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# Partnering with China Environmental Issues and Export Potential



**2018 AG OUTLOOK FORUM**

Zǎoshang hǎo

早上好

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Former Agricultural Trade Officer  
Shenyang, P.R.C.

进站口

ENERANCE



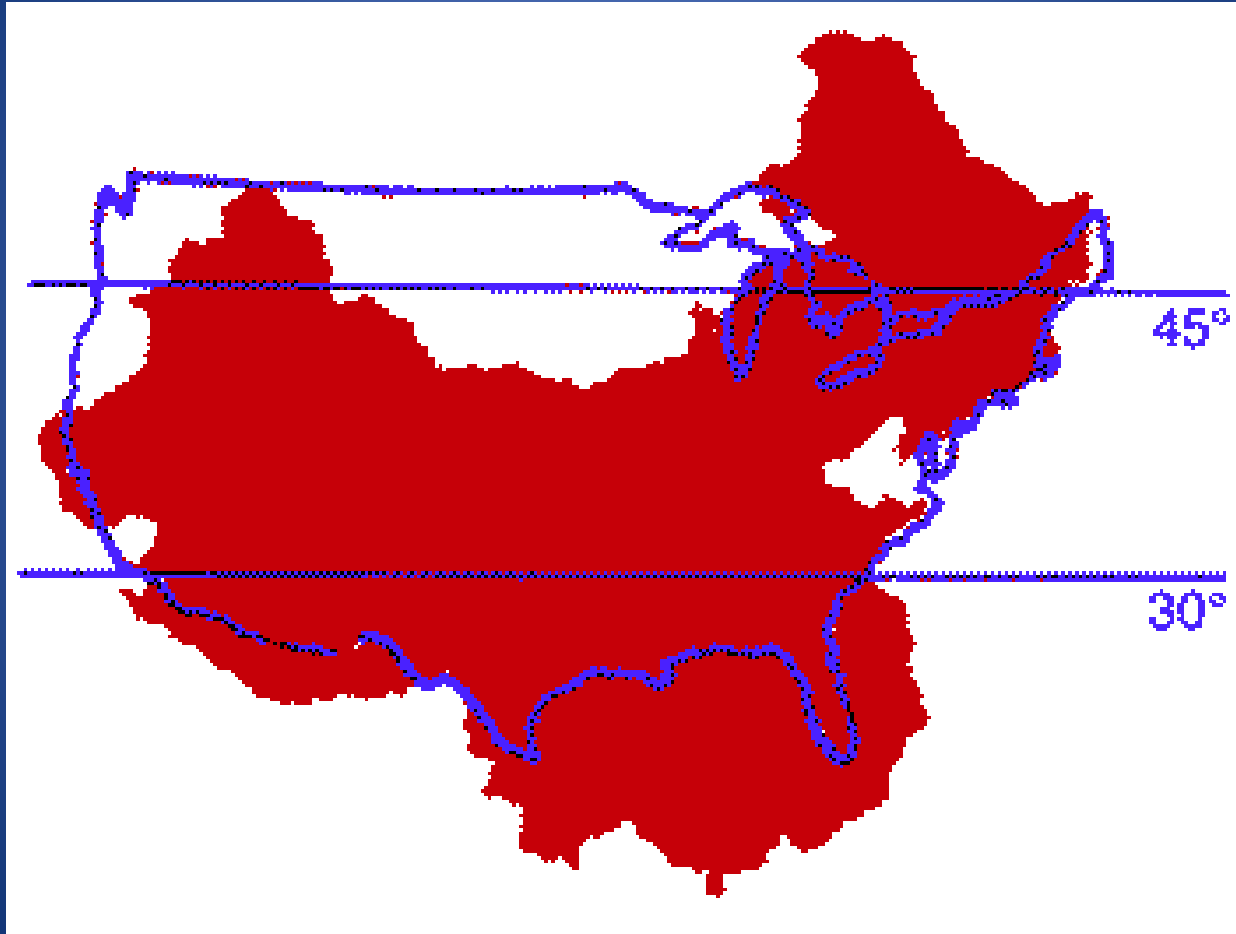
- Harmonious Society.....
- Policy of Peaceful Development
- Balancing economic development, world business trends and socio-economic factors...
- One Belt – One Road

- Rural vitalization.....
- Sustainable rural development.....
- Modernize agriculture.....
- Larger scale, more efficient production.....
- Focus on food safety, food security, sustainability and environmental stewardship.

