

Recent Developments in China and its Impacts on US Agriculture

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2017 Pro-Ag Outlook



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The new Mike Duffy



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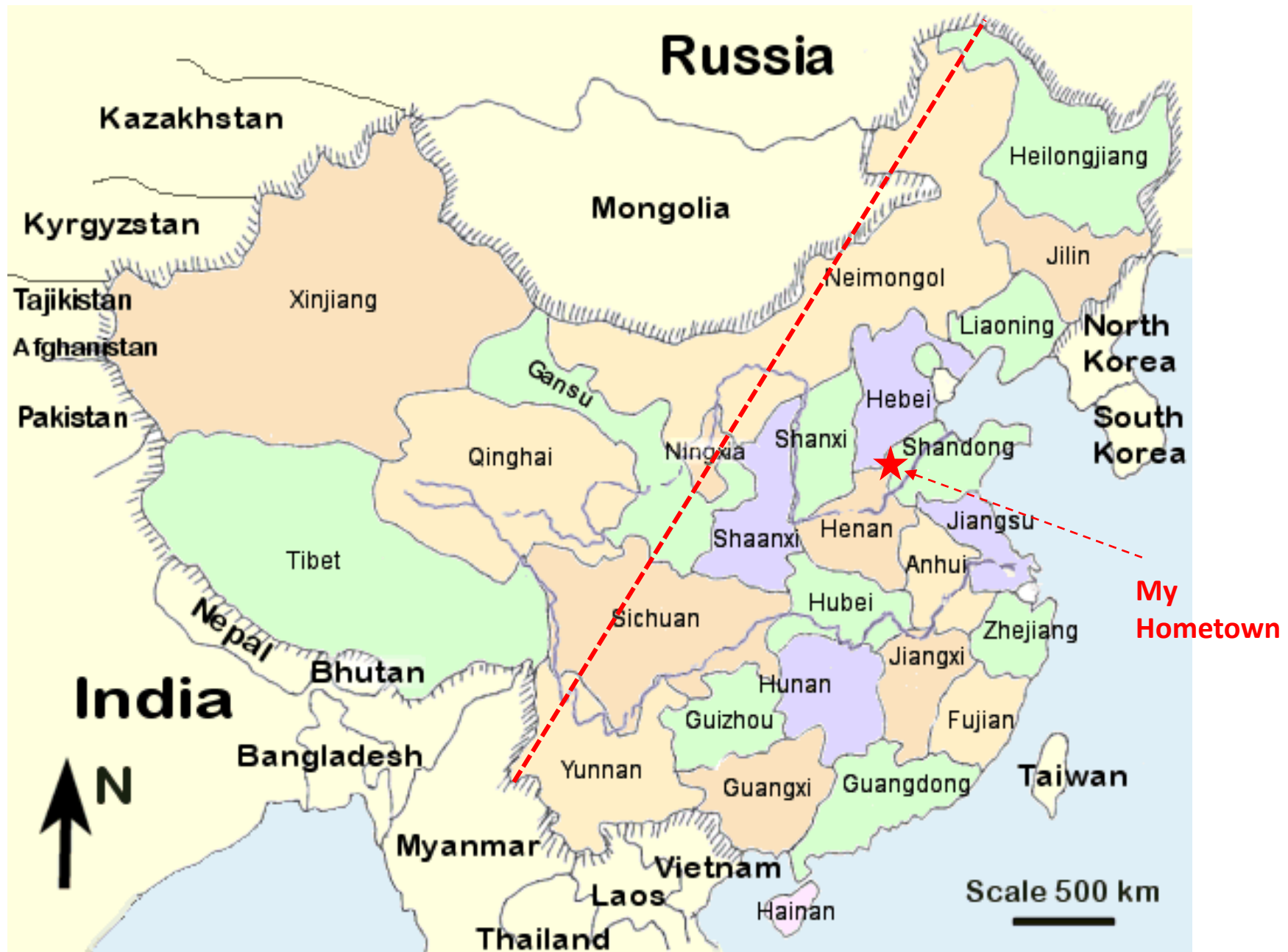
A Quick Introduction: Dr. Wendong Zhang

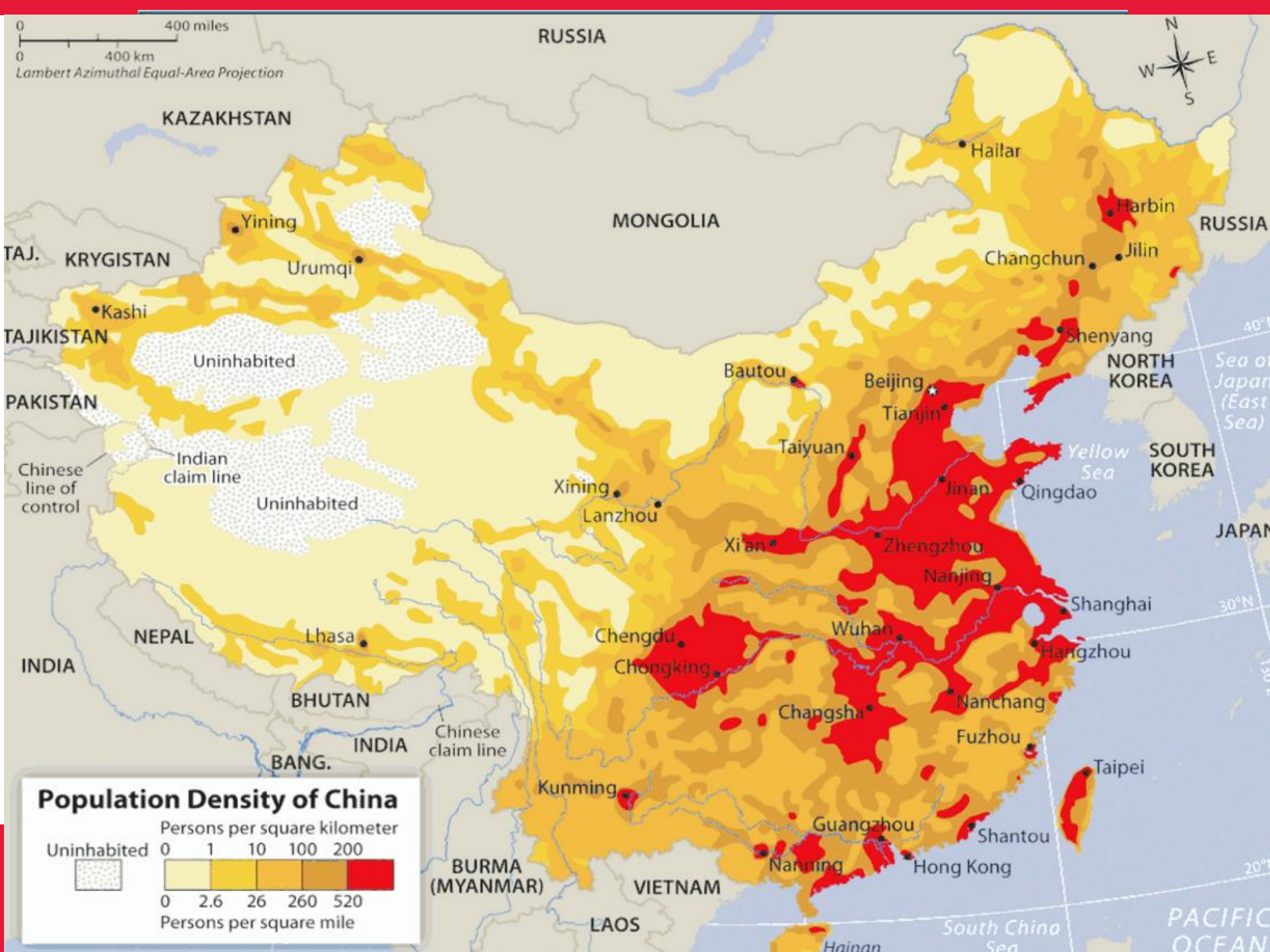
- Grown up in a rural county in NE China
- Attended college in Shanghai and Hong Kong
- Ph.D. in Ag Econ in 2015 from Ohio State
- 2012 summer intern at USDA-ERS on farm economy and farmland values
- Research and extension interests:

land value/ownership <http://card.iastate.edu/farmland/agriculture> and the environment

China Ag: quarterly Ag DM articles

China's Provinces





China's demographics – large is beautiful

1.39 bn

Population
54% urban

453 mn

Households

415 mn

Millennials
(30% of population)

217 mn

Gen Z
(18% of population)



1005 mn

Working age
population

79 mn

College
graduates

1042 mn

Smartphone
subscribers

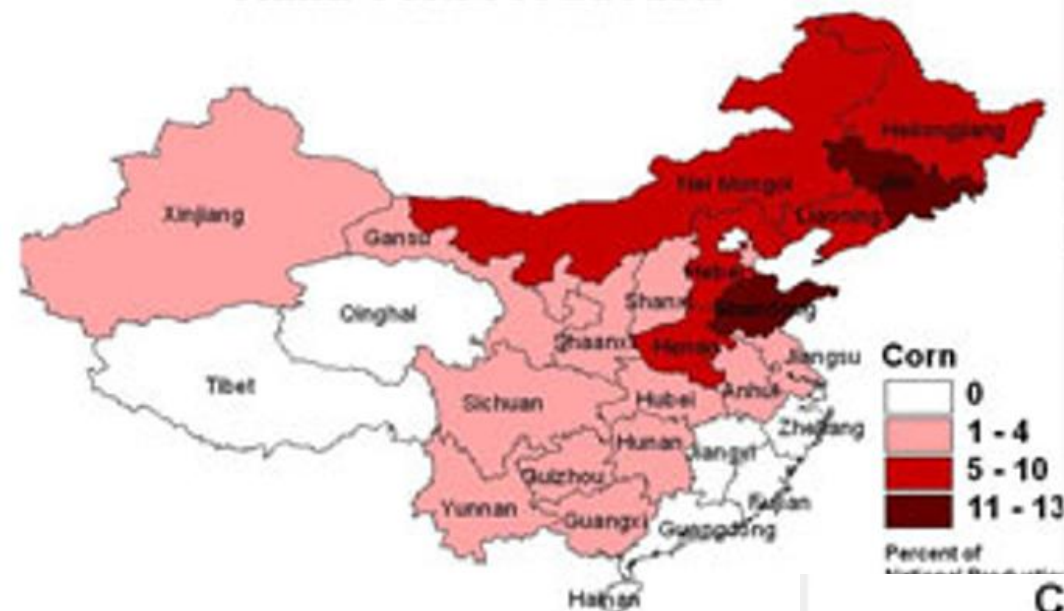
US\$ 606 bn

Online retail
market size

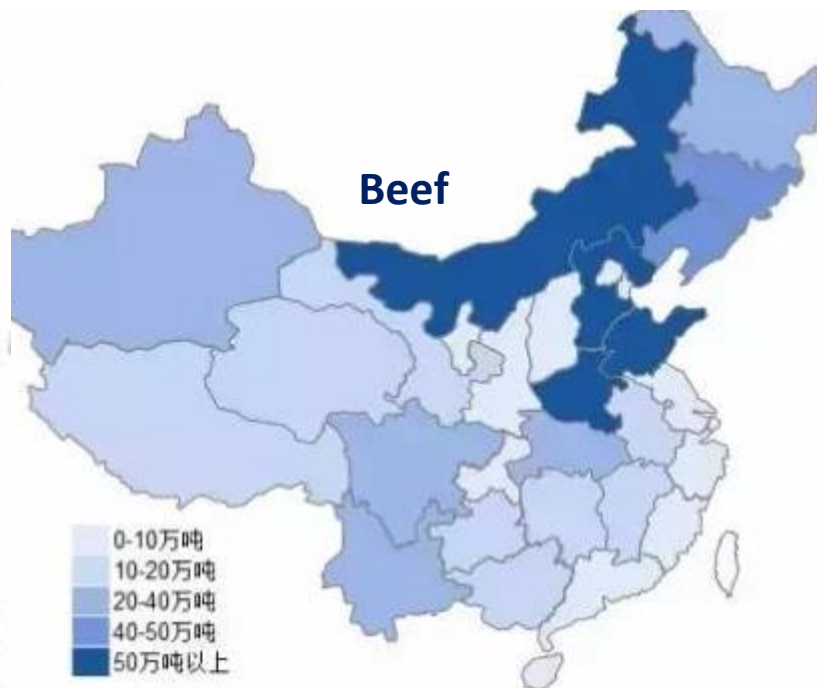
Note : Millennials are those born in the 1990s & 1990s, Gen Z : born after 2000s

