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Policies

China maps out agricultural consolidation plan

[Xinhua, 17-10-2014] China is rolling out a major rural land reform which aims to promote large-scale farming and consolidate unused small patches of farm land under larger cooperatives.

The reform scheme comes as China is experiencing a continuing process of industrialization and urbanization, in which more farmers are migrating to cities for jobs, leaving behind their contracted farm lands over which they have use rights.

"More and more farmers see agriculture as a secondary job. Some farmers no longer attach importance to growing crops as they used to. Some lands are even left unattended," Minister of Agriculture Han Changfu said in an interview with Xinhua on Friday.

The transition has triggered rising concerns over food security facing the world's most populous country.

The key solution is to promote the concentrated use of farm lands, nurture diversified agricultural businesses, and ensure that agriculture is also a profitable business, Han said, adding that the reform plan, which has been reviewed and passed by the central authorities, will be an important policy guide for rural land reforms and agriculture management.

According to government data, the number of Chinese migrant workers from rural regions in 2013 reached almost 270 million, which accounted for 45 percent of the total work force in rural areas. Meanwhile, 170 million migrant workers spent more than six months outside their hometowns last year.

At the Third Plenary Session of the 18th Communist Party of China Central Committee held last November, Chinese leaders encouraged circulation of land use rights on the open market, nurturing of diversified agricultural business models and new players in agriculture, on the basis of concentrated, professional and organized use of rural lands.

Currently, farm leasing among villagers is the most popular form of rural land transfer, but the proportion of land transfers to rural cooperatives and local enterprises has been growing.

However, there are challenges in carrying out the reform, in terms of how to protect farmers' land rights, enhance management of land transfer and offer support to new farmers.

To promote the gradual transfer of rural land use rights while preventing potential risks to farmers' interests, the first step would be the registration and confirmation of farmers' contracted lands by keeping clear registration records, issuing land rights certificates to them, and improving the terms of land-related contracts.

The minister said that the process of land transfer will evolve based on consultation.

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China pilots expanded property rights for farmers

[Xinhua, 18-10-2014] China will pilot a set of reforms aimed at giving farmers greater property rights to allow them to enjoy more benefits of the country's urbanization drive.

In an interview with Xinhua on Saturday, vice minister of agriculture Chen Xiaohua said the pilot plan, recently approved by the central authorities, will explore diversified forms of collective ownership of rural land to better protect the interests of farmers.

In China, urban land is owned by the state, and rural land is normally under collective ownership. While gradual reforms since the 1980s saw the trading of urban land evolve into a

robust property market, land in the countryside has remained largely static as farmers generally have the right to use the land, but cannot directly trade or mortgage it.

This scenario has put Chinese farmers in a vulnerable position, and a key reform meeting last year pledged to gradually change the situation.

While implementing the most strict policies to protect arable land, the country will grant farmers rights to possess, use, benefit from and transfer their contracted land, as well as the right to use land ownership as collateral or a guarantee, said a document released after the Third Plenary Session of the 18th Communist Party of China Central Committee held last November.

As a follow-up to the document, the latest policy specified procedures to allow farmers to transform their collective rights into a shareholding system.

Meanwhile, China will actively grant farmers the right to possess and benefit from their contracted land, allow them to give up or inherit land use rights under certain conditions, as well as cautiously roll out experiments on the leasing and mortgaging of the rights, according to Chen.

Giving consideration to the differentiated conditions in east, central and west China, authorities will select several counties to pilot the reforms and aim to complete the work by the end of 2017.

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China to return sloping farmland to forestry

[Xinhua, 28-09-2014] China plans to return sloping cropland of five million mu (over 300,000 hectare) to forestry by the end of this year, the country's top economic planner said on Saturday.

The program will be conducted in 11 provincial regions in China's central and southwestern areas, including Shanxi, Hubei, Yunnan and Xinjiang, according to the National Development and Reform Commission (NDRC).

The NDRC said the work should not harm farmers' benefits and qualified land adjacent to rivers and lakes or in quake-prone areas will be prioritized.

Sloping cropland in China always has low yields and is subject to water and soil losses.

China aims to return 42.4 million mu of cropland into forestry by 2020, most of which is sloping and sandy land.

