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Policies

China mulls transgenic food standard

[Global Times, 04-09-2013] China is mulling over a national standard on using transgenic technology in agriculture in an effort to safeguard food safety, Vice Minister of Agriculture Niu Dun, told the Global Times Tuesday, without giving a specific timeline.

The country is working on a standard on transgenic food to rival the current US-led international code, Niu said on the sidelines of the China-Eurasia Expo in Urumqi, the Xinjiang Uyghur Autonomous Region. He noted that detailed research and analysis have been conducted on the potential and the side effects of transgenic food.

It is imperative for China to develop its own standard, as the international community has been disputing it for years, Niu said.

In a response to the hotly-debated issue of transgenic food's safety, he said technologically speaking, there is little impact on human beings but its side effects remains unknown.

Lin Min, a member of the National Transgenic Biosafety Committee under the ministry, on Tuesday said transgenic food is as safe as non-genetically modified organisms, which triggered huge public debate.

Many have questioned the safety of such food and if the country has a rigorous evaluation system to supervise the products on the market.

Click [here](#) for details

Chinese premier calls for efforts to tackle urbanization challenges

[Xinhua, 07-09-2013] Chinese Premier Li Keqiang has called for efforts to tackle challenges in the country's urbanization wave and seek quality and efficiency in this process.

China's urbanization needs to be supported by integrated reforms, said Li in a recent meeting with academicians and experts from the Chinese Academy of Sciences (CAS) and the Chinese Academy of Engineering (CAE).

More than 100 experts from the two academies have conducted research on different aspects of urbanization, and they recently shared the research findings with the premier.

A survey by the CAE showed that most of migrant workers born after 1980 are unwilling to go back to the countryside. The rural-urban population shift has become an inevitable trend.

Academicians also found that more than 100 million migrant workers in Chinese cities cannot enjoy the same public services as urban residents, highlighting the need for reforms.

A number of other issues including job creation and environmental protection in the urbanization process were also raised by academicians.

Li said urbanization is a complex and big project and the government must hear opinions from all sides.

Click [here](#) for details

List of GM crops in China released

[ECNS, 16-09-2013] A list of genetically modified (GM) crops approved in China has been released by the Ministry of Agriculture, according to a People's Daily report released Monday.

The main biotech crops now include cotton, papaya, rice and maize, according to Xie Jiajian, an assistant researcher at the Chinese Academy of Agricultural Sciences.

Although the four kinds of crops have been granted safety certificates, not all of them can be put into commercial production, said Xie.

Only the genetically altered cotton and papaya have been authorized for commercialization by the Ministry of Agriculture, Xie added.

Xie also pointed out that genetically altered crops from abroad could enter China with the Ministry of Agriculture's official seal of approval.

At present, five kinds of imported crops derived through biotechnology, including soybeans, maize, rapeseed, cotton, and sugar beet, have been approved by the ministry as foreign biotech crops used for processing purposes in China.

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UN lauds China on food waste efforts

[China Daily, 20-09-2013] China is showing the rest of the world how to cut food waste, a United Nations official said.

David Nabarro, special representative of the UN secretary general for food security and nutrition, said in an interview Thursday that China has grasped far more quickly than some developed nations that "food is cash", valuing it not just by its market value, but also by the environmental costs of producing and bringing it to consumers. His comments followed his participation in a panel discussion on reducing food waste, on the sidelines of a UN business forum in Manhattan.

"China's leaders, they're walking the walk and not just talking the talk. And that really impresses me," Nabarro told China Daily. "Let them show the rest of us how you get this right. It's doing it decades quicker than the rest of the world has done it."

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As China enjoys increased prosperity, food waste and its impact have become a major issue. According to WorldWatch Institute, more than \$32 billion of food is thrown away in China annually, although 128 million Chinese live below the poverty line and often lack sufficient food.

Beijing started implementing garbage sorting and food scrap recycling in 2000. In March 2012, the Beijing Municipal Garbage Management Ordinance came into force, encouraging communities and households to participate in kitchen waste recycling.

Click [here](#) for details

How farmers are driving the Chinese economy

[Guardian, 21-09-2013] All modern states began their path to greatness by first overcoming the challenge of food security. The United States (US), ancient Greece, Malaysia and the state of Israel are testimonies to this.