Source : BBVA Research, China National Bureau of Statistics

China Corn Production



Beef



China Soybeans Production



Pork



China vs. US

prev

	China	US
Total Population	1350.4 million	318.9 million
Gross agricultural production	555.2 billion \$	232.4 billion \$
Share of Agriculture in Total GDP	10.0%	1.3%
Share of Agriculture in Employment	35.0%	2.0%

	China	US
Number of Farmers	241.7 million	3.2 million
Number of Farms	200.2 million	2.1 million
Total Farmland Area	406.8 million acres	914.5 million acres
Corn Production Area	89.7 million acres	87.4 million acres
Soybean Production Area	16.9 million acres	76.3 million acres
Wheat Production Area	59.6 million acres	45.3 million acres
Total Size of Vegetable/Herb Greenhouses	83.6 million sq.ft.	61.8 million sq.ft.
Average Farm Size	2.0 acres	433.6 acres



United States Department of Agriculture Foreign Agricultural Service

China



\$21.4 billion U.S. Agricultural Exports, 2016

Top 5 U.S. Exports

- 1 Soybeans (\$14.2 billion)
- 2 Course Grains* (\$1.0 billion)
- 3 Hides & Skins (\$949 million)
- 4 Pork (\$578 million)
- 5 Cotton (\$550 million)

*Excluding Corn

Export Growth

2006-2016

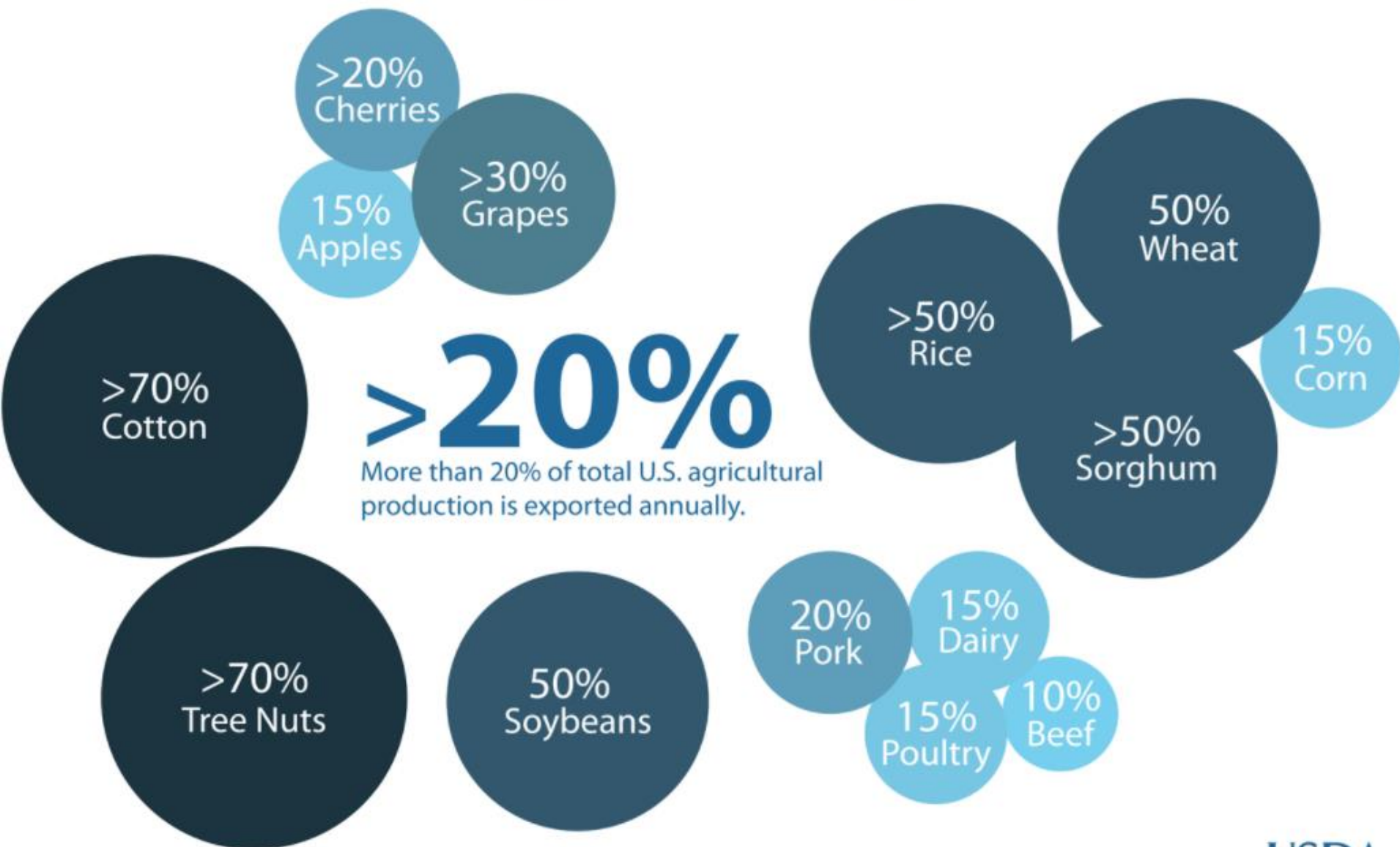


#1

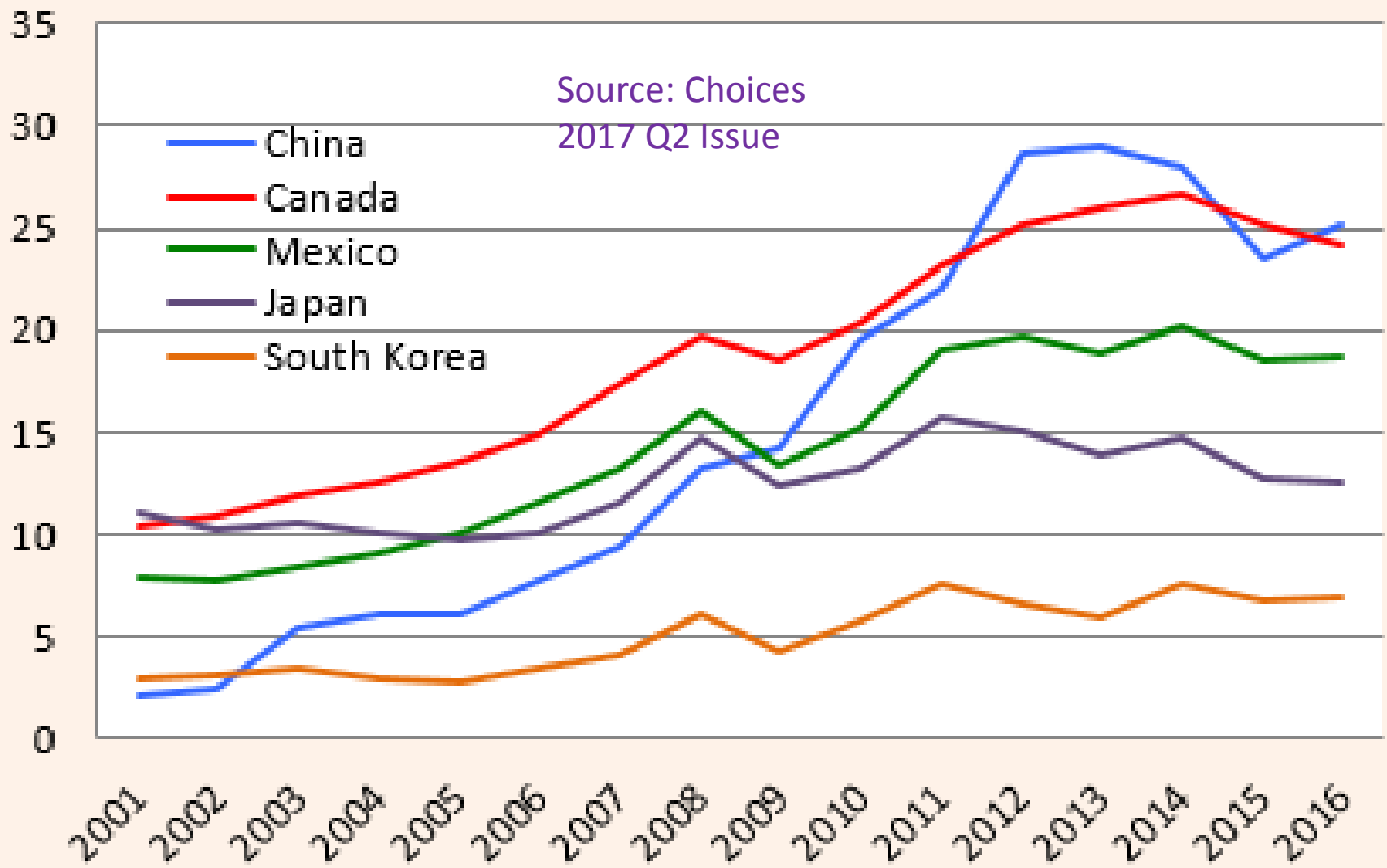
Among U.S.
Agricultural Export
Markets, 2016

