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**Report Name:** Agricultural and Rural Modernization Plan Reiterates  
Prior Pledges

**Country:** China - People's Republic of

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**Report Highlights:**

On February 11, 2022, the State Council of the People's Republic of China (PRC) issued the 14th Five-Year-Plan to Advance Agricultural and Rural Modernization (2021-2025). The plan sets mid-term goals for PRC agriculture and rural development such as annual grain production of no less than 650 million metric tons (MMT) and meat production of 89 MMT. In addition to retaining the achievement of poverty eradication in rural areas, food security and seed development remain the top priorities for the PRC through the next five years. This report contains a summary of the main goals and key tasks set forth by the plan.

## **Background:**

By the end of the 13<sup>th</sup> five-year period (2016-2020), the PRC announced that it had achieved its goals of poverty eradication in rural areas and doubled the per capita disposable income of farmers from the 2010 level, which were previous policy targets. In addition, based on the PRC's published statistics its annual grain production had consistently exceeded 650 MMT during this period, a baseline set by the Central Government to maintain food security. Beginning in 2021, the PRC's focus shifted from poverty eradication to facilitating comprehensive revitalization in rural areas and expediting the agricultural and rural modernization process. *The 14<sup>th</sup> five-year-plan (2021-2025) on Advancing Agricultural and Rural Modernization* maps out the major goals and key tasks for the PRC in the next five years. A full text of the 14<sup>th</sup> five-year-plan in Chinese is contained at the link below.

[http://www.gov.cn/zhengce/content/2022-02/11/content\\_5673082.htm](http://www.gov.cn/zhengce/content/2022-02/11/content_5673082.htm)

## **Summary**

*Major goals on agricultural and rural modernization under the 14<sup>th</sup> five-year plan*

### **1-Effective supply of key agricultural commodities**

Annual grain production must be maintained at a level of more than 650 MMT and meat production shall reach 89 MMT by 2025.

*BEGIN FAS China Note: China's published statistics indicate that annual grain production has exceeded 650 MMT for 7 consecutive years and the 2021 grain production hit the historic high of 682 MMT. According to China's National Bureau of Statistics (NBS) total meat production in 2021 reached 88.8 MMT. END FAS China Note.*

### **2-Steady improvement in agriculture quality, efficiency, and competitiveness**

Contribution of scientific and technological innovation shall account for 64 percent of the growth of agricultural output value by 2025.

*BEGIN FAS China Note: Currently, the scientific and technological innovations contribute to 60 percent of the growth of agricultural output value. END FAS China Note.*

### **3-New progress in rural infrastructure**

The proportion of paved roads in villages with a sizable population (i.e., more than 30 households) shall reach 85 percent or more and public drinking water access shall cover 88 percent of the rural area.

#### **4-Notable improvement in rural ecological environment**

The use of fertilizers and pesticides continues to decrease, and utilization of animal manure must reach 80 percent or above in 2025.

*BEGIN FAS China Note: According to MARA's Chief Economist, the quantity of chemical fertilizers and pesticides applied to crops has decreased for 5 consecutive years. Also, in 2021 more than 75 percent of poultry and livestock manure was treated and turned into either fertilizer or gas. END FAS China Note.*

#### **5-Steady growth of rural residents' income**

The growth of per capita disposable income of rural residents shall synchronize with the growth of national GDP.

*BEGIN FAS China Note: The per capita disposable income in rural areas reached \$2,993 (RMB 18,931) in 2021, an increase of 9.7 percent from the previous year. END FAS China Note.*

#### **6-Consolidation on the achievements of poverty alleviation**

A dynamic monitoring and assistance programs to prevent the return to poverty shall be made operational during this period.

*Key tasks during the 14<sup>th</sup> five-year period*

#### **1-Improve the supply and security level of important agricultural products such as grain**

##### *1) Stabilize the grain planted area*

The central government will support grain production through protective price policies with rice and wheat procurement, producer-subsidies for corn and soybean growers, and expanded scope of full cost insurance and revenue insurance for three major grain crops (i.e., rice, wheat, and corn). The share of diverse grains and grain varieties will be optimized. For example, corn planted area will be expanded in advantageous areas and supply of soybeans with high oil and/or protein content will be increased.

##### *2) Strengthen the preservation of arable land and improvement of land quality*

China will stick to the red line of keeping 120 million hectares of arable land, of which permanent basic farmland (103 million hectares) should be dedicated primarily to grain production, especially rice, wheat, and corn. The plan requires continued construction of high-standard farmland (or well-facilitated farmland), and the total area must reach 71.7 million hectares by 2025. Meanwhile, China will improve its farmland quality through, for example, black soil preservation projects and efforts to improve northern China saline and alkali soils into arable land and acidified soils in southern China into farmland.