You can add China, the third largest landmass country in the world, to the list of fast growing economies which have built on the solid foundation that agriculture offers, giving the country's 1.3 billion people the first security platform on which they have now sprang to Olympian heights in infrastructure, telecommunications, transport, textiles and military technology etc.

Every visit to China creates fresh opportunities to take new things away. You could see that every region in the vast country has something to offer, something for which it is known. So Shandong province is famous for agriculture and industry.

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Now, it is in Weifang that agriculture is presented to the rest of the world as a showpiece. Here, the farmer, yes the farmer is king. He earns an income which size is kingly enough to want to make other professionals take to the profession of tilling the soil or romanticizing with the Green House and agro technology.

At the Wifang vegetable base, the art of growing vegetables, pods and other forms of tubers all year round, is celebrated with a commanding wizardry such that a house could be built with plants and vegetables. It was breathtaking to see thriving Aubergine plants suspended in the air or sweet potatoes growing in the air!

The famous Weifang vegetable base and green house still holds the mountain of Ginger. Thanks to smart green house technological adaptability, vegetables can now be eaten in winter. You behold the green house towel gourd among others. And then at the other green houses set on 1,332,000 square meters, you encounter pepper, tomatoes, cucumber. The green houses here are complete with automation and the most sensitive monitors.

There is also a vegetation park that produces 200 million seedlings yearly. Being the most important vegetable park in China, it has a complete Research and Development (R&D) centre. There are 30 different types of new technologies in use to produce more and more millions of kilograms of organic vegetables for local consumption and export.

Just as the Shouguang International Exhibition Centre showpieces in sweet potatoes and suspended tubers in the air, evidence of well-being of the Chinese farmer is made loudly visible by the stately display of the farmer's house also known as the Chinese Villa.

For the farmers who live in these villas which are duplexes that bespoke of the level of income and comfort of the Chinese farmer in Weifang, the major income comes from vegetation. That is, income earned is from farming! In all, 2, 660 families live in apartments and enjoy the best facilities you can think of.

Willing to open up to the visitor, one of the farmers said: "We benefit from the policies of government". Ask him the major factors of production and he says that science and technology helps. By the way, the plan by the local authorities is that by 2020, all villages will build up a warehouse "that leaves a technological society for our children and creates a harmonious environment for them".

Click [here](#) for details

China raises procurement price for rice

[Xinhua, 21-09-2013] China has lifted the minimum state procurement prices for semilate and late rice to protect farmers' interests, the top economic planner said Saturday.

The National Development and Reform Commission (NDRC) told Xinhua that it has set the minimum procurement price for this year's indica rice at 2,700 yuan (435.62 U.S. dollars) per tonne, up from 2,500 yuan per tonne last year.

The minimum price for semilate and late japonica rice was set at 3,000 yuan per tonne, up from 2,800 yuan for 2012, the NDRC said.

The policy will be applied in China's 11 major rice-producing provinces and regions, including provinces of Liaoning, Jilin, Heilongjiang, Jiangsu, Anhui, Jiangxi, Henan, Hubei, Hunan and Sichuan, and Guangxi Zhuang Autonomous Region.

China has set minimum procurement prices for grain, including wheat and rice, since 2004. Under the scheme, the government buys grain from farmers at state-set prices when market prices fall below them.

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Draft on food, drug punishments seeks opinions

[Xinhua, 22-09-2013] The China Food and Drug Administration (CFDA) on Sunday began to solicit public opinions on a draft regulation on food and drug-related offences.

According to the draft, food and drug administrations at or above the county level are responsible for managing cases of administrative punishments in general while those at the provincial level should handle administrative punishments in major and complicated cases.

The draft stipulates that administrations should deal with cases and evidence obtained from various channels in a timely manner. For tip-offs that include specific violators and clear facts, cases should be established for investigations less than seven days after such information is received.

In addition, the draft urges food and drug administrations to first inform violators of evidence on violations, the basis for punishment and their rights to appeal before imposing administrative punishments.

The draft will be open to public opinion until Oct. 22.

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By 2015, China will be the world's largest consumer of processed food

[QUARTZ, 23-09-2013] In China, the traditional diet of vegetables, rice, noodles, and small portions of meat—a diet hailed as one of the world's healthiest — is disappearing. Chinese people are eating more Western food, more meat, and on top of that—more packaged, on-the-go food that comes with additives, artificial flavoring and other chemicals.