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Sinograin buys 30 mln tons of grain to stabilize prices

[Xinhua, 09-10-2014] A grain glut has forced the Chinese government to buy up some 30 million tonnes of wheat and early rice since late May this year, despite climbing inventories, according to the China Grain Reserve Corp (Sinograin).

The government intervention, conducted by Sinograin under a minimum grain purchase price arrangement, aims to stabilize market prices and protect farmers' interests during good years, Sinograin said in a statement.

To support the market, Sinograin has bought a total of 25.35 million tonnes of wheat, three times the amount last year, from the provinces of Jiangsu, Anhui, Shandong, Henan and Hubei since May 27 to fill national reserves.

Meanwhile, the company has also shored up 4.19 million tonnes of early rice in five southern provinces since July 22 under the summer grain purchase arrangement.

The company completed all purchases of summer grain under the minimum price arrangement in September, Sinograin said.

To make room for the new grain, Sinograin had to accelerate its sales of old grain stored at all national granaries.

Earlier this year, China's cabinet said it will step up efforts to purchase and store grain and build more granaries as its grain output rises.

The country hit a record high in summer grain output with 136.60 million tonnes this year, following total grain output of 601.94 million tonnes last year in a 10-year bumper harvest streak, according to the National Bureau of Statistics.

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China contributes greatly to global food security

[Xinhua, 15-10-2014] As the most populous country in the world, China has successfully delivered millions of people from hunger and is helping other countries achieve food security.

In a latest move to this end, Chinese Premier Li Keqiang announced that China will donate 50 million U.S. dollars to the Food and Agriculture Organization (FAO) of the United Nations in the coming five years.

On the eve of World Food Day, Li made the remarks in Rome in a speech at the headquarters of the FAO, the first intergovernmental organization the premier has visited among all UN agencies since he took office.

As the biggest developing country, China will always be an active force in maintaining food security and ready to work with other countries to create a hunger-free and poverty-free world with sustained development, said Li.

"I trust this visit will mark and unveil a new chapter for the FAO and China collaboration in the noble fight against hunger at national, regional and global levels," said Percy Misika, the FAO's representative in China.

From 1990-92 to 2012-14, 209 million people have been lifted from chronic undernourishment globally, according to the FAO. "China alone has reduced the number of undernourished people by 138 million in this period, a massive and unmatched contribution to global food security, with the rest of the world contributing a mere 71 million reduction," said Misika.

China has a population of 1.3 billion people and the number is on the rise. The FAO estimates that China's demand for food will be 700 million tonnes by 2020.

Although the country has set a red line that its cultivated land area should not fall below 120 million hectares, pressure on arable land protection is still great, mainly due to rapid urbanization.

In Misika's view, the high level of food waste, especially table food waste, could pose a threat to China's sustained food security if not addressed soon.

The environmental sustainability of the food production and consumption system is another challenge to the food security of future generations, warned the FAO representative.

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Premier Li sows the seeds for farming

[China Daily, 16-10-2014] China will substantially expand a program to offer more funding and technical support to help developing nations put their agricultural growth on a firmer footing, Premier Li Keqiang said.

He said the central government will donate \$50 million to the Food and Agriculture Organization of the United Nations to develop South-to-South cooperation over the next five years as well as enhancing its support for the UN World Food Program and the International Fund for Agricultural Development.

Li said cutting trade protectionism and offering adequate agricultural technologies and funding support to less-developed countries can significantly improve the output of agricultural products and ensure global food security.

China has sent more than 30,000 agricultural experts and technicians abroad in recent years, as well as setting up agricultural demonstration centers and technology promotion and training centers in nearly 100 countries in Asia, Latin America, Africa and the Pacific.

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China unveils rule to curb research funds misuse

[Xinhua, 20-10-2014] China will reform state research fund management, delegating power to independent institutes in a bid to curb academic corruption and sharpen innovation.

The government will no longer be in direct charge of research projects. Instead, professional institutes will manage state funding in a transparent manner, according to a new rule that will be unveiled soon by the ministries of science and technology, and finance.

China already has such agencies, including the National Natural Science Foundation that was established in 1980s, said Zhao Lu with the Ministry of Finance. He said more professional institutes will be set up.

Academic corruption has been seen in China's universities and research institutes, where misuse of government funds are common.

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Science, Technology and Environment

China promotes water-saving irrigation

[Xinhua, 29-09-2014] The Ministry of Water Resources said on Monday that China's water-saving irrigation technologies have reduced the amount of water used per mu (667 square meters) of farmland to 361 cubic meters from 420 cubic meters in 2000.

