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Policies

China initiates orderly migration of 100 mln farmers into cities

[Xinhua, 08-08-2014] China's sweeping hukou reform will grant 100 million migrant workers equal access to urban social welfare by 2020, but many have started to wonder where the 100 million strong rural population will settle down.

The State Council, the Cabinet, issued the most comprehensive guideline for the newest hukou reforms, China's household registration system, on July 30.

To ensure orderly migration of the 100 million migrant workers, the guideline asks local governments to set differentiated household registration policies based on their ability to absorb migrants and provide public services.

Under the guideline, migrants can settle in towns and small cities with populations under 500,000 freely, with previous hukou restrictions abolished. For medium-sized cities with populations between 500,000 and 1 million, however, controls have been set in hopes of establishing an orderly resettlement of rural population.

More conditions apply for big cities of with populations between 3 million and 5 million, and movement into mega cities with more than 5 million people will be strictly controlled.

Primary conditions include legally being employed at a stable job for a certain period and owning or renting a residence in the city they wish to move to.

China's hukou system is tied to one's place of residence and was set up in 1958 to control movement of rural population into cities. The hukou system has prevented the country's 269 million migrant from receiving the same public benefits as city dwellers and is widely believed to hold back urbanization and domestic consumption.

The new guideline says China will implement a single household registration, scrapping the nominal distinction between rural and urban hukous, but the benefits tied to hukous of different areas still exist with more developed areas providing better public services.

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China enhances vocational training of migrant workers

[Xinhua, 19-08-2014] As a migrant worker, Li Weichao spent much of his youth shifting from one temp job to another, living thousands of miles away from his family to perform backbreaking labor for minimal pay.

"I used to do manual work on construction sites. I was always worried about finding my next job," the 26-year-old from Henan Province said.

But his recent graduation from vocational school looks to change that. Receiving technical training as a chef, Li recently landed a stable job close to home working at a restaurant in Zhengzhou, capital city of Henan Province.

As China loosens household registration restrictions to allow migrant workers to receive equal urban welfare, many like Li now seek to settle down in cities.

With the restrictions changing as many as 100 million migrant workers are expected to become "real city dwellers" by 2020.

To ensure new residents can find stable jobs to afford city life, cities across the country are focusing on furthering vocational training for migrant workers.

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China discusses building beautiful towns

[Xinhua, 11-08-2014] Beautiful towns should integrate history and culture with infrastructure and public services, said Chinese experts at an urbanization seminar.

Current urbanization should pay more attention to the internal beauty of culture, said Zhang Chaowei, deputy head of the Institute of Modern Urban-Rural Development Planning under the Chinese Academy of Social Sciences.

This requires local governments not only to develop basic public cultural services, but also to focus on local historical and non-material heritage as a constituent element of town beauty, said Zhang at the new urbanization seminar in Lin'an City, east China's Zhejiang Province.

The construction of beautiful towns enhances local competitiveness and attraction, he added.

In March, China unveiled the National New-type Urbanization Plan (2014-2020) in an effort to steer the country's urbanization onto a human-centered and environmentally friendly path.

The plan provides strategic and fundamental guidance for healthy urbanization during a seven-year period.

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China's urbanization cruises in fast lane

[Xinhua, 11-08-2014] The Chinese government has steered its urbanization drive into the fast lane with new measures to clear major hurdles.

Government departments have coordinated their efforts in the past few weeks on aspects that have been holding back urbanization, including the household registration (hukou) system, housing renovation and township development.

Railway land development

The State Council on Monday unveiled policies to support the efficient use of land surrounding railway stations and lines, encouraging railway operators to build stations, lines and engage in property development.

The new measures aim for benign interactions between railway construction and urban development, promoting sustainable railway development and urbanization.

In March, China's urbanization plans for 2014-2020 were released. By 2020, China's ratio of permanent urban residents to total population should rise to about 60 percent from 53.7 percent at the end of 2013, bringing large demand for investment in infrastructure, public services and housing.

Hukou reform

Late last month, the State Council announced an overhaul of the hukou system, including equalizing rural and urban status, differentiated settlement schemes for migrant workers and the expansion of basic social services for all residents.