According to estimates by Euromonitor International, in terms of volume, the Chinese market for packaged processed food like ready-made meals, snacks and drinks like cookies, chips, and soda will surpass America's by 2015. China could consume as much as 107 million tonnes of packaged food, compared to 102 million tonnes in the US.

That still means the average Chinese resident will eat only about a quarter as much processed food as the average American. And the American market will still be worth more (\$369 billion versus an estimated \$238 billion in China.) Still, Chinese consumption of these foods will have grown 66% from 2008, according to Euromonitor.

What's fueling that growth? As more Chinese leave farm life for the cities and more women enter the workforce—the same trend that sparked America's TV dinner craze in the 1950s—there has been a boost in convenience foods from baby formula to frozen dumplings and instant noodles. Increasing wealth has meant that more Chinese are eating more meat than before. The entrance of packaged food makers like Kraft, Nestlé or PepsiCo has increased the consumption of Western-style snacks at 7-Elevens and other convenience stores, ubiquitous in Chinese cities.

International as well as domestic companies are banking on this growing appetite.

China's market for cookies is estimated to be worth \$24 billion, and growing some 20% a year. Campbell's Soup announced its acquisition of Denmark's Kelsen Group, whose butter cookies are a hit in the country, in June. Western snacks like granola bars, cereal, and pasta are all becoming more popular, Euromonitor says.

Click [here](#) for details

China to mark tenth consecutive year of bumper harvest

[MOA, 25—09-2013] China is expecting a bumper harvest of autumn grain this year, according to MOA's estimate. Accordingly, in addition to its earlier-harvested summer crop, China is likely to mark its tenth consecutive year of bumper grain harvest in 2013.

China's autumn reaping begins, and its process varies from south to north.

MOA latest information showed that due to abundant precipitation, autumn crops of this year grow better than that of previous years, particularly for dry-land crops in Northeast, Northwest and North China.

In Northeast China, despite of localized summer flood, autumn grain planting area increased by 367,000 ha than that of last year, among which, rice planting area increased by 160,000 ha.

More than 800,000 farm machines are operating across the country during the autumn harvest season.

MOA urged local authorities at major producing areas to make proper arrangements for mechanized harvesting and to minimize post-harvest losses.

Autumn grain crops are widely planted in China, accounted for 70% of total annual production.

Click [here](#) for details

Science, Technology and Environment

It's China vs. China in genetically modified food fight

[WSJ, 03-09-2013] China's fierce public debate on genetically modified food, long a political hot potato in a country obsessed with how to feed its 1.3 billion citizens, has become the subject of a spat between big guns from two of its most powerful governing institutions.

Two weeks ago, a major-general in the People's Liberation Army took to a popular newspaper to publish (in Chinese) a series of pointed rhetorical questions about Beijing's policy allowing more trade in genetically modified grains, suggesting that genetically modified organisms, or GMO, are a strategy by which a Western conspiracy to supplant China's food security is taking shape. GMOs are organisms that have had their genetic blueprint artificially re-engineered; for example, crops altered to become bug-resistant.

"If things change and the West cuts off our grain supply, are 1.3 billion people going to drink the northwestern wind?" Peng Guangqian, who is also deputy secretary-general of China's National Security Policy Committee, wrote in a column for the nationalist daily Global Times.

On Sunday, the Ministry of Agriculture – which has authority over GMO policy – fired back, posting a question-and-answer transcript (in Chinese) featuring an official from its GMO Security Committee rebutting Mr. Peng point by point. Lin Min, who is also director of the Biotechnology Research Institute of the Chinese Academy of Agricultural Sciences, flatly rejected Mr. Peng's claim that "many scientists through experiments have proven GMO food is highly linked to cancer and infertility."

Mr. Lin also pointed out that the U.S. is the world's largest consumer of GMO crops and said that as China faces rising strains on its arable land, its use of "foreign resources and market coordination are inevitable."

“This conspiracy theory is a product of Cold War thinking,” Mr. Lin said, dismissing Mr. Peng’s concerns. “Government-approved GMO food and non-GMO food are equally safe...If GMO research has any benefit, it is first and foremost in the national interest.”

