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Policies

Protect farmers against droughts

[China Daily, 02-09-2014] Low rainfall and scorching heat in recent months have caused severe drought in a number of China's major crop producing regions, some of which are facing the worst drought in over half a century. Concerns about China's food security dominate discussions on the drought, but a more likely threat is the drought's negative impact on the incomes of farmers, especially poor smallholders.

The Chinese government has a number of policy options to mitigate the possible threat to food security and lessen the damage to farmers' livelihoods in the short and long term. China has large corn stocks that can be released to the market. China's corn stocks this year are 27 percent higher than the 2011-2013 average. Increasingly integrated international markets and trade channels are also an effective and efficient tool to offset drought-related agricultural production and supply shocks.

In the long term, China can take advantage of its comparative advantage in labor-intensive and high value agricultural products by shifting its exports toward fruits, vegetables and aquatic products, while importing more land- and water-intensive products such as cereals and vegetable oils.

In the short term, income support policies are needed to protect drought-affected smallholder farmers who are unable to access mainstream social safety networks.

Resilience strategies are needed in the long term to help farmers deal with extreme weather conditions, including adjusting sowing dates and introducing drought- or flood-resilient crops. Improving infrastructure will increase community resilience to extreme weather events. Crop insurance programs, too, should be strengthened.

Moreover, the government needs to accelerate inter-ministerial integration to pool resources and information to provide a coherent, well-informed and cohesive disaster early warning system and response.

Click [here](#) for details

China reduces wheat irrigation as farming depletes groundwater

[Bloomberg, 16-09-2014] China is reducing crop irrigation in regions with water shortages as the world's biggest grain consumer seeks to ease pressure on declining aquifers.

Hebei province, the nation's third-biggest wheat grower, will cut wheat irrigation by 760,000 mu (50,667 hectares) or 2 percent of the crop it planted last year, according to Hebei News, a website run by the regional government.

That's the first time a province in China, the world's biggest consumer of wheat, has adopted measures that placed the environment ahead of grain production, said Hu Bingchuan, a researcher at the state-funded Chinese Academy of Social Sciences. The country is well-supplied with grain this year and policy makers are more receptive toward importing it, he said.

Hebei will spend 1.2 billion yuan (\$195 million) to compensate farmers for the reduced yield and to promote water-conserving crops, Hebei News said in the report dated Sept. 9. Farmers are also encouraged to stop planting corn following wheat in the same year, and can grow only one crop annually to rest the land, it said.

A total of 44,900 square kilometers (17,336 square miles) of land in Hebei, an area bigger than Denmark, has sunk more than 300 millimeters from the normal state as a result of

groundwater depletion, according to a report posted July 15, 2013 on the Hebei government's website.

Reducing irrigation is also an economic decision as the costs of fuel, labor and machines to pump a deep well often exceed the value a farmer gets from increased grain, Hu said.

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China calls for closer climate change cooperation among developing countries

[Xinhua, 03-04-2014] Chinese Vice Premier Zhang Gaoli called for stronger cooperation and coordination among developing countries in countering climate change.

Zhang made the remarks while meeting with participants for the meeting of Like Minded Developing Countries (LMDC) group on climate change.

The LMDC, a mechanism on global climate change negotiation, has made great contribution to the progress of international climate change negotiations and maintaining common interests of developing countries, Zhang said.

He urged closer contact and coordination to strengthen the voice of developing countries in the global governance system.

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China and other countries should cooperate more in agricultural technology

[Xinhua, 16-09-2014] China and other countries should cooperate more in agricultural technology in the face of common challenges, a senior Chinese leader said Tuesday.

Vice premier Wang Yang, speaking at the opening ceremony of the 18th World Congress of the International Commission of Agricultural and Biosystems Engineering (CIGR), said the Chinese government is giving special attention to agriculture and they regard feeding China's 1.3 billion people a top priority.

China should actively participate in global exchanges and cooperation to promote sustainable development of agriculture. So far, more than 30,000 trips by Chinese specialists to developing countries in Asia and Africa have been made to support local agriculture in those areas, he said.

He said he hoped attendees could reach consensus in addressing common problems concerning population, food, health and environment.

Founded in 1930, the CIGR is the largest international academic institution of its field. This is the first time for a CIGR quadrennial congress to convene in Asia.

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Chinese vice premier urges regional agricultural cooperation

[Xinhua, 19-09-2014] Chinese Vice Premier Wang Yang called for greater agricultural cooperation among the Asia-Pacific Economic Cooperation (APEC) economies in face of food security challenge.