Speaking at a press conference held in Beijing, vice Minister Li Guoying said that water conservation is necessary in agriculture, the top use of water, because per capita water resources in China are only 28 percent of the global average.

Of the country's 952 million mu of farmland with access to irrigation, 214 million mu use highly effective water-saving measures such as low-pressure pipes, spray irrigation, and drip irrigation, Li said.

He said that water-saving irrigation has helped conserve water and enhance farm yields because it can improve the efficiency of fertilizers and pesticide used for crops.

According to a national plan for water conservation, more than 60 percent of farmland eligible for irrigation will use water-saving measures by 2020.

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Water diversion project to boost Chinese grain output

[Global Times, 28-10-2014] China's south-to-north water diversion project, expected to start operation in the coming days, will ease the drought that has been plaguing north China, greatly improving grain output, officials and experts have said.

About 13 percent of water will be assigned for agriculture every year, which will add six billion cubic meters of water for ecological and agricultural use, a blessing for the thirsty farmland.

The water diversion project will gradually restore the ecological environment in north China and improve the grain production and guarantee the country's food safety, said Wang Hao, an academic with the Chinese Academy of Sciences.

The middle route of transfer project will see a massive 9.5 billion cubic meters of water per year pumped through canals and pipes from the Danjiangkou reservoir in central China's Hubei Province to the northern provinces of Henan and Hebei and to Beijing.

The project was conceived by late Chinese leader Mao Zedong in 1952. The State Council approved the ambitious project in December 2002 after debate lasting nearly half a century.

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Chinese hybrid rice yield hits record

[Xinhua, 05-10-2014] A team led by Yuan Longping, known in China as "the father of hybrid rice" has made a record for hybrid rice production with an average yield of 1,004.5 kilograms per mu (0.0667 hectares).

The new record was confirmed by experts from the Hunan Hybrid Rice Research Center and the agricultural bureau of the Xiangxi Prefecture, who actually harvested three lots of a farm of 105.8 mu growing the new hybrid rice known as "Y liangyou 900".

The farm is located at Zhongnan Village, Longshan County of central China's Hunan Province.

The new progress surpassed the 1,000 kg-per-mu target set by the Chinese Agriculture Ministry in 2013 after the yield of hybrid rice was raised to 963.65 kg per mu in 2012.

The yield of hybrid rice per mu in China surpassed 700 kg in 2000, 800 kg in 2005 and 900 kg in 2011 respectively, according to the Agriculture Ministry.

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BGI Tech and Hebei Agricultural University complete the genome sequencing of the commercially important Jujube tree

[PRNewswire, 29-20-2014] BGI Tech and Hebei Agricultural University jointly announced the complete, high quality sequencing of the Jujube genome. Jujube is the most economically important member of the Rhamnaceae family, and the Jujube genome is particularly difficult to sequence due the high level of heterozygosity and other complicating factors. It is the first time that a genome in the Rhamnaceae (Buckthorn) family has been sequenced. This study has been recently published in *Nature Communications*.

Jujube is a major commercial fruit with up to 30 million acres under cultivation - close to that of apple and citrus - and China accounts for 99 percent of the 6 million tons of dried fruit produced annually. Jujube has a much higher vitamin C content than other well-known vitamin C-rich fruits such as orange and kiwi fruit, and also high levels of nucleotides,

polysaccharides and other important functional components. Furthermore, the jujube tree is highly resistant to salinity and drought, and grows well in sandy, alkaline and arid areas. Therefore, decoding the genome of the jujube tree will have great implications to exploit those important traits.

The Jujube genome has the highest degree of heterozygosity (1.9 percent) of plants sequenced to date using next generation sequencing (NGS). In addition, the very high density of simple sequence repeats and low GC content make the Jujube genome particularly challenging for whole genome sequencing and assembly. By using a combination of BAC-to-BAC sequencing and PCR-free whole genome sequencing, the researchers were able to successfully complete the high quality *de novo* sequencing of 98.6 percent of the estimated Jujube genome, identifying 32,808 genes.

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Xi's remarks on GMO signal caution

[WSJ, 09-10-2014] Recently published remarks by President Xi Jinping on genetically modified food have renewed debate on whether China should be more accepting of GMO crops. But scientists and analysts say Mr. Xi's comments are more a reiteration of Beijing's cautious embrace of biotechnology than a signal for looser GMO restrictions.