About 100 million people will settle in towns and cities by 2020, and the government will remove hukou limits in townships and small cities, relax restrictions in medium-sized cities, and set qualifications for big cities.

Soon after release of the guideline, seven ministries announced that they would include more settlements in a list of national level key townships to receive special support from the government. The new list has 3,675 townships, nearly double the 2004 list. The development of those townships should be prioritized by local authorities.

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China subsidizes nutritious meals for rural students

[Xinhua, 11-08-2014] While many Chinese parents in cities worry about their children's growing girth, the government is taking steps to address the opposite: malnourished children in the countryside.

The Ministry of Finance (MOF) said on Monday it has allocated another 16.2 billion yuan (2.63 billion U.S. dollars) in special funds to support a national plan to improve nutrition for rural students this year.

This year's state subsidies to primary and middle school students, 3.2 percent more than a year ago, will go to schools in 699 impoverished counties in 22 provincial-level areas, mainly in central and western China, according to the MOF.

About 32.29 million rural students have benefited from the 46.23 billion yuan in subsidies the central government has allocated since 2011, when the Chinese government launched the nutrition improvement program.

Under the program, each student will receive three yuan per day for more nutritious meals.

The program highlights the wealth gap between China's rural areas and cities, where childhood obesity is a growing problem.

"China is facing dual challenges in malnutrition and obesity among children," said Hu Xiaoqi, a nutritionist with the Chinese Center for Disease Control and Prevention. "This is an arduous task for people like us working on students' nutrition."

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China turning state-owned farms into agricorporations to take on world players

[SCMP, 14-08-2014] Beijing is amalgamating a number of state-owned farms and companies into specialised agricultural corporations to rival international food giants.

The Agricultural Cultivation (*nongken*) Bureau of the Ministry of Agriculture, is integrating some of the 1,700 farms and 3,200 companies it oversees to build a stronger presence in sectors as diverse as seeds, dairy and rubber.

The bureau's director, Wang Shoucong, told the *South China Morning Post* that the initiative was in response to the top leadership's call for creating modern agricultural corporations to address growing concerns about food security in the world's most populous nation.

In the dairy industry, still reeling from the 2008 melamine-tainted formula scandal, three leading dairy companies - Shanghai-based Bright Food, Sanyuan in Beijing and Wondersun in Heilongjiang, all under the cultivation bureau system - are forging an alliance to manufacture and market their products, according to Wang.

More foreign companies are trying to strengthen their presence in China as wary customers look outside the mainland via online shops or friends and relatives overseas to buy dairy products, especially baby formula.

Abbott Laboratories of the US and New Zealand's Fonterra Co-operative Group have proposed a dairy farm hub in China with a combined investment of US\$300 million.

Local seed producers Beidahuang Kenfeng in Heilongjiang, Dahua in Jiangsu and Wanken in Anhui have also joined forces in a sector now dominated by foreign firms.

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Rating system proposed to protect baby formula quality

[China Daily, 14-08-2014] A rating system for baby formula producers in China has been proposed in a draft regulation designed to improve food safety management.

According to the draft by the China Food and Drug Administration, every milk powder company will have its own rating file that will record problems, unqualified product information, illegal behavior, food safety accidents, product recall information and consumer complaints.

Enterprises with bad ratings will be given more frequent inspection and supervision by authorities, the China Food and Drug Administration said.

Under the system, enterprises that observe law and discipline will be recognized while violators will be punished, said Teng Jiakai, deputy head of the administration.

Since 2008, when one of the country's biggest baby formula scandals was exposed, a series of safety issues have haunted the dairy industry and have been accompanied by intensified supervision and quality checkups by authorities.

In addition to action on the national level, a number of cities, such as Shanghai, Zibo, Suzhou and Yinchuan, have started to sell baby formula, trying to ensure food quality.

This week, lawmakers in Shanghai held a hearing on the draft of their own food-safety system that will help identify product information, including origin, purchase, storage and sales.

Dairy products, meat, grain crops, edible oil, freshwater fish, vegetables and frozen poultry are all included in the system, according to the Shanghai FDA.