Speaking at the opening ceremony of the third APEC ministerial meeting on food security, Wang said that agricultural development has progressed soundly in the Asia-Pacific region, though imbalances among APEC members remain evident.

"The food security situation is still severe, and agricultural development is facing new challenges posed particularly by population growth, climate change, environment pollution and natural disasters," he noted.

Wang called on APEC economies to strengthen regional agricultural exchanges and cooperation, build a stabilized and long-term cooperative mechanism and set up service platforms for agricultural enterprises and scientific research institutions.

APEC groups 21 members, including the United States, China, Japan and Russia, and discusses key issues such as economic development of the Asia-Pacific region.

The members account for over half of the world's economic output, 40 percent of the world's population, and 46 percent of the total global trade.

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ASEAN+3 countries agree on joint approach in agriculture promotion scheme 2015-19

[Xinhua, 25-09-2014] ASEAN+3 (China, Japan and South Korea) countries have agreed on joint approach in an agriculture and forest products promotion scheme for 2015-19, an official statement said.

According to a joint press statement of the 14th meeting of ASEAN+3 Ministers on Agriculture and Forestry, a total of 6,730 tons of rice were stockpiled under the ASEAN+3 Emergency Rice Reserve Agreement, of which 6,150 tons have been distributed to the Philippines to help typhoon Haiyan victims.

ASEAN agriculture ministers also encouraged Japan to expand its establishment of Food Value Chain in some ASEAN member states through public-private partnership cooperation to a regional level.

ASEAN+3 countries also reaffirmed the ASEAN+3 cooperation on food, agriculture and forestry as one of the main vehicles towards the long-term goal of building an East Asian community with ASEAN as the driving force and encouraged the plus three countries to continue supporting the implementation of the roadmap for an ASEAN Community 2009-2015 and contribute to the ASEAN Community Post- 2015 Vision.

ASEAN+3 countries are implementing activities especially in the areas of food security and bio-energy, climate change mitigation and adaptation, sustainable forest management, agricultural research and development, control and eradication of trans- boundary pest and animal diseases and human resources development.

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China gives go-ahead to reform of ADBC

[CEN, 26-09-2014] China's cabinet has approved the restructuring of its top agriculture bank, Agricultural Development Bank of China, the company said in a statement on its website.

One of the country's three policy lenders, the bank provides financing that allows state companies to stockpile grain and other farm products to help boost rural incomes.

The bank's lending has surged in recent years as the government raised the prices of farm products, with bank officials complaining about mounting debt.

The reform announcement follows years of discussion about restructuring Chinese policy banks, but with little progress.

Further reform of such institutions are set to follow the agriculture bank's restructuring, People's Bank of China deputy director Zhang Liushi told state-sponsored financial newspaper China Securities Journal.

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Science, Technology and Environment

Producing more grain with lower environmental costs

[Nature, 03-09-2014] Agriculture faces great challenges to ensure global food security by increasing yields while reducing environmental costs. A research group led by Fusuo Zhang at China Agricultural University (CAU) presented research findings based on 153 site-year field experiments covering the main agro-ecological areas for rice, wheat and maize production in China. A set of integrated soil–crop system management practices based on a modern understanding of crop eco-physiology and soil biogeochemistry increases average yields for rice, wheat and maize from 7.2 million grams per hectare (Mg ha^{-1}), 7.2 Mg ha^{-1} and 10.5 Mg ha^{-1} to 8.5 Mg ha^{-1} , 8.9 Mg ha^{-1} and 14.2 Mg ha^{-1} , respectively, without any increase in nitrogen fertilizer. Model simulation and life-cycle assessment show that reactive nitrogen losses and greenhouse gas emissions are reduced substantially by integrated soil–crop system management. If farmers in China could achieve average grain yields equivalent to 80% of this treatment by 2030, over the same planting area as in 2012, total production of rice, wheat and maize in China would be more than enough to meet the demand for direct human consumption and a substantially increased demand for animal feed, while decreasing the environmental costs of intensive agriculture.

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Plant diversity in China vital for global food security

[UOB, 08-09-2014] With climate change threatening global food supplies, new research claims the rich flora of China could be crucial to underpin food security in the future.

A team from the University of Birmingham and partners in China have identified 871 wild plant species native to China that have the potential to adapt and maintain 28 globally important crops, including rice, wheat, soybean, sorghum, banana, apple, citrus fruits, grape, stone fruits and millet. 42% of these wild plant species, known as crop wild relatives (CWR) occur nowhere else in the world.