Mr. Xi's comments were published by the Communist Party's Literature Research Office in late September in a compendium of his pronouncements on a wide range of policy matters. Local media picked up on a seven-sentence excerpt in the 70-page document in which Mr. Xi addressed the GMO issue at China's central rural work conference, a key agricultural policy conclave, in late December.

“When we talk about the quality and safety of agricultural products, there's one question that must be mentioned, which is the GMO question,” the president said. “GMO is a new technology, but also a new industry, and has broad prospects for development. As a new item, society has debates and doubts on GMO techniques, which is normal. On this issue, I have to emphasize two points: First is to ensure safety, second is to innovate by ourselves. Which is to say, we must be bold in studying it, [but] be cautious in promoting it. Industrial production of GMOs and commercialization must be strictly in accordance with the nation's specified rules and techniques, moving steadily, ensuring no mishaps, taking into account safety factors. [We] must boldly research and innovate, dominate the high points of GMO techniques, and [we] cannot let foreign companies dominate the GMO market.”

There is no official poll of public opinion in China, but microblogging platforms and media reports suggest Chinese folks lean toward opposition to GMOs. Reports of GMO rice seeds “accidentally” finding their way from test sites to marketplaces often ignite public complaints. Military strategists have weighed in against GMOs.

In late September, the agriculture ministry said it would step up public education on GMOs, in part to dispel some myths of their effects on human health.

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GM food faces hurdle of fears

[China Daily, 24-10-2014] Chinese have long regarded them as *hongshui-mengshou*, literally severe floods and savage beasts, or the scourge of all scourges. But the recent publication of a speech by President Xi Jinping suggests that genetically modified organisms will finally be accepted in China.

In the speech, to the Central Rural Work Conference in Beijing about 10 months ago, Xi said the technology should be allowed to develop in the country so long as the right caution is exercised. Xi's comments were revealed last month when a collection of government documents was made public.

Compared with the United States and many South American countries that have adopted GM technologies freely, China has shown a marked reluctance to do so. Though most Chinese know little about these technologies, they seem overwhelmingly to regard them with great suspicion.

The controversy over GM organisms is unsurprising given the novelty of GM technology, Xi said, but as a new industry it has huge potential. Two things need to be guaranteed as GM technologies are developed, he said: safety and innovation.

"The study should be bold, but its promotion needs to be careful."

China needs to develop its own cutting-edge GM technologies, in the absence of which multinationals will control the market, he said.

Varying interpretations of the speech have been given, but the consensus is that the government is sending out a message that GM technologies need to be developed because they are important to China's food security.

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China launches media campaign to back genetically modified crops

[Reuters, 30-09-2014] China's government has kicked off a media campaign in support of genetically modified crops, as it battles a wave of negative publicity over a technology it hopes will play a major role in boosting its food security.

The agriculture ministry announced it would try to educate the public on GMO via TV, newspapers and the Internet.

It hopes to stifle anti-GMO sentiment that has gathered momentum in the wake of incidents such as reports that genetically-modified rice had been illegally sold at a supermarket in the centre of the country.

Beijing has been a long-time proponent of GMOs, which it sees as broadly safe and as potentially key in helping feed the world's largest population.

But critics have alleged the technology could pose health risks, and while China allows imports of some GMO crops it is yet to permit domestic cultivation.

China has imported millions of tonnes of GMO soybeans each year for the past decade to feed the world's largest stock of farmed pigs and to produce around 40 percent of the country's vegetable oil needs. China consumes around a third of the world's soybeans, and snaps up roughly 65 percent of all imports each year.

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China released its first animal welfare textbook

[China Daily, 28-20-2014] China released its first animal welfare textbook for veterinary students on Monday, a move reflecting the country's rising concern for animals.

"The release of Introduction to Animal Welfare is a milestone in the country's animal welfare development and we will actively promote the incorporation of animal welfare into the qualification assessment of practicing veterinarians," said Jia Youling, head of the China

Veterinary Medical Association, chief editor of the book and former director of the veterinary bureau of the Ministry of Agriculture.

According to the book, compiled by the association and World Animal Protection, an international nonprofit animal welfare organization, the concept of animal welfare involves meeting the basic physical and psychological needs of animals and scientifically treating and raising animals.

