

Partnering with China Environmental Issues and Export Potential



2018 AG OUTLOOK FORUM

Zǎoshang hǎo

早上好

Acknowledgements

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- Steve Sothmann, Meat Institute

Photographs Courtesy of Jim Butterworth
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Shenyang, P.R.C.

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ENERANCE



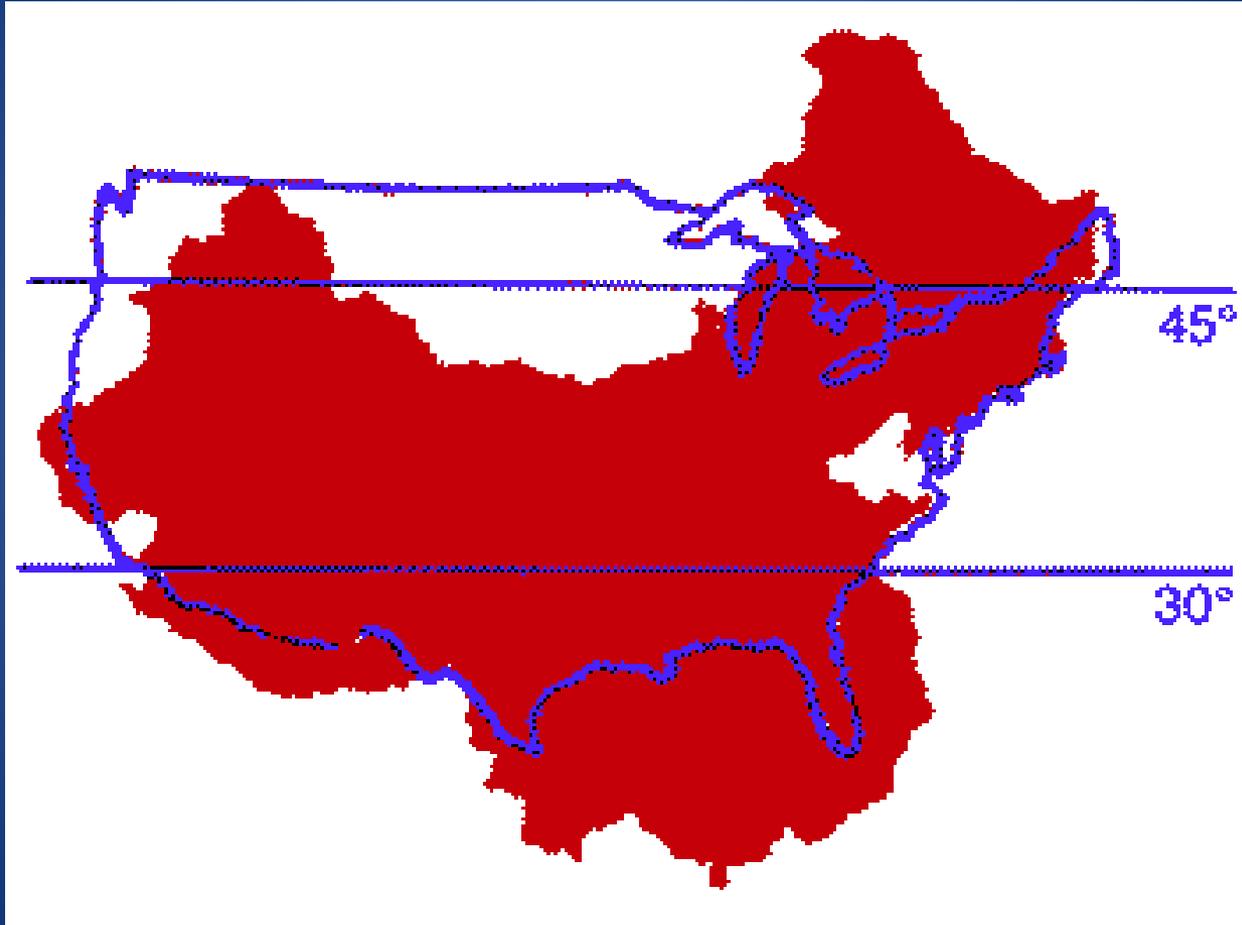
- Harmonious Society.....
- Policy of Peaceful Development
- Balancing economic development, world business trends and socio-economic factors...
- One Belt – One Road

- Rural vitalization.....
- Sustainable rural development.....
- Modernize agriculture.....
- Larger scale, more efficient production.....
- Focus on food safety, food security, sustainability and environmental stewardship.

