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Policies

China must switch to growing GM food before it's too late: scientist

[South China Morning Post, 06-10-2013] Agricultural expert warns of crisis if country does not start growing modified crops and continues to rely on foreign imports

A leading agricultural scientist's unusually frank endorsement of growing genetically modified food has reignited a debate over whether the country should reconsider its long-time distaste for the controversial food source.

Professor Wu Kongming, a member of the influential Chinese Academy of Engineering, said the country risked increasing grain shortages and a dangerous dependence on foreign food imports if it continued to shun GM food.

"The conflict between food demand and supply in our country does not allow us to put aside the development of GM technology any longer," Wu, who is also vice-president of the Chinese Academy of Agricultural Sciences, told China National Radio.

"China's situation has determined that we cannot follow the countries with very rich land resources to use traditional methods to satisfy our demand," he said.

"Our way out is to use modern technology to support the development of our agriculture."

China imports about 80 million tonnes of grains, such as soya beans, rice and wheat, each year, some of it genetically modified. To produce that amount of food domestically, the country would need 53 million more hectares of farmland, 44 per cent more than there was now, Wu said.

The imports had not only reduced food security but also strained global food supply, he said, adding that the country was running out of time to switch to GM food production.

Genetic modification, which is banned for staple grains such as rice and wheat on the mainland, could help crops better weather droughts, pests and diseases, as well as help farmers achieve higher yields, Wu said.

"As the imbalance gets worse, we may have to give up cotton and oil production to ensure a stable grain supply," he said. "To China, that is a dangerous signal."

Wu's remarks make him one of the few agricultural scientists to speak up for GM food on the mainland, where opposition to the products is deep-rooted and widespread.

Click [here](#) for details

Nation aims to cultivate growth of family farms

[China Daily, 08-10-2013] China will promote the development of family farms to facilitate specialized, intensive and large-scale agricultural operations by eliminating the shortcomings caused by traditional small-scale farming and urbanization, said a government official.

Sun Zhonghua, director-general of the department of rural economic systems and management of the Ministry of Agriculture, said that along with a sustained and massive migration of young and middle-aged farmers, rural areas have seen their labor force grow older, more female and less educated.

Attracted by China's trade and manufacturing boom in the past two decades, many farmers from inland provinces or traditional agricultural regions such as Sichuan and Hunan pursued higher pay in the factory towns of coastal provinces such as Guangdong, Zhejiang and Jiangsu.

A study by the Beijing-based China Agricultural University undertaken in Hubei and Hunan provinces found the average age of farmers in these provinces is 53, and young people in rural areas are shunning farm life.

As the average age for a farmer rises, getting young people back on the land has become an urgent issue in rural areas, which cannot compete with the wages and living standards of cities.

The sector's major problems include rising production costs, worsening structural mismatches in the supply and demand of agricultural products and rapid social changes in rural areas, according to China's Report on the Work of the Government of 2013 released earlier this year.

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China concerns about food security

[Xinhua, 15-10-2013] China recorded a bumper harvest this year. Yet agricultural problems remain and are clouding the world's most populous country, prompting the government to take measures to beef up food security.

China's grain output this summer, mostly wheat, hit a record high of 132 million tonnes, the National Bureau of Statistics (NBS) said.

The production of maize, harvested in autumn, is expected to hit a record high of 215 million tonnes, according to the State Administration of Grain (SAG).

The country's grain output rose 3.2 percent year on year to hit 589.57 million tonnes in 2012, marking the ninth consecutive year of growth, according to NBS data. Despite the record harvests, China's agriculture faces chronic problems.

The amount of arable land is shrinking amid the country's urbanization drive. There is water and land pollution due to excessive use of pesticides and fertilizers. Also, there is a large amount of waste in the way grain is stored, experts argue

Agricultural experts point out that to fulfill sustainable food security systems, not only sufficient grain production is needed but also sound protection of resources like land and water.

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CITIC trust program envisions market-oriented approach to rural land issue

[Caixin, 16-10-2013] Product would invite companies into agricultural park, and provide farmers with returns and employment opportunities

A trust product introduced by CITIC Trust offers a new, market-oriented solution to China's decade-long land problem.

CITIC Trust, a subsidiary of state-owned CITIC Group, set up the trust program with a district government under Suzhou, a city in the eastern province of Anhui, on October 10. The 12-year product is based on the management rights to 5,400 mu land, which is expected to be expanded to 25,000 mu in a few years.

The land, still categorized as rural, will be developed to host an agricultural development park, and farmers will receive two kinds of returns.

Zhang Jisheng, deputy general manager of CITIC Trust, said on October 15 that the trust product would allow for the land to be better used and for farmers to benefit from this.

