would prefer them to be built and operated with private funding, senior officials said.

The amount of investment in major water conservation will be increased from last year's 488 billion yuan (79.74 billion U.S. dollars).

Private capital's involvement will be prioritized, according to a document jointly released by the National Development and Reform Commission, Ministry of Finance and the MWR.

The ministries opened the threshold of these projects to all kinds of qualified bodies including state-owned enterprises, private and foreign enterprises.

Currently, 57 water projects are under construction. These projects, including the 27 new ones planned this year, will be mostly located in China's central and western regions, focusing on agricultural water conservation, water diversion, water source management and protection, as well as large-scale irrigation.

China is also planning to formulate national pilot water projects to test new techniques in this field.

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99 percent of Chinese coffee comes from Yunnan

[China Daily, 15-04-2015] Yunnan has become China's largest coffee producing area, whose output accounts for almost entire national output. Statistics from the Yunnan Provincial Agriculture Department show that the coffee planting area in the Southwest China's province has covered about 125,000 hectares and that the output has exceeded 118,000 tons.

Depending on fluctuations in global coffee production and marketing, it is estimated that Yunnan's coffee planting area may expand to more than 167,000 hectares by 2020. The total value of output will have exceeded 35 billion yuan (\$5.6 billion) by that time.

Yunnan has explored its favorable conditions as a coffee-growing region since more than a century. Coffee planted there is unique because it is "strong but not bitter, fragrant but not aggressive and with mild acidity".

These features make Yunnan coffee stand out in the global market. In 2014, coffee has become the third largest agricultural export product in Yunnan and generated foreign exchange revenues of \$146 million, following vegetables and tobacco.

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China wine growers beat France into second place

[Reuters, 27-04-2015] China overtook France last year as the world's second largest wine grower by area under cultivation as it continued to plant vast fields of mostly imported grape vines to meet growing demand.

The world's second largest economy, which since 2013 consumes more red wine than any other country, has more than doubled the land devoted to vines since the start of the century to 799,000 hectares, the International Vine and Wine organization OIV said. It now accounts for 10.6 percent of the world's wine area against 10.5 percent for France and 13.5 percent for world No.1 grower, Spain.

Vines are imported from all around the world and are mostly red grapes as Chinese virtually drink no white wine.

They include many varieties such as Cabernet-Sauvignon, Syrah, Merlot and Chardonnay and are essentially grown in the Ningxia, Sichuan and Hebei provinces in dry areas.

Still, China's wine production is still far behind the world's major producers, France, Italy and Spain, which all surpassed 40 million hectolitres last year while China was barely at 11 million, ranking eighth in the world.

But since vines take between four and five years to produce and planting surged about two to three years ago, China's output could jump in just a few years.

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'Taobao' service stations welcomed by villagers

[CCTV, 14-04-2015] While e-commerce continues to grow in influence across the country, online shopping still seems a far-fetched concept in many rural areas. But industry trailblazers are determined to explore these unchartered and untapped waters. E-commerce giant Alibaba has teamed up with the local government in Southwest China's Guizhou province, to establish

46 e-commerce service centers and, in the process, is making a huge difference in the lives of many ordinary villagers.

Previously, express courier companies would only transport packages to places that were convenient and, certainly, not to every village. And this was a major hindrance for rural e-commerce.

So where's the way out? Local government has teamed up with Alibaba for a solution. For each package, the government subsidizes five yuan for the shipping. They hope that as more and more villagers turn to online shopping, shipping costs will dramatically reduce, and the subsidy can be discontinued. And the next step is to turn buyers into sellers.

A massive market, ready to unleash its potential.

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China energy major Sinopec now sells food, with help from Alibaba

[MarketWatch, 14-04-2015] With gas prices falling, China Petroleum & Chemical Corp., better known as Sinopec, is moving forward with plans to focus less on its current core business — oil refining and gasoline sales — and more on becoming a seller of gourmet foods and tourist packages, among other things.