3) *Ensure the effective supply of other important agricultural products*

Pork production shall be stabilized at 55 MMT a year and a five-year action plan on the development of beef and mutton will be implemented. The production of aquatic products shall reach 69 MMT in 2025.

*BEGIN FAS China Note: Based on NBS published statistics pork production reached 53 million tons in 2021. The total production of aquatic products was 65.5 million tons in 2020. END FAS China Note.*

4) *Optimize the layout of agricultural production*

While continuing to support grain production, specifically rice, wheat, and corn, the plan calls for increased protection of production areas of other important agricultural products, such as improving the production capacity of soybean production in northeast China and expanding the planted area for rapeseed in the Yangtze River Basin.

5) *Increase the ability of agriculture to resist risks*

China will further reform its procurement and reserve system over key agricultural products, especially grain products. Meanwhile, to effectively reduce food waste, the Central Government will deploy programs to limit waste and adopt new food and nutrition development programs. In addition, China will diversify agricultural imports and support a stable world supply chain for soybeans, sugar, cotton, natural rubber, oilseeds and edible oil, meat, and dairy products.

## **2-Facilitate innovations to improve agricultural efficiency and competitiveness**

1) *Intensify the support for modern agricultural science and technology research*

The PRC will focus its efforts on the research and application of key technologies for biotech breeding, farmland improvement, smart agriculture, agricultural machinery, and sustainable agricultural practices. The PRC will also research animal and plant disease identification and control.

2) *Facilitate the revitalization of the seed industry*

The census on crop germplasm, animal genetics, and aquatic breeding materials shall be expedited. China will expedite the implementation of major scientific and technological projects on biotech seed breeding and will facilitate the commercial application of biotech seed breeding in due course. Meanwhile, China will strengthen the protection of intellectual property rights in the seed breeding field and crack down on counterfeiting of biotech seeds.

3) *Improve the research and use of agricultural machinery and equipment*

China will use subsidy policies to purchase agricultural machinery to establish 300 demonstration counties. These counties will showcase crop production mechanization, build demonstration farms for greenhouse agriculture, and display large-scale animal

production facilities. Relevant enterprises are encouraged to accelerate the development and manufacture of specialized agricultural machinery for farming in hilly and mountainous areas.

### **3-Improve the modernization level of the industrial chain and supply chain**

1) *Upgrade agricultural product processing*

China will build multiple research bases for agricultural product processing which would be applicable and replicable in rural areas. Meanwhile, China will support the development of agricultural product processing across China's counties and encourage enterprises to build processing facilities and logistics nodes at the local level.

2) *Continue to build more cold chain facilities*

The government will support the construction of 50,000 new cold chain facilities and distribution centers in fresh and live agricultural products production areas. Around 30 national and 70 regional cold chain logistics bases will be built by 2025.

3) *Expedite the development of rural E-commerce*

China will facilitate the development and upgrade of digitalization through rural E-commerce. China will encourage organizations engaged in E-commerce, logistics, trade, finance, marketing, and express delivery to expand into rural areas.

### **4-Build a green and beautiful countryside**

1) *Agricultural pollution control*

Continue to reduce the use of pesticides and chemical fertilizers, promote silage utilization in Northeast China, and facilitate manure usage in animal production areas.

2) *Prevention and control of cultivated land soil pollution*

Focus on key counties for the prevention and control of soil pollution in cultivated land. Implement agronomic rehabilitation measures for slightly and moderately polluted arable land. For heavily polluted land, adjust the types of commodities that could be planted or convert the farmland into forests or grassland.

3) *Pilot projects on cropland rotation and fallow system*

Adopt crop rotation between grains and oilseeds in northeast areas and implement crop rotation between rice and rapeseed in the Yangtze River Basin. Adopt summer fallow pilot projects in Hebei, Heilongjiang, and Xinjiang where underground water is overused.

### **5-Deepen agricultural and rural reform**

1) *Improve the agricultural support system*

China will build a new agricultural subsidy system by adjusting "green", "blue", and "amber" box support policies. The PRC will conduct additional surveys on production

costs and the relevant data will be used to deliver agricultural insurance programs and subsidies.

2) *Expand the opening of agriculture to the outside world*

Taking advantage of the *Belt and Road Initiative* (or, BRI), China will deepen multilateral and bilateral cooperation in agriculture for BRI members. China will actively participate in global agricultural science and technology cooperation focusing on food security, climate change, sustainable development, and aquatic products. China will increase involvement in agriculture-related WTO negotiations.

**Attachments:**

No Attachments.