"Trust companies can use these products to promote rational reallocation of land resources, which can push for more concentrated and modern management of land, eventually

increasing the productivity of the land and its inherent value, and share it with farmers," he said.

The arrangement separates the ownership, usage rights and management rights of the land to draw clear borders, Zhang said.

Rural land in China is all owned by the state, and farmers have only usage rights. Rural land is not allowed to be used for commercial development unless it is expropriated by the government and the zoning is changed to urban commercial. The restriction prohibits farmers from selling land directly to the market, where they could benefit from the value increase. This arrangement has been a source of frequent social unrest in recent years.

The trust product, however, links farmers with developers and offers a higher, long-term return than the usual one-off compensation the government pays.

Participating farmers who own the land usage rights will receive both rent and dividends. The annual rent is equal to the national reserve purchase price of 500 kilograms of wheat per mu, and depends on the amount of land each farmer put into the pool. The dividend has been set at 70 percent of any rent rises for companies in the park.

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MOA: GM food as cause of cancer a rumor

[CRI, 18-10-2013] The Ministry of Agriculture dismissed reports that eating genetically modified (GM) food can cause cancer or sterilization as rumors on Thursday, Beijing Times reports.

The MOA posted an article on its official website to refute the rumor following a long-time controversy regarding the effect of GM food on land which could be ruined while planting GM products.

Luo Yunbo, a professor from China Agriculture University said that the European Food Safety Authority had completely denied the conclusion reached by some French professors that alleged GM food causes cancer after they experimented on rats by feeding them GM corn and causing them to develop cancer.

Luo said that there is no need for human testing since other research has already proved the safety of the food during the research and development process. And both national and overseas authorities have recognized that GM food has no safety issues.

Huang Dafang, a researcher from the Chinese Academy of Agricultural Sciences, said that the MOA has provided information including the related laws on GM food, safety standards and safety approvals through their official website.

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Xinhua, NDRC to set up price research institute

[Xinhua, 18-10-2013] China's state news wire and the nation's economic planning body on Friday agreed to establish a research institute studying domestic pricing to provide references for government's macro-regulation.

Hu Zucui, deputy director of the National Development and Reform Commission (NDRC), hoped the institute could do forward-looking and strategically-significant studies on issues such as pricing regulation and reform, based on a global perspective.

Shen Haixiong, deputy chief editor of Xinhua News Agency, said with its well-established global and domestic network gathering news and information, Xinhua could provide timely

price data on energy and resource products worldwide and real-time prices of domestic farm produce.

This institute could leverage Xinhua's advantages in data collection to provide important information for government's decision-making, he said.

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Scientists requested central government to plant GM crops

[China Daily, 20-10-2013] Experts in genetically modified product research have revealed that they petitioned the central government in July to increase the production of genetically modified crops.

More than 60 academicians from the Chinese Academy of Sciences and the Chinese Academy of Engineering signed the petition and submitted it to the government, said Li Ning, an academician from the Chinese Academy of Engineering and professor at China Agricultural University.

Speaking to China Daily on Sunday, Li, who also signed the petition, described the GM crop situation in China as "extremely grave".

China is one of the largest consumers of GM produce, but it currently depends on imports, rather than growing and selling its own GM crops, according to Li.

"Since 1996, when the United States started applying GM technology to planting soya beans, the cost of soya dropped dramatically, and China began to need to import such products," he said.

"About three-quarters of the soya on the Chinese market is imported. The government subsidizes soya farmers heavily, but they only produce about 12 million tons of non-GM soya every year, and their products are uncompetitive."

Among the GM staple crops in China, only cotton can be planted on a large scale and sold, said Huang Dafang, a researcher from the Biotechnology Research Institute at the Chinese Academy of Agricultural Sciences. He said this poses a threat to food security in China, especially when international food prices begin to rise.

Zhang Qifa, a professor at Huazhong Agricultural University and academician at the Chinese Academy of Sciences, told Southern Metropolis Daily that 61 academicians signed the petition in July and asked the Ministry of Agriculture to push for the planting of GM rice.

Click [here](#) for details

China's dairy market policies clear as milk

[Caixin, 23-10-2013] Dairy operators pouring over the Chinese government's latest industry-support policies and what speculators have been saying about future policy changes want to know whether the cup is full, half-empty or nonexistent.

Clear answers are hard to find because mixed signals have been trickling out of the Ministry of Industry and Information Technology (MIIT), Ministry of Agriculture (MOA) and other policymaking agencies since last spring.

The government in general wants to strengthen the Chinese dairy industry's reputation and fend off competition from companies in Australia, Germany and other countries that have been grabbing market share since 2008.