Source: FAS Global Agricultural Trade System (GATS) BICO HS- 6

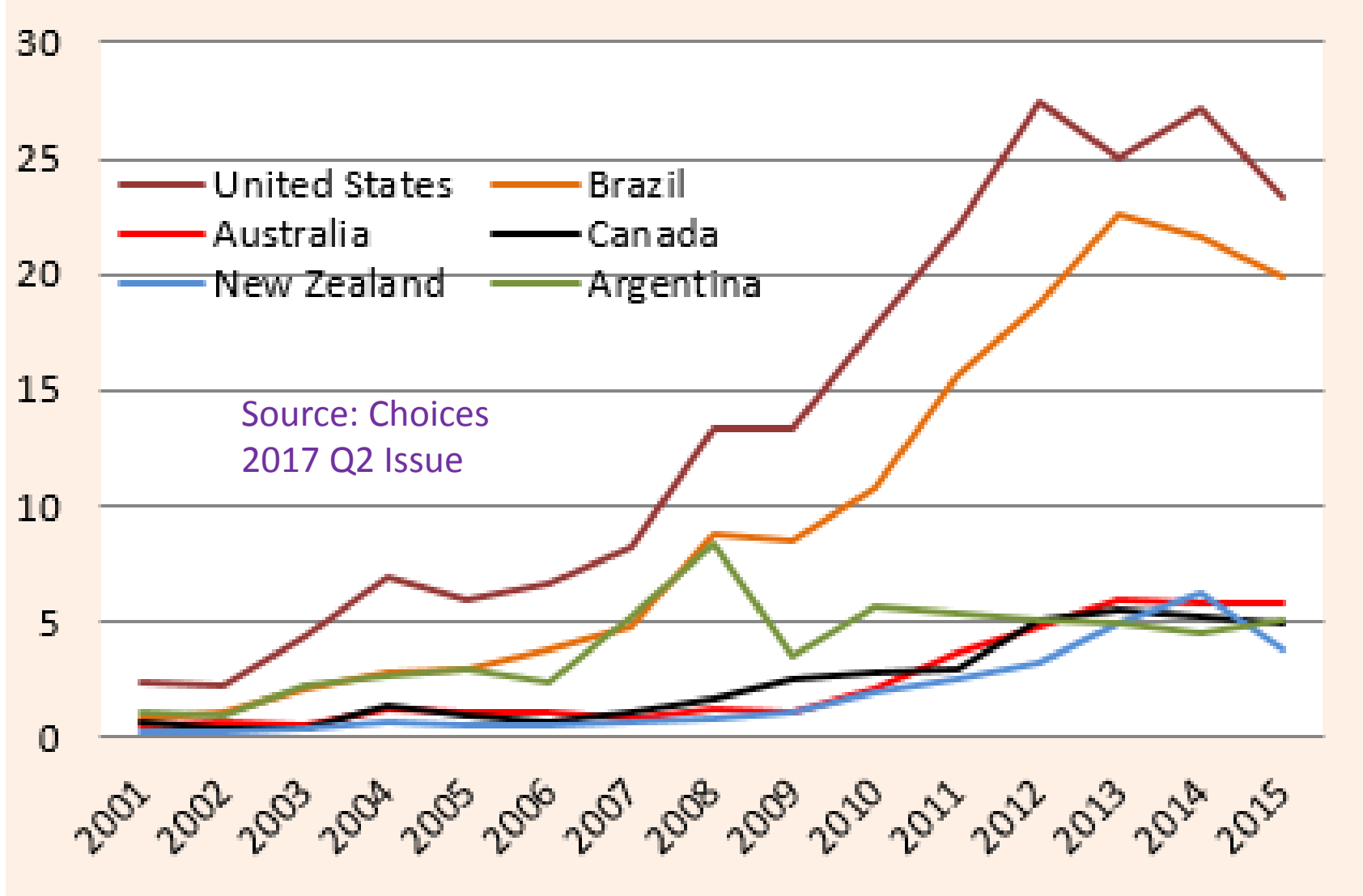
Share of U.S. Agriculture Exported in 2016



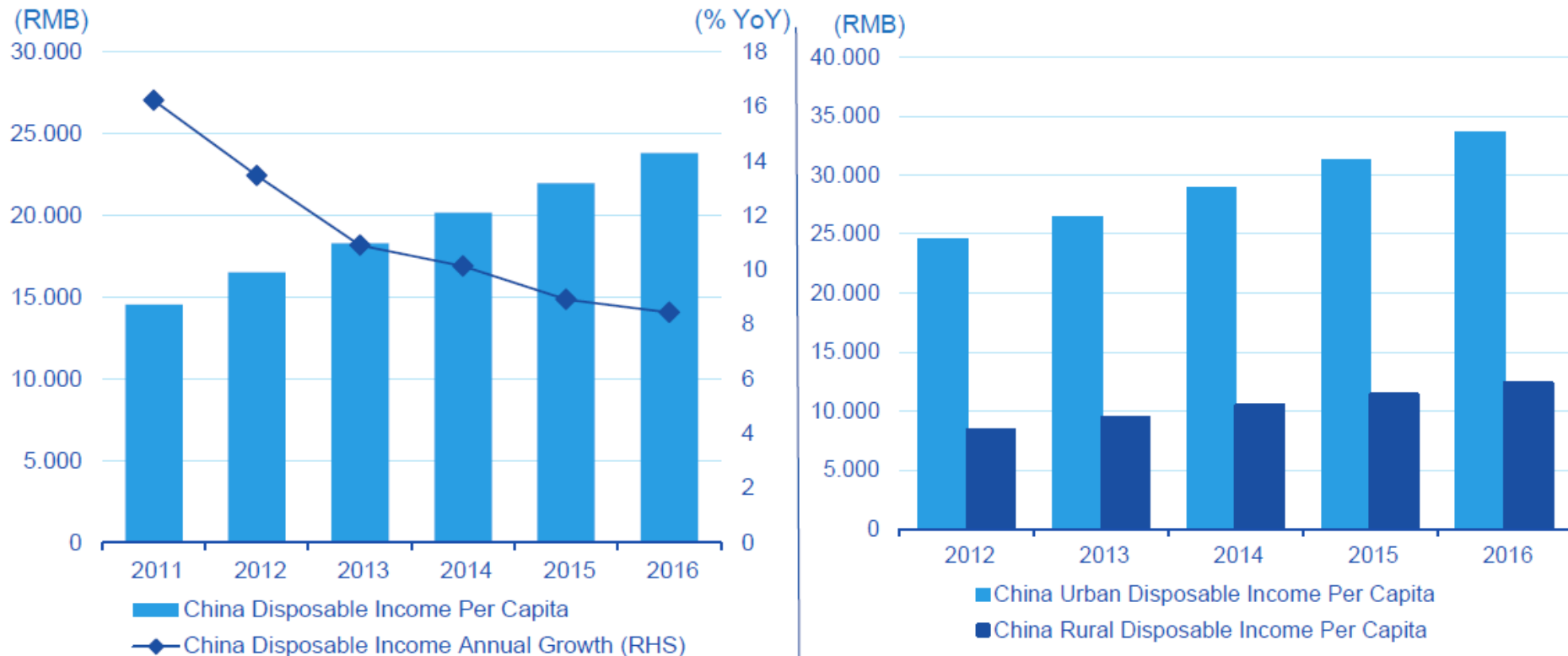
US Ag Exports by Destination Country 2001-2016 (\$ Billion)



China's Ag Imports by Source Country 2001-2015 (\$ Billion)

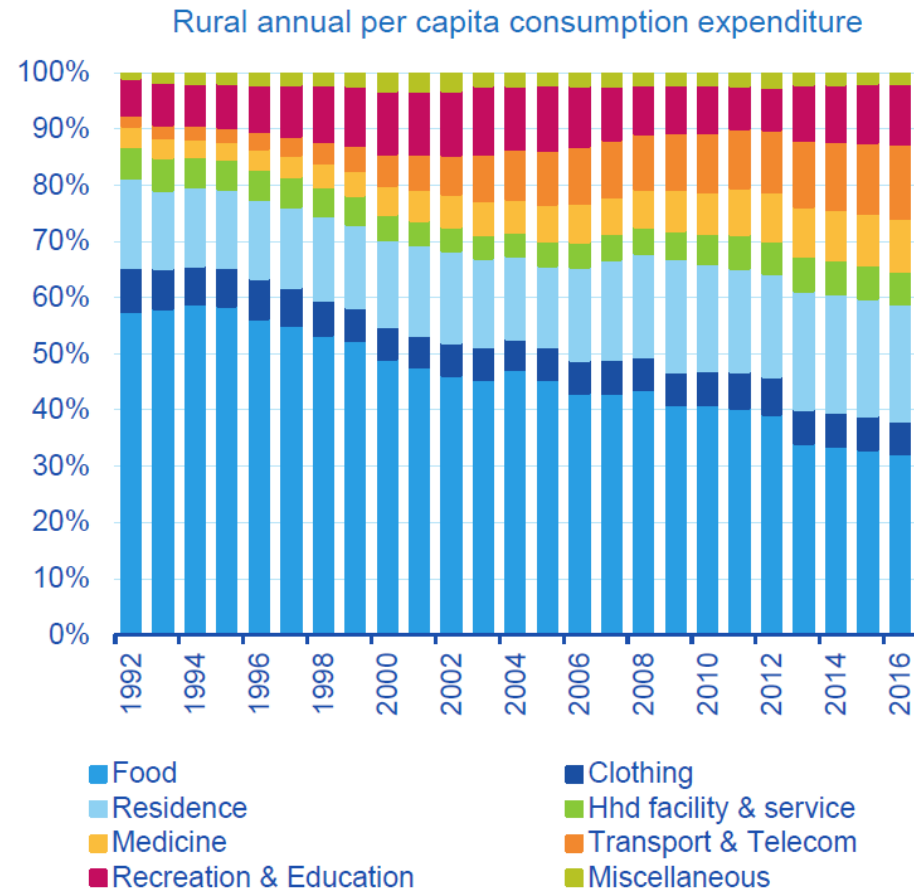
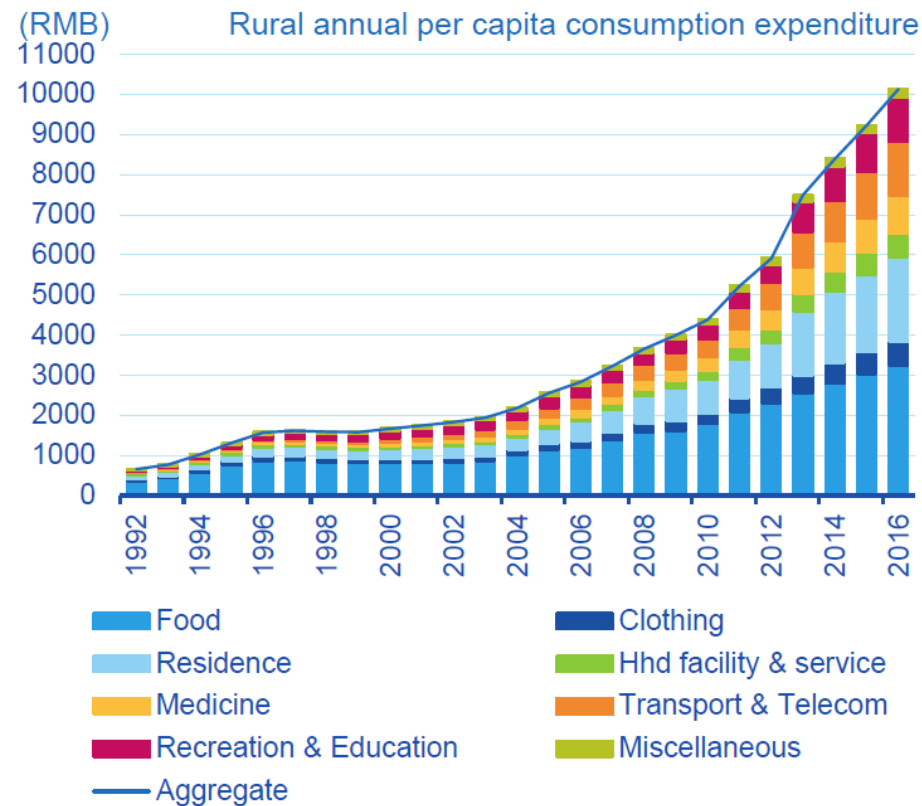


A steadily increasing disposable income, albeit at a moderating but robust pace, with wide urban-rural gap



