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Policies

China sets targets for supply-side structural reform in agriculture

[Xinhua, 08-09-2017] China's State Council Friday 7 September released a guideline on accelerating supply-side structural reform in agriculture, specifying major tasks and targets for the sector's development in the coming years.

By 2020, China plans to foster a modern system for the grain industry and raise the ratio of high-quality grain by around 10 percentage points, according to the guideline.

China is also eyeing an annual average expansion of around 7 percent in the added value of the industry, with the increase of the grain processing rate to 88 percent. By 2020, the number of grain companies with yearly business revenue of more than 10 billion yuan (1.5 billion U.S. dollars) should exceed 50, the guideline said.

Major tasks for the development of the industry include invigorating leading enterprises, innovating new growth models and speeding up restructuring and upgrading to boost the supply of green and high-quality products.

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China puts 103 mln hectares of farmland under permanent protection

[Xinhua, 20-09-2017] China has put 103.3 million hectares of farmland under permanent protection, stating that the areas should not be used for non-farming purposes.

Some 2,887 counties nationwide had been tasked to define specific land plots for government permanent protection, according to the Ministry of Land and Resources (MLR).

The acreage was very slightly larger than target set in the country's land use plan for 2006-2020.

Through the demarcation, the government is seeking to prevent farmland from being used for non-farming purposes such as construction and property development, as this could threaten the country's food security.

At the end of 2016, China had a total of about 135 million hectares of farmland, about 76,900 hectares less than 2015 levels.

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Reforms key to a healthy agrifood sector

[China daily, 09-19-2017] There are major emerging challenges facing China's agrifood sector.

To address these challenges and provide sustainable, safe and nutritious food, supply-side reforms are critical.

First, reforms need to focus on fixing the fundamentals of the agrifood system. Institutional reforms for a more efficient food-production system are essential.

Second, policy innovations should be promoted. Climatesmart and resource-efficient investments, especially the cultivation of high-yielding, climate-ready, high-nutrient crop varieties through biofortification, as well as precision agriculture, are areas with great potential.

Third, efficient and inclusive value chains should be supported, with improved legal, regulatory and institutional frameworks.

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China extends rural land reform trial to end-2018

[Reuters, 12-09-2017] China's central government has approved a plan to extend a rural land reform pilot program by another year to the end of 2018, the Economic Information Daily reported citing sources at the Ministry of Land and Resources.

The land ministry's pilot started in 2015 and is meant to develop mechanisms for rural land use rights to be transferred on markets, allowing rural residents to receive more of the benefits from their rights to land.

China has been looking to reform landholding rights for rural citizens for years as it promotes urbanization and more efficient, large-scale farms, though progress has been slow and there has been some resistance at the local level.

Farmers in China hold the long-term rights to small plots of land, but technically can lose the right to that land if they move away or do not actively cultivate the land.

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China sets 2020 target for nationwide ethanol use to cut corn stocks

[Reuters, 13-09-2017] China plans to roll out the use of ethanol in gasoline nationally by 2020, state media reported on Wednesday 13 September citing a government document, as Beijing intensifies its push to boost industrial demand for corn and clean up choking smog.

It's the first time the government has set a targeted timeline for pushing the biofuel, known as E10 and containing 10 percent ethanol, across the world's largest car market, although it has yet to announce a formal policy.

China's use of renewable-based fuel lags the rest of the world, with only 3 million tonnes consumption in 2016, or less than one percent of total fuel use, the official added.

The report said the government also aims to have large-scale domestic production of cellulosic biofuels, which are made from sources such as grasses, trees and crop waste, by 2025.

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China cracks down on illegal fishing to protect marine environment

[Xinhua, 06-09-2017] In Dalian, a major port in China's northeast, have been busy over the past few weeks patrolling ports and harbors to monitor illegal fishing.

A four-month fishing ban ended on Sept. 1 and thousands of fishermen have resumed their operations.

During the ban, police stepped up law enforcement and carried out awareness campaigns.

This year, Dalian police dispatched 9,000 officers to monitor illegal fishing. Over 500 boats were seized, more than 270 people were fined for providing logistics for the boats and 180 others were caught illegally ordering or purchasing the catch.

Over-exploitation of offshore fisheries has damaged the biodiversity of the sea, which can be seen around Haiyang Island in Changhai County, about 73 nautical miles from Dalian, one of the four largest fishery areas in China.