That year, tens of thousands of children across China were sickened after drinking domestically produced baby formula intentionally laced with a plasticizer called melamine by

dairy farmers seeking higher profits through faked protein counts. Health authorities said tainted milk powder killed at least six.

Shocked Chinese consumers shifted their allegiance to foreign baby formula, and the government directed Beijing Sanyuan Foods Co. to buy the bankrupt dairy at the center of the scandal, Sanlu Group, for 617 million yuan.

It appears further consolidation is among the government's latest goals. Some industry watchers say Beijing is backing only the country's largest, state-run dairies. But some government officials say they want to lift the industry as a whole without playing favorites.

Domestic media reported in mid-September that MIIT had picked five dairies to receive government subsidies worth a combined 30 billion yuan. The companies – Inner Mongolia Yili Industrial Group, China Mengniu Dairy Co., Heilongjiang Wondersun Dairy Co., Feihe International Inc. and Treasure of Plateau Yak Dairy Co. – were also reportedly offered special credit access.

The reports triggered disputes over whether the government should give preferential treatment to a "national team" of dairy firms at the expense of smaller players.

Some government officials later denied the media report. Gao Fu, an official at the MIIT's consumer goods department, said on September 28 that the subsidies would not be company-specific but would go toward boosting domestic brands overall and improving quality control industry-wide.

Nevertheless, industry players have continued debating whether the government should build and finance a champion team. The five dairies named in the media report applauded the team approach, while other companies complained about its likely effect on competition and fears of disputes with countries that sell dairy products in China over what could be seen as trade protectionism.

Even while the debates were continuing, MIIT on October 18 handed the State Council a five-point plan outlining future government support for dairy industry consolidation. The government, it said, should provide subsidies, credit and land.

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China may revamp rural-land rights as part of reforms

[Bloomberg, 28-10-2013] China Politburo member Yu Zhengsheng said the Communist Party would consider “unprecedented” economic reforms next month, as a top research agency proposed changes to rural land ownership rules and social security.

The Development Research Center under the State Council, or cabinet, has also proposed adding “outside investors” to boost competition, China News Service reported Oct. 26, citing a publicly released plan. Yu’s comments in the southern city of Nanning were reported Oct. 26 by the official Xinhua News Agency.

Credit Suisse Group AG said the proposals are ambitious and exceed its expectations, while Nomura Holdings Inc. said the government’s effectiveness in implementing reforms remains to be seen. Analysts surveyed by Bloomberg News this month said policies flowing from the meeting, called the third plenum, will reduce the odds of a severe slowdown or financial crisis.

The meeting “will focus on studying comprehensive and deep reform,” Yu was quoted as saying in Xinhua’s report. “The depth and strength of the reforms will be unprecedented and will promote profound changes in every area of the economy and society.”

The plans are part of “probably the most ambitious” economic initiatives since the People’s Republic of China was formed and should be viewed as the foundation of President Xi Jinping’s reform framework to be unveiled at the third plenum, Dong Tao, a Hong Kong-based economist at Credit Suisse, said in a note today. Even so, the “details are missing at this moment” and their effectiveness depends on “policy design and execution,” Tao wrote.

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Legislation speeded up to reduce pollution

[China Daily, 30-10-2013] China plans to speed up the introduction of legislation related to environmental protection and resource management amid rising public concern over pollution.

A five-year legislative agenda revealed on Wednesday by the Standing Committee of the 12th National People's Congress shows that the top legislature wants to review 11 environment-related draft laws and amendments. In the legislative plan drafted five years ago, only seven fell in this category.

The standing committee, consisting of more than 170 members, was elected in March. Once a new committee is formed, it makes a legislative plan for its five-year tenure.

"The rise (of draft laws) in this category shows the top legislature's great concern for environmental protection and resource management," said Zhai Yong, director of the legislation department of the NPC's Environment and Resources Protection Committee.

"It also shows the country urgently needs to protect the environment and scientifically exploit natural resources," he said.

The number of environment-related draft laws is higher than in the previous legislative agendas, and they also touch on more concrete issues.

For example, planned laws and amendments on the new agenda cover the prevention and control of air pollution, water pollution and soil pollution. Basic ocean and nuclear security laws are also in the pipeline.

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Food Safety Law set to change, harsher punishments

[ECNS, 31-10-2013] The State Council has made public the draft amendments to the Food Safety Law that seek harsher punishment for offenders and stronger oversight of food companies and local governments.

Additionally, the draft offers "innovative" supervision methods over companies and governments and encourages people's participation in increasing food safety in China.

On baby foods, the draft asks manufacturers to report raw materials, ingredients and labels of their products to food safety administrations but bars them from "contracting production to other people or repackaging original products."