Ministry officials and scholars have raised points similar to Mr. Lin’s in the course of nearly two decades of debate over the advent of GMO food in China. But Mr. Lin’s riposte to Mr. Peng was remarkable for its emphatic tone and invocation of stock phrases – “national interest,” “Cold War thinking” – more often reserved for discussions of defense policy.

Click [here](#) for details

20 percent of Chinese grain goes to waste

[Farming Online, 04-09-2013] A comprehensive new review of food waste in the People's Republic of China has concluded that about 19 of every 100 pounds of grain produced in the country go to waste, with related losses of water for irrigation and farmland productivity.

Junguo Liu and colleagues point out that food waste is a global problem with an estimated one-third to one-half of food produced worldwide being lost or wasted from farm to fork. Estimates suggest that the United States wastes about 40 percent of its food crops.

The problem is especially acute in China. They found that about 19 percent of rice, wheat and other grain in China is lost or wasted, with consumer waste accounting for the largest portion, 7 percent. The overall loss meant the waste of an estimated 177 billion cubic yards of water used to produce food grown but never eaten — a volume equal to the amount of water Canadian farmers use to grow all their crops.

These researchers estimated that this equated to the waste of 64 million acres of cropland sown and harvested in vain. Liu and colleagues recommended several strategies, including raising public awareness, improving storage systems, mechanizing the harvest of grains and putting in place monitoring programs to track food waste with more precision.

Click [here](#) for more details; click [here](#) to read the full article

New nano-tech could treat China's lake pollution

[Xinhua, 09-09-2013] Chinese scientists announced on Monday that they have developed a type of nanomaterial which can catalyze algae masses growing on water surfaces into inorganic earth.

Chinese lakes are often plagued by catastrophic outbreaks of blue-green algae. Triggered by vast amounts of sewage water drained into rivers and lakes, it can exude an unusually bad odor, suffocate fishery stocks and turn water into a milky green shade. Algae pollution has been a particular problem in three of China's major freshwater lakes - Chaohu, Taihu and Dianchi.

Chinese governments at multiple levels have invested billions of yuan in recent years to treat the pollution. But large blooms of algae, although reduced in density, still persist in times of sufficient heat and sunshine, conditions that are favorable for its growth.

Scientists with the Chinese University of Science and Technology said on Monday that their laboratory tests had showed a single gram of the new nanomaterial that can kill algae floating in an area equal in size to a basketball court.

Fan Chongzheng, who led the research, said that the catalyzer leads to a biodegradation of the algae into an inorganic earthenlike substance.

Click [here](#) for details

Chinese know-how to spur cage fish farming in Uganda

[SciDev.Net, 05-09-2013] A new technology to boost commercial fish farming in lakes, dams, reservoirs and rivers is being transferred from China to Uganda.

The metal cage fish technology is being introduced by Chinese scientists through a three-year China-Uganda cooperation in aquaculture research, according to Barry Kamira, a research scientist at the National Fisheries Resources and Research Institute (NaFIRRI) and the coordinator of the project. The project started in April 2012.

Fish farming supports 4.2 million smallholder farmers in Uganda and the country earns around US\$116 million a year from fish exports. Fish is an important commodity that Uganda is exploring how to advance in its development agenda.

This technology, unlike pond fish farming, relies on metal cages of various sizes that are suspended in a water body. Each cage carries up to 10,000 fingerlings. Fish farmers use a measure of their efficiency in converting food mass into increased body weight to know when to transfer the young fish to the next cage until they mature for harvesting six months later.

The Chinese government is funding the project, but details are yet to be revealed.

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Environmental concerns on the rise in China

[Pew, 19-09-2013] The Chinese public is increasingly concerned about the quality of the country's air and water after a year in which China experienced numerous high-profile environmental problems.

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As their disposable income grows, many Chinese are worried about the safety and quality of the goods they are consuming. The percentage of Chinese identifying the quality of manufactured goods and the safety of food and medicine as major challenges has risen sharply over the last five years.

Concerns about consumer issues are common across all segments of Chinese society, but they are especially widespread among those who have in many ways benefited the most from the country's long run of economic expansion – wealthier Chinese, urban residents, and people under age 30.

These are among the key findings from a survey of China conducted by the Pew Research Center between March 4 and April 6, 2013. Face-to-face interviews were conducted among 3,226 respondents. Overall, the survey highlights an evolving set of priorities for the Chinese public. As the country's wealth grows and millions move into the middle class, issues such as the environment and consumer safety are moving to the forefront. At the same time, many believe the country's economic growth is benefiting some more than others, with the rich and the politically connected reaping more than their share of the rewards.