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After food safety scares, China retailer offers baby milk insurance

[Reuters, 22-08-2014] A Chinese retailer is offering insurance to customers who buy infant milk powder, highlighting the lengths to which companies are going to address concerns about food safety in China.

Suning Commerce Group Ltd, which owns the Redbaby chain of stores, told Reuters it had launched the policy this week, backed by China's second largest insurer Ping An Insurance Group .

The policy stipulates that if a brand of milk powder is recalled, customers who bought cans from any Redbaby store or its e-commerce website would be paid up to 2,000 yuan (\$325) per can, with payments capped at 100,000 yuan.

"In recent years, the milk powder market in China has been in a mess," Suning said in an email.

"We realised that parents pay a great deal of attention to their children's health and safety, and in particular, the safety of their infants' foods," it added. Insurer Ping An said Suning's policy is the first of its kind in China.

Food safety remains a major concern in China. Earlier this week, U.S. foodmaker H.J. Heinz Co was forced to recall some of its infant food products because they were found to contain excess levels of lead.

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Severe drought hits breadbaskets

[Xinhua, 08-08-2014] Severe drought in China's major crop producing regions threatens to halt 11 consecutive years of annual growth in the country's harvest.

The drought has hit about four million hectares of farm land, reducing agricultural water supply in provinces including Henan, Hubei, Shandong and Lianoning.

The conditions have showed no signs of abating.

The drought coincides with one of the most critical periods of crop growing, according to agricultural experts.

Crops on more than 560,000 hectares of farmland have been reduced, according to the State Flood Control and Drought Relief Headquarters.

Irrigation costs have doubled or even tripled, prompting some farmers to refrain from planting.

Some villagers gave up because they estimated that their crops from the arid ground could never cover the costs of irrigation, said Liu Luying, Party secretary of Tielu Village in Henan.

Rainfall in north and central China has dropped by 35 percent and 21 percent respectively from the previous year, according to the National Meteorological Center.

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Shrinking wetlands highlight need for legal protection

[Xinhua, 14-08-2014] The battle for the country's wetlands rages in China as farmers eager to boost meager incomes butt heads with government initiatives to preserve biodiversity.

China's vast area of wetlands remain under constant threat from human activities. Despite their crucial role preserving water resources and biodiversity, they are often the first casualties of rapidly expanding cities and growing demands for agriculture.

Data from the State Forestry Administration (SFA) revealed that China has a total of 53.6 million hectares of wetlands. In the past decade, 8.82 percent of wetlands have disappeared, converted to farmland or for infrastructure.

A report in April showed nearly 60 percent of monitored areas in China had "very poor" or "relatively poor" underground water quality last year. At a time when China faces looming pollution and water shortage problems, the government needs to put more focus on recovering wetlands, analysts said.

The problem, however, lies in how wetlands are classified. According to Chinese law on land management, land is categorized as rural, up for development or unutilized. Unqualified for the former two categories, wetlands fall under the unutilized category allowing them to be misappropriated under "rightful exploration."

In May 2013, the SFA implemented wetland protection regulations which would have banned the use of wetlands for other purposes. However, the policy lacked specific consequences for violating the regulations and was not adopted by other departments which oversee wetland use, instead falling dead in the water.

The deadlock has prompted calls for a unified legal framework to preserve the irreplaceable ecosystem.

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Wetlands protection prioritized for environmental concerns

[Xinhua, 20-08-2014] A failed program to convert swathes of north China's swampland into farms in the 1970s has proved a boon for one of the country's faltering bird species.

Vast expanses of wetlands in the Xinqing District of Yichun City in northeast China's Heilongjiang Province, once marked for development into agriculture, remain one of the most important habitats for hooded cranes in the country.

With less than 10,000 of the rare cranes left, they are listed as vulnerable on the International Union for the Conservation of Nature's red list.

The marshlands of Heilongjiang have provided a crucial winter haven for the bird's gradual recovery, says Liu Baocai, director of the Xinqing Hooded Crane National Nature Reserve Management Bureau.

The Chinese leadership are emphasizing ecological protection, demanding increases in the size of forests, lakes, and wetlands. China boasts 577 nature reserves and 468 wetland parks. The push for preservation has gone as far as becoming part of the criterion for performance assessment of local government officials in some regions.