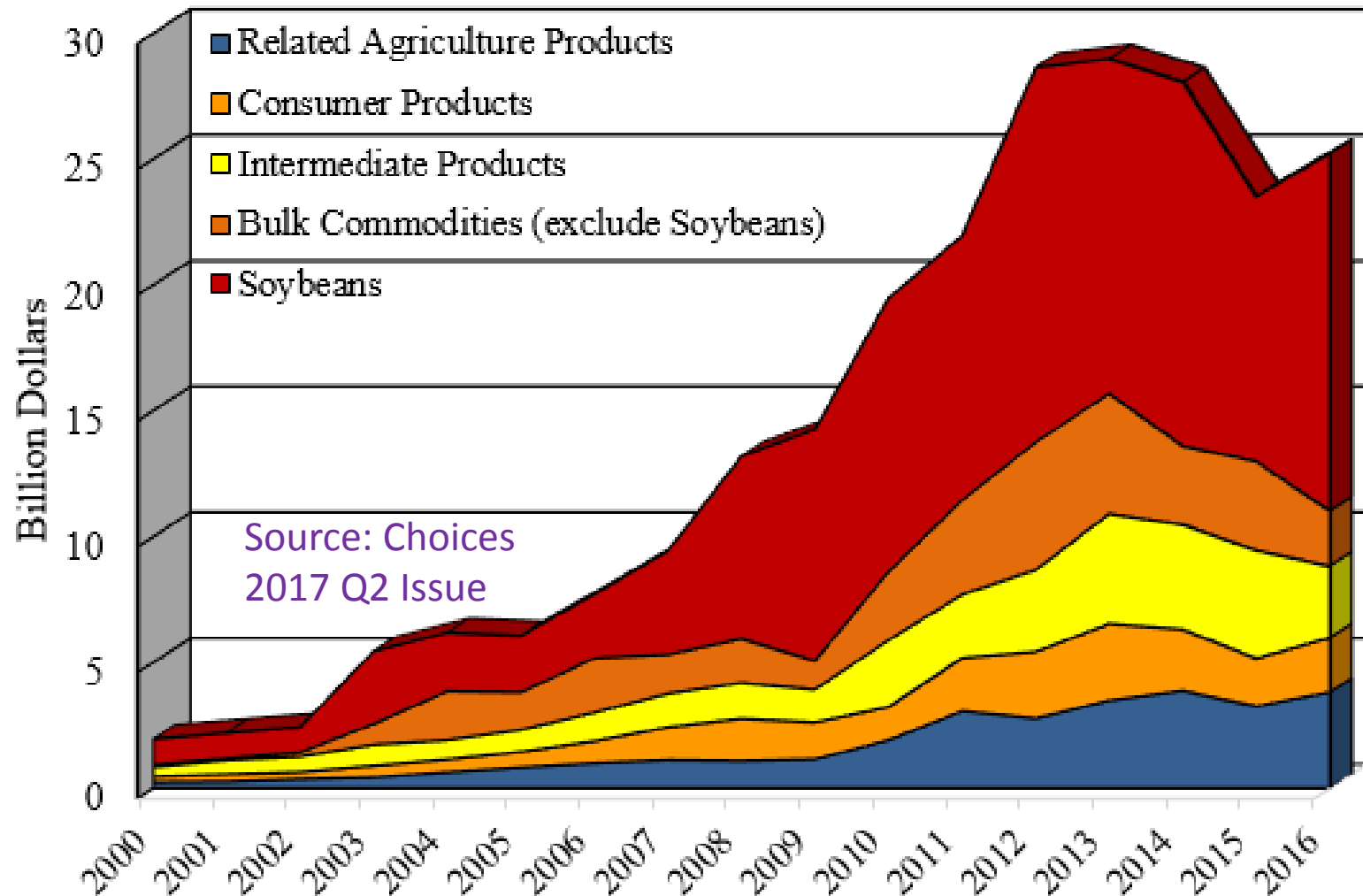
CHINA CONSUMPTION TRENDS | 2017

Share of food in rural China's per capita consumption basket is declining, offset by higher value purchases

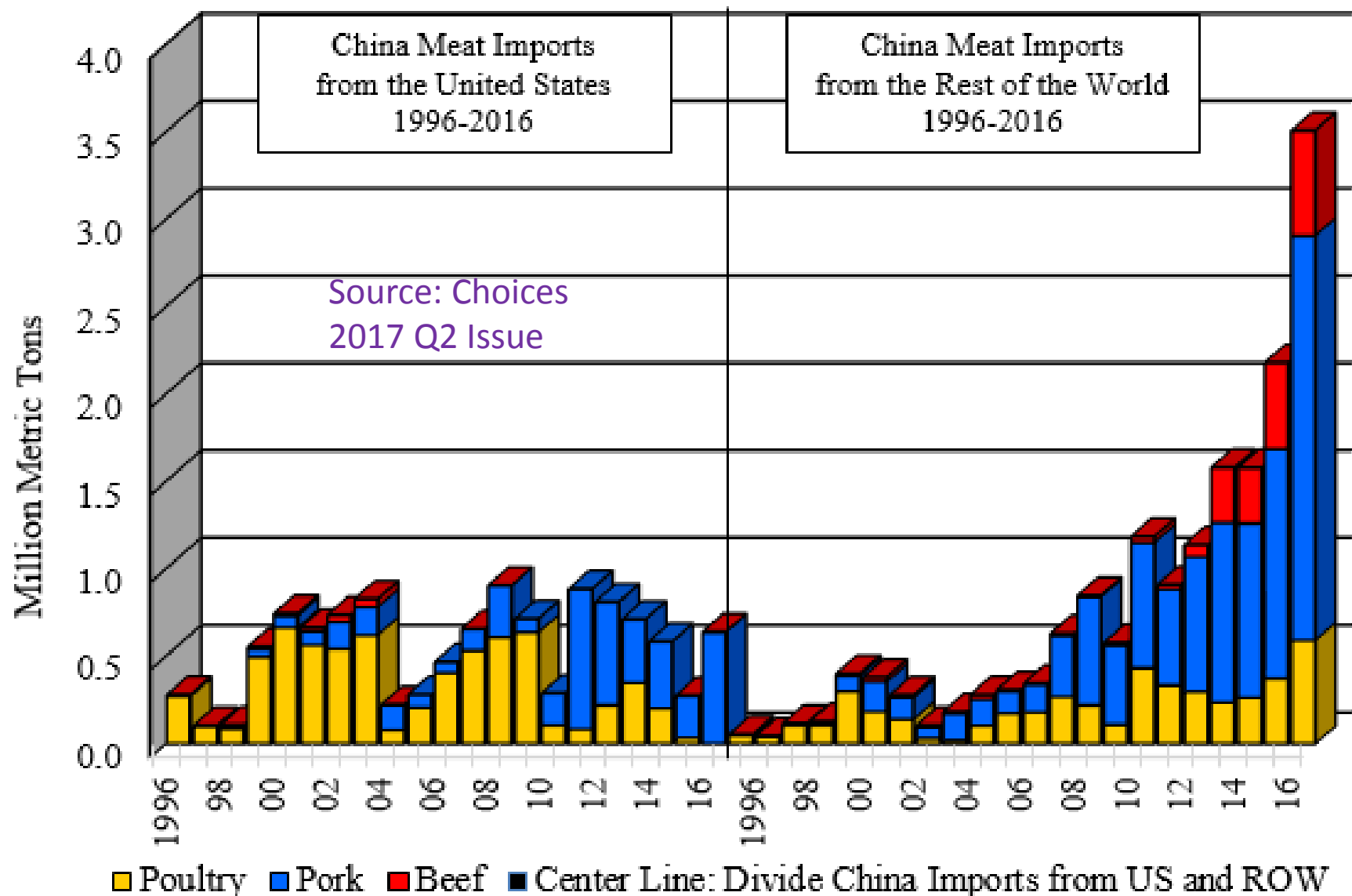


CHINA CONSUMPTION TRENDS | 2017

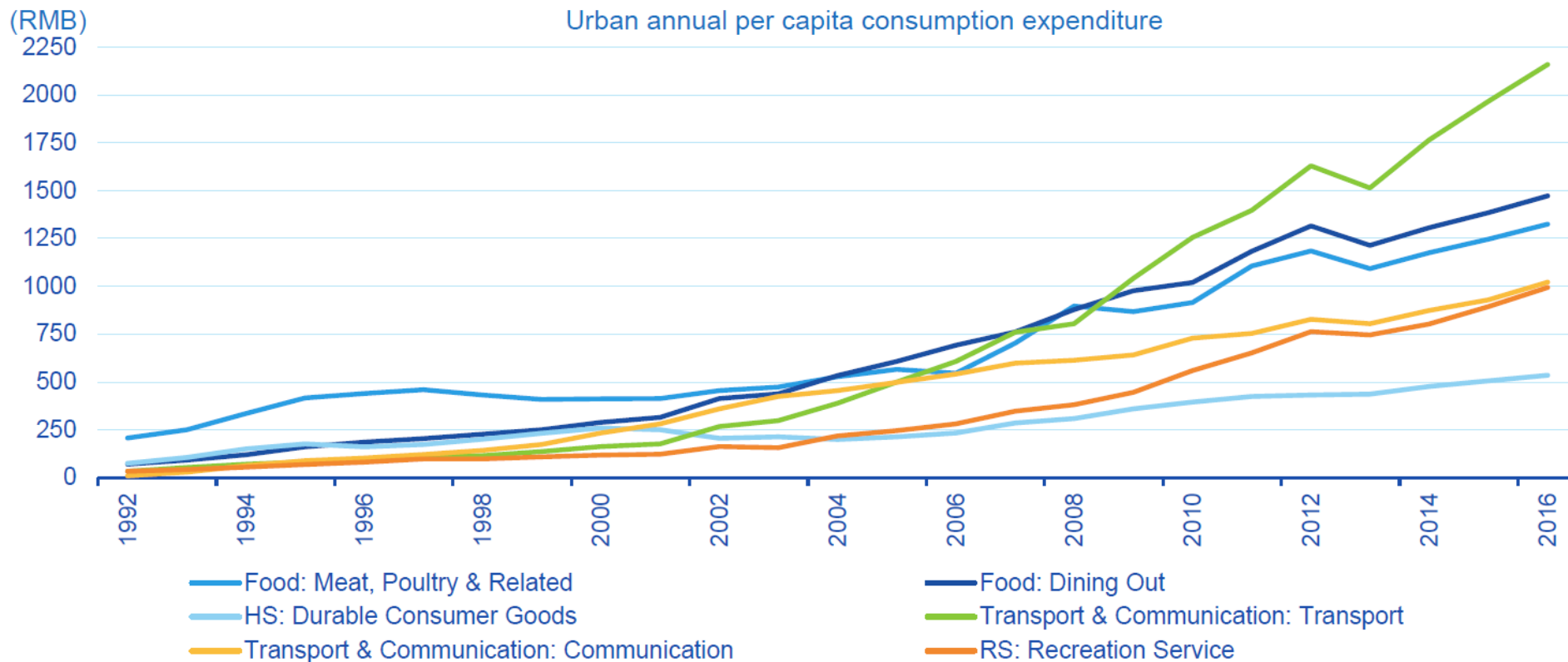
US Ag Exports to China Increased Significantly since China joined WTO in 2001 (\$ Billion)