Click [here](#) for details

Cargill inaugurates integrated poultry operation in Lai'an, Anhui

[Digital Journal, 23-09-2013] Cargill held the inauguration ceremony of its world-class integrated poultry operation in Lai'an, Anhui today. Gary Locke, ambassador of the United States of America to China; Chris Langholz, president of Cargill Animal Protein China; Stan Ryan, corporate vice president of Cargill, and representatives from Chinese government agencies participated in the ceremony.

The fully-integrated project covers each stage of the poultry supply chain, including chicken breeding, raising, feed production, hatching, slaughtering and processing. Cargill incorporated its state-of-the-art technologies and innovations in food safety, poultry breeding, animal nutrition, disease prevention, environmental protection and energy saving into the project. The facility has the capacity to process approximately 65 million chickens per year, as well as 176,000 metric tonnes poultry products per year. Total investment for the project is approximately US\$250 million.

The project, initiated in 2009, is a part of Cargill's continuous effort to support the modernization of agriculture and food safety in China. In this project, Cargill utilized its global expertise to build an integrated supply chain and food safety management system. Based on the Codex Alimentarius and ISO 22,000 principles, food safety systems include well written and implemented Hazard Analysis and Critical Control Points (HACCP) programs supported by strong foundational programs such as sanitation for processing equipment, proper personal hygiene, pest control, maintenance, product labeling, traceability and other key programs implemented across the business. Cargill also will apply innovative environmental and energy efficiency management systems that meet all applicable environment regulations in waste water treatment, waste disposal and emission control.

Click [here](#) for details

Tibetans' caterpillar fungus fortune nearing exhaustion

[Xinhua, 20-09-2013] The caterpillar fungus, a cash cow for Tibetans, may die out in China in two decades, as a result of overexploitation on the Qinghai-Tibet Plateau, experts have warned.

When the harvest season ended this summer, many unlucky diggers found their fungus incomes were not even enough to cover their costs -- mainly a fee that varied from 5,000 up to 50,000 yuan (817 to 8,170 U.S. dollars) levied by local authorities according to the acreage where they were allowed to dig.

The yellowish caterpillar fungus is about two inches long and weighs less than 1 gram, but a tiny stalk sells for about the same price as gold even in the nearest town from the plateau where it grows.

"Even the luckiest diggers collect no more than 20 stalks a day," said Karma Daqung, a fungus expert and former manager of a state-owned farm in Yushu Prefecture of northwest China's Qinghai Province.

Ten years ago, the plateau was rich in this "worm grass" and diggers could harvest more than 5 kilograms a day, he said.

"Back then, a seven-member family could earn 400,000 yuan in the harvest season, though fungus dealers paid them only 2,000 yuan per kilo."

Today, the fungus price has soared as high as 300,000 yuan per kilo and large crowds of avid diggers from Yushu and other Tibetan communities in western China flood in every summer.

The worm grass, known in China as "winter-worm summer-grass," is not really a plant. It forms when a parasitic fungus hijacks and then feeds off the bodies of ghost moth larvae that have burrowed into the alpine soil 3,000 to 5,000 meters above sea level. It then pushes the remains of their bodies to the surface so the fungus can spread its spores.

The mummified moths are a traditional Tibetan cure-all that is believed to help fight cancer and the aging process and boost the immune system.

As Tibetan medical ingredients are much coveted in China and abroad, worm grass has become a lucrative commodity. Most residents, including children and elderly, join the rush for worm grass every year. Even schools are closed in May and June so that students and teachers can join in the harvesting.

Click [here](#) for details

Experts: Be alert of H7N9 amid flu seasons

[Xinhuanet, 26-09-2013] The avian influenza strain of H7N9 is highly likely to return and affect humans in the autumn and winter on the Chinese mainland, warned Zeng Guang, chief epidemiologist at the Chinese Center for Disease Control and Prevention.

China has remained free of new human H7N9 cases for more than a month since the last fatality — a 51-year-old woman who died of multiple organ failure caused by the virus on Aug 12 in Huizhou, Guangdong province — according to the National Health and Family Planning Commission.

The woman, who was transferred from Langfang, Hebei province, in mid July, worked in slaughtering poultry at a local market.