The Chinese energy major has just opened its first online convenience store, hosted on Alibaba Group's Taobao.com — China's largest e-commerce platform — selling gourmet delicacies from China's Wuyi Mountains in the southwestern province of Fujian, according to a Securities Daily report.

Products on sale at the new Sinopec cyber-market include Wuyi oolong tea, chestnuts, tea eggs, dried bamboo shoots, and even salted pressed ducks.

And if you need your pressed ducks quickly, you can choose to pick up the goods at your nearby Sinopec gas station, the report said, citing a company statement.

It's all part of Sinopec's new mission to leverage the Internet — and its nationwide chain of gas stations — to become what it calls an “integrated service provider.”

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China tilapia exporters lose EU, gain Middle East

[SeefoodSource, 09-04-2015] Prices for tilapia from China increased in 2014 even as volumes exported slipped – but cheaper catfish is pushing tilapia out of the EU market. And a stronger dollar means the United States is back in favor as a market for Hainan, one of China's key tilapia producing regions.

Hainan exported 123,100 metric tons (MT) of aquatic products last year, down 2.67 percent in volume terms but, up 4.19 percent in value to USD 545 million (EUR 586 million), according to the Hainan Aquatic Products Processing and Marketing Association (HAPPMA). Tilapia exports fell 2.16 percent to 102,500 MT (83.2 percent of the province's total seafood exports), but increased 6.69 percent in value terms to USD 378 million (EUR 406 million), according to its newly published report to members.

Exports to the EU markets show a continued decline and while the United States remains the largest export market the biggest growth is coming from the Middle East: Exports to Iran and Israel both doubled last year. Israel bought 7,700 MT last year, worth USD 29 million (EUR 26.97 million), up 111 percent in volume and 128 percent in value terms. But Iran appears to have paid more for its tilapia: It paid USD 32 million (EUR 29.7 million) for 6,500 MT, up 134 percent in value and 128 percent in value terms on the previous year.

While Europe is buying less, increasing appreciation of tilapia in the Middle East market has opened up opportunities. “For religious reasons, the Arabs do not eat shellfish or seafood without scales... the suitability of tilapia to the Middle Eastern diet has been gradually recognized in recent years,” noted the report.

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Chinese aquaculture market rapidly growing

[The Fish Site, 17-04-2015] The aquaculture market in China is growing at a steady pace thanks to the geographical conditions in the country that favour the farming of large species of fish.

A new report from TechNavio shows that the aquaculture market is also thriving as the Chinese appetite for live and fresh aquatic produce, as well as processed products grows among a wide range of consumers.

Aquaculture production in China has become more concentrated in recent years with the top 11 provinces accounting for almost 90 per cent of the production. Those regions are Jiangxi, Guangxi, Hubei, Liaoning, Jiangsu, Zhejiang, Fujian, Guangdong, Shandong, Anhui and Hunan.

While domestically, processed aquaculture products are primarily being exported, high quality, safe food, as well as premium aquaculture products are also gaining a foothold in China. The aquaculture market in China is expected to reach around US\$100 billion by 2019.

Imported sustainably produced sea products such as squid, cod and mackerel that are domestically popular have produced an upsurge in domestic aquaculture production.

Busy lifestyles in China are also now driving the demand for processed aquaculture production of seafood such as prawns and tilapia fillets. There is an increased appetite for ready-to-cook and processed foods, which is driving the demand for shellfish, shrimp, and fish. Imported high-value seafood, which are popular in restaurants and hotels are also adding to the growth in the aquaculture market.

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Soybean imports to jump by 2024

[China Daily, 22-04-2015] An official report showed that China, the world's largest soybean importer, is forecast to import 82.66 million metric tons of soybeans by 2024, up 15.8 percent from 2014. At the same time, consumption of soybeans will rise 12.7 percent in 2015 to 96.71 million tons by 2024, according to the China Agriculture Outlook 2015-24.