In the first half of the year, fish farming output has grown, but the wild fish catch in the county dropped by 25.9 percent.

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Science, Technology and Environment

Chinese researchers develop material to absorb heavy metals

[Xinhua, 21-09-2017] Chinese researchers have developed a new material that can absorb heavy metal ions from fertilizer, decreasing environmental pollution.

The material, a nanocomposite, was developed by a team led by Wu Zhengyan of the Hefei Institute of Physical Science under the Chinese Academy of Sciences. It can "grab" arsenic and copper ions from manure with high efficiency.

The results were published in the Journal of Agriculture and Food Chemistry.

Heavy metals in animal fodder leave the manure of domestic animals with high levels of heavy metal ions such as arsenic and copper. As a result, organic fertilizer made from the manure also contains heavy metals, which can cause damage to the environment as well as human body.

Using clay and charcoal, Wu's team managed to develop a material that can absorb the heavy metal and keep the ions away from crop roots.

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Specialized farmers' cooperatives to promote modern agriculture

[Xinhua, 04-08-2017] China has 1.93 million specialized farmers' cooperatives with over 100 million rural households participating, according to the State Administration for Industry and Commerce.

The specialized cooperatives have gained popularity with participating farmers accounting for 46.8 percent of Chinese rural households.

Through specialized cooperatives, farmers engaged in the same kind of agricultural production are able to pool resources and increase productivity.

So far this year, the central and local governments have pumped 4.8 billion yuan (736 million U.S. dollars) into supporting farmers' cooperatives to strengthen their competitiveness and help them withstand risks.

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China's Internet of Things industry exceeds 900 bln yuan

[Xinhua, 10-09-2017] China's Internet of Things (IoT) industry has seen its output value exceed 900 billion yuan (140 billion U.S. dollars), with a compound annual growth rate of over 25 percent, a senior official said.

With a huge market, a complete industrial chain and the world's biggest mobile telecommunications network, China will soon take the lead in some frontier IoT sub-sectors, Vice Minister of Industry and Information Technology Luo Wen said during an IoT expo in Wuxi, Jiangsu Province.

IoT connects traditional devices, including home appliances, to the Internet.

Luo said the IoT will be expanded in agriculture, logistics, energy, environmental protection, medical care and other areas.

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China develops smart pesticide

[Xinhua, 12-09-2017] Chinese scientists have developed a smart pesticide that, once in the soil, is controllable and recyclable.

A team led by Wu Zhengyan, professor with the Technical Biology Institute, under Hefei Institute of Physical Science, Chinese Academy of Sciences, used diatomite, iron magnesium oxide and chitosan to make a compound that can be activated by changes to pH levels in the soil.

Wu said the research showed that a single-season crop only needed the pesticide spray once. During the growth of the plant, growers simply spray a weak-acid agent to activate and control the pesticide's effect. Conventional farming needs several rounds of pesticide spray.

The report on the research was published in the latest issue of the Chemical Engineering Journal, an international research journal.

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UAV bolsters agricultural industry in Changsha

[China daily, 19-09-2017] Agricultural unmanned aerial vehicles (UAVs) are helping to improve the efficiency of disease and pest control in Changsha's agricultural industry.

A skills competition for UAV and drone operation was held in Jianbei town, Changsha county, on Sept 14, aimed at popularizing state-of-the-art agricultural devices.

Various operators showed how drones can be maneuvered in the air to effectively perform pesticide spraying.

The new device can spray pesticides over 40 mu of land in just one hour, including the time for replacing battery and preparing the chemicals. It means that agricultural UAVs can spray between 200 and 400 mu of land in one day, equivalent to more than 20 times that of manual workers.

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Kiwifruit's hometown to hold world conference

[China daily, 21-09-2017] After decades of being enjoyed and known by people the world over, kiwifruit — the ovoid, greenish fruit with brown skin once called the Chinese gooseberry — is being given a new mission by its Chinese hometown, Meixian county.

The county, in North China's Shaanxi province, will host a World Kiwifruit Conference from Oct 13 to Oct 15 to gather global experts, clients and to showcase its own advantages in this industry, according to a news conference held Thursday 21 September at the Great Hall of the People in Beijing.

A total of 1.3 million tons of Kiwifruit are produced in Shaanxi province each year and the growing area exceeds 1.03 million *mu* (68,666.66 hectares), making the province the largest concentrated plantation area for this fruit in the world.

The conference activities will include academic seminar and export forum.