It includes legislation on animal welfare and the issues about laboratory animals, farm animals, pet animals and other kinds of animals like horses and chickens.

The Ministry of Education decided to include animal welfare in the curriculum of veterinary medicine last year, and the textbook will be used soon, said Wang Ming with the CVMA said.

A survey conducted by CVMA and World Animal Protection in 2012 showed that of 61 universities and colleges in China that teach veterinary education, only 33 include animal welfare education.

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Consumers' appetite grows for healthy food, lifestyle

[People's Daily, 03-10-2014] Chinese consumers have become more concerned about healthy lifestyles and eating habits, which also drives the market to shift to those more natural and healthier food products, according to a report by the United Kingdom-based research firm Mintel Group Ltd.

The report said being healthy is the number one priority for urban Chinese consumers. And 98 percent of the surveyed consumers said they planned to eat a healthier diet in 2015, while 97 percent said they want to exercise more.

About 58 percent of those surveyed said in the past year they had started to eat more fruit and vegetables, while 50 percent have cooked at home more in a bid to achieve a healthier diet. But more than two-thirds of respondents admitted that they failed to cut the amount of desserts and snacks they eat.

According to the report, Chinese consumers demonstrated greater awareness about food safety and ingredients. About 52 percent of urban Chinese consumers now check food labeling before buying a product, paying most attention to whether it contains food preservatives, harmful colorants and other added ingredients.

Industry insiders said some businesses have already sensed the change in consumer behavior and are offering a greater number of healthier products.

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Beijing's heavy smog derived from straw-burning?

[Xinhua, 09-10-2014] As Beijingers wonder the cause of the recent heavy smog, environmental watchdogs in Beijing and adjacent Henan Province identically laid blame on farmers' burning fields of straw.

Farmers in north China traditionally burn straw after autumn harvest, and plough to bury the ashes in the ground, which they believe fertilizes farmland.

People in Beijing, however, are not quite convinced burning straw is the chief cause of the smog. Burning straw was far more prevalent a couple of decades ago in north China's rural areas at a time when smog was rarely heard of in Beijing.

However, the Beijing Meteorological observatory held a joint press conference with the municipal environmental protection bureau endorsing on the cause of the smog given by their counterpart in Henan.

A more recent satellite survey by the Ministry of Environmental Protection during summer harvest in June observed 400 straw burning sites in north China, mainly in Hebei and Shandong provinces.

"An effective way to prevent farmers from burning straw is to set up facilities to make centralized processing of straw, a waste from harvesting," said Wang Yu, head of the energy ecology department of the Beijing Agricultural Bureau.

Despite official explanation on the cause of the smog, people in Beijing are still dubious about its origin. Many say the heavy traffic during the week-long National Day holiday at the beginning of the month, as well as a post-holiday production rush in manufacturing businesses should also be listed as major contributors to the smog.

A pollution law which will see large northern cities coordinate enforcement efforts has been promised by the governments of Beijing, Tianjin and Hebei. Many believe this will be a key solution to treat the smog problem.

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Millions of tons of grain wasted yearly - Official calls for new measures to end 'shameful' food loss

[China Daily, 17-10-2014] China wastes at least 35 million metric tons of grain every year due to poor storage and transportation methods and excessive processing, an official said.

"The losses can feed 200 million people for a year, which is shameful and needs urgent measures to prevent such waste and loss," said Chen Yuzhong, an official with the State Administration of Grain, adding that the amount wasted during consumption is more shocking.

He said lack of proper storage and transportation methods leads to grain losses of more than 27.5 million tons, and excessive processing causes losses of 7.5 million tons.

According to the State Administration of Grain, in major grain production regions including Liaoning, Jilin, Heilongjiang, Henan, Hebei and Shandong provinces, there are no storage buildings for about 35 million tons of grain.

Of the 210 million farming households across the country, only 3 percent can store grain in a scientific way, according to the Ministry of Agriculture.

"If all of the farmers could store grain properly, 20 million tons of grain would not be wasted," Chen said, adding that, by the end of this year, nearly 8.2 million items of grain-storage tools and equipment will be distributed to farmers in 26 provinces and regions, leading to a saving of nearly 1 million tons of grain.