Protection efforts are facing renewed challenges, however, as locals, seeing rising incomes in the rest of the country, seek to cultivate the wetlands once more.

Local officials say there has been a recent increase in complaints lodged toward the protection campaigns from local residents, who claim they are being forced to change old lifestyles.

Locals say reasonable remunerations for those affected by the protection campaigns are necessary. However, such a scheme has not yet been established.

Without a compensation system in place there have been ongoing attempts to convert the wetlands to agricultural lands as incomes remain low in the underdeveloped region.

Meanwhile, experts say central and local government support of scientific development and tourism as well as husbandry could speed up the economic restructuring for these regions.

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China's super rice hopeful to yield over 1,000 Kg per mu

[China Daily, 14-08-2014] A new kind of hybrid rice developed in China is expected to achieve a target yield of a thousand kilograms per mu, or 6070 kilograms per acre, this year.

Yuan Longping, the leader of the development team, says the hybrid rice is growing quite well in test fields in Central China's Hunan province.

"I estimate that some rice fields will surpass the target this year. But whether we can achieve the target in a hundred mu depends on weather conditions and final-period management, like controlling plant diseases and insects. Right now we are still very hopeful."

Yuan, known as the "father of hybrid rice", started developing hybrids in the 1960s. His research team has reached the target yield in the first three phases of the current experiment, with each setting world records.

Right now the fourth phase of experiment is being carried out in 13 Chinese provinces.

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China pulls plug on genetically modified rice

[Science News, 20-08-2014] China's Ministry of Agriculture has decided not to renew biosafety certificates that allowed research groups to grow genetically modified (GM) rice

and corn. The permits, to grow two varieties of GM rice and one transgenic corn strain, expired on 17 August. The reasoning behind the move is not clear, and it has raised questions about the future of related research in China.

Why the ministry allowed the certificates to lapse is in dispute. Some environmentalists say public worries about GM crops played a decisive role. "We believe that loopholes in assessing and monitoring [GM] research, as well as the public concern around safety issues are the most important reasons that the certifications have not been renewed," writes Wang Jing, a Greenpeace official based in Beijing, in an e-mail to *ScienceInsider*.

Others believe agricultural economics also influenced the decision. China has nearly reached self-sufficiency in producing rice using conventional varieties, so the ministry has decided there is no need to commercialize Bt rice in the near future, says Huang Jikun, director of the Chinese Academy of Sciences' Center for Chinese Agricultural Policy. He says that with commercialization off the table, there was no point in renewing the certifications. Huang says "rising public concerns [about the] safety of GM rice" likely also played a role.

Huang says this decision does not reflect a change in China's overall policy regarding agricultural biotechnology.

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Trade and Business

China's developing agricultural sector draws M&As

[Xinhua, 30-08-2014] The transformation of China's agriculture has attracted great attention in the merger and acquisition (M&A) space and capital markets, consultancy Deloitte said in a new report.

Driven by sharply increasing demand for food products around the world, China's farming sector has seen many new entrants including financial investors who previously had no connections or experience with the industry, according to the report, "Tide of Change - A whole industry chain approach for modern agriculture."

Capital has become more plentiful in a sector where new technology, know-how and management are much in demand in the perpetual quest for higher productivity at lower cost.

A number of Chinese agricultural giants have made acquisitions both locally and overseas to seek further economies of scale and additional land resources, said the report.

Deloitte's research found that the plantation and livestock sectors have become the key M&A deal drivers in Chinese agriculture.

Some 149 agriculture mergers and acquisitions took place in China between the start of 2007 and the end of 2013. The 114 deals with disclosed values had a total transaction value of 13.7 billion U.S. dollars.

Inbound, domestic and outbound M&A transactions were dominated by plantation-related deals, with a proportion of 82 percent, 61 percent and 60 percent respectively in term of transaction volumes in these three markets. Livestock-related deals accounted for 18 percent, 29 percent and 40 percent, respectively.

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BASF Crop Protection inaugurates first plant in Jiangsu, China

[BASF Crop Protection, 21-08-2014] BASF Crop Protection opened its first formulation and packaging plant in Yangkou Chemical Industrial Park, Rudong, Jiangsu Province, China.