U.S. – China Overview

Slightly Smaller Area than the United States

Total: 9,596,960 sq km



China's Agriculture ("20/15")

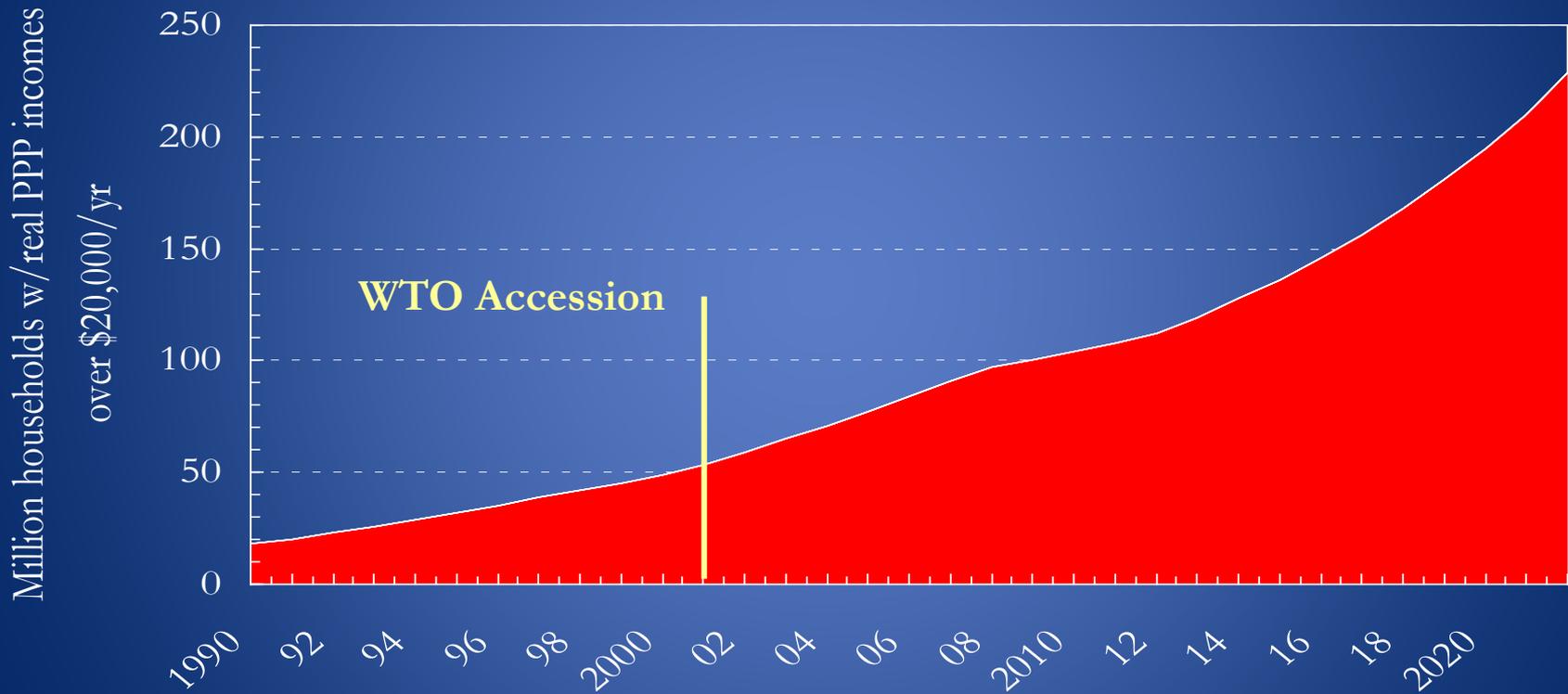
- **20% of world popn; 15% of its land arable**
- **World's largest ag producer by volume**
 - Increasing environmental pressures
 - Growth in cash crops, livestock, and fisheries sectors unlikely to match consumer demand
 - Emphasis on productivity and food safety.....