CWR are wild plant species closely related to crops which grow under a broad range of environmental conditions in their natural habitats and are therefore much more genetically variable. Their adaptive traits can be transferred to crops to improve tolerance to extreme environmental conditions and exposure to different pests and diseases, which helps sustain food production. Furthermore, they can be utilised to improve the nutritional and marketing qualities of crops.

The research was undertaken with funding from the Department for Environment Food & Rural Affairs (Defra) UK and the Ministry of Agriculture of the People's Republic of China as part of the UK-China Sustainable Agriculture Innovation Network (SAIN).

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CAFS-led team makes breakthrough on common carp genome study

[MOA, 24-09-2014] A China-US joint research team has recently made a breakthrough in the study of “genome sequence and genetic diversity of the common carp”. Led by Prof. Sun

Xiaowen, Chief Scientist of the Chinese Academy of Fishery Sciences (CAFS), it includes members from CAFS, Heilongjiang Fisheries Research Institute, the Institute of Genomics of the Chinese Academy of Sciences, Harvard University and Auburn University.

The findings were published in *Nature Genetics* (DOI 10.1038/ng.3098) on Sept. 21, 2014.

Using a whole-genome shotgun strategy and combining data from several next-generation sequencing platforms, the study produced a high-quality genome assembly for *C. carpio* (strain Songpu) and completed the genomic resequencing of 33 *C. carpio* accessions that represent major domesticated strains and populations. In addition to comparative and evolutionary studies of *C. carpio* and its closely related species using the genome sequences, the study also demonstrate the genetic basis of phenotypic traits on scale patterning and body color determination, on the basis of data from two distinct domesticated strains (Songpu and Hebao).

This study on the *C. carpio* genome provides a valuable resource for the molecular-guided breeding and genetic improvement of the common carp.

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Farm produce the next frontier for Chinese e-commerce

[Xinhua, 23-09-2014] Chinese farmers are eagerly anticipating support from domestic e-commerce giant Alibaba after it pledged to reinvest funds from its record initial public offering (IPO) into supporting them to sell their products online.

The company, which has made a fortune from Taobao.com, its e-commerce platform connecting small businesses with millions of online buyers, set a world record with its IPO on the New York Stock Exchange.

At a ceremony in northeast China's Jilin Province on Monday, Alibaba group president Jin Jianhang said that business-customer e-commerce in the agriculture sector, along with big data and cross-border e-commerce, will be the company's main business focuses after the stock market listing.

Jin said Alibaba is committed to establishing a dedicated agricultural platform on Taobao.com, through which farmers selling products will be able to enjoy services including marketing and logistical support, as well as product tracing.

Individual farmers' access to market has long been an issue for Chinese agriculture, but Sun Dianpu, head of the commerce bureau of Gongzhuling City, Jilin, said the bureau will provide farmers with training to help them sell on Taobao.com.

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Is your food safe? Baidu's new 'Smart Chopsticks' can tell

[WSJ, 03-09-2014] Don't trust the safety of your food in China? Baidu says it has the answer.

The Chinese search-engine giant rolled out a so-called set of "smart chopsticks," known as Kuaisou in Chinese, that it says can detect oils containing unsanitary levels of contamination.

At the company's annual technology conference, Baidu CEO Robin Li gave a brief introduction of the new product, which he called "a new way to sense the world."

"In the future, via Baidu Kuaisou, you'll be able to know the origin of oil and water and other foods—whether they've gone bad and what sort of nutrition they contain," Mr. Li said.

A video posted by the company shows how to use the product, which is linked with a smartphone app. In one experiment, the chopsticks were shown being swirled in olive oil,

with the smartphone subsequently displaying a “good” reading. In another, the chopsticks registered a “bad” reading after being submerged into recycled cooking oil.

According to Baidu, the chopsticks measure the freshness of cooking oil. The chopsticks also will be able to measure PH levels and temperature and calories.

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Solutions to China's soil contamination crisis

[Reuters, 17-09-2014] China's campaign to clean up land contaminated by industrial and agricultural waste will not only require billions of dollars of investment, but also a range of different technologies.

The pollutants are manifold, and include toxic heavy metals like lead or cadmium, volatile organic compounds (VOCs) such as benzene, and persistent organic pollutants (POPs) derived from pesticides and other chemicals.

Experts say that while there are a number of solutions available, more cost-effective technologies need to be developed to handle the sheer scale of the problem. China also needs to improve detection and monitoring.