With an annual production capacity of 10,000 metric tons, the new facility will allow BASF to provide tailor products for farmers in the region, including fungicides, insecticides and herbicides solutions.

“This inauguration marks an important milestone of the implementation of BASF’s strategy and our long-term commitment to the Chinese market as the second largest economy in the world,” said Dr. Albert Heuser, President Greater China & Functions Asia Pacific, BASF at the inauguration ceremony. “The demand for higher quality of life in China is ever-rising. I know very well that providing every Chinese person with healthy, safe food is a priority in the agenda. With our innovative solutions we are able to contribute to fulfill the demand for healthy crops”, added Heuser.

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Fonterra announces tie-up with big China dairy firm

[BBC, 27-08-2014] New Zealand dairy giant Fonterra has announced its intention to take a 20% stake in one of China's biggest milk processors, Beingmate.

The tie-up would help create a global supply chain aimed at China's market using Fonterra's milk manufacturing partners in Australia and Europe.

It would also help Fonterra increase its share of China's large and lucrative infant dairy food market.

If successful, the new partnership between Beingmate and Fonterra would see the Chinese firm set up a joint venture to buy a Fonterra plant in Australia. It would also see Beingmate distribute Fonterra's popular Annum brand on the mainland.

Fonterra, the world's largest exporter of dairy products, already sells its formula milk powder in China. But the BBC's John Sudworth in Shanghai says the firm believes teaming up with Beingmate will give it a much better distribution network,

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New Hope plans to build 50 food factories overseas in next five years

[SCMP, 22-08-2014] Mainland agricultural companies, including New Hope, are expected to make more overseas investments, driven by demand for safer and better quality food.

New Hope, one of China’s biggest agricultural firms, plans to spend US\$500 million in the next five years building food processing factories overseas, mainly in Southeast Asia, company vice-president Wang Hang said at the China Goes Global conference in Shanghai on Wednesday.

“We will build 10 factories every year for the next five years,” he said. Wang estimated that each factory would require an investment of US\$10 million.

New Hope, a private company founded in 1996, currently has 36 factories in 16 countries, including the Philippines, Indonesia, Cambodia, Egypt, South Africa and Poland.

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Evergrande diversifies business with move into agriculture

[China Daily, 28-08-2014] Guangzhou-based real estate company Evergrande Group, launched a series of agricultural products on Thursday to boost its business portfolios to sustain future development.

The grain and oil products were launched a day after the group-owned soccer club failed to advance into the semifinals of the AFC Champions League.

Defending Asian champions Guangzhou Evergrande lost 2-2 on aggregate on the away goals rule to the Western Sydney Wanderers.

But the group's grain and oil brand was first unveiled on players' shirts at the Tianhe Stadium, on Wednesday night, bringing attention to the company's goal to diversify its industries.

"We are doing the agricultural business in a way similar to what we have done in the soccer industry. We will make it a household name and competitive brand," said Liu Yongzhuo, vice-president of Evergrande.

Evergrande has now developed into a group engaged in property, culture, tourism, consumer goods, agriculture, and sports industries, with assets exceeding 420 billion yuan (\$68.4 billion), according to Liu.

"We are soon to launch dairy and husbandry products," he said.

Evergrande has invested about 7 billion yuan to acquire 22 production bases in the grain and oil, dairy, and husbandry industries.

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Cereal imports soar but China remains comfortable

[Xinhua, 08-08-2014] Chinese leaders often remind people to keep the nation's "rice bowls" in their own hands, but the notion doesn't stop the country from adding more foreign food to their plates.

In the first seven months of 2014, China imported 11.34 million metric tons of cereal, 80 percent more than a year ago. In the same period last year, the number grew by just 4.3 percent, according to customs data released Friday.

The sharp increase of cereal imports was a shock to some observers but it should not be viewed as a signal that China's food security is at stake, analysts said.

China's cereal imports mainly cover wheat, rice and corn.

"Cereal in the global market is much cheaper than the domestic market," said Li Guoxiang, a researcher with the Rural Development Institute of the Chinese Academy of Social Sciences. "That's the main reason for the sharp increase."