US Loses Market Share as China Increases Meat Imports from the World

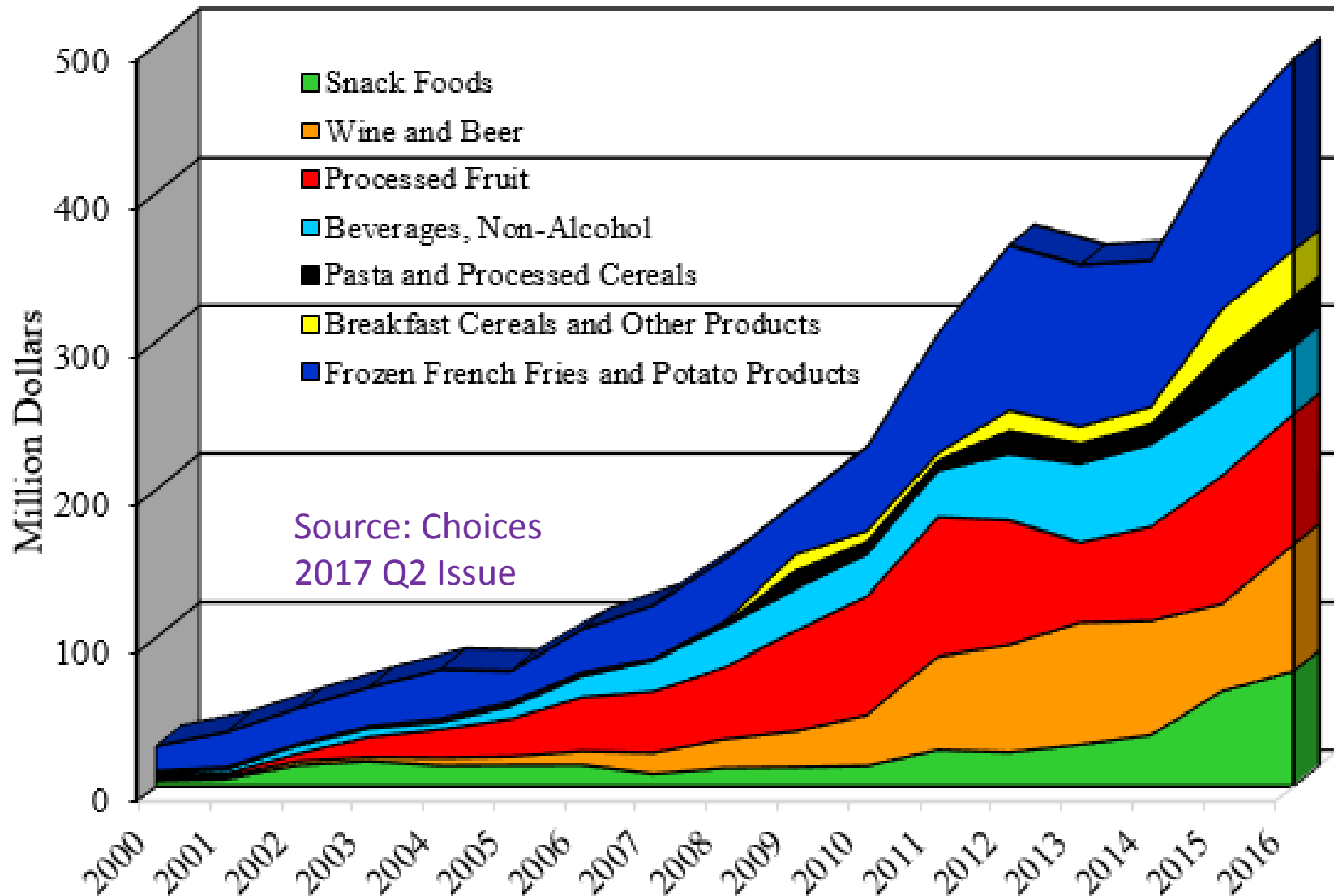


Urban Chinese prefer to travel, stay connected, buy protein rich food, durable goods & recreation



CHINA CONSUMPTION TRENDS | 2017

Richer households demand more meat and convenience foods



China, U.S. reach trade agreement on beef, poultry and natural gas



Donald J. Trump

@realDonaldTrump

Follow

China just agreed that the U.S. will be allowed to sell beef, and other major products, into China once again. This is REAL news!

8:20 AM - 12 May 2017

31,340 126,239

Chicago Tribune

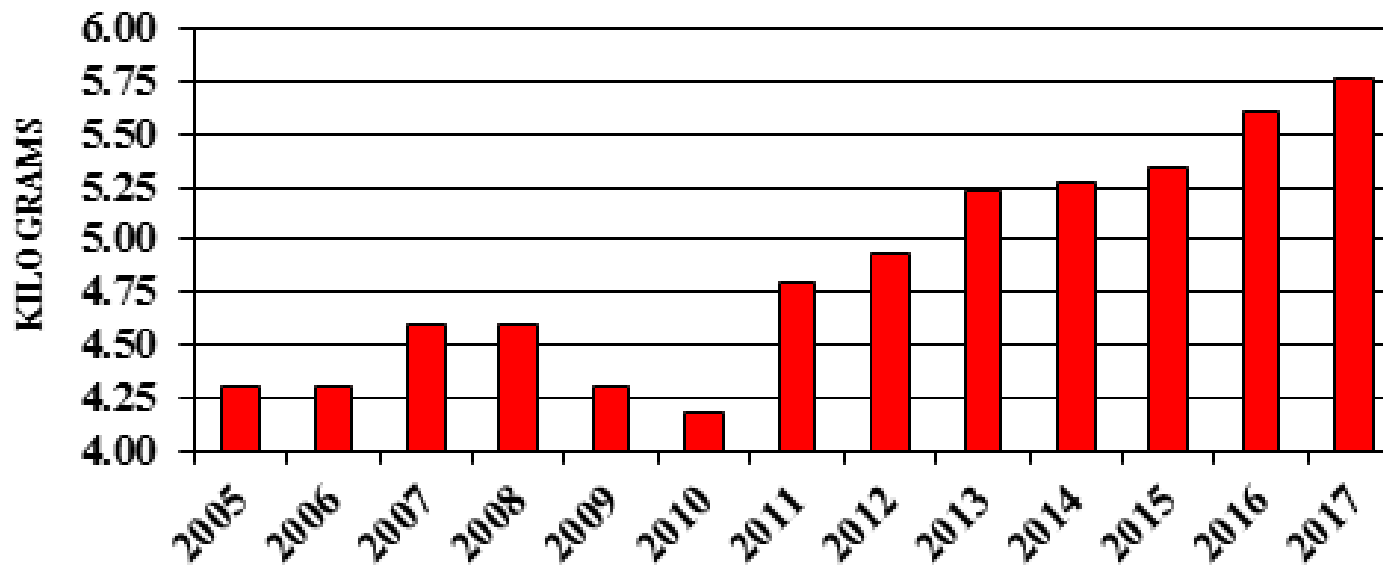


The agreement would also ease import restrictions on agricultural goods, including ending China's ban on beef imports that was imposed in 2003 after a case of mad-cow disease. The Bush and Obama administrations have sought for years to get it removed.

In exchange, the U.S. would allow the sale of cooked Chinese poultry — a move Ross said could be done safely. "We do not intend to endanger anybody's health or safety in the U.S.," he said.

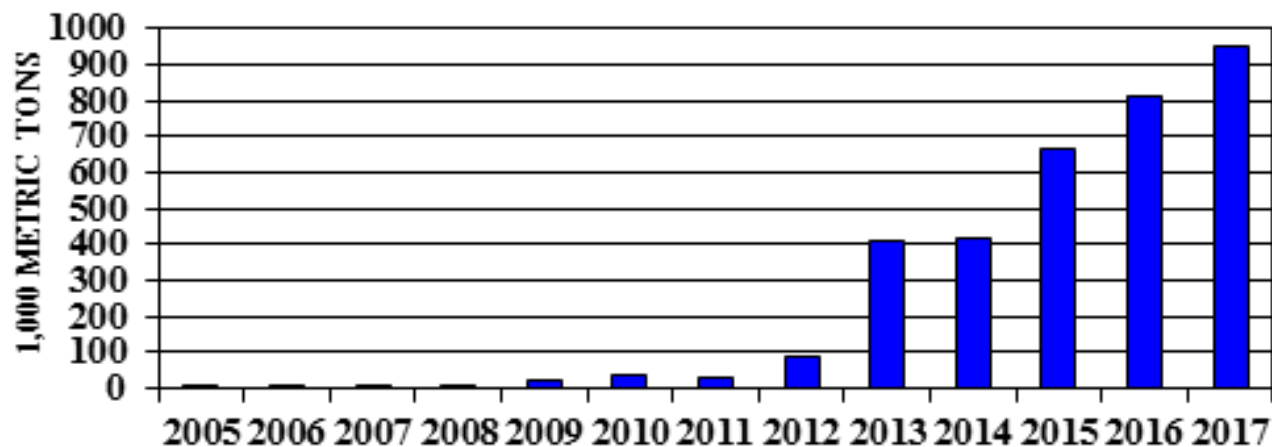
The agreement would also streamline the evaluation of pending U.S. biotechnology product applications; pave the way for allowing American-owned suppliers of electronic payment services to begin the licensing processes in China and facilitate the entrance of Chinese banks into the U.S. banking market, among other measures.

Figure 1. China: Per Capita Beef Consumption

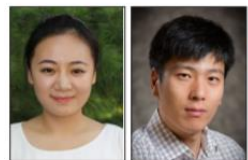


Source:
Derrell Peel
CattleNetwork
, 2017

Figure 2. China: Beef Imports



“When the Chinese people taste our high-quality U.S. beef, there’s no doubt in my mind that they’ll want more of it” – Sonny Purdue



Of maize and markets: China's new corn policy

By Qianrong Wu, economics graduate student, qianrong@iastate.edu; Wendong Zhang, extension economist, wdzhang@iastate.edu

2017

美国农业大州爱荷华州的农畜产品在世界市场上长期占据重要地位，现任州长特里·布兰斯塔德已被特朗普政府提名为下一届驻华大使。爱荷华州立大学中国留学生对中国玉米产业政策的一份研究报告获得州农业部长Bill Northey 的推荐转发，芝华特对此深度报告进行了翻译整理。

玉米与市场：谈中国的新玉米政策

作者：Qianrong Wu Wendong Zhang

翻译：芝华数据 李佳璇



#ENVIRONMENT

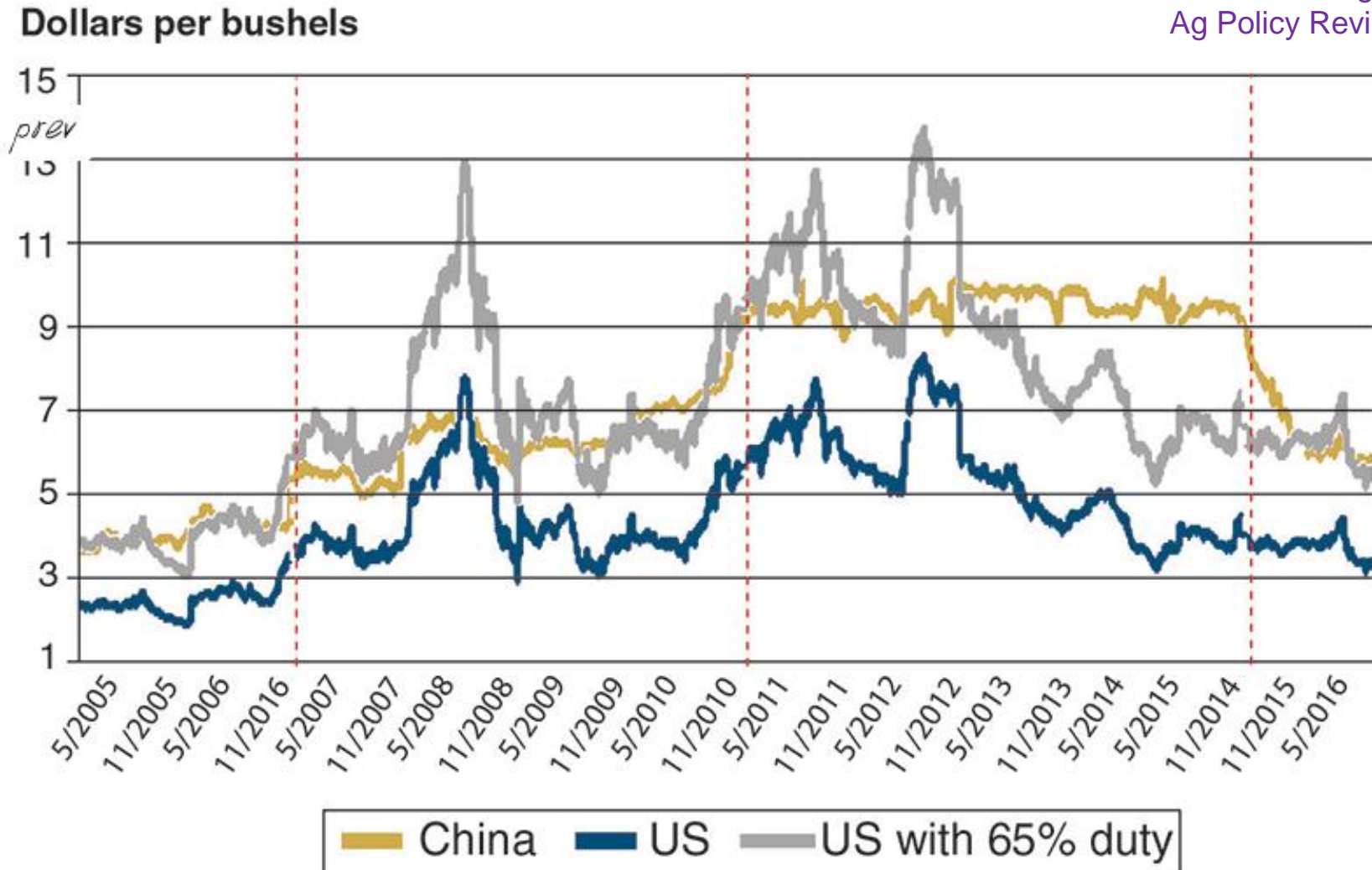
SEPTEMBER 12, 2017 / 8:26 PM / 2 MONTHS AGO

