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**Introductory Remarks: Prospects for China: Importer or Competitor?
James W. Schroeder
Deputy Under Secretary for Farm and Foreign Agricultural Services, USDA**

Good Afternoon. I am Jim Schroeder, Deputy Under Secretary for Farm and Foreign Agricultural Services at USDA. I will be the moderator this session, which has been provocatively titled "Prospects for China: Importer or Competitor?"

So, if you thought you were in the biotechnology session or maybe the one on precision agriculture, this would be a good time to check your program and change rooms.

For me personally, the timing of this session could not have been better. I am getting ready to visit China early next month, so today I will have an excellent opportunity to do some trip preparation "homework." But all of us in this room have a very special interest in China. How could it be otherwise, when our two-way trade in agricultural, fish, and forest products last year (FY 1998) reached almost \$5 billion. China is an important and valued customer for American agriculture. And we look forward to even stronger trading relationships in the future.

With the world's largest population, rising incomes, and a culture that emphasizes good eating, China offers tremendous potential for expanding U.S. farm exports. In 1998, China became the fifth largest market in the world for U.S. farm products. Even so, there are still some restrictive trade policies that we are working to try to get China to eliminate and negotiating a successful WTO accession agreement with China remains a high priority for U.S. agriculture.

Today we have a special opportunity to hear from three people who are uniquely qualified to discuss China's agricultural prospects. I'd like to introduce each of our panelists before we begin. Then each will make his presentation and we should have plenty of time for questions after that.

But as our first order of business, let's extend a warm welcome to our panelists, who have traveled so far to be with us today: Dr. Scott Rozelle, Mr. Zhu Xiangdong, and Mr. Yaoliang Min.

Our first speaker will be Dr. Scott Rozelle. Dr. Rozelle is an associate professor at the University of California, Davis. He is in the Department of Agricultural and Resource Economics and is recognized as one of our country's leading experts on China's agricultural sector. He chairs both the American Agricultural Economics Association's Committee on Relations with China and the International Advisory Committee of the Center for Chinese Agricultural Policy. He is also a national fellow of the Hoover Institute.

Dr. Rozelle will be presenting a paper that he authored with Huang Jikun (Who-ong Geequin), Director of the Center for Chinese Agricultural Policy at the Chinese Academy of Agricultural Sciences. His paper examines supply, demand and trade of agricultural commodities in China; marketing opportunities; and world trade competition. He looks at a number of key economic, technological, and social forces; voices some concerns about potential impacts of China's rapid economic and social transformation on global markets and institutions; and provides a model that can be used to assess future growth of China's food supply and demand balances, particularly in the grains sector.

Thank you Dr. Rozelle. You've not only given us a comprehensive look at what we might expect in China's grain sector, but you have provided an analytical framework to guide us in the future, as we try to keep pace with a rapidly changing situation.

Next, I would like to introduce Mr. Zhu, who is the Director General of China's Organization of Rural Socio-Economic Survey, State Statistical Bureau. I want to extend special thanks to Mr. Zhu for traveling so far to be part of our conference today. Mr. Zhu has worked closely with a number of economists at USDA in a cooperative research project that contributed to the first-ever agricultural census in China in 1997. This was a tremendous undertaking and one that has provided invaluable information.

I would like to introduce Mr. Yaoliang Min. Mr. Min is Director General of the Market and Economic Information Department of the Ministry of Agriculture. I want to extend our special appreciation to you, also, for traveling so far to be with us today. Mr. Min will be providing us with a vital piece of the puzzle as we look at future prospects for China. Our discussion would be incomplete without the Ministry of Agriculture's perspective.

Thank you, Mr. Min, for giving us the Agriculture Ministry's assessment of the situation. We look forward to working with you on agricultural issues in the future.

Now that we have heard from our three experts, I'd like to open the floor to questions from the audience. When you ask your question, please let us know which panelist you are directing it to.