For example, the price of imported wheat at Chinese ports was 240 yuan (about 39 U.S. dollars) cheaper per metric ton than in China's wheat growing areas.

China's domestic wheat price has been higher than imports since November last year, leading to a rush by Chinese grain dealers to fill their barns with imports.

"Such a massive increase can only threaten China's food security if its production capacity shrinks," Li said. "But China's own grain output has been expanding for 10 consecutive years."

China's summer grain output hit a record high of 136.60 million metric tons in 2014, up 3.6 percent from last year, according to data from the National Bureau of Statistics (NBS).

The country's grain output last year gained 2.1 percent year on year to hit 601.94 million tons, marking 10 years in a row for increased grain production, according to the NBS.

"So, it should not be taken as a sign grain security has worsened," he said.

Cheng Guoqiang, a researcher with the Development Research Center of the State Council, attributed the sharp increase of cereal imports partly to a growing taste among China's middle class for strong-gluten wheat that has driven up demand from Chinese bakeries.

Despite the sharp increase, cereal imports account for less than 5 percent of China's domestic grain production, Cheng said, noting the country's long-held self-sufficiency policy will not be affected.

However, China is particularly dependent on imports of soybeans, which have become a crucial feed crop for the country's massive pig farms. More than half of the world's pork is now produced and consumed within China.

China's soybean imports rose 8.6 percent year on year to reach 63.38 million tons in 2013.

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China produces slightly less early rice in 2014

[Xinhua, 22-08-2014] China produced 34.01 million tonnes of early rice in 2014, a decrease of 125,000 tonnes, or 0.4 percent, from a year earlier, the National Bureau of Statistics (NBS) said Friday in a statement.

According to the NBS, China's early rice planting area for 2014 stood at 579.5 million hectares, 0.2 percent less than last year, with yield per hectare down 0.2 percent to 5.87 tonne.

Huang Jiakai, a senior statistician with the NBS, said it was still a good harvest year for early rice given the unit yield is the second highest in history second only to 2013.

China's total grain output consists of three parts -- early rice, summer grain and autumn production.

In 2013, China's total grain output expanded 2.1 percent year on year to hit 601.94 million tonnes, marking 10 years in a row for increased grain production.

Based on the data in 2013, early rice accounted for nearly 6 percent of total grain output.

The summer grain crops, mainly wheat and early-season rice, account for about 22 percent of China's total grain output. Autumn grain crops, which include corn and middle- and late-season rice, account for the remaining 72 percent.

China's grain self-sufficiency rate stood above 97 percent in 2013 and cereal imports reached 14 million tonnes, accounting for less than 2.6 percent of the country's cereal output, according to the Ministry of Agriculture.

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China halts some U.S. pork imports over feed additive use

[Reuters, 12-08-2014] China has barred pork imports from six U.S processing plants and six cold storage facilities to enforce its ban on the use of a feed additive that promotes lean muscle growth, the U.S. Department of Agriculture said.

China currently requires third party verification that U.S. pork shipped to the country is free of the additive ractopamine, which is sold for hog farm use under the name Paylean.

In 2013, U.S. pork exports to China totaled 312,138 tonnes, valued at \$645.3 million, according to the Global Trade Atlas. Overall pork exports worldwide last year totaled 7.5 million tonnes valued at \$20.4 billion.

"China is by far the world's largest pork producer and consumer. Therefore, it is really not possible to make projections about how certain events, such as plant delistings, will impact U.S. exports to China," said U.S. Meat Export Federation spokesman Joe Schuele.

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US rice could see potential market in China

[China Daily, 28-08-2014] A few years ago no one would have even considered exporting rice to China, but growers, exporters and international trade organizations in the US are starting to come around to the idea.

Though China is already the world's largest producer and consumer of the grain, US rice products are completely locked out of the Chinese market until a sanitary and phytosanitary (SPS) protocol agreement between the two countries is reached.

An SPS agreement is a set of agreed upon terms for agricultural trade that "concerns food safety and animal and plant health regulations", according to the World Trade Organization (WTO).

Data from an Aug 14 Rice Outlook report by the USDA shows that China is now on pace to import nearly 3.5 million tons of rice this year, more than six times the amount it imported 2011.