Physical Solutions - The most common method used at contaminated industrial sites is the removal and replacement of polluted soil. In some cases, the soil is treated elsewhere but often it is just sequestered in depots, raising the problem of storage space.

Thermal desorption involves the use of heat to break apart contaminants, making them easier to remove from the soil, with some developers claiming it can remove 99.99 percent of pollutants. "Bioslurping" has also proved successful, and involves the creation of a vacuum that allows contaminated liquids to be extracted from soil through tubes.

Chemical Solutions - The use of lime is the most frequently deployed chemical solution in China. Applying lime to soil allows heavy metal contaminants to oxidise, making it harder for plant roots to absorb them. But if the soil becomes acidic, the contaminants break down and become soluble again. Activated carbon is also used to bind contaminants and make them easier to remove.

Biological Solutions - Experimental projects involving micro-organisms and plants that can absorb toxins from the soil are under way, but the technologies are unlikely to meet China's need for cheap fixes that allow land to be redeveloped as quickly as possible.

There is no "one-size-fits-all" solution.

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The obstacle to treating China's contaminated soil is finding someone to pay

[Reuters, 17-09-2014] Nearly four years after a massive state-run steel mill on the outskirts of Beijing was closed to help cut smog in the Chinese capital, little has been done to clean up the contaminated site.

The factory's idled chimneys dominate a landscape of rust-encased piping and rail tracks that once fed 8 million tonnes of steel into China's economy each year. The 95-year-old former mill, owned by Shougang Group, China's fifth biggest steel producer, is one of thousands of sites across China where soil has been polluted by industrial and agricultural waste.

Blocking any meaningful action is the question of who pays - the state, which owns all land in China, or the company. The cost of treating the land alone was an estimated 5 billion yuan

(\$816 million), said Gong Yuyang, managing director of ESD China, a land treatment firm which has been involved in talks on cleaning up the 8.6 square km (3.3 square mile) facility. What worries environmental experts is that if it's this hard to deal with contaminated land in Beijing, where there is greater political will to tackle pollution, it will be even more difficult to detoxify farmland in poorer rural areas.

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China's per capita carbon emissions overtake EU's

[BBC, 21-09-2014] New data on carbon shows that China's emissions per head of population have surpassed the EU for the first time. The researchers say that India is also forecast to beat Europe's CO2 output in 2019.

Scientists say that global totals are increasing fast and will likely exceed the limit for dangerous climate change within 30 years.

The world has already used up two thirds of the warming gases researchers calculate will breach 2 degrees C.

The Global Carbon Project involves researchers from several different institutes around the world and it provides objective details on the scale of annual emissions.

The latest data shows that a record 36 billion tonnes of carbon from all human sources were emitted in 2013.

The biggest emitters were China, which produced 29% of the total, followed by the US at 15%, the EU at 10% and India at 7.1%

While the per capita average for the world as a whole is 5 tonnes of carbon dioxide, China is now producing 7.2 tonnes per person, to the EU's 6.8 tonnes. The US is still far ahead on 16.5 tonnes per person.

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Emissions report tells only part of story, expert says

[China daily, 24-09-2014] A report released ahead of UN climate summit, which shows China's per capita carbon emissions have surpassed those of the European Union, does not tell the whole story, an expert said.

"China and the EU cannot be compared in such a simple way, given their different stages of development and economic situations," said Zou Ji, a professor at the National Center for Climate Change Strategy and International Cooperation.

According to the Global Carbon Project report, China's carbon dioxide emissions of 7.2 metric tons per capita for the first time surpassed the EU's 6.8 tons in 2013.

However, the EU, since the industrial revolution, has produced more cumulative emissions per capita than China, Zou said.

About 70 percent of cumulative emissions since the industrial revolution were emitted from developed countries, which are believed to be the reason behind today's global climate change, according to the latest assessment report by the Intergovernmental Panel on Climate Change.

Meanwhile, the Global Carbon Project report said the UK's emissions were down 2.6 percent, but over the longer term it "exports" a third of its emissions by consuming goods and services which are produced elsewhere.

It has been estimated that one-third to one-fourth of China's carbon emissions come from producing goods for trade, Zou said.

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China to release more pandas to wild

[Xinhua, 21-09-2014] China will release another two captive-bred giant pandas into the wild this year. China started sending captive-bred pandas into the wild in 2006.

Researchers have been following them with the help of GPS collars, radio positioning tools and DNA extracted from their spoor. They have also been studying the pandas' activities and hormones.