China sets 2020 target for nationwide ethanol use to cut corn stocks

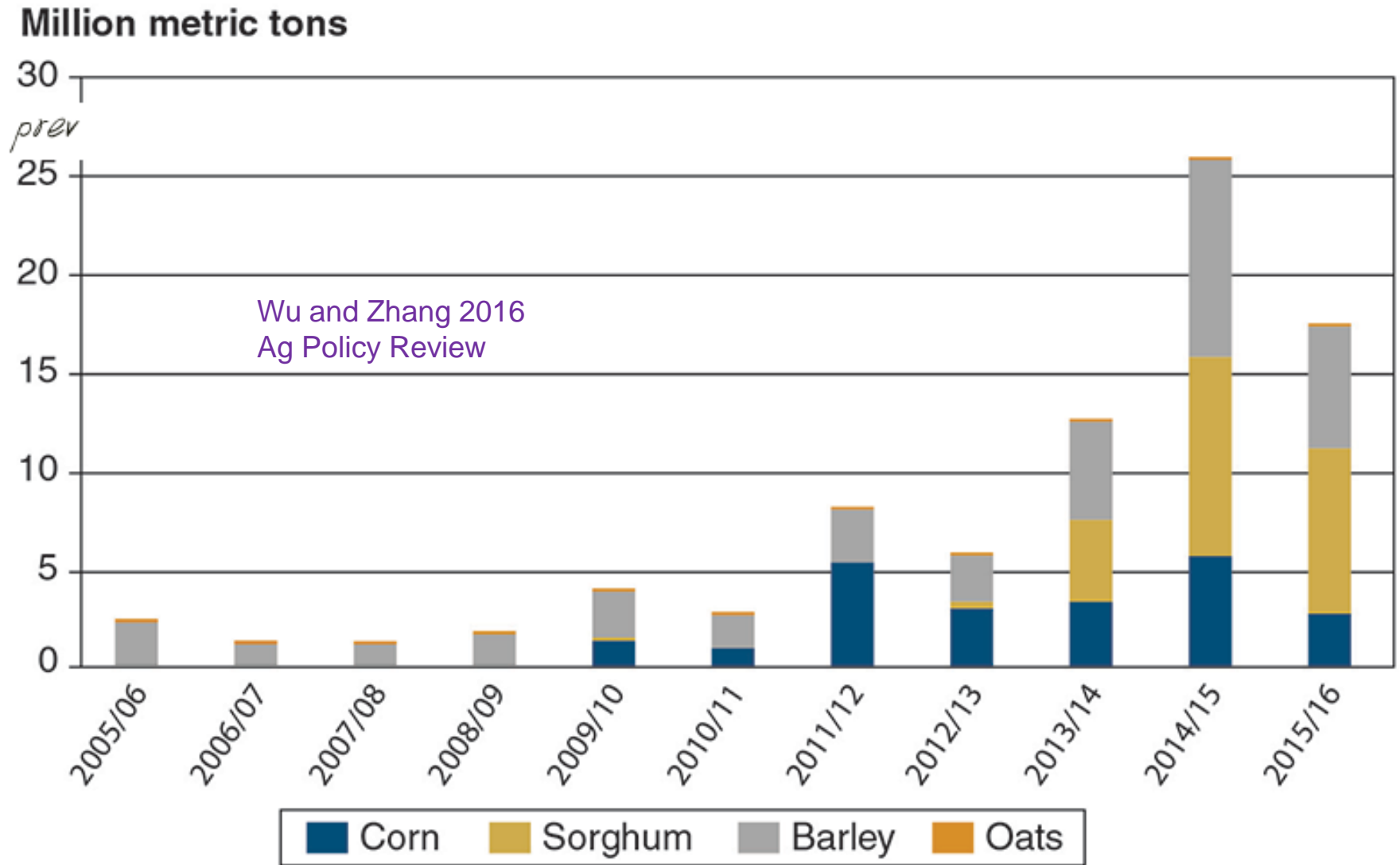


Of Maize and Markets: China's New Corn Policy

Wu and Zhang 2016
Ag Policy Review

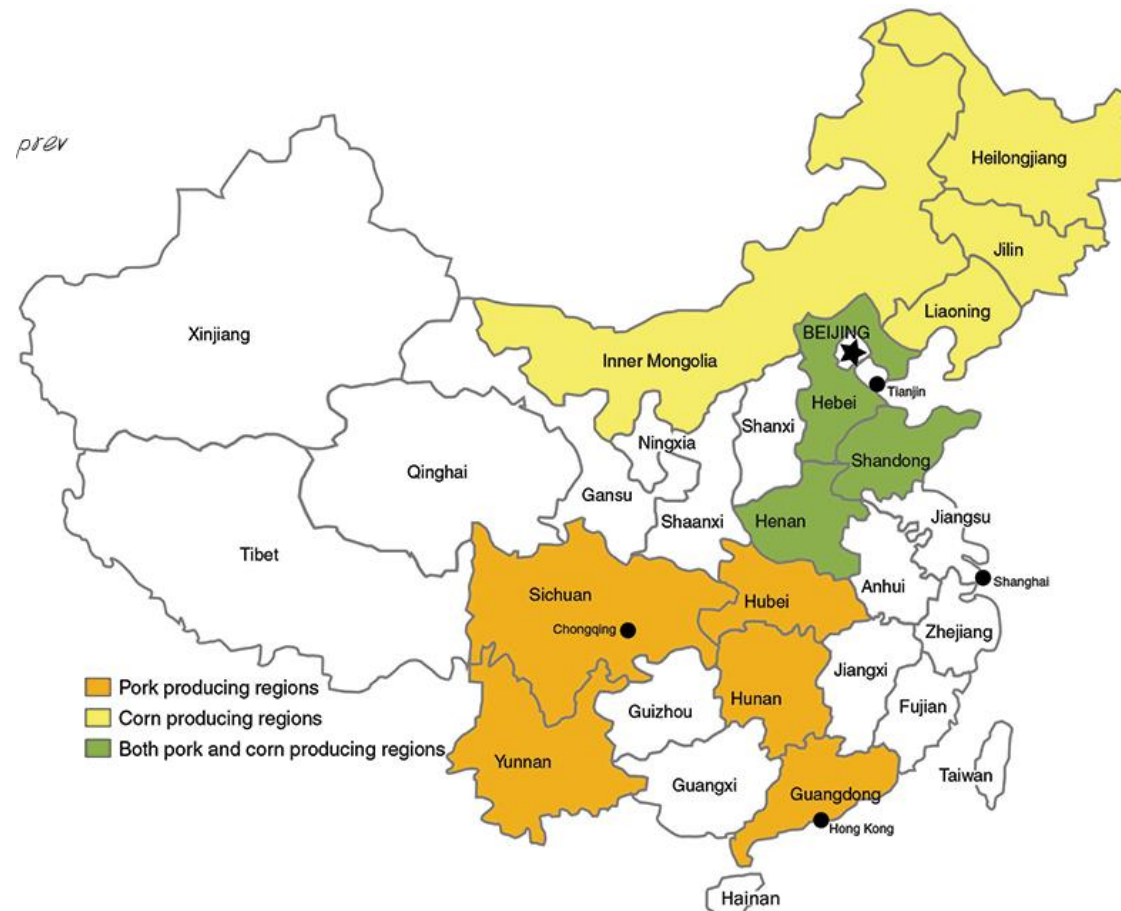


Of Maize and Markets: China's New Corn Policy



Source: USDA FAS Grain: world markets and trade

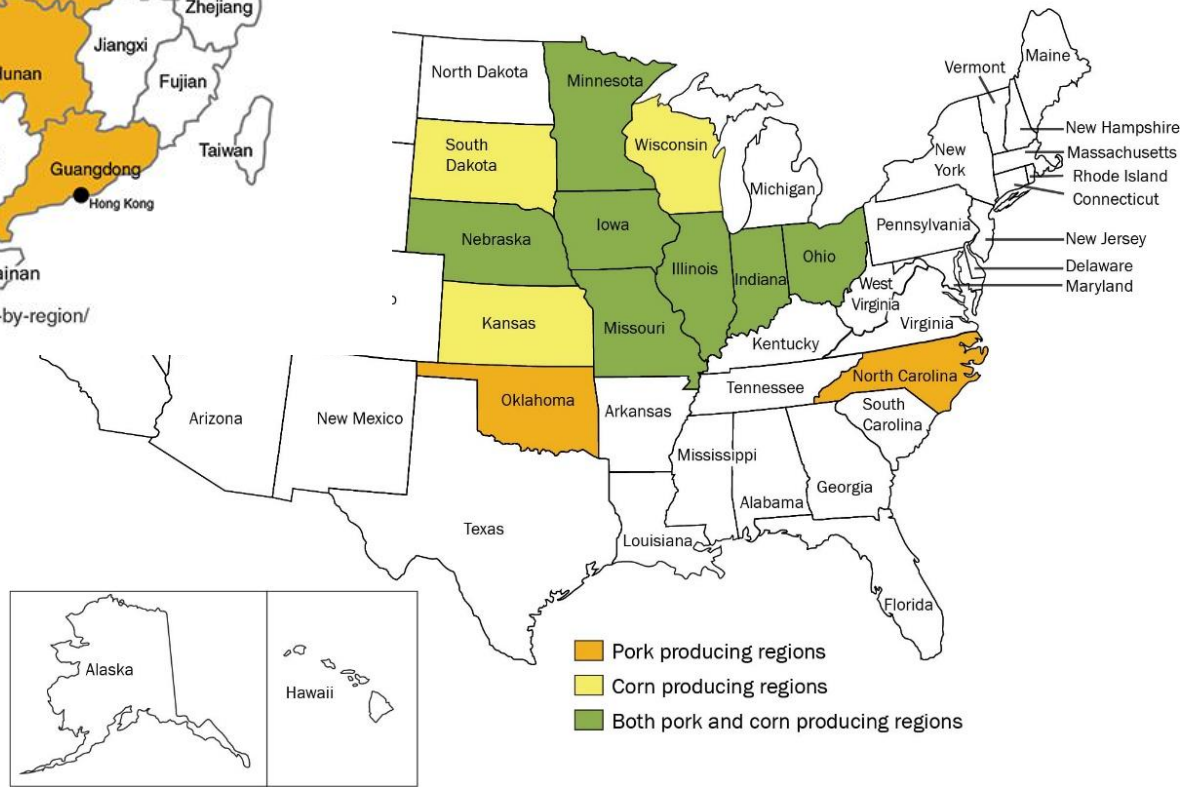
Of Maize and Markets: China's New Corn Policy