Food safety has become one of the critical concerns for the Chinese people after milk powder tainted with melamine killed at least six infants and made thousands of children ill in 2008.

The use of gutter oil, made from kitchen waste, is another product that is likely to attract severe penalties. The oil contains cancer-causing substances and is often used as a cooking medium by restaurants because it is cheap.

The draft shows fines for severe food safety violations such as the use of illegal additives will be 15 to 30 times the amount involved in the misconduct, up from the current five to 10 times. The minimum compensation has also been set to 1,000 yuan (\$164.10).

It stipulates that those handed jail terms for food-related offences can no longer work in the field, while the principals of food risk evaluation institutions would be sacked if their subordinates present false evaluation reports.

For online shopping platforms, the draft stipulates that the websites shall also be held responsible for the quality of their food products even if they are not the actual manufacturers.

Chinese food safety authorities have been repeatedly urged by the media and activists to enhance safety compliance standards since the 2008 scandal that outraged many.

The government has opened a dialogue with the people to discuss the changes of the draft until November 29.

Click [here](#) for details

Science, Technology and Environment

Chinese hybrid rice yield hits record

[Xinhua, 29-09-2013] A team led by Yuan Longping, known in China as "the father of hybrid rice" has made a record for hybrid rice production with an average yield of 988.1 kilograms per mu (0.0667 hectares).

Deng Qiyun, a member of the team, told Xinhua Sunday that the new progress has pushed China's hybrid rice study to a new level and greatly boosted the team's confidence to achieve the targeted production of 1,000 kg per mu.

The new record was confirmed by experts from the China National Rice Research Institute, the Wuhan University and the Fujian Academy of Agricultural Sciences, who actually harvested three lots of a farm of 101.2 mu growing the new hybrid rice known as "Y liangyou 900" on Saturday.

The farm is located at Niuxing Village, Longhui County of central China's Hunan Province on Saturday.

Officials from the China National Hybrid Rice Research and Development Center confirmed the development.

Click [here](#) for details

China takes the lead in cotton research

[MOA, 09-10-2013] China is taking the lead in identification, testing, breeding and application of new cotton cultivar resistant against Verticillium Wilt, announced by an expert panel today.

The expert panel, composed of academicians specialized in cotton, made the above conclusion after reviewing the results out of the project of Breeding and Application of Zhongzhi Cotton Cultivars against Verticillium Wilt. The project was jointly undertaken by the Institute of Agro-Products Processing Science and Technology and the Institute of Plant Protection under Chinese Academy of Agricultural Sciences (CAAS), and Nanjing Agricultural University.

The 26-year research confirmed the resistance of existing Chinese cotton cultivars against Verticillium Wilt, said the project leader, Dai Xiaofeng. Such resistance is scientifically proved to be qualitative inheritance, and the inherited character is produced by multiple genes.

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Water: All dried up

[Economist, 12-10-2013] CHINA endures choking smog, mass destruction of habitats and food poisoned with heavy metals. But ask an environmentalist what is the country's biggest problem, and the answer is always the same. "Water is the worst," says Wang Tao, of the Carnegie-Tsinghua Centre in Beijing, "because of its scarcity, and because of its pollution." "Water," agrees Pan Jiahua, of the Chinese Academy of Social Sciences. "People can't survive in a desert." Wang Shucheng, a former water minister, once said: "To fight for every drop of water or die: that is the challenge facing China."

He was not exaggerating. A stock image of China is a fisherman and his cormorant on a placid lake. The reality is different. The country uses 600 billion cubic metres (21,200 billion cubic feet) of water a year, or about 400 cubic metres a person—one-quarter of what the average American uses and less than half the international definition of water stress.

The national average hides an even more alarming regional disparity. Four-fifths of China's water is in the south, notably the Yangzi river basin. Half the people and two-thirds of the farmland are in the north, including the Yellow River basin. Beijing has the sort of water scarcity usually associated with Saudi Arabia: just 100 cubic metres per person a year. The water table under the capital has dropped by 300 metres (nearly 1,000 feet) since the 1970s.

China is using up water at an unsustainable rate. Thanks to overuse, rivers simply disappear. The number of rivers with significant catchment areas has fallen from more than 50,000 in the 1950s to 23,000 now. As if that were not bad enough, China is polluting what little water it has left. The Yellow River is often called the cradle of Chinese civilisation. In 2007 the Yellow River Conservancy Commission, a government agency, surveyed 13,000 kilometres (8,000 miles) of the river and its tributaries and concluded that a third of the water is unfit even for agriculture. Four thousand petrochemical plants are built on its banks.