Experts believe that sending captive-bred pandas back to the nature after providing them with sufficient training will help them integrate with wild pandas. This will be conducive to improving genetic diversity among wild pandas regionally, increasing the number of wild pandas, and enhancing their survival capabilities.

The artificially-bred panda population has reached some 300, compared with only 10 in the 1990s.

Some people also worry that the wild living environment is no longer safe for captive-bred giant pandas, as bamboo groves are decreasing and the habitat is fragmented.

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Animal welfare charity presents pig welfare awards to Chinese producers

[Xinhua, 25-09-2014] Leading international farm animal welfare charity Compassion in World Farming (CIWF) delivered the first pig welfare awards to eight Chinese producers in London, encouraging more Chinese producers to improve animal welfare.

Cooperating with the International Cooperation Committee of Animal Welfare (ICCAW), affiliated with the China Association for the Promotion of International Agricultural Cooperation (CAPIAC), over last year, CIWF launched the Good Pig Production Awards and carried out award criteria.

More than 60 Chinese enterprises have been assessed, while 13 of them finally got the awards. Eight of the 13 attended the presentation in London.

This is the first time that CIWF delivered such awards to Chinese producers.

Philip Lymbery, chief executive of CIWF told Xinhua that he had visited China several times in the past few years, he found the current situation of animal welfare in China, sadly, needs more improvement.

"The connection between how farm animals are kept and the quality and safety of the resulting food is starting to be recognized in China," he said.

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Trade and Business

China struggling to meet demand for cotton

[Xinhua, 25-09-2014] China's cotton demand is expected to exceed its domestic supply by two million tonnes in the year from September 2014 to August 2015, official data showed.

The gap is double that of the same period last year, according to a video conference jointly held by a number of Chinese government ministries and departments.

In the 12 months, the growing area of cotton in China is expected to decline to 63.40 million mu (about 4.23 million hectares), down 9.4 percent from the previous year, and the cotton yield is also forecast to fall by half a million tonnes to 6.5 million tonnes.

Due to rising cost and falling profitability of cotton growing and the government's abolition of its "temporary purchasing policy" to prop up prices, the cotton growing area in the Yangtze River Basin and the Yellow River Basin has fallen by a "relatively big margin".

As China's textile industry is recovering from its decline in 2013, the demand for cotton is expected to increase by half a million tonnes from the previous year to 8.5 million tonnes, said conference delegates.

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M&A deals in agriculture reach \$10b

[China Daily, 17-09-2014] Chinese merger and acquisition deals in agriculture have reached a record \$9.8 billion so far this year, a seven-fold jump from 2013, according to international financial software company Dealogic PLC.

Dealogic statistics showed that by the start of September, Chinese enterprises made 27 deals in the field of agriculture with a large number of overseas deals, reported the Economic Information Daily.

Fu Xuejun, analyst at Huarong Securities Co Ltd, said mergers and acquisitions in agriculture will be an important area of Chinese investment going forward and is also an aspect of the national development strategy.

As the demand for Chinese agricultural transformation and upgrade increases, more and more Chinese agricultural enterprises are working out a strategy for vertical integration in the supply chain to not only ensure food security but also to develop internationally and become global operations, Fu said.

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China's tech giants turn to agriculture

[BRW, 18-09-2014] Following the smart money in China right now means buying a dairy, growing some blueberries or investing in a pig farm.

The executives behind the country's booming technology sector, such as Alibaba's founder Jack Ma, are now investing in agriculture.

They're betting a surge in demand for high-quality products driven by a rising middle class and food safety concerns will make the sector China's next big money spinner.

Yunfeng Capital, which Ma set up with Citic Private Equity, spent at least 2 billion yuan (\$360 million) in July acquiring a 60 per cent stake in Chinese dairy giant Yili Industrial Group.

Internet company NetEase has invested in an 80 hectare pig farm in the eastern province of Zhejiang.

Computer maker Lenovo has set up an agricultural subsidiary, Joyvio, which plans to invest 1 billion yuan to 2 billion yuan over the next five years in agriculture. So far it has put money into blueberry and kiwi fruit farms.

"The number of investors going into the agriculture industry is on the rise," Deloitte China's National M&A leader Patrick Yip says.

“Previously, the investors were government-related companies already invested in the agricultural industry.”

However, the sector is now attracting financial investors and that’s despite the turnaround time being much longer than a typical private equity investment, where companies might be flipped in three to five years, Yip says.

“Some big companies are looking at buying up small land holdings and taking agriculture to the next level, including the use of high-tech machinery and methods to increase yield,” Yip says.