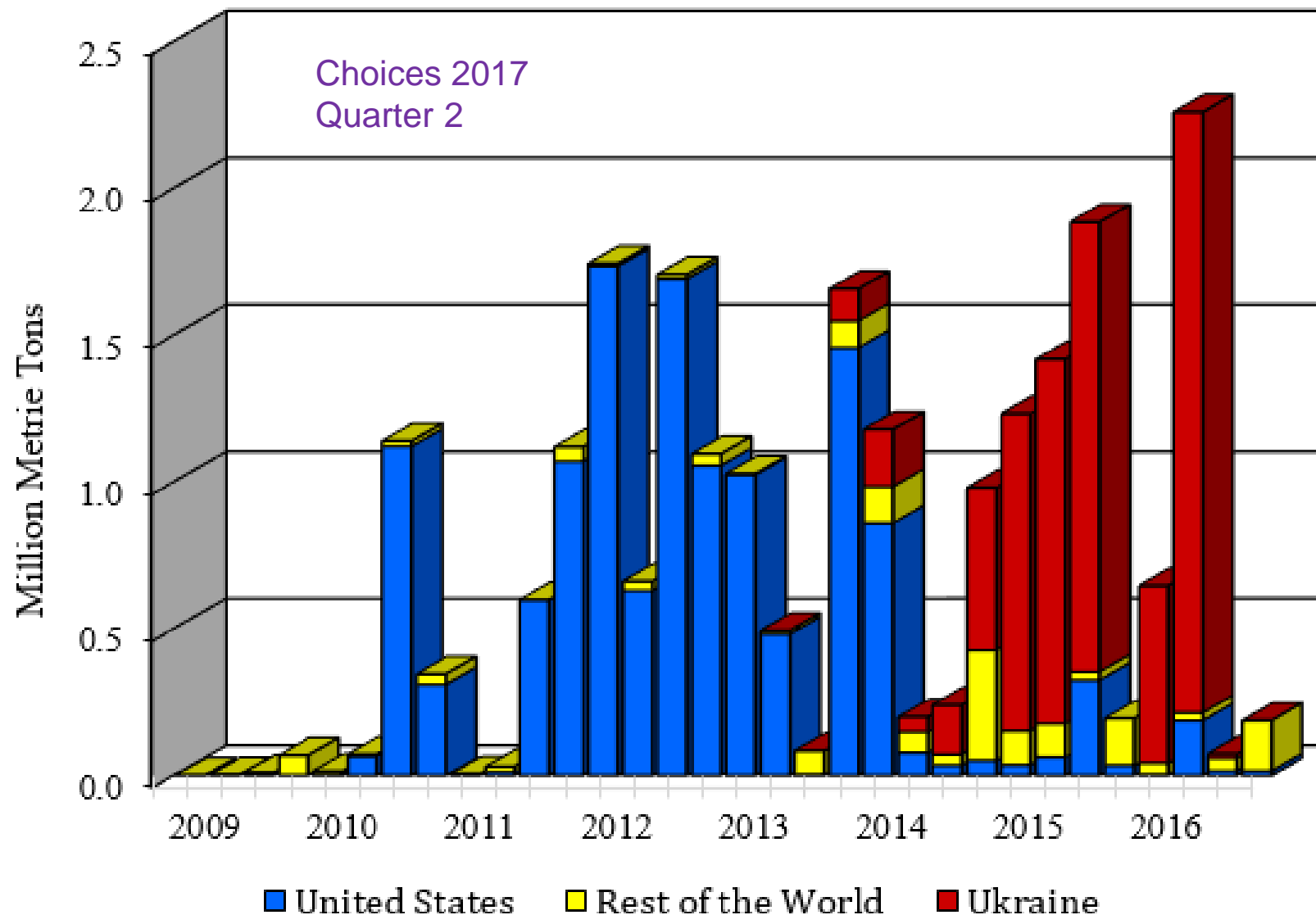
Sources: <https://www.statista.com/statistics/242632/corn-production-in-china-by-region/>
<http://chinaag.org/services/production/>

- Pork producing regions
- Corn producing regions
- Both pork and corn producing

Wu and Zhang 2016
Ag Policy Review



US Exporters of Corn to China hurt by China's efforts to diversify import suppliers



China sets 2020 target for nationwide ethanol use to cut corn stocks

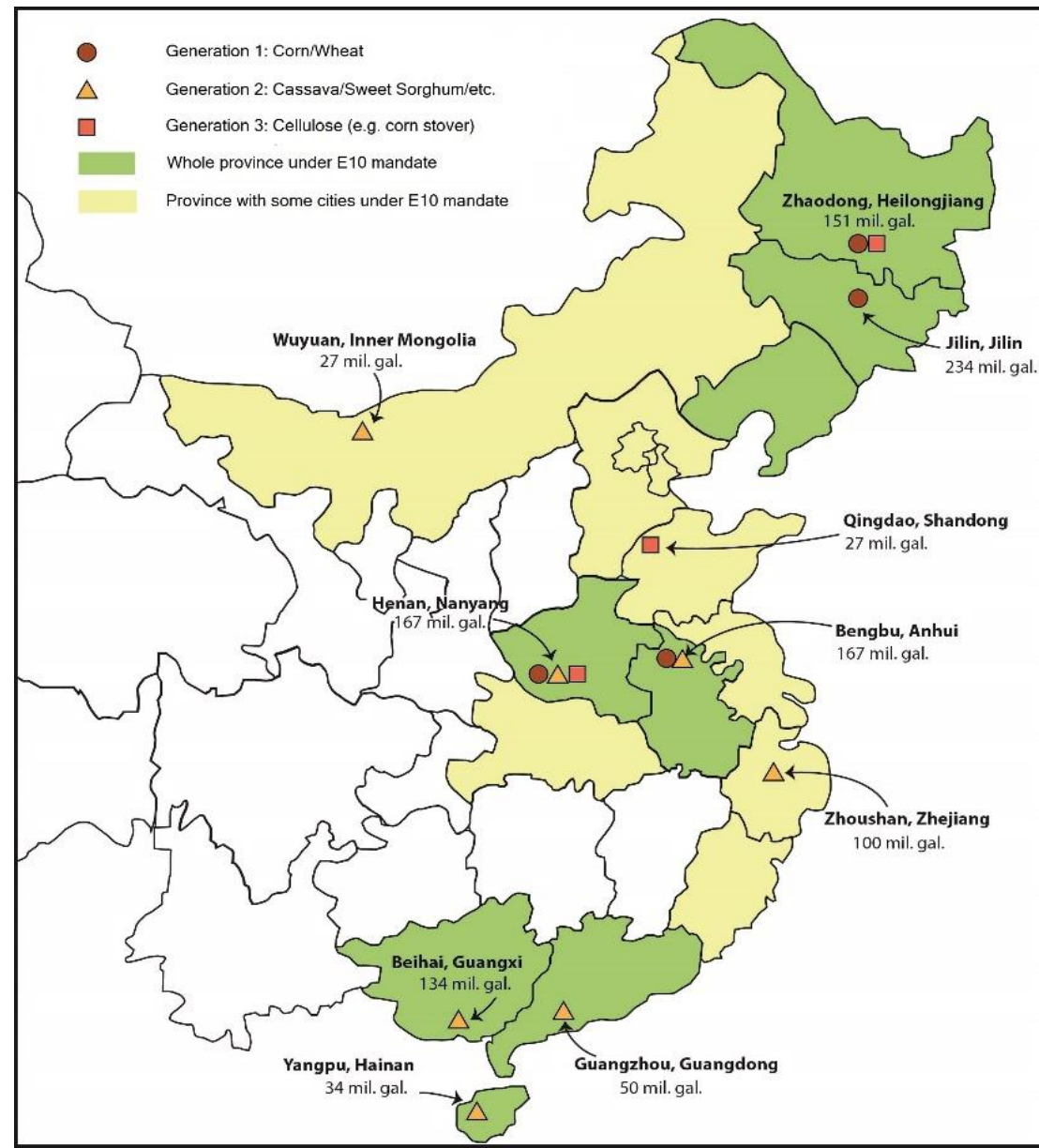
China's Ethanol Trial

China's Ethanol Industry in 2016

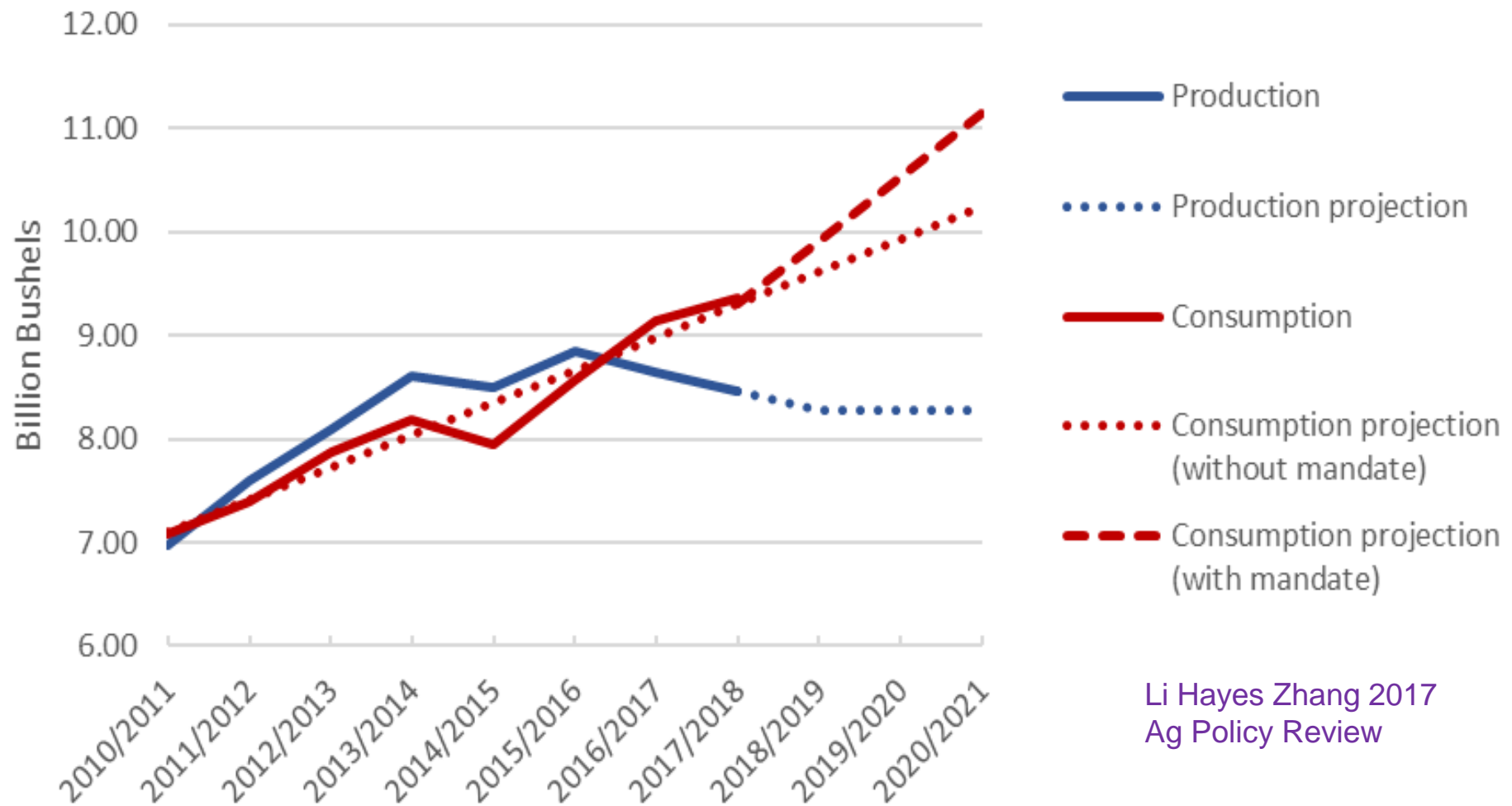
4th largest producer – 1 Bil gal.