While imports of soybeans will rise, staples such as corn will remain steady. Corn imports are unlikely to surpass 7.2 million tons in 2024 due to quota restrictions. But corn consumption in the next decade will continue to increase with an annual growth rate of 3.1 percent, the report said.

Wheat imports will climb up to 2.8 million tons from 1 million in 2014. Cotton imports in 2024 are estimated at 2.08 million tons, down 14.8 percent from 2014, because of lower Chinese textile exports and a greater use of cotton substitutes, the report said.

Dairy imports are also expected to grow 3 percent a year during the coming decade to 16 million tons. This is lower than the average of 15.5 percent growth during the past decade as a result of increased production at home, the report said.

Imports of pork, lamb and beef are likely to slow by 2024 compared with the past decade as the growth in meat consumption declines. This will restrict pork imports to less than 1 million tons a year by 2024, while those of beef and lamb will be less than 500,000 tons each.

Changes in food consumption also reflect greater economic vitality. Urbanization and an upwardly mobile population are key elements that have shifted Chinese diets from being mostly grain-based to ones that include more meat and dairy products.

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China-Britain relationship grows ever stronger

[CRI, 10-04-2015] British exports to China have grown so strongly that the UK government decided to appoint its first agriculture and food counselor in China to explore more opportunities in the world's second largest economy. The Chinese demand for British milk, pork, Yorkshire tea and salmon brought about a 12-percent jump in food exports to China last year.

This is just one aspect of the all-around relationship between China and the UK. The two economies are complementary, with Britain enjoying strength in the creative sector, technology and financial management and China boasting a market soon to be the largest for almost everything Britain produces.

There's also strategic consideration on both sides to build a long-term strong bilateral relationship. One example has been the UK taking the lead in joining the China-initiated Asian Infrastructure Investment Bank (AIIB) and thus becoming the first major Western power endorsing the financial institution.

Another extraordinary example has been the British openness to investment from Huawei, the world's second largest telecom equipment maker. The latest news is that Huawei has been given a clean bill when a British government report concluded that the Chinese company does not present any threat to national security.

There is pragmatic consideration in both London and Beijing for the sake of national interests. But what is more valuable is the British way to engage with a rising power like China, which is constructive and productive.

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Costa aims to expand business in UK and China with over 1,000 new coffee shops

[Forbes, 28-04-2015] UK coffee chain, Costa, has announced plans to significantly expand its estate on the back of strong sales growth.

The Whitbread-owned business plans to grow its UK store base to around 2,500 in 2020.

In China, where it operates through two joint ventures, Costa has ambitions to almost treble its business to around 900 stores. It currently operates 344 sites, with 43 new stores opened during the last financial year.

Costa is also planning to double its Costa Enterprises business, which includes its Costa Express self-serve coffee bars, in the same period by expanding into new growth channels in the UK, as well as internationally.

The news follows strong growth with total sales up by 17.9% to £951.9 m in the year to 26 February 2015, driven by a 6% increase in like-for-like sales in the UK, new stores and Costa Express machines.

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Argentine beef, honey likely to hit Chinese dinner tables soon

[Xinhua, 15-04-2015] Argentine beef and honey may soon make their way onto Chinese dinner tables, if current quality control and inspection by Chinese representatives give exports the green light.

Amid efforts to promote bilateral strategic partnership, officials from China and Argentina are brought together in Buenos Aires in recent days, with Chinese inspectors dispatched to certify production and export procedures in rural parts of the South American nation.

Chinese Ambassador to Argentina Yang Wanming and Javier Rodriguez, secretary of institutional policy coordination and agricultural emergencies, met recently over the potential export of Argentina's famed beef and other products.

Speaking at a business seminar hosted by the embassy several days ago, Yang said "China's domestic consumption, increasingly more dynamic and diverse, will provide Argentina with commercial opportunities to boost its export of value-added products and services."

Argentina is also seeking to get the certification it needs to export honey to China. To that end, representatives of China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) were in the South American country recently to verify the quality control and certification systems in use by their counterparts at Argentina's National Agrofood Quality and Health Service (Senasa).

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