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**Report Name:** PRC Emphasizing Grain and Food Security in 2022

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

**Post:** Beijing

**Report Category:** Agricultural Situation, Grain and Feed, Oilseeds and Products

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**Report Highlights:**

On February 22, 2022, the People's Republic of China (PRC) released its annual policy guidelines, "The Number 1 Document," on agriculture and rural development. The 2022 No.1 Document signaled no major policy changes but placed greater importance on maintaining achievements made toward food security. Absent from the document was any discussion of PRC food or agricultural exports or efforts designed at diversifying trading partners, as had been included in 2021. The document repeated a stated PRC official desire to increase domestic soybean and other oilseed supplies in a bid to reduce reliance on the world market.

## **Background**

The No.1 Document has been issued by PRC authorities for 19 consecutive years. The [2022 version of the No. 1 Document](#) emphasizes maintaining the stability of agricultural production in the context of an economic slowdown due to various factors like PRC imposed COVID-19 restrictions and geopolitical uncertainties. Food security and ensuring against the return to poverty of rural residents remain the two bottom lines for China's agriculture and rural development in the foreseeable future (see GAIN report [CH2022-0023 Agricultural and Rural Modernization Plan Reiterates Prior Pledges](#)). Data published by the PRC's National Bureau of Statistics (NBS) indicates that China's grain production has exceeded 650 million metric tons (MMT), a baseline for grain security, for 7 consecutive years. In 2022, agricultural contacts indicate China could struggle to achieve this goal due to uncertainties over summer grain (mainly wheat and early rice) production. Excessive rain in the fall of 2021 delayed the sowing of 7.3 million hectares of wheat in five provinces for two weeks. The Ministry of Agriculture and Rural Affairs (MARA) is mobilizing all resources to ensure that the harvest of summer grains (which includes the delayed planted wheat) meet production targets. For example, MARA and the Ministry of Finance have allocated U.S. \$250 million to support wheat crop management. MARA Minister Tang noted that summer grains account for 20 percent of China's total grain production.

## **General Information**

### *A new push for maintaining food security*

Food security remains a top priority for China. However, the 2022 No. 1 document has heightened the political importance of maintaining previously achieved levels of food security and introduced an increased importance on strengthening domestic production of feed supplies (e.g., soy production). In the 14<sup>th</sup> five-year plan for national crop production development published on December 29, 2021 (the Chinese text can be found [here](#)), the State Council listed 2022 grain production targets for China's major grain producing provinces. The PRC is expected to publish performance measures for food security that Party committee and local officials will be responsible for meeting.

Officials from the PRC indicated that they will continue to design and implement policies that support grain farmers. According to official media reports, in 2022, the minimum purchase price for rice and wheat will be increased and subsidies to corn, soybean, and rice production, will remain in place. In addition, subsidized insurance programs for production costs and grower incomes for three major grain crops (i.e., wheat, rice, and corn) will be expanded to cover all grain-producing counties in 2022.

### *Seed and arable land are critical for food and feed security*

The PRC has noted that seed and arable land are two critical factors to ensure food and feed security. In the last two years, China has made seed development a higher priority. Support for seed development will come in the form of increased investment in research and development, including seeds from genetic engineering (GE), to improve crop yield and/or quality characteristics. MARA updated and began enforcing four regulations including the Administrative Measure on Agriculture GMOs Safety Assessment ([CH2022-0014](#)) and Administrative Measures for Major Crops Variety Registration ([CH2022-0013](#)) on January 21, 2022, in a move to streamline the current regulations for the commercialization of GE crops. Industry sources indicate that the publication of GE seed related MARA regulations indicates that the PRC will expedite the commercialization for domestically developed GE crops. Foreign developers are still prohibited from cultivating GE crops in China. According to the latest announcement, MARA has granted biosafety certificates to domestically produced seeds including 2 GE rice varieties, 3 GE soybean varieties, and 5 GE corn varieties. However, whether and when commercial production of these varieties takes place remains a question.

Additionally, the No. 1 Document highlights that protecting arable land is an increasingly important issue for both Party and government officials at all levels. The PRC has adopted increasingly stringent measures to protect arable lands, covering approximately 120 million hectares. Of which, nearly 81 percent are defined as “permanently” protected by law and are prohibited from being used for non-agricultural purposes. Meanwhile, China is actively pursuing increasing the share of “high standard farmland”.<sup>1</sup> The overarching goal of land improvement is intended to improve grain production capacity, including supporting the development of 80 million hectares of high standard farmland by 2030 under the National High Standard Farmland Construction Plan (2021-2030). This farmland is expected to guarantee 600 MMT of grain production. Generally, arable land in China may only be used to grow grain, cotton, oilseeds, sugarcane or beet, vegetables, and forage production. The permanently protected farmland is primarily dedicated to grain production, while high standard farmland is restricted to grain production. China defines “grains” as the three major grain crops and soybeans, but not tubers, pulses, and other oilseeds.

### *Soil preservation and improvement remain priorities*

MARA will continue soil preservation and improvement efforts, such as introducing conservation tillage on 5.3 million hectares of “black soil” and the transformation of saline-alkali land into productive soils. China is scheduled to release a soil utilization suitability report following the completion of a national soil condition census in 2025. The No. 1 Document also directs MARA to explore the feasibility of developing greenhouse agriculture on idle or abandoned land.

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<sup>1</sup> While not explicitly defined, FAS China understands “high standard farmland” (as noted GAIN report [CH2019-2134](#)) to mean land that should achieve high and stable grain yields regardless of droughts or floods.

While grain security remains the top priority, security of other commodities is also included in the No. 1 Document. The PRC seeks to continue improving the domestic supply of livestock, poultry, and dairy products. China is paying particular attention to pork production with MARA pursuing long-term policies to stabilize production including environmental regulations, loans, and insurance programs. In late 2021, MARA instituted regulations to support large-scale hog and breeding companies to ensure the breeding stock of sows remained stable at 41 million head as pork is the largest source of animal protein in the Chinese diet.

*Intent to increase oilseeds production will face challenges*

A notable change in the 2022 No. 1 Document is the focus on soybean and other oilseed production in China to reduce perceived dependence on the world market. The No. 1 Document provides a variety of methods by which the PRC intends to meet domestic demand for animal feed, including financial subsidies to plant grains and oilseeds, interplanting corn and soybean crops, increasing production of non-soybean oilseeds (e.g., rapeseed, peanuts, and tea tree oil), expanding silage corn cultivation, and adjusting feed formulations to reduce oilseed utilization in animal feed. Contacts shared, however, that these measures are unlikely to sufficiently address China's demand for animal feed.

For in-depth analysis of China's oilseeds or grains sectors, please search the USDA FAS GAIN system for reports like the [China Oilseeds Annual](#) or Grain and Feed Annual and their scheduled updates.

**Attachments:**

No Attachments.