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China confirms new human H7N9 infection

[Xinhua, 15-10-2013] One new human H7N9 avian influenza case has been confirmed in east China's Zhejiang Province, local authorities said Tuesday.

It was the second such case reported in Zhejiang since late April, according to a statement from the provincial health department.

A 35-year-old man surnamed Liu tested positive for the H7N9 virus at the Zhejiang Provincial Center for Disease Control and Prevention, according to the statement.

Liu, a company employee from Shaoxing County, was admitted to a township hospital on Oct. 8. He is in critical condition and is receiving treatment at a Shaoxing county hospital.

H7N9 bird flu cases in China reached 134 by the end of August. Of the cases, 45 patients have died, according to the National Health and Family Planning Commission.

No new cases of H7N9 infection were reported on the Chinese mainland in September, according to the commission.

Click [here](#) for details

China Exclusive: Endangered indigenous rice re-established in N China

[Xinhua, 17-10-2013] A rare indigenous rice species, which almost became extinct in the 1970s due to low yields, is being revived in north China's Hebei Province.

The variety, known as "kermes rice" for its red color, similar to the dyestuff of the same name, has a history extending over 300 years and was once offered to the imperial court as tribute during the Qing Dynasty (1644-1911).

"It has not been easy but I have developed more than 80 mu (5.3 hectares) of the crop since I got a handful of about 300 seeds from my friend Li Ming in Tangshan City, seven years ago," said Zheng Hehai, head of Tangshan Daoxiang Rice Co., Ltd.

In the 1970s, farmers turned to other crops for their superior output and stopped planting kermes rice completely when it was banned by the local government. Li Ming's father secretly hid some spikes of the rice in his home. In 1984, Li happened upon the spikes and sowed the few dozen seeds that remained. The harvest became the seed source for current crops of kermes rice.

One of 140,000 rice varieties in the world, kermes is indigenous to eastern Hebei. The plant is 30 cm taller than most rice species and is vulnerable to stalk leaning. Its output is about 90 kg per mu, compared with more than 400 kg for general rice, according to Zheng.

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Chemical poisoning-related injury in China

[The Lancet, 19-10-2013] Chemical poisoning is an important cause of morbidity and mortality worldwide. In China, 2 million chemical poisonings are reported annually, leading to more than 150 000 deaths annually. Intentional chemical poisoning is not only a complex social issue, but also a serious public health problem. In China, suicides result in 195 000 deaths annually, and 60% of suicides are through consumption of pesticides.

Three factors are important to understand chemical injuries in China. First, more than 45 000 chemical products, including about 770 approved pesticides, are available in China. Although China has comprehensive laws for managing these chemicals, they are not strictly enforced by relevant authorities. In rural areas, many pesticides (70%) are stored at home unlocked; and roughly 60% of farmers still use WHO category 1 organophosphates, although their use has been banned for more than 10 years. Potentially poisonous chemicals can be purchased online, such as thallium, used in a chemical poisoning at China University of Mining and Technology in 2007.

Second, physicians might lack adequate training to make an accurate and timely diagnosis of chemical poisoning and provide appropriate treatment. Third, easy access and absence of traceability might be important factors to explain criminal use of poisons, and also for suicides.

To reduce these poisoning tragedies, strict enforcement of regulations is urgently needed to control access to toxic chemicals in China. Prohibition of the most toxic pesticides, control of highly toxic pesticides, and development of effective, less toxic pesticides are necessary to reduce the risks for farmers. Moreover, education on chemical safety and adequate training of primary care health workers in rural areas could reduce the injury and death caused by chemical poisoning.

Click [here](#) for details

China Exclusive: GM rice taste test quells doubts

[Xinhua, 21-10-2013] About 260 Chinese volunteers participated in a taste test of genetically modified (GM) rice, hoping to reassure the public about the food.

The volunteers savored cakes and porridge made from GM rice at a campaign initiated by pro-GM Internet users on Saturday at Huazhong Agriculture University in Wuhan, capital

city of central China's Hubei Province. The rice included "golden rice", grown by the university and modified to be rich in beta carotene.

GM food remains controversial nearly two decades after being introduced to the commercial market, as there is still no consensus on whether or not it is harmful to humans.

"Today, genetically engineered food is everywhere. My wife buys modified soy oil all the time, even after she became pregnant months ago," said Zhu, a participant who works in IT at a bank in Wuhan.

The volunteers, from 20 provinces and municipalities, signed up for the event via QQ, a popular instant messaging tool.

"Maybe we are all skeptics at the beginning. But some day we must believe the things we used to distrust," said another volunteer from Shanghai. "We should not blindly object to high and new technology, like genetic modification."