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Plastic film covering 12% of China's farmland pollutes soil

[Bloomberg, 05-09-2017] China will expand its agricultural use of environment-damaging plastic film to boost crop production even as authorities try to curb soil pollution, a government scientist said.

Some 1.45 million metric tons of polyethylene are spread in razor-thin sheets across 20 million hectares (49 million acres) — an area about half the size of California — of farmland in China. Use of the translucent material may exceed 2 million tons by 2024 and cover 22

million hectares, according to Yan Changrong, a researcher with the Chinese Academy of Agricultural Sciences in Beijing.

The downside is that polypropylene film isn't biodegradable and often not recycled. Potentially cancer-causing toxins can be released into the soil from the plastic residue, known locally as "white pollution," which is present at levels of 60-to-300 kilograms (132-to-661 pounds) per hectare in some provinces.

To address mounting food-safety concerns amid worsening soil pollution, in May last year China's State Council urged the recycling of used mulch films.

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Chinese province approves action plan to protect Yangtze

[Xinhua, 04-09-2017] Central China's Hubei Province has approved an action plan which aims at reducing pollution and protecting the environment along the Yangtze, China's longest river.

The action plan covers reforestation, recovering lake and wetland environments, restoring biodiversity, cutting industrial pollution, building sewerage plants, addressing pollution in rural areas, improving lake water quality and reducing metal and phosphate pollution along the Yangtze.

In the coming five years, 20,000 hectares of arable land will be reforested or returned to grassland. Fishing and farming will be banned from 45 wetland areas in five major lakes along the river, according to the plan.

Chemical and paper-making industries will be banned within 1 km of the river and its major tributaries. Construction of new petro-chemical and coal-powered factories will also be strictly limited near the river.

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How China's 'river chiefs' are cleaning up the country's polluted waterways

[SCMP, 20-09-2017] A pilot 'river chief' scheme is being rolled out nationwide, but some say it fails to address the underlying causes of pollution

At the end of last month, there were about 200,000 "river chiefs" like Weng and Jiang across China, according to the Ministry of Water Resources. Millions more are expected to be installed nationwide, after the top leadership decided late last year to give every waterway in the country a specific steward.

Across China, where officials are seeking to balance pollution control and economic growth, environmental issues have become an increasingly pressing cause of social instability. According to a report by the Chinese Academy of Social Sciences, half of the protests with more than 10,000 participants between 2001 and 2013 were sparked by concerns about pollution.

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Trade and Business

COFCO goes global to grow grain security

[China daily, 20-09-2017] COFCO Corp, the country's biggest agricultural products supplier by revenue, plans by 2020 to see 60 percent of its revenue contributed by overseas markets

and control up to 50 million metric tons of foreign grain resources to ensure China achieves grain security, said its senior executive.

The Beijing-headquartered group will invest 29.97 billion yuan (\$4.58 billion) in both domestic and global markets this year, of which 61 percent will go to its pillar businesses including food trade and processing, branded products, storage and logistics.

The group will invest 10 billion yuan in countries and regions related to the Belt and Road Initiative such as Russia, Thailand and Vietnam during the 13th Five-Year Plan (2016-20) period.

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Getting savvy? China corn farmers set to hold on to crops, bet prices will rise

[Reuters, 19-09-2017] Corn farmers in China are likely to hold off on selling their latest crops, betting higher prices down the line in the world's No.2 producer of the grain will help them reap bigger profits.

As farmers in the northeastern corn belt start their second harvest without government price support, many are beginning to show the kind of appetite for risk that is common in major other agricultural powerhouses such as the United States by potentially delaying sales.

Until last year, the government bought farmers' crops at a minimum price as part of a decade-long stockpiling programme that has now been scrapped.

The move to hold on to crops comes after some farmers last year sold early in the season, missing an opportunity to make more money after prices later rallied.

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How Yantai's apples took a big slice of Chinese market

[China Daily, 05-09-2017] Yantai's promotion of its tasty apples has reaped huge rewards for fruit farmers in the city in East China's Shandong province.

The coastal region now has more than 130,000 mu (8,666 hectares) of orchards growing intensively cultivated dwarf apple trees.

Yantai apples have become one of the top brands in China, which is helping local farmers rake in even more profits.

The seeds of Yantai's success have been continuous policy support by the local government, new technology, green development, integrated industrial development and effective brand building.