- After US, Brazil and EU
- Corn ethanol 64%
- Also uses cassava, sorghum, corn stover
- Imported 225 mil. gal, mainly from U.S.
- Tariff rose from 5% to 30%

China consumes 40 bil. gal gasoline; 1 bil. gal ethanol in 2016



China's projected corn import potential and the role of ethanol



Li Hayes Zhang 2017
Ag Policy Review

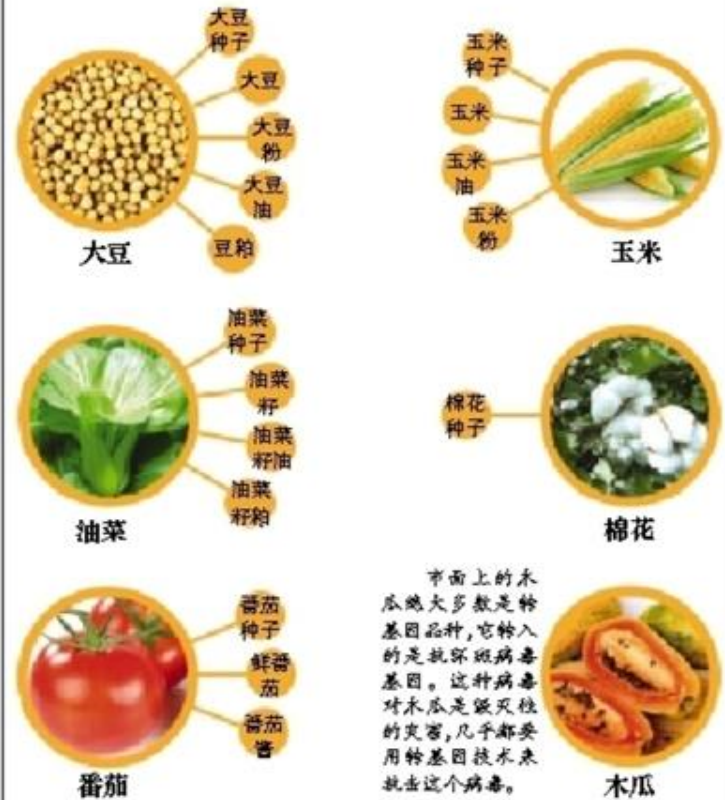
GMO in China

Soybean: 90% of soybean oil is
GMO in China;
Started importing GMO corn in
1997 (2.88 mil MT) -> 80 mil
MT in 2016

Corn Papaya Tomato
Cotton Rapeseed

转基因产品有哪些？

新京报制图/师春香



转基因大豆油占我国九成市场



Source: Sohu.com

GMO in China: Controversy/Divide China Wants GMOs. The Chinese People Don't.

BloombergView

73 SEP 27, 2016 8:00 PM EDT

▶ After Decades Of Wariness, China To Grow GMOs



The Chinese have long been wary of genetically modified organisms. The country allows imports of genetically modified corn and soybeans for animal feed. But it's held off on domestic commercialization of those crops.

Over the past year, China has signaled it would relax that stance. This week it released its latest five-year plan for science and technology, saying it would push for the commercialization of biotech corn and soybeans in the next few years.

GMO in China: Controversy/Divide

Yongyuan
Cui

Larry King
in China;
Key
opponent
voice
of GMO



GMO corn illegal

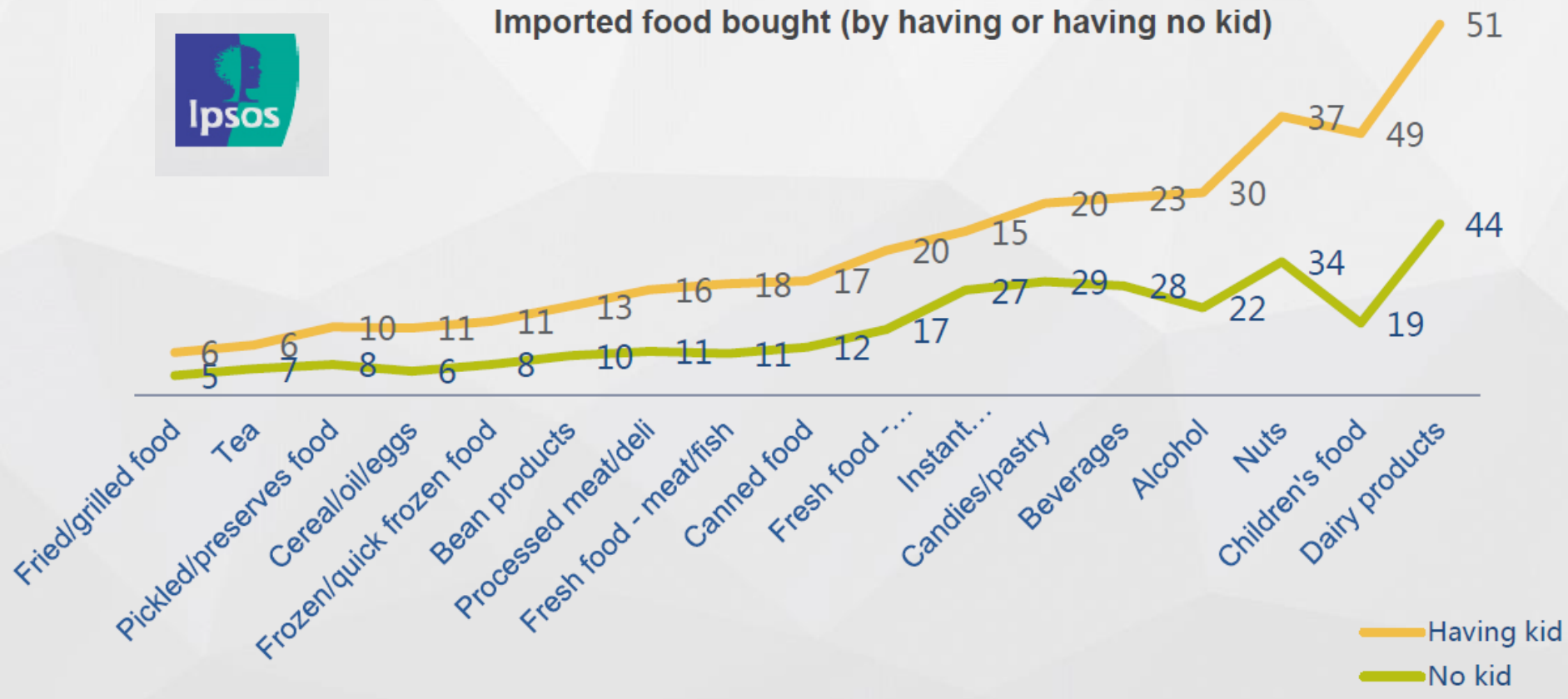


Richer Urban Chinese Likes Safer Imported Food

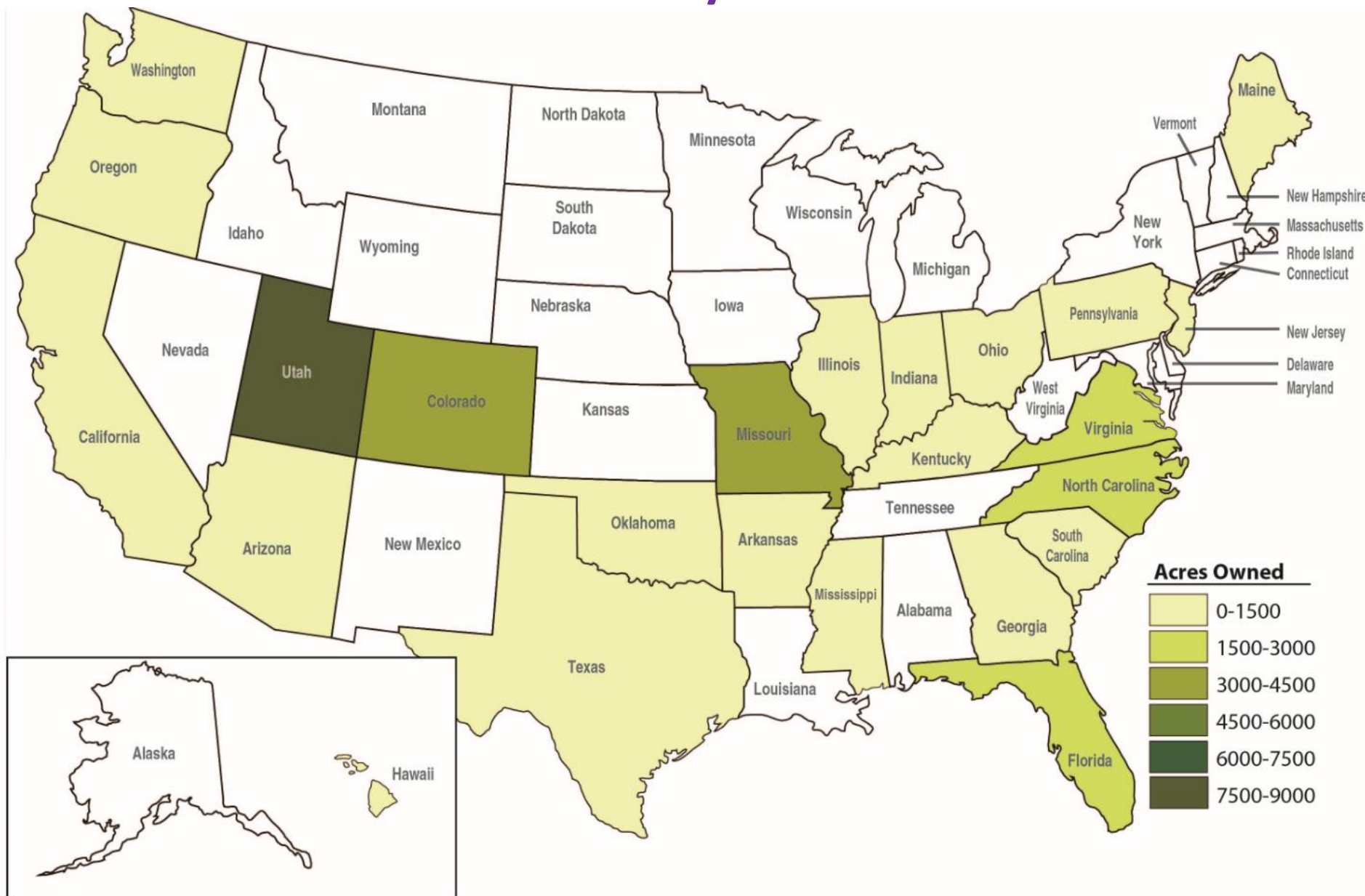
Especially dairy, children's food, nuts, fresh meat



Imported food bought (by having or having no kid)