# U.S. – China Overview

*Slightly Smaller Area than the United States*

*Total: 9,596,960 sq km*





# China's Agriculture ("20/15")

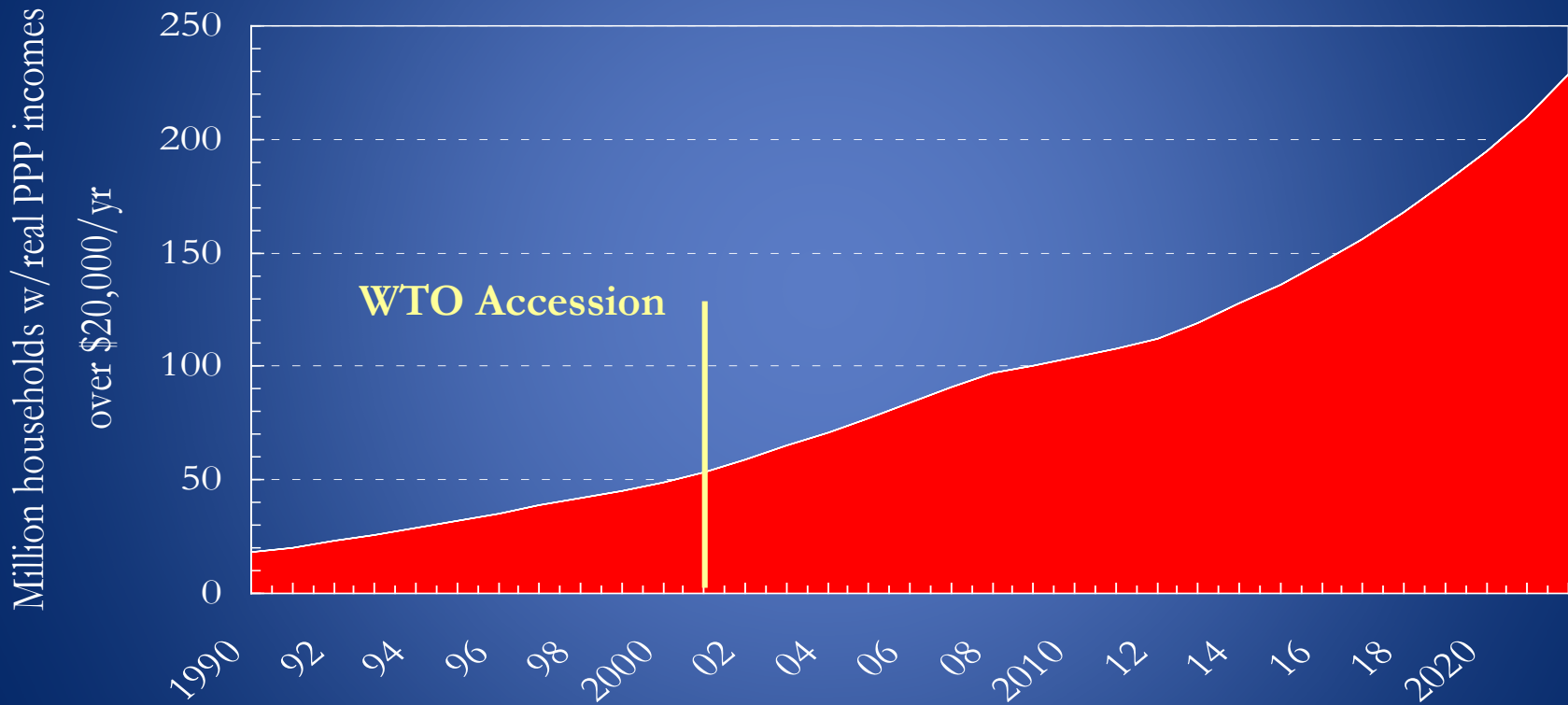
- **20% of world popn; 15% of its land arable**
- **World's largest ag producer by volume**
  - Increasing environmental pressures
  - Growth in cash crops, livestock, and fisheries sectors unlikely to match consumer demand
  - Emphasis on productivity and food safety.....