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Ant Financial's agriculture insurance joint venture gets regulatory green light

[China Money, 13-09-2017] An agriculture insurance joint venture between Ant Financial Services Group and China United Insurance Holding Co. has received a green light from China's insurance regulator, making it the first agriculture technology company co-established by an insurer to achieve regulatory approval from the China Insurance Regulatory Commission (CIRC).

The joint venture between one of China's financial technology leaders and China Insurance, an insurer founded in western Xinjiang province and now based in Beijing, will aim to meet increasing demand for insurance products driven by modernization of the agricultural sector.

Agriculture insurance is booming in China and represents a lucrative new frontier for Ant Financial and Alibaba. Agricultural insurance premiums expanded seven times to RMB41.72 billion in 2016 from RMB5.18 in 2007, according to statistics from the CIRC.

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China-Europe high-tech cooperation benefits both sides

[Xinhua, 17-09-2017] After taking over German robotics firm Kuka, Chinese home appliance giant Midea Group is turning the European company into a global service provider for smart manufacturing.

At the 2017 China (Guangdong)--Europe Investment and Innovation Cooperation Conference held in Foshan City this week, Gu Yanmin, vice president of Midea, said more advanced mobile robots were being developed so Kuka's industrial robots could be applied in more complicated production scenarios.

"More Chinese technologies have been introduced to the European market. The two-way technology exchange is replacing the previous one-way technology imports from Europe to China," Gu said.

Midea has nine research and development centers in China, and the number of such centers overseas has topped 11. The latest is located in Graz, Austria, and aims to provide technology for home appliance development to the European market.

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Cooperation in agriculture sector will boost trade among BRICS nations

[Hindustan Times, 14-09-2017] Sharing best practises in agriculture among the five BRICS countries can address the issue of food security, a leading Indian expert in the sector has said.

Increased cooperation in the sector will also increase trade between Brazil, Russia, India, China and South Africa, the five members of the group, VS Sahney, chairperson of the BRICS agricultural business forum said.

Agriculture was one of the highlighted issues in the Xiamen Declaration, released after the BRICS plenary session last week.

The BRICS nations' leaders agreed to enhance cooperation in the field of food security, trade in agricultural products and investment in this sector.

The BRICS member states' heads have welcomed the "establishment of a Coordination Centre for the BRICS Agriculture Research Platform in India which should contribute to the implementation of the above-mentioned goals."

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Chinese firms buy leading UK-based duck breeder

[Poultry Site, 14-09-2017] Two Chinese companies have acquired a leading British poultry firm which supplies the breed of the famed Peking roast ducks.

Cherry Valley Farms, which sells ducks to more than 60 countries and regions, has been bought by Beijing Capital Agribusiness and CITIC Agriculture Fund.

The joint deal is worth \$183 million according to media reports, and includes breeding technologies and patent rights.

Based in Lincolnshire, northeast England, Cherry Valley Farms is the market leader in the global duck primary breeding business with an overall market share of over 75 per cent.

The company has supplied British consumers for more than 50 years. It is China's largest supplier of Pekin ducks, a domestic breed prized for its meat.

China is home to around 2.5 billion ducks bred through Cherry Valley Farm operators.

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Israel and China sign \$300 million 'clean-tech' trade agreement

[Reuters, 11-09-2017] Israel and China have signed a \$300 million trade agreement meant to boost the export of Israeli environmental-friendly energy and agricultural technologies to China, Israel's Finance Ministry said.

The new deal, it said, "allows the two sides to expand bilateral economic activity into other environmental-friendly technologies, including advanced agriculture technologies and smart and green energy technologies, which the Chinese government wants to implement using Israeli experience and expertise."

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Cream of China's Dairy Firms Eyes Australian Milk Giant

[Caixin, 21-09-2017] Several Chinese dairy giants – including Mengniu and Yili – are bidding for Australian peer Murray Goulburn Co-operative Co. Ltd.

A subsidiary of China Mengniu Dairy Co. Ltd. has placed a non-binding offer for the firm – Australia's largest processor of milk – a Mengniu spokesperson told Caixin Thursday.

Mengniu rival Inner Mongolia Yili Industrial Group Co. Ltd. is also reportedly placing a bid, offering AUD\$1.20 (\$0.95) per share – nearly double the price Murray Goulburn shares were trading at before the firm was put up for sale, The Australian reported Wednesday.

Consumer demand for dairy products is rising fast in China, with a projected market value of \$68.8 billion by 2022, which would overtake that of the U.S., according to consultancy Euromonitor International.

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