China's Land Use:

Limited Arable Land – Even in Beijing



China's Expanding Middle Class



Per Capita Protein Consumption

- When 1.3 billion people consume 10kg more per year of animal protein per capita, it means...
 - 20% more global chicken production
 - 15% more global pork production
 - 25% more global beef production

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Domestic Grain Production Inadequate to Meet Demand Growth

- To meet 10kg per capita increased meat demand by 2020, China will need to produce an estimated extra 50 million tons of feed over current levels.
- This is unlikely to happen, especially given China's low corn and soybean yields.
- China will import protein to meet domestic demand.

Focus on Productivity, Food Safety Best Practices and Cold Chain

- >1,000 new or retooled meat plants in 12 years.
- Capacity utilization is low.

China's Cold Chain...

...the Missing Link?



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口碑源于品质

品名：Y号肉

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贮存温度：0-4℃

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口碑源于品质

品名：猪头肉

保质期：15天

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口碑源于品质

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Chinese Ag Future



Constraints to agricultural development include lack of arable land, potable water, surface water and air pollution, disease control, surging input costs, and rapidly increasing labor costs.

Environmental Policy

- December 2017: National Environment Inspection Office cites 18,000 for failure to protect water and air resources
- Hainan Province: Gov. performance evaluations base on environmental stewardship.
- Yangtze River initiative to protect and restore the river basin.

U.S. China Agriculture and Food Partnership (AFP)

- Support the bilateral agricultural relationship by creating opportunities through increased coordination.
- More effective issue advocacy and development of a more positive relationship between the U.S. and Chinese food and agriculture industries.



The Partnership

Founding Members & Partners



- AGCO
- AmCham China
- American Feed Industry Association
- American Meat Institute
- American Soybean Association
- Archer Daniels Midland
- Bayer
- Cargill
- CNH
- Cotton Council International
- ECOLAB
- Elanco Animal Health
- Food and Agriculture Export Alliance
- Jarvis/China
- John Deere
- Kay Dee Feed LLC
- McDermott, Will and Emery
- McLarty Associates
- Monsanto
- Nebraska Dept of Ag
- Northwest Horticultural Council
- OSI Group
- Pioneer Dupont
- Smithfield Foods
- Tyson Foods
- USA Poultry and Egg Export Council
- US-China Business Council
- US Dairy Export Council
- US Department of Agriculture
- US Grains Council
- US Meat Export Federation
- US Trade Development Agency
- US Wheat Associates
- Walmart

U.S. China Agriculture and food Partnership (AFP) – Animal and Animal Products

North American Meat Institute and the China Meat Association:

--Promote business-to-business connections to enhance adoption of advanced meat processing technologies and improve the meat and poultry distribution network in China.

--Build on the strategic objectives of food safety, food security and sustainability

2017-2018 Initiatives

Opened Strategic Level Conversation w/ Top 15 Meat Processors the [U.S. China Meat Industry Executive Roundtable](#).

Launched Strategic relationship and Food Safety Training Program w/ CFDA through the [“CFDA Senior Leaders Food Safety Training Workshop”](#) for 20 CFDA DG/DDGs.

Introduced the Best Practices, Products and Standard of Silage Feeds for Beef Cattle to 150 Working Level MoA Officials, Livestock Farms Managers in [“National Silage Training Workshop”](#) opening major cooperation w/ China in livestock, animal health, and feed sectors

Beyond China To 2030

- **One: Shifting Production/Investment**
 - Africa, US, Brazil & Australia
 - New technology – biotech & nano
- **Two: Food Security Concerns**
 - Linking food & national security
 - Defensive import & export moves
- **Three: Rising Global Middle Class**
 - China, India, Mexico
 - Transport bottlenecks
- **Four: Rich Country Consumption**
 - Concerns about obesity & nutrition



Beyond China To 2030

- **Five: Climate Change & Environment**
 - Weather patterns
 - Concerns about sustainability
- **Six: Science Anxiety**
 - Regulatory concerns
 - Development of industry standards
 - Impact of new technologies
- **Seven: Non-Trade Concerns**
 - Religious, vegetarian, animal welfare
- **Eight: Biofuels**
 - Fuel versus feed and food
- **Nine: Beyond the WTO**
 - Countries moving beyond WTO into FTAs?





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OUTANCE



由此返回

From This Come Back



Thank You!

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