China has reported 134 human infections of H7N9 on the mainland, including 45 deaths, official statistics show.

"Given that the virus never stopped circulating among birds, humans are also at risk of infection, particularly in the common peak flu season, which usually lasts till spring," Zeng said.

An overlap of the peak flu season and more frequent smoggy weather could make the situation even worse and intervention efforts more complicated, he said.

Flu prevention requires good ventilation, which can't be easily supplied in smoggy weather, he explained.

He urged the public to take precautions such as to avoid staying in public places for long and to be aware of good personal hygiene, including frequent hand-washing.

In addition, to prevent H7N9 infection, "people shouldn't go to live poultry markets", he said.

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International Relations

Sowing the seeds of sustained growth

[China Daily, 02-09-2013] China plans more exchanges with ASEAN as agricultural cooperation takes root.

Agricultural cooperation between China and the Association of Southeast Asian Nations is expected to get more impetus from the increased seed and technology exchanges between the two sides in the next few years, experts said.

Long Jiang, director of the Yunnan Provincial Science and Technology Department, said that the agriculture technology transfer agreement signed between the two sides in 2002 would be the framework for future agricultural cooperation and for development and exchange of new technologies.

China has fostered nearly 10,000 new varieties of agricultural products in the past 30 years, he said adding that the nation's 3 billion-yuan (\$490 million) seed bank project, started in 1995, has helped increase annual food production by 20 million tons.

Long said that the keenness of both sides to enhance agricultural cooperation was evident at a recent meeting of more than 200 agricultural professionals from various Southeast Asian nations in Kunming, capital of Yunnan province. In their meetings with their Chinese counterparts, these professionals agreed to step up efforts to develop and exchange new agricultural technologies.

Click [here](#) for details

China's Bright Food in talks to buy Israeli food group Tnuva

[Reuters, 03-09-2013] - China's Bright Food (Group) Co Ltd SHMNGA.UL said on Tuesday it was holding talks with Tnuva, Israel's biggest food manufacturer and distributor, about a possible acquisition.

"This has really just got going, and the two sides are in the process of talking and understanding one another," Bright Food spokesman Pan Jianjun told Reuters.

British private equity firm Apax Partners holds a 56 percent stake in dairy-focused Tnuva, and the potential deal could be worth around 10 billion yuan (1.04 billion pounds), a Chinese paper said.

Bright Food has acquired several foreign firms over the last few years, including New Zealand's Synlait Milk Ltd, Australia's Manassen Foods and France's Diva in a bid to expand its global reach.

The Chinese firm also owns a 60 percent stake in British cereal maker Weetabix Food, which it acquired for 1.2 billion pounds in one of the biggest foreign purchases by a Chinese food group.

Bright Food has said it expects its international sales to account for 25 percent of revenue by 2015, up from 15 percent now.

Bright Food Group has several listed subsidiaries including Bright Dairy & Food Co Ltd and Shanghai Jinfeng Wine Co Ltd.

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ICE cotton up on demand expectations for top consumer China

[Reuters, 10-09-2013] Cotton futures rose the most in over three weeks on Tuesday as China began stockpiling this week and on expectations Thursday's monthly U.S. government forecast would show continued strong demand in the world's top consumer.

The most-active December cotton contract on ICE Futures U.S. closed up 0.97 cent, or 1.2 percent, at 84.47 cents a lb.

It was second-month contract's biggest daily gain since mid-August, when speculators began exiting the market in droves and sent prices tumbling from a five-month peak.

Prices have clawed back some of the losses over the last three sessions, as China this week began stockpiling cotton from the 2013 crop and dealers positioned themselves ahead of the monthly U.S. Department of Agriculture (USDA) supply and demand report.

"People are feeding off the ideas that China will continue to build their reserve at \$1.50 a lb," said Ron Lawson, a partner at commodity investment firm LOGIC Advisors.

Beijing launched the program in 2011, paying above global prices to support farmers and spurring voracious demand for lower-priced foreign cotton.

Click [here](#) for details

Chinese food companies looking overseas for Acquisitions

[WSJ, 11-09-2013] Chinese food companies are looking overseas for acquisitions that will help them serve increasingly affluent and discriminating customers at home, who now comprise the world's largest market for groceries.

