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Report Highlights:

This report provides a news synopsis of trade policy and agriculture/commodities in China. It includes: (1) Sugar Prices Climb in the Last 8 Months; (2) Xinjiang Agricultural Products Fair Opens in Beijing; (3) Pork and Egg Prices Increase; Inflation Likely to Rise; (4) COFCO Invests 4 Billion RMB to Build a Swine Breeding Farm in Tianjin; (5) MOA Promotes 3-line Cross-breeding BT Cotton Technology.

General Information:

Sugar Prices Climb in the Last 8 Months: Growing demand in the Chinese sugar industry coupled with lower production in Guangxi Province (a major sugar producing area in China) has influenced the recent increase in the Chinese wholesale price of white sugar. According to Ministry of Agriculture (MOA) data, the white sugar price in Shanxi Province rose 600 RMB (USD \$87.80) per ton in the past 20 days, and is expected to increase 20% in the next two weeks. Zhengzhou (Henan Province's capital city) prices rose approximately 50% since the beginning of the year, or from 2800 RMB (USD \$410) to 4300 RMB (USD \$629.60) per ton. (Source: MOA website, 08/24/09)

Xinjiang Agricultural Products Fair Opens in Beijing: On August 20, the Ministry of Commerce of China and the Government of Xinjiang Province organized the Xinjiang Agricultural Products Fair to help Xinjiang farmers sell and find distributors for their produce. At the fair, over 60 Xinjiang suppliers and more than 100 wholesalers participated from Beijing, Tianjin, and Hebei. (Source: MOFCOM News Office, 08/20/09)

Pork and Egg Prices Increase; Inflation Likely to Rise: The Ministry of Agriculture (MOA) believes that rising livestock and poultry product prices may cause China's CPI (an indicator for inflation potential) to grow in the fourth quarter. According to the latest MOA data (sourced from 470 nationwide wholesale markets), the average pork price increased 3.3% from last week to 17.79

RMB (USD \$2.60), while the average piglet price rose 17.4% in the last 9 weeks. Average egg prices rose 6.2% in the last 5 weeks. (Source: Sina Website, 08/27/09)

COFCO Invests 4 Billion RMB to Build a Swine Breeding Farm in Tianjin: China National Cereal, Oils and Foodstuffs Corporation (COFCO), one of the World's Top 500 Companies, invested 4 billion RMB into a Health Ecological Swine Breeding Farm Project, which is expected to (in the next 5 years) produce 2 million head a year, or 150,000 MT of pork products. Eventually, the swine breeding farm plans to meet demand needs for both Beijing and Tianjin. (Source: China's feed industry information <http://www.feedtrade.com.cn/>, 08/24/09)

MOA Promotes 3-line Cross-breeding BT Cotton Technology: During the agricultural technology exhibition held in Longfang/Hebei on Aug 25, 2009, the Vice Minister of the Ministry of Agriculture requested scientists to expedite the development of 3-line cross-breeding biotech cotton technology. Developed by Mr. Guo Sanhui of the Biotechnology Research Center/CAAS, this new technology combines bio-technology and crossing breeding, and is expected to not only increase cotton yields by 25% but also reduce production costs. Professor Guo believes it will be widely available in 2010, and that new varieties will be developed in the next few years. (<http://www.china-cotton.org>, 08/27/09)