Wang Lirong, chief engineer of the standards and quality center under the State Administration of Grain, said that besides saving food, grain-processing companies should avoid excessive processing to prevent waste.

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E-commerce heats up cold chain logistics in China

[Alizila, 09-10-2014] At more than \$1 trillion, China is the world's largest grocery market. Sheer size does not equal efficiency, however. Economies of scale aside, when it comes to getting goods on the shelves, China's supply chain for transporting fresh produce, dairy,

meats and other perishable goods is fragmented and outmoded, leading to spoilage rates that some estimate are as high as 40 percent.

Amid all those rotten tomatoes and cartons of sour milk, there is opportunity. E-commerce companies, aiming to provide China's 600 million online consumers a door-to-door alternative to grocery shopping, are teaming up with shipping firms to streamline the country's "cold-chain" logistics network.

Cold-chain logistics involves the transport of perishable goods in refrigerated trucks immediately after processing and providing cold storage facilities and distribution to the point of sale. As China's middle class grows, consumers are increasingly seeking out fresher, better food. To meet their needs, companies transporting comestibles from field to market are starting to invest in cold-chain infrastructure to improve efficiency.

The cold supply chain usually serves the wholesale, business-to-business market, experts said, whether it is transporting perishables to a supermarket or to a restaurant. But the real boom is happening in China's online business-to-consumer (B2C) logistics segment, which will grow about 120 percent annually from RMB 400 million (\$65 million) in 2012.

Alibaba Group-owned Tmall.com, China's largest B2C website, launched a fresh food vertical last year, offering Chinese consumers dragon fruits from Vietnam, steak from Australia and cod fish from Canada delivered direct to their homes. The vertical saw growth of 200 percent last year in terms of gross merchandise value transacted, while the fresh fruit segment rose 500 percent.

To ease logistic bottlenecks, He said the company will invest RMB 650 million (\$106 million) over the next few years in cold chain logistics. The first phase of investment, which involves the acquisition of cold warehouses, has already begun while the second phase of investment, which is the acquisition of refrigerated trucks, will begin in 2015.

China is two to three decades behind developed countries and a lot of capital will be needed before the country is caught up, analysts said. Barriers to growth go beyond the acquisition of modern refrigerated warehouses and trucks. Logistics processes and practices need to be upgraded, and workers must be educated in the importance of maintaining a product's freshness. Many long-haul truck drivers, for example, shut off their engines to save fuel while taking breaks or waiting in traffic, which also turns off refrigeration machinery, allowing food to spoil.

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Trade and Business

Vice Minister Niu Dun meets CBBC Chairman

[MOA, 23-10-2014] Vice Minister Niu Dun met with Lord Sassoon, Chairman of China-Britain Business Council (CBBC) in Beijing on October 21, 2014. The two sides exchanged views on advancing bilateral agro-trade & economic cooperation.

Niu spoke highly of China-Britain ties and appreciated CBBC's efforts in facilitating agro-trade & economic cooperation between the two countries. He noted that China and the UK are complementary in agriculture and livestock production, and accordingly enjoy great potential for collaboration. Upon request, Niu also introduced the priorities of bilateral agricultural cooperation.

Lord Sassoon said that agriculture is one of the key areas of CBBC's work, and CBBC spares no efforts in promoting communication and cooperation between businesses of both countries. At the meeting, the UK side briefed on CBBC's major activities and progress in

boosting bilateral cooperation in agricultural research and trade. Both sides also discussed issues concerning potato production, agricultural S&T advancement and innovation, stud and equestrian.

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CBBC brings new opportunities to Chinese investors

[People's Daily, 24-10-2014] China-Britain Business Council (CBBC) will serve as a platform to help Chinese investors identify opportunities in the UK, said Lord Sassoon, Chairman of CBBC in his speech at China Outbound Conference 2014.

Over 60 UK investment opportunities were unveiled at the conference organized by the CBBC. Chinese investors could get information about the opportunities in the UK and get a chance to meet potential British partners there.

The surging investment between China and the UK suggests sustainable China-UK economic relation and the UK boasts a good investment environment, said Tong Daochi, assistant minister of Ministry of Commerce. British ambassador Sebastian Wood also noted that China and the UK are more complementary in economy and the UK is one of the most popular destinations for China's investment. In 2012 and 2013 China's investment in the UK reached 13 billion US dollars. The UK has infrastructure projects worth at least £350 billion for which investment is sought.