Though American producers account for less than 2 percent of the world's rice, USDA data shows that US trade totals make up more than 10 percent of the annual global rice trade. The other leading countries in the global rice trade include: India, Vietnam, Thailand and Pakistan.

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China willing to expand agricultural produce trade with Russia

[Xinhua, 18-08-2014] Chinese companies exported 2.1 billion U.S. dollars worth of agricultural produce to Russia last year, and China is willing to work with Russia to expand two-way agricultural produce trade.

Shen Danyang, the spokesman, made the comments at a regular press conference when asked about Russia's decision to restrict food imports from the United States and the European Union and increase trade with China.

Based on the China-Russia all-round partnership of strategic cooperation, China is willing to boost economic and trade relations with Russia, and will continue to create conditions for bilateral cooperation in the energy, agriculture, infrastructure and high-tech sectors, he said.

Shen said China's agricultural exporters choose export destinations based on market information, so it is normal commercial behavior for them to expand exports to Russia and arrange other business.

Agricultural produce trade between the two neighboring countries has a unique edge and growth potential, he said, adding that the Chinese side will encourage both Chinese and Russian companies to increase agricultural produce trade.

Russia is a major trade partner of China. In the first seven months of 2014, bilateral trade grew by 4 percent year on year to 53 billion U.S. dollars, according to the Chinese customs data.

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China's pork products heading to Russia

[China Daily, 22-08-2014] Chinese pork products will replace banned pork exports from the West, which are unlikely to win back their place in the Russian market even if the present ban is lifted, according to Russia's meat products watchdog.

Russia's Federal Service for Veterinary and Phytosanitary Surveillance said in a statement on the agency's website that "the Russian government now is actively cooperating with China's veterinary authorities on pork supplies from certain highly integrated Chinese enterprises".

Russia's Far East region used to rely heavily on meat supplies from the United States and Canada. The change in meat suppliers comes after Moscow imposed a one-year ban on a number of agricultural products, including meat, fish, poultry, fruit, vegetables, wine and dairy products from the US, the member nations of the European Union, Norway, Canada and Australia as retaliation for their economic sanctions.

Russia imported 619,200 metric tons of pork valued at \$2.13 billion in 2013, with Denmark, Germany, Canada and Brazil as its main suppliers, according to data from Russia's Federal Customs Service. The country purchased 79,300 metric tons of Canadian pork for \$246.3 million and received \$19 million worth of pork from the US last year.

Meanwhile, Russia also imported 658,400 metric tons of cooled and frozen meat, valued at \$2.87 billion, with Belarus and Brazil among the top exporters.

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China, Australia perfect partners in dairy dining boom

[China Daily, 19-08-2014] Australian dairy industry is keen to reinforce its already well-developed relations with its Chinese counterpart and further explore the market, and the signing of a free trade agreement will be mutually beneficial, an industry expert told Xinhua in a recent interview.

Charlie McElhone, group manager of trade and industry strategy at Dairy Australia, the national services body for local dairy farmers and the industry, said that as the world's leading dairy importer, China's dairy market is still growing at an impressive speed.

"In 2013, China imported over 2.1 million tons of dairy worth \$8.8 billion, making it the largest importer of milk products in the world. China's dairy imports have increased over 45 percent in the past five years and this trend is set to gather pace," he said before heading China for the 2014 China Dairy Industry Association (CDIA) annual conference in Shanghai.

China's dairy industry is still trying to recover and rebrand itself from a series of food safety scandals while the baby boom in recent years also added up to a soaring appetite of imported dairy products.

McElhone said that China should diversify its dairy products suppliers and Australia has long been playing not just a supplier but also a supportive role of China's domestic dairy industry.

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Uganda in talks with China to boost agricultural productivity

[Xinhua, 21-08-2014] The Ugandan government is in talks with China to boost agricultural production in the East African country, Uganda's minister of agriculture Tress Buchanayandi said Thursday.

Buchanayandi said that they are negotiating with China to have a second phase of the current agricultural project where China sent 31 Chinese agricultural experts and technicians to Uganda.

"They have been extremely useful that is why we went out to go for second phase," Buchanayandi said during a meeting with a visiting team of Chinese agricultural enterprises and officials from China's Sichuan Province. The meeting was also attended by Uganda's Vice President Edward Ssekandi.