Chinese investors’ appetite for agricultural assets has already had an effect in Australia, with increased interest in the country’s dairy, beef, lamb and aquaculture assets.

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Evergrande is sowing seeds for future growth

[China Daily, 02-09-2014] Guangzhou-based real estate giant Evergrande Group launched three subsidiary companies on Monday in Arshaan, the Inner Mongolia autonomous region, to boost its business portfolio and sustain future development.

The three subsidiaries will be engaged in the agricultural sector in the fields of grain and oil, dairy and animal husbandry, representing the developer's efforts to diversify its businesses.

"By diversifying our businesses, we are aiming to become one of the world's top 500 companies in 2015," said Liu Yongzhuo, vice-president of Evergrande Group.

According to Liu, Evergrande will invest more than 100 billion yuan (\$16.2 billion) in the agricultural sector in the next few years, accounting for nearly one-tenth of China's agricultural investment in 2013.

Evergrande has so far invested about 7 billion yuan to acquire and develop 22 production bases in the grain and oil, dairy and husbandry industries. The bases are located in an ecological circle around the Greater Hinggan Mountains, an area in Northeast China known for its abundant agricultural resources.

"The area will help ensure green and safe agricultural products for Chinese consumers," said Liu.

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China, Britain vow to boost economic and financial cooperation

[Xinhua, 13-09-2014] China and Britain have broad prospects for financial cooperation and both countries should give full play to their respective advantages to deepen that cooperation, visiting Chinese Vice-Premier Ma Kai said in London on Friday.

China is willing to enhance cooperation with Britain within the framework of such platforms as the G20 and the World Trade Organization, Ma said.

He also voiced hope that the reform commitments of the International Monetary Fund would be implemented and that the multilateral trade system is protected, so as to better promote economic growth in both countries and the rest of the world.

He also said he expected the two countries to deepen trade and investment cooperation and reinforce cooperation in such fields as nuclear energy, high-speed rail, wind power generation, photovoltaic power generation and urbanization.

For his part, Osborne said the British government attaches great importance to its economic ties with China.

The two countries have continuously strengthened their economic relations in recent years, with Britain becoming China's second-largest trade partner in the European Union and nearly doubling its investment in China, he said, adding that London has also become the largest Chinese yuan offshore center outside Asia.

Osborne said that while facing a complicated global geopolitical situation and weak recovery in the eurozone, Britain and China need to further promote their economic and financial relations.

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Great British Brands: Chancellor welcomes Weetabix drive to export to China

[GOV.UK, 04-09-2014] Chancellor of the Exchequer, George Osborne, on Thursday 4 September, visited Weetabix's Corby production centre as the company launched 6 new Alpen Bars aimed exclusively at China.

The launch includes the green tea and dark chocolate flavoured bar and heralds Weetabix's first product range specifically formulated for the Chinese market.

The decision is part of the company's long term growth strategy to advance its presence in fast growing emerging markets and will help secure employment in the local area.

The visit kicked off the Chancellor's Great British Brands tour aimed at supporting some of Britain's best known companies who are all today making announcements aimed at creating jobs, helping people into work, driving exports, and making the UK a leader in science and innovation.

George Osborne said:

It is great to see an iconic British company like Weetabix launching innovative new products to help them grow and expand into new markets. This is exactly the kind of innovation that will help Britain earn its way in the world.

Getting Britain exporting more is key to our long term economic plan which is why at the last Budget I announced a series of measures including overhauling UK Export Finance, and further boosting funding for UK Trade and Investment to support companies that are seeking to export.

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£10 million Chinese thoroughbred horse deal announced

[GOV.UK, 12-09-2014] UK thoroughbred and jump horses can now be exported to China after a crucial agreement was reached with the Chinese authorities.

Initially worth up to £10 million a year for the UK economy, the new Export Health Certificate will allow for the export of horses to China with immediate effect. Given the potential scale of this new market it is hoped the value will rise significantly in coming years.

The internationally renowned equine industry includes racing, eventing and breeding and provides employment for up to 270,000 people while supporting thousands of small business across the UK.

It expected the first UK horses will be exported to China by the end of this year.

Horse racing is Britain's second most popular spectator sport with more than 6 million race-goers each year watching 4.3 million riders across 60 racecourses.

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Australia ready to sign free-trade agreement with China by year end

[People's Daily, 15-09-2014] Australia looks set to sign a free-trade agreement with China, the deal expected to be clinched by the end of the year.