Pork producer Shuanghui International Holdings Ltd., for example, is one step closer to acquiring the world's largest pork company, Smithfield Foods Inc., after a key U.S. government panel last week approved the \$4.7 billion takeover. Days earlier, Chinese conglomerate Bright Food Group Co. said it had approached Israeli food giant Tnuva Food Industries Ltd. about acquiring it.

For some, the deals are about obtaining technology and business expertise. But for others, they are about meeting Chinese consumers' desire for a wider range of products and, especially, better-quality goods, experts say.

Chinese food companies have long focused on selling at the lowest price, but they have discovered that consumers are now willing to spend more for products they believe are better or more prestigious, and are seeking to offer them everything from milk to bacon at premium prices, said Vineet Sharma, head of consumer research at Barclays Capital's Asia ex-Japan division.

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China sees rising appetite for corn imports

[FT, 11-09-2013] More money to spend and a growing taste for meat on the dinner table are transforming China's appetite for corn imports. The effect on global food markets could be profound.

Under Beijing's policy of "self-sufficiency", corn imports, along with rice and wheat, have been kept to a minimum since China lowered its import barriers in 2001. The soyabean market, in contrast, was opened up to imports to release land for the key staples, and China has become the world's largest importer of the oilseed.

But the world's corn traders are feeling more upbeat as growing demand for livestock feed has brought a steady rise in corn imports.

In the long term, "China, currently representing over 75 per cent of global seaborne trade in soyabeans, will also become a major importer of corn," says Chris Mahoney, head of agriculture at Glencore Xstrata.

A change in tone from Beijing is supportive of this view. Last year, Chinese agriculture minister Han Changfu wrote in an article that China would not allow itself to become dependent on foreign supplies and corn "should not become the second soyabean". More recently, Mr Han said corn imports would have to rise gradually in order to meet feed demand.

Although the 95 per cent threshold for self-sufficiency has not changed, "the rising volume of grain and soyabean imports has stimulated a lot of discussion this year among Chinese officials and analysts about how to rethink the concept of self-sufficiency," says Fred Gale, senior economist at the US Department of Agriculture.

Xu Xiaoqing, the head of the rural department at the State Council's Development and Research Centre, a government think tank, last week told a conference in Beijing that China could import 20m-30m tonnes of corn a year to cover growing supply shortages.

"Our corn needs are up, which means in the future we will see some imports but not to the same extent as soya," Mr Xu told the Financial Times.

Click [here](#) for more details

Chinese distilleries eye foreign market

[Xinhua, 12-09-2013] Chinese alcohol producers are eyeing foreign markets as domestic sales growth has shrunk amid China's frugality campaign, according to sources with a Chinese alcoholic beverages expo.

The Third China (Guizhou) International Alcoholic Beverages Expo came to a close on Thursday in Guiyang, capital of south China's Guizhou Province and home of China's top liquor brand, Kweichow Moutai.

The four-day expo drew beverage producers from 39 countries and regions.

Data from the China Food Association show that the country's liquor revenues totaled 240.2 billion yuan (39 billion U.S. dollars) in the first half of the year, yielding net profits of 39.9 billion yuan, an annual increase of 10.7 percent in revenues and 0.6 percent in profits.

However, revenue growth was down by 18.2 percentage points year on year, and year-on-year growth for net profits plunged 54.5 points.

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US sorghum is used for feed

[China Daily, 12-09-2013] In China, sorghum is traditionally used to produce liquor, such as the potent *baijiu* rice wine. Now China is using the grain to help formulate animal feed.

China's large private feed mills are increasingly buying sorghum from the US after using up their import allocations for corn, the preferred animal-feed grain, according to a Reuters report.

The mills have reached their import limit of 2.88 million tons of corn this year and are not expected to provide more corn until the end of the year when the government issues quotas for 2014, according to the report.

Importing US-grown sorghum is an appealing alternative because domestic corn production is significantly more expensive, according to Reuters.

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For China farming, it's an open field

[China Daily, 13-09-2013] Ugandan Agriculture minister would like to see modern techniques and value-added produce

Ugandan Agriculture Minister Tress Bucyanayandi says he has no problem with China growing food in Africa to tackle its own growing food deficit.

A recent research paper by Standard Chartered predicted that China would have to import 100 million tons of food a year within 20 to 30 years to avoid shortages.