# China's Land Use:

*Limited Arable Land – Even in Beijing*



# China's Expanding Middle Class



# Per Capita Protein Consumption

- When 1.3 billion people consume 10kg more per year of animal protein per capita, it means...
  - 20% more global chicken production
  - 15% more global pork production
  - 25% more global beef production

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# Domestic Grain Production Inadequate to Meet Demand Growth

- To meet 10kg per capita increased meat demand by 2020, China will need to produce an estimated extra 50 million tons of feed over current levels.
- This is unlikely to happen, especially given China's low corn and soybean yields.
- China will import protein to meet domestic demand.

# Focus on Productivity, Food Safety Best Practices and Cold Chain

- >1,000 new or retooled meat plants in 12 years.
- Capacity utilization is low.

# China's Cold Chain...

*...the Missing Link?*





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口碑源于品质

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保质期：15天

贮存温度：0-4℃

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072360

# Chinese Ag Future



Constraints to agricultural development include lack of arable land, potable water, surface water and air pollution, disease control, surging input costs, and rapidly increasing labor costs.

# Environmental Policy

- December 2017: National Environment Inspection Office cites 18,000 for failure to protect water and air resources
- Hainan Province: Gov. performance evaluations base on environmental stewardship.
- Yangtze River initiative to protect and restore the river basin.

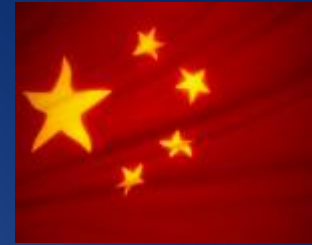
# U.S. China Agriculture and Food Partnership (AFP)

- Support the bilateral agricultural relationship by creating opportunities through increased coordination.
- More effective issue advocacy and development of a more positive relationship between the U.S. and Chinese food and agriculture industries.



# The Partnership

## *Founding Members & Partners*



- AGCO
- AmCham China
- American Feed Industry Association
- American Meat Institute
- American Soybean Association
- Archer Daniels Midland
- Bayer
- Cargill
- CNH
- Cotton Council International
- ECOLAB
- Elanco Animal Health
- Food and Agriculture Export Alliance
- Jarvis/China
- John Deere
- Kay Dee Feed LLC
- McDermott, Will and Emery
- McLarty Associates
- Monsanto
- Nebraska Dept of Ag
- Northwest Horticultural Council
- OSI Group
- Pioneer Dupont
- Smithfield Foods
- Tyson Foods
- USA Poultry and Egg Export Council
- US-China Business Council
- US Dairy Export Council
- US Department of Agriculture
- US Grains Council
- US Meat Export Federation
- US Trade Development Agency
- US Wheat Associates
- Walmart

# U.S. China Agriculture and food Partnership (AFP) – Animal and Animal Products

North American Meat Institute and the China Meat Association:

--Promote business-to-business connections to enhance adoption of advanced meat processing technologies and improve the meat and poultry distribution network in China.

**--Build on the strategic objectives of food safety, food security and sustainability**

# 2017-2018 Initiatives

Opened Strategic Level Conversation w/ Top 15 Meat Processors the [U.S. China Meat Industry Executive Roundtable](#).

Launched Strategic relationship and Food Safety Training Program w/ CFDA through the [“CFDA Senior Leaders Food Safety Training Workshop”](#) for 20 CFDA DG/DDGs.

Introduced the Best Practices, Products and Standard of Silage Feeds for Beef Cattle to 150 Working Level MoA Officials, Livestock Farms Managers in [“National Silage Training Workshop”](#) opening major cooperation w/ China in livestock, animal health, and feed sectors



# Beyond China To 2030

- **One: Shifting Production/Investment**
  - Africa, US, Brazil & Australia
  - New technology – biotech & nano
- **Two: Food Security Concerns**
  - Linking food & national security
  - Defensive import & export moves
- **Three: Rising Global Middle Class**
  - China, India, Mexico
  - Transport bottlenecks
- **Four: Rich Country Consumption**
  - Concerns about obesity & nutrition



# Beyond China To 2030

- **Five: Climate Change & Environment**
  - Weather patterns
  - Concerns about sustainability
- **Six: Science Anxiety**
  - Regulatory concerns
  - Development of industry standards
  - Impact of new technologies
- **Seven: Non-Trade Concerns**
  - Religious, vegetarian, animal welfare
- **Eight: Biofuels**
  - Fuel versus feed and food
- **Nine: Beyond the WTO**
  - Countries moving beyond WTO into FTAs?



出站口

OUTANCE



由此返回

From This Come Back



# Thank You!

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