Trade Minister Andrew Robb told The Australian that after almost a decade of negotiations he believed there was sufficient political will on both sides to finally conclude a free-trade agreement. But there were no guarantees and he described the final stages of any trade negotiation as always the toughest.

Robb said that "solid progress" had been made at formal negotiations at the start of this month when Xi visited Australia.

Further delays to an FTA with China would result in Australian dairy exports losing more vital ground to key competitor New Zealand, said Robb.

Australia continues to push to cut barriers to entry to the Chinese market for agriculture and services. China wants improved investment access, tariff reductions on household items such as electronics, and gains on people movements to Australia.

Australia will offer China the same 970-million-U.S.dollar foreign-investment screening threshold for private investment as that given to South Korea, Japan, the U.S. and New Zealand.

The Australian reported that the same 13.5-million-U.S.dollar threshold will apply to investment in agricultural land, and 48 million U.S. dollars for agribusiness, as was included in the Japanese and South Korean deals.

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Chinese fund set to invest 2.7 bln USD in Australia's agriculture industry

[Xinhua, 16-09-2014] The Chinese-government owned Beijing Agricultural Investment Fund has committed to spend 2.7 billion U.S. dollars on Australian dairy, beef, lamb and aquaculture industries, local media reported Tuesday.

The Australian newspaper reported that Chinese investment in Australian agriculture was set to boom, and the latest news had been warmly welcomed by local farmers.

The announcement establishes the Beijing Australia Agricultural Resource Co-operative Development Fund in a joint venture with Yuhu Agriculture Investment.

Federal Trade Minister Andrew Robb told the inaugural Australian Dairy Farm Investment Forum in Melbourne that the fund was especially keen to produce and export powdered infant milk formula to China, and was therefore committed to investing in local dairy farms and dairy processing.

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The rise of US-China agricultural trade

[NewSecurityBeat, 24-09-2014] China faces a dilemma. It is home to 20 percent of the world's population but only seven percent of the world's water resources and nine percent of the world's arable land. At the same time, a rising middle class is demanding more food. Over the last 30 years, China's meat demand has quadrupled.

These dynamics are pushing China to look overseas to feed growing appetites. In 2004, it shifted from being a net food exporter to importer for the first time.

The United States has a trade surplus with China when it comes to agricultural products and that surplus has grown considerably over the last decade. In 2013, the United States exported \$28.8 billion worth of agricultural products to China, while importing \$10.5 billion. China is now the top destination for U.S. agricultural exports overall. Almost half of these exports are soybeans, commonly used to produce animal feed.

In the other direction, U.S. food imports from China have also ramped up over the last decade. Nearly 8 out of 10 tilapia sold in the United States come from China, 70 percent of the apple juice, and half the cod.

China's growing demand for food is opening up new opportunities for U.S. agriculture and strengthening already strong trade ties.

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China, US seek ways to benefit from carp

[China Daily, 23-09-2014] In China, Asian carp is considered a delicious dish, but in the United States, it is seen as a dangerous invasive species that threatens rivers, lakes and indigenous species.

In early September, US scientists came to China to explore ways to prevent the fish's spread in their country and explore the possibility of exporting the invaders back to China.

"Chinese love eating the fish, and the US has too many of them, which makes exploring a business plan a win-win solution," said Yang Bo, a freshwater expert from The Nature Conservancy who accompanied the US scientists during their visit.

But implementing such a plan won't be easy, Yang added.

Barriers to the plan include the high costs of transportation, the tariffs and the Asian Carp Prevention and Control Act, a US law that makes transportation of the live fish across US state lines illegal.

Yang said that in addition to the fish products trade, China and the US will strengthen cooperation in Asian carp research, including the water temperature and flow related to breeding, so that the US can control fish reproduction and China can boost its own.

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China's farm machinery reaps profits in ASEAN

[Xinhua, 17-09-2014] China's top farming equipment manufacturers are seeking investment opportunities in Southeast Asia at the ongoing 11th China-ASEAN Expo held in Nanning in south China's Guangxi Zhuang Autonomous Region.

China National Machinery Industry Corporation (SINOMACH), the country's first Fortune 500 company in the machinery sector, has launched an investment program in Vietnam and Thailand in an effort to break into the local market using its advantages in capital and research and development.

Agriculture serves as a pillar sector in China and most ASEAN regions, driving demand for farm machines. For example, Vietnam exported 27.4 billion U.S. dollars worth of farm produce in 2013, accounting for around 20 percent of its total exports.