Ssekandi told the Chinese delegation that the government is ready to deepen cooperation with China in the agricultural sector which is the backbone of the country's economy.

Ssekandi said what Uganda now needs is mechanized farming to boost agricultural productivity.

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Chinese regulators investigating Wal-Mart store for food safety violations

[Reuters, 09-08-2014] Chinese regulators are investigating a Wal-Mart store in the southern city of Shenzhen for food safety violations, the official Xinhua news service reported, based on videos it said were taken by a Wal-Mart employee at one branch.

The U.S. retail giant told Reuters that it had launched its own investigation in response to the video and found no evidence to support its claims, nor had multiple visits by authorities uncovered any wrongdoing.

"We are comfortable saying, based upon this inspection, that none of the alleged activities exists in the store today," Wal-Mart said in a statement.

The Xinhua article said no conclusions from the investigation by the Shenzhen Municipal Market Supervisory Administration had been made. Xinhua said Shenzhen authorities were testing samples of oil and meat from the store but results were not yet available.

The statement from Wal-Mart said the company was cooperating fully with local authorities and would take "immediate actions" to deal with any issues uncovered.

In 2011 Chinese authorities accused Wal-Mart of selling expired duck meat, and it was forced to shut down stores in Chongqing after they were accused of labelling non-organic pork as organic and selling it at a higher price.

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Heinz cereal products sealed over excessive lead in E China

[Xinhua, 18-08-2014] Food safety authorities in east China's Zhejiang Province said they have sealed 614 boxes of baby cereal products made by U.S. food giant H.J. Heinz after they were found to contain excessive levels of lead.

Excessive levels of lead were found in 400-gram boxes of "AD Calcium Hi-Protein Cereal" during a regular food inspection in the second quarter, said the Zhejiang Provincial Food and Drug Administration on Monday.

Food safety staff launched a special inspection of 303 food vendors in the province. The sealed products include 483 boxes from two trade companies in the provincial capital of Hangzhou and 131 from retailers.

The provincial food watchdog has asked the company to cooperate with the investigation, provide the cause of the contamination, and handle compensation for consumers.

In a statement Heinz made an apology to consumers over the scandal and said its own investigation showed materials in one batch of degreased soybean cereal used in the product contained varying levels of the chemical.

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Heinz recall brings food tracking issue to the fore in China

[Reuters, 25-08-2014] The entanglement of H.J. Heinz Co. in China's latest food scare highlights a key concern for international and local firms - how to keep track of ingredients

from diverse sources in a country where food supply tracing technologies are far from the norm.

But barcode tracking systems for produce, common in the United States and Europe, are largely absent.

Food safety barcodes store details such as the farm of origin, dates of harvest, planting, storage and shipment, meaning clients down the line can trace a particular batch and find out how and why any issues occurred.

Some firms have tried to bring the system into wider use in China - French grocer Carrefour SA launched a barcoding system last year for fruit and vegetables - but the technology has failed to catch on due to the high costs of implementation throughout scattered supply chains.

China has soaring levels of soil and water pollution, with seven out of the top 10 farming provinces amongst the areas most exposed to heavy metal pollution such as lead.

Major firms, including fast food chains McDonald's and Burger King Worldwide Inc, said they had put in place stringent testing and auditing procedures in China to avoid issues such as contamination from water and soil pollution.

Agricultural supply chains in China tend to be highly fragmented with most farms still small-scale. Even with stringent auditing processes of suppliers, it's difficult to keep track of all suppliers along the line, some of whom may be tempted to subcontract to cut costs.

What's more, while China's regulators have tight food safety rules, industry insiders said the watchdogs simply did not have the manpower to properly enforce them.

"It's not that the technology doesn't exist in China, it's just the chains are too fragmented," said an industry executive in China, who previously ran a food processing plant serving multinational firms in China and abroad.

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**Compiled by Yuelai Lu, SAIN Secretariat (UK).
If you have any further enquiries, please contact Yuelai Lu at: y.lu@uea.ac.uk; for
more information about SAIN, please visit: www.sainonline.org/English.html**