The 75-year-old politician says there is surplus land in his country and the Chinese are welcome to farm it since Uganda operates an open door policy.

"There is plenty of land, particularly in the northern parts of Uganda and much of it is idle," he says.

"Although the land belongs to people, they can enter into partnerships with the owners to develop it. We are running a liberal economy so there is no issue about them exporting the food back to China or the profit. They can take it," he says.

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The veteran politician says that one of the weaknesses of the country's agriculture system is that it fails to exploit the potential of commodities such as the Ugandan coffee he was pouring.

"Ugandan coffee though is good. I add honey to mine," he says ladling a spoonful into his cup.

"We don't manufacture instant coffee. You just see Nescafe on all the shelves here. Coffee is a major crop for us but we don't really add value to it."

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Bucyanayandi says he has no problem with greater Chinese involvement in the agricultural sector.

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Fonterra sites second Chinese hub in Shanxi Province

[Radio NZ, 13-09-2013]The location of the second of Fonterra's planned Chinese dairy farming hubs has been confirmed, and is another step in the New Zealand company's journey to producing a billion litres of milk a year in China.

Fonterra's second farming hub, which when finished will have five 3000-cow farms, will be located in the Shanxi Province - south-west of Beijing.

Peter Moore is the general manager of Fonterra's international farming division.

He says Shanxi Province was chosen for the location of the second hub for a variety of reasons including enough feed for the cows, a reasonable climate for the cows and good relationships with local and provincial government that will support the investment in that area.

Mr Moore says Fonterra has a big emphasis on training and employing workers. There is also a small team of expatriates who ensure all the right systems and processes are in place.

But Mr Moore says three of the farms which Fonterra has operating in China at the moment have Chinese as the farm managers.

He says Fonterra expects it will eventually need six hubs of five farms - to produce that billion litres of milk.

It already has one hub in neighbouring Hebei Province.

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Halal food helps Ningxia explore int'l market

[China News Service, 15-09-2013] Northwest China's Ningxia Hui Autonomous Region is showing its ambition ahead of Sunday's China-Arab States Expo, to build itself into a global halal food center.

The government of Wuzhong City, the home of Islamic Hui ethnic group, is building a halal industrial park to integrate research, design, manufacture, processing and trade for the halal industry.

"Favorable business policies and the good environment of our park can attract halal food enterprises from home and abroad, and promote the halal food industry of China at the same time," said Zhao Yongqing, Party chief of Wuzhong City.

The city now has 176 halal food enterprises. Halal output of the city totaled 13.2 billion yuan (2.16 billion U.S. dollars) last year, up 15 percent year on year, and accounted for more than 60 percent of the whole value of the region's halal industry.

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China to become No. 2 market for Starbucks

[USA Today, 16-09-2013] Americans who like to joke about having a Starbucks on every street corner soon may have an unlikely partner in on the joke: the Chinese.

Early next year, China will replace Canada as the global coffee giant's second-largest market, where Starbucks plans to open its 1,000th store sometime before the end of 2013. As it expands in China – where Starbucks announced the opening of two iconic, flagship stores on Monday – Starbucks is experimenting both with the interior and exterior designs of its new stores in a bid to appeal to Chinese customers.

And yes, there's even a new, 24-hour location in Beijing.

"China is our 'second home' market outside of the U.S.," says John Culver, Starbucks Group President of China and Asia Pacific, in a phone interview.

Never mind that China is a tea-centric culture.

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Ukraine to become China's largest overseas farmer in 3m hectare deal

[SCMP, 22-09-2013] China will plough billions of yuan into farmland in Ukraine that will eventually become its biggest overseas agricultural project.

The move is a significant step in China's recent efforts to encourage domestic companies to farm overseas as China's food demand grows in pace with urbanisation.

Under the 50-year plan, Ukraine will initially provide China with at least 100,000 hectares - an area almost the size of Hong Kong - of high-quality farmland in the eastern Dnipropetrovsk region, mainly for growing crops and raising pigs.

The produce will be sold to two Chinese state-owned grain conglomerates at preferential prices. The project will eventually expand to three million hectares.

Ding Li, a senior researcher in agriculture at Anbound Consulting in Beijing, said the deal was a big move for China compared with earlier overseas agriculture.

In April 2009, China had slightly over two million hectares of farmland abroad, he said. "So three million hectares would mean a very big project."

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