Major Chinese tractor producer YTO Group Corporation, a pioneer in exploring the ASEAN market, has already reaped a good harvest. Its joint ventures in Indonesia and Thailand saw combined annual revenues of more than 100 million yuan (16.27 million U.S. dollars) in the past few years.

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China buys Israeli smart irrigation tech firm for \$20 million

[JSpacenews, 16-09-2014] China's Yuanda Enterprise Group announced last week that it had bought the Israeli company AutoAgronome Israel Ltd for \$20 million in order to expand its business to high-tech agriculture.

The Israeli company produces smart irrigation and fertilization systems that are successfully used with 70 different types of crops in 13 countries including the United Kingdom.

"The movement to new technology is huge. Every year, the area of drip irrigation system farming in China increases about 20 percent, which is more than all in Israel and Europe together. It's a huge market in China," said Nissim Daniely, the general manager of AutoAgronom in China Daily.

Scientists at the China Agricultural University in Beijing believe that smart-farming techniques are the key to China's food problems in a study released in early September. The acquisition of the Israeli smart irrigation tech company is significant in China's struggles with food security.

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Syngenta faces second lawsuit over GMO corn rejected by China

[Reuters, 17-09-2014] A second company has sued Syngenta AG over sales of genetically modified corn seed not approved by China, raising the stakes for the Swiss-based seed maker by including byproducts used for animal feed in its complaint and seeking class-action status.

Trans Coastal Supply Co, a major exporter of livestock feed products, said in court documents it expects to lose more than \$41 million because Syngenta sold Agrisure Viptera corn seed, known as MIR 162, to U.S. farmers without first obtaining import approval from Beijing.

China, a major buyer of U.S. grains, has rejected boatloads of U.S. crops containing the variety over the past year.

Syngenta spokesman Paul Minehart said the lawsuits filed by both companies are without merit.

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GMO test slows hay exports to China

[Capital Press, 25-09-2014] U.S. hay exports to China have slowed significantly since July because of trace amounts of genetically modified alfalfa that were discovered in tests.

China uses a more sensitive test for GMOs than U.S. exporters, industry members say.

China has been a new market of rapid growth, wanting high-quality U.S. hay for its beef cattle. Some 700,000 metric tons of U.S. alfalfa were imported by China in 2013.

"China had a run-in with GMO corn and decided to check their alfalfa," said Mike Hajny, vice president of Wesco International, an Ellensburg hay exporter.

Exporters thought they were safe with strip tests showing less than 5 percent GMO contamination, but China used a chemical DNA test with a standard of .01 percent, Hajny said.

Few exporters can find product to meet that standard and sales have slowed significantly since July, said Nick Gombos, supply chain manager of ACX Global in Bakersfield, Calif., a leading exporter that also has facilities in Ellensburg, Wash.

Producers are trying to grow non-GMO alfalfa but the “high rate of contamination leads us to believe it could be cross contaminated seed,” Hajny said.

The industry is working with USDA, GMO developer Monsanto and China to reach new protocols to address Chinese concerns, Gombos said.

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Cargill’s new processing plant running in China

[WorldPoultry, 16-09-2014] Cargill has opened a new poultry processing plant in China. The company’s mission is to improve efficiency and add value throughout the production and distribution of its range of poultry products, at the same time promoting sustainability in agriculture and a secure and safe food supply.

To implement this strategy, Cargill is committed to bringing state-of-art technology and expertise to China, promoting the modernisation of China’s agriculture and to encouraging rural development through upgrades of the poultry industry. For this purpose, Marel Stork was chosen to supply China’s first 13,500 bph / 225 bpm poultry processing plant. This plant has been installed at Lai’an in Anhui Province, 350 km northwest of Shanghai.

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McDonald’s to increase oversight of Chinese suppliers

[NYT, 02-09-2014] McDonald’s said it would monitor its suppliers in China more closely after a food safety scandal in the country hurt the chain’s sales and reputation. The company plans to increase audits and video monitoring at its suppliers and send more employees to meat production facilities to ensure its food is prepared safely. It also named a new food safety officer and created a hotline where employees can report poor food safety practices, McDonald’s said in a statement. The changes come after a TV report in July showed workers at the McDonald’s supplier Shanghai Husi Food Company repacking meat past its expiration date. McDonald’s stopped using the Shanghai plant and many restaurants were unable to provide some products, including Big Macs and Chicken McNuggets. McDonald’s, based in Oak Brook, Ill., reported a 7.3 percent drop in July sales at its restaurants in Asia, the Middle East and Africa. Other fast-food companies have been hurt by food safety concerns in China.

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