To facilitate Chinese investors' entry into UK market, UK Visa & Immigration has launched a new scheme which will simplify the process of inviting colleagues from Chinese companies to the UK. The scheme will be available to members of the CBB, the British Chamber of Commerce in China, the members of the Confederation of British Industry (CBI) and companies referred by UK Trade & Investment.

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UK issues milestone RMB bonds

[China Daily, 22-10-2014] The United Kingdom has become the first Western country to issue an RMB sovereign bond, China's ambassador to Britain announced. The move will push forward the internationalization of the RMB, said ambassador Liu Xiaoming.

The British Treasury successfully issued a RMB sovereign bond On Oct 14 with an amount of 3 billion RMB (\$490 million) and a maturity period of three years.

The RMB will also become one of Britain's foreign exchange reserve currencies.

Since the initiative was launched in 2011, Britain has move swiftly to promote the use of RMB. London and Beijing signed the first currency swap agreement between China and a Western country.

Britain was awarded the first RMB RQFII quota outside Asia and issued the first RMB denominated financial products.

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China set to invest £105bn in UK infrastructure by 2025

[FT, 17-10-2014] China is set to invest £105bn in British infrastructure by 2025, with energy, property and transport the biggest recipients, according to research.

The world's second-biggest economy has already invested £11.7bn in Britain between 2005 and 2013, including a 10 per cent stake in Thames Water, Britain's biggest water utility, held by the China Investment Corporation, the sovereign wealth fund.

This is expected to rise rapidly as Chinese capital seeks a safe haven for outbound investment, according to a report by the London-based Centre for Economics and Business Research and the law firm Pinsent Masons, which is due to be launched by the Chinese International Contractors Association in Beijing next month.

Richard Laudy, a partner at Pinsent Masons, described the prospect of greater Chinese investment as a “game changer” for the UK, adding: “We expect this to be the beginning of a major trend as a trickle of Chinese investment turns into a wave over the coming decade.”

The report expects the UK to rank third out of 144 countries for attractiveness to foreign investment from China, behind the US and Japan.

Investment flows from China into Britain rose rapidly in the first half of 2014, with a total £2bn invested in UK infrastructure including property, the report found. This included Sanpower’s \$790m investment in April into House of Fraser and the \$187m real estate investment by China Construction Bank into Old Broad Street in the City of London. China General Nuclear Power Corp is also expected to take a minority stake in the EDF nuclear power project at Hinkley Point in Somerset, although the final agreement has not been signed.

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China food giant buys into Italian olive oil maker

[FT, 08-10-2014] Bright Food, the Chinese state-owned food group that controls the UK’s Weetabix brand, has bought a stake in an Italian olive oil maker, further expanding its portfolio of foreign food brands.

Bright refused to say how much it paid for a majority holding in Salov Group, the Italian company that produces Filippo Berio, a leading olive oil brand in the US and UK.

The Chinese group said the Salov purchase met “our standards . . . for health, quality and safety”, adding that Bright also “hopes to promote Mediterranean style cooking to Chinese consumers”.

Consumer analysts say that the growing affluence of China’s middle class, and increasing overseas travel on holidays such as the recently ended Golden Week, are boosting Chinese interest in foods from overseas, including olive oil, known as a healthy form of cooking oil.

The Salov website said its brand Filippo Berio commands a 19 per cent market share in the US and 23 per cent in the UK.

Bright has made no secret of its desire to acquire overseas food brands, which have a reputation for quality in China.

Click [here](#) for details

China to overtake US as largest dairy market by 2017

[Dairy Report, 26-09-2014] China will overtake the United States to become the world’s largest dairy market by 2017, Euromonitor has predicted.

Driven by the country’s growing appetite for milk, cheese, and yogurt, the Chinese dairy market will double in size to US\$70bn (€55m) by 2019, fresh Euromonitor data suggests. At this rate, Euromonitor expects China to leapfrog the US by 2017.

Rising average annual incomes, greater availability of supermarkets, and increasing ownership of refrigerators in rural as well as urban areas have all had a positive effect on the development of dairy sales, said Lianne van den Bos, food analyst, Euromonitor.

In the meantime, Euromonitor expects Russia and Brazil to take third and fourth place in the global dairy rankings in 2014 - overtaking France and Germany, which it forecasts will fall to fifth and sixth respectively.