Similar taste tests have been staged since May in more than 20 cities, drawing over 1,000 participants.

Click [here](#) for details

Chinese researchers develop H7N9 flu vaccine

[Xinhua, 26-10-2013] Chinese researchers announced Saturday they had successfully developed the vaccine for the H7N9 bird flu virus, after the flu strain had left more than 130 people infected, with 45 fatalities reported.

Shu Yuelong, director of the Chinese National Influenza Center, said this is the first influenza vaccine ever developed by Chinese scientists.

The vaccine has provided important technical support to battle the new flu strain, making contribution to the H7N9 flu virus epidemic control all over the world, said Shu, also director of the WHO Collaborating Center for Reference and Research on Influenza.

The vaccine was jointly developed by the First Affiliated Hospital under the School of Medicine of the Zhejiang University, Hong Kong University, Chinese Center for Disease Control and Prevention, National Institute for Food and Drug Control, and the Chinese Academy of Medical Sciences.

Li Lanjuan, leading researcher from the Chinese Academy of Engineering, said the team started research after they successfully isolated H7N9 bird flu virus from the throat swab sample of an infected patient on April 3.

The team applied plasmid reverse genetics and genetic reassortment, which was widely adopted by the world, to develop the vaccine seeds, which were later proved to be safe with the embryonated chicken eggs, she said.

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Combating air pollution may hurt water supplies: Experts

[China Daily, 26-10-2013] What's good for China's air may not be good for its water, according to an analysis from environmental experts.

China's State Council's announced a plan last month to combat air pollution, which includes banning new coal-fired power plants in areas around Beijing, Shanghai and Guangzhou. But some recommendations in the measure — now seemingly urgent in light of the record-setting levels of smog that recently shut down the northeastern Chinese city of Harbin — could be

harmful to the country's water supplies if carried out, experts at World Resources Institute (WRI) wrote on their website (www.WRI.org).

The Air Pollution Control Action plan calls for replacing coal with natural gases, including the conversion of coal to synthetic natural gas (SNG). But WRI's experts said that it takes six to 10 liters of freshwater to produce one cubic meter of SNG, which would be a drain on China's water supplies.

Many of the 18 approved SNG plants that WRI analyzed are going to be located in "water-stressed regions" and they could "exacerbate water scarcity." The large-scale facilities can produce 75.1 billion cubic meters of natural gas per year, according to WRI, which will consume 500 to 700 million cubic meters of freshwater a year if operating at full capacity.

"That's almost 20 percent of the region's total industrial water use in 2011," analysts at WRI wrote. "The plants would therefore significantly exacerbate stress in areas already experiencing chronic water shortages."

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GM rice passes safety tests in China

[CCTV, 27-10-2013] Researchers at China's Agricultural University have concluded that testing on transgenic rice has so far brought no abnormalities. The results came after 90 days' of tests to see if the genetically modified food had any health affects.

News that Chinese scientists were testing genetically modified rice on animals has drawn widespread attention.

Professor Huang Kunlun from China's Agricultural University is in charge of the research. He says guinea pigs and monkeys were used in the testing because they have strong similarities to human digestive systems and how they process nutrition.

Established in 2012, the research team carried out studies on the animals' metabolism, immunity, and reproductive systems. Researchers spent 90 days on the testing work. During this period, there were no reports of deaths or toxication. All the animals tested were found to be healthy.

According to China's Ministry of Agriculture, a number of countries have tested GM foods on animals. Countries like the US and Germany have used GM corn or beans on cows, chicken and fish.

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International Relations

Significant Irish agri-food expansion to China

[AgriLand, 03-10-2013] Irish agri-food exports to China for the first six months of this year have increased by 25 per cent, from €162 to €203m with Irish dairy exports showing a substantial increase from €95m to €126m, an increase of 33 per cent in this period.

This is according to latest figures from the Department of Agriculture published last week. The breakdown figures are as follows:

- Dairy products increased from €103m in 2010 to €182m in 2012, an increase of 77 per cent.
- Pigmeat exports increased from €8m in 2010 to €44m in 2012, and increase of 450 per cent

- Seafood exports have also grown from €5.7m in 2010 to €10m in 2012, a 75 per cent increase.
- Exports of hides and skins are valued at €40m in 2012.

Since the signing of the renewed agreement with China and the Irish Government in April 2012, there has been a significant increase in the number of political and trade related visits from China to Ireland.

Click [here](#) for details.

Food scare tops Key's chat with Xi at Apec

[The NZ Herald, 07-10-2013] The fact that President Xi Jinping of China was so well briefed on the Fonterra food scare issue in his meeting with John Key last night was an indication of how seriously China took it, the Prime Minister said afterwards.

