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## China, Peoples Republic of

### Agricultural Situation

### Weekly Hongbao

### 2008

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**Report Highlights:**

This report provides a news synopsis of trade policy and agriculture/commodities in China. Trade policy includes: High World Grain Prices have Little Impact on China; China to Adopt Traceability System for Agricultural Products; and Syngenta to Build Major Global Biotech Research Center in Beijing. Agriculture/commodities includes: Prices High for Meat, Poultry, and Eggs in First Quarter of 2008; Zhuhai becomes Designated Port for Imported Fruit; China Activates Super Corn Breeding Project in Shandong; AOSIQ Publishes Inspection Regulation on Food Imported for Olympics.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
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## Trade Policy

### **NDRC: High World Grain Prices have Little Impact on China**

China's consumption of rice, wheat, and corn is predominantly supplied by domestic production, and domestic production of grain has been stable. Therefore, the high world prices of grain will not have a great impact on China's domestic market, according to an official at the National Development and Reform Commission (NDRC). The Chinese Government has been supporting grain production by providing subsidies to grain farmers and increasing price protections, resulting in stable grain production for the past four years. In a further effort to ensure domestic grain supplies, China also eliminated the export tax rebate on wheat, rice, corn, and soybeans and imposed temporary duties on grain products in December 2007. In addition, China's grain stock/consumption ratio is higher than the 17 – 18 percent security line recognized by the world community. (China Food Newspaper, 05/08/08)

### **China to Adopt Traceability System for Agricultural Products**

In a bid to enhance farm product safety, China will adopt a traceability system for agricultural products, according to the third Central-China Investment and Trade Expo recently held in Wuhan. Pilot programs began in 2007 in Shanghai, Wuhan, and Nanning for vegetables, fruit, meat, and fishery products. Under the system, consumers may find information about product origin, production, processing, packaging, and inspection. (China Food Newspaper, 05/05/08)

### **Syngenta to Build Major Global Biotech Research Center in Beijing**

On April 17, Syngenta announced it will build a new biotech research and technology center in Beijing, China. Its focus will be on early-stage evaluation of GM and native traits for key crops such as corn and soy in the areas of yield improvement, drought resistance, disease control, and biomass conversion for biofuels. The new facility will have a global scope and will complement Syngenta's biotech research activities in the United States. The investment will be approximately \$65 million in the first five years. (Syngenta.com, 05/09/08)

## Agriculture / Commodities

### **Prices High for Meat, Poultry, and Eggs in the First Quarter of 2008**

China's prices for meat, broilers, and eggs continue to increase because of increased demand during holidays, natural disasters, and increased production costs that impacted livestock and poultry production. First quarter wholesale prices for beef were RMB 29.13 (U.S. \$4.17) per kilogram on average, a 70.5 percent increase from the same period in 2007. The average wholesale price for mutton was RMB 29.51 (\$3.71) per kilogram, a 40.67 percent increase. Broiler carcass prices were RMB 12 (\$1.72) per kilogram, an increase of 26.78 percent. The average wholesale price for eggs was RMB 6.23 (\$0.89) per kilogram, an increase of 1.92 percent. (Farmers' Daily, 5/08/2008)

### **Zhuhai becomes Designated Port for Imported Fruit**

The General Administration of Quality, Supervision, Inspection and Quarantine (AQSIQ) recently approved Jiuzhou and Hengqin ports of Zhuhai Special Economic Zone as new designated ports to handle imported fruit. Fruit coming from countries like the United States, Chile, Australia, and South Africa can be shipped to these ports directly in the future. (China Inspection and Quarantine Times, 05/08/08)

### **China Activates Super Corn Breeding Project in Shandong**

One of the key national science and technology research projects, the variety breeding and commercialization of super corn recently began in Shandong Province. The project will receive investments of RMB 87.5 million and be completed in three years. Research

institutes and agriculture universities like the Chinese Academy of Agricultural Sciences and the China Agriculture University are involved. It is projected that the new variety will increase corn yields by at least 2.2 metric tons per hectare. China's corn production is likely to increase by six million metric tons a year if 2.7 million hectares of the new variety is commercialized. (China Food Newspaper, 05/05/08)

**AQSIQ Publishes Inspection Regulation on Food Imported for Olympics**

AQSIQ recently issued a regulation on inspection and quarantine for food imported specifically for the Olympic Games. The regulation applies to food imports authorized by the Beijing Olympic Committee or hosting cities (not including foods brought in by participating Olympic teams). These foods must enter through designated ports and they must be accompanied by product origin and phytosanitary certificates from the exporting country. Every shipment will be inspected and the importing agent must register with AQSIQ. ([www.aqsiq.gov.cn](http://www.aqsiq.gov.cn), 04/18/08)