The global dairy sector experienced “*another year of strong growth*” in 2014, up 7% on 2013, it said.

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China is the next port of call for traditional winemakers

[SCMP, 03-10-2-14] Port producers have been celebrating the inauguration of Port Wine Day, on the anniversary of the founding of the Douro appellation - the "mother" of all appellations - in 1756.

"But what brings us here today is not the past," said Manuel Cabral, president of the region's governing body, the Instituto dos Vinhos do Douro e do Porto (IVDP), "it is the future." That future would seem to be in China.

Portugal holds 1 per cent of the China wine market (the same percentage as New Zealand, Germany and Argentina) with France accounting for 42 per cent, according to David Chow, the CEO of Altavis Fine Wines in Shanghai.

China is now the world's number one importer of Bordeaux. The success of this wine region, he says, is because producers entered the market at the top end with the first growths (Lafite, Latour, Margaux, and so on) and created, or reinforced, the image of Bordeaux as being home to the most prestigious names in the wine world.

Chinese government clampdowns on excessive gift-giving (and corruption) have affected the ultra-premium market - which could certainly include vintage port - but Chow believes there is space for it.

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Nestlé inaugurates major Dairy Farming Institute in China

[Nestle, 15-10-2014] Nestlé has inaugurated the Dairy Farming Institute in Northeast China, in one of the company's biggest dairy investments that will help modernise Chinese dairy farming practices to enable farmers to meet the country's fast-growing milk demand in a sustainable manner in the years ahead.

The institute, located in Shuangcheng in Heilongjiang Province, is part of Nestlé's long-running efforts to share its technical knowhow and to improve dairy farming around the world through training, responsible practices and partnering with stakeholders, including governments and universities.

The institute reflects Nestlé's belief that for a company to be successful over the long term and create value for shareholders, it must create value for society.

With dairy operations in China for over 25 years, Nestlé has already established three milk districts in China, in Shuangcheng, Laixi in Qingdao and Hulunbeier in Inner Mongolia.

Nestlé is investing around CHF 30 million in the Dairy Farming Institute.

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Chinese agricultural equipment companies catching up with foreign competition

[Company&Market, 16-10-2014] Domestic companies are beginning to improve their standing in China's agricultural equipment market as they become able to compete with key players in the international market who have a considerable presence in the country.

The demand for agricultural equipment is set to continue its increase in China, as there is a need for the industrialisation of farming methods in order to make food production more efficient to feed the growing population. Constantly striving towards increasing productivity in all areas, the Chinese government is promoting the use of machinery for agricultural processes in order to upgrade existing farming practices and increase the efficiency of their resources.

Chinese mechanisation on farms has been growing progressively fast over the last 10 years, since the Chinese government launched an agricultural mechanisation effort in 2004 to provide subsidies to farmers to help them buy equipment.

With the level of machination at 59% as of 2013, there is still potential for the farm machinery industry to increase its value. Small tractors were the largest contributor to the production value of the industry and China lags behind in the production of large tractors, mainly satisfying its demands by way of imports, particularly from the US.

In order to keep up a constant food supply to their growing population, Chinese agricultural equipment companies must step up to the level of foreign competition.

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Tiny insect delays lucrative Australia-China cattle trade

[Reuters, 27-10-2014] An insect the size of a pen tip is frustrating efforts by Australia to sign a deal, potentially worth billions of dollars, to export live cattle to China to feed its fast-growing appetite for red meat.

Talks have stalled over the presence in the Australian herd of Bluetongue disease, a virus which is spread by midges, a tiny fly. While the disease usually has little effect on cattle, it would pose a major threat to China's 140 million-strong sheep flock, the world's largest.

Shipping live animals from Australia to China has been discussed for many years. Official talks began in February and a team of Chinese scientists is currently carrying out on-site inspections, but there is no timetable for an agreement and no guarantee one will be reached.

Live exports could help curb high beef prices in China and open up a new market for Australian farmers. China's total beef imports are expected to roughly treble to \$9 billion by 2025, according to Australian government and UN estimates.

Bluetongue, which is common in tropical and subtropical regions, was first detected in Australia about 35 years ago, and has since spread across the country's north, carried by the blood-feeding midges. Any live cattle deal is now expected to be delayed until at least 2015, according to officials at regulatory agencies and industry bodies.

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