The president had told him how food safety standards were hugely important to Chinese consumers, particularly because of its one-child policy.

Mr Key emerged from the 45 minute meeting at Apec in Bali believing that China did not have concerns about how the food safety scare had been handled.

"But he can see the sincerity of the way we are handling the issue," Mr Key told reporters after the meeting. "

The fact that I was prepared to come up to China was another demonstration of that sincerity," Mr Key said.

China would facilitate his visit early in 2014 after the result of the Government inquiries were known.

Asked if the president had expressed any concerns, Mr Key said "the fact that he was engaged, understood and was briefed tells you that we can't take this situation lightly."

The message the government would be giving Fonterra was the same message it would be giving to its own regulator, the Ministry of Primary Industries - "and that this is serious stuff."

"We send about \$8 billion worth of product to China every year; there are consequences if mistakes are made or if we don't reach the gold standard."

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Dutch expert wins 2013 Chinese "Friendship Award"

[MOA, 12-10-2013] Recommended by MOA, Prof. Arnold Jan Piet van Wijk, a Dutch expert on new plant variety protection, won the 2013 "Friendship Award" of the Chinese government.

As a senior expert and project director of the Netherlands Inspection Service for Horticulture, Prof. Arnold Jan Piet van Wijk is mainly in charge of new variety testing and management for flowers and field crops. Known for his expertise on plant genetics and forage breeding, he has abundant experience in the field of variety identification and protection.

With the support of Department of International Cooperation of MOA, Development Center for Science and Technology of MOA and the Netherlands Inspection Service for Horticulture jointly conducted two programs on new plant variety protection from 2007 to 2011.

Under the above programs, Prof. Arnold Jan Piet van Wijk visited China for 16 times and delivered as many as 450 hours of technical training for over 400 persons/times of Chinese

staff, among which 60 persons/times went to the Netherlands for advanced study on variety identification.

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What does China own in Britain?

[BBC, 14-10-2013] As the world's second largest economy, the fastest growing economy in the G20 and with more than a trillion dollars sitting in various sovereign wealth funds, China has quite a bit of cash to invest.

In recent years it has begun loosening the purse strings - in 2005, the Chinese government and Chinese companies collectively invested about \$17bn (£11bn) in global assets, according to The Heritage Foundation. Last year they invested almost \$130bn.

That sounds like a lot of money, but in the context of global world trade or the economic output of developed economies, it is small change. For example, the total amount of money invested by China into Britain over the past nine years amounts to just 0.7% of the UK's total GDP in 2012.

And Britain is one of the more popular destinations for Chinese investment. It is in the top 10 nations globally and attracts more than double the investment of any other nation in Europe. Globally, Australia comes out top, but even here Chinese investment last year equated to just 0.6% of the country's annual GDP. In developing nations, Chinese investment is more significant. In Nigeria, for example, inflows from China equated to 2% of GDP in 2012.

Almost half of all the money invested overseas by China and Chinese companies in the past nine years went into the energy and power sector. China's demand for energy is expected to triple by 2030 so countries with abundant natural resources will continue to attract the most money from China.

While more Chinese money is invested in the energy sector than in any other in Britain, China holds a number of investments elsewhere, including in Barclays Bank, BP, Diageo and Thames Water. Most are minority stakes, but it does have a controlling interest in some household names. For example, Bright Foods owns a 60% stake in Weetabix, the Wanda conglomerate owns 92% of Sunseeker boats, while Geely Automobile owns Manganese Bronze, the company that makes London taxis.

Some of the companies listed below are not British firms, but the investments shown refer to assets based in Britain. For example, last year China Investment Corporation paid Ferrovial \$700m to buy a 10% stake in Heathrow airport, and paid \$400m to Deutsche Bank to take a stake in the bank's London offices.

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Visa rules for Chinese coming to the UK to be relaxed

[BBC, 14-10-2013] Visa applications for Chinese visitors entering the UK will be simplified, Chancellor George Osborne has announced during his trade trip to China.

Under the plan, Chinese nationals visiting the EU will not need to submit separate UK visa applications if they book with selected travel agents.

Mr Osborne is trying to persuade more Chinese companies to invest in the UK.

But he told BBC Radio 4's Today programme that his trip was also about changing British attitudes to China.

"Many people think of China as a sweat shop on the Pearl River. Yet it is at the forefront of medicine, computing and technology. It's a very rapidly changing country."

Earlier, Mr Osborne told an audience of students that his visit was about "much more than a collection of business deals".

"What I really want it to be about is strengthening the understanding between our two nations, deepening our friendship, working out where by working together we can improve the lives of all our citizens," he said in a speech to university students in Beijing.

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Rabobank Report: Dairy imports set to grow to meet Chinese appetite for milk

[Rabobank, 14-10-2013] China's demand for dairy imports is set to grow for at least the next two years, as its local milk production struggles under structural change in the supply chain. Despite the fast pace of development in China's own dairy farm system, local production has stalled. According to Rabobank's latest report 'China's Raw Milk Supply –Still Dreaming of a White River', China's domestic producers face multiple challenges in meeting growing domestic demand. Consequently, imported dairy products and ingredients will continue to play an increasingly important role.

"Milk production in China is struggling to grow as a result of small-scale farmers exiting the industry and large-scale farms still being under development," explained Rabobank analyst Hayley Moynihan. "It is likely to be at least two to three years before the pace of large-scale dairy farm expansion in China outweighs the current contraction in 'backyard' sources and leads to a reduction in import growth."

China's appetite for milk and dairy products has been rapidly accelerating in recent years, as its consumers become increasingly affluent and adopt a more westernised diet. However, slowed growth in milk production has already seen the country's reliance on dairy imports grow by between 20 and 30 per cent per annum in the past two years. China is now expected to import almost 20 per cent of its milk products to satisfy growing domestic demand. The surge in Chinese buying in a shrinking global supply pool of dairy has squeezed out many other buyers and held dairy prices at high levels.

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China accelerates overseas food investment as safety scares hit

[SCMP, 23-10-2013] China's food safety concerns are accelerating the country's overseas investment in food and beverage companies and agriculture.

Chinese outbound direct investment in agriculture and technology has increased sharply over the past few years, according to Ernst & Young.

It represented 15 per cent of all Chinese outbound direct investment in the first half of this year compared with 4 per cent in 2009.

The value of major Chinese outbound merger and acquisition in food and agriculture exceeded US\$9 billion from 2010 to September this year, according to an estimate by the Economist Intelligence Unit (EIU).

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China's food imports will jump about sevenfold to US\$360 billion in 2050 from about US\$50 billion in 2007, according to the Australian Department of Agriculture, Fisheries and Forestry.

Outbound Chinese investments in agriculture would keep growing at the same pace as the past few years or even increase, said Laurel West, Asia director of industry and management research at EIU.

Globally, mergers and acquisitions in the food and beverage sector leapt 117 per cent to US\$194.6 billion last year, Thorn said.

Click [here](#) for details

Japanese dairy giant Meiji quits baby milk market in China

[SCMP, 25-10-2013] Tough competition and rising production costs have forced Japanese dairy giant Meiji to pull its milk formula business from the China market.

The company posted a statement on its website yesterday saying it would suspend sales of three baby formula products and one milk formula for pregnant women on the mainland.

"The competition in China's dairy industry is getting increasingly intense," it said. "Despite the severe business environment, Meiji continues using Australia-imported milk powder, which has increased our production costs year by year and resulted in a severe impact on our profit margin."

But some industry experts believe the reasons for the withdrawal may be more complicated, including fallout from the Fukushima nuclear disaster and tense China-Japan relations.

While giving up the milk formula market on the mainland, Meiji is much more optimistic about the liquid milk, yogurt and confectionery sectors. Last year it invested 3 billion yen (HK\$238 million) to build its first factory in China, in Jiangsu province - expected to be producing soon.

Click [here](#) for details

Demand drives soybean imports

[China Daily, 28-10-2013] Soybean imports are likely to rise to a new high in the 2013-14 market year (September 2013 to August 2014) following a drop in domestic output and greater demand for animal feed and edible oil.

Heilongjiang province in Northeast China, the nation's largest soybean producer, endured heavy rain and flooding over the past four months.

There are more than 235 million hectares of soybean farmland, which had an output of 4.64 million metric tons in 2012, according to Heilongjiang's agriculture commission.

"The adverse weather conditions have severely undercut Heilongjiang's soybean production this year and will force China to import more foreign soybeans to meet its domestic demand," said Hu Zengmin, an analyst at the China National Grain and Oils Information Center in Harbin.

"Based on rising market demand, China's soybean imports in 2013-14 are likely to rise by 15 percent from the previous market year," making 10 consecutive years of rising soybean imports, Hu said.

Soybean imports rose 11.2 percent to 58.4 million tons in 2012 from a year earlier, while prices were up 5.8 percent year-on-year to \$599.30 per ton, according to the General Administration of Customs.

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This issue of *Digest* is compiled by Yuelai Lu of SAIN Secretariat (UK). For more information about SAIN, please visit: <http://www.sainonline.org/English.html>. If you have any further enquiries, please contact Yuelai Lu at: y.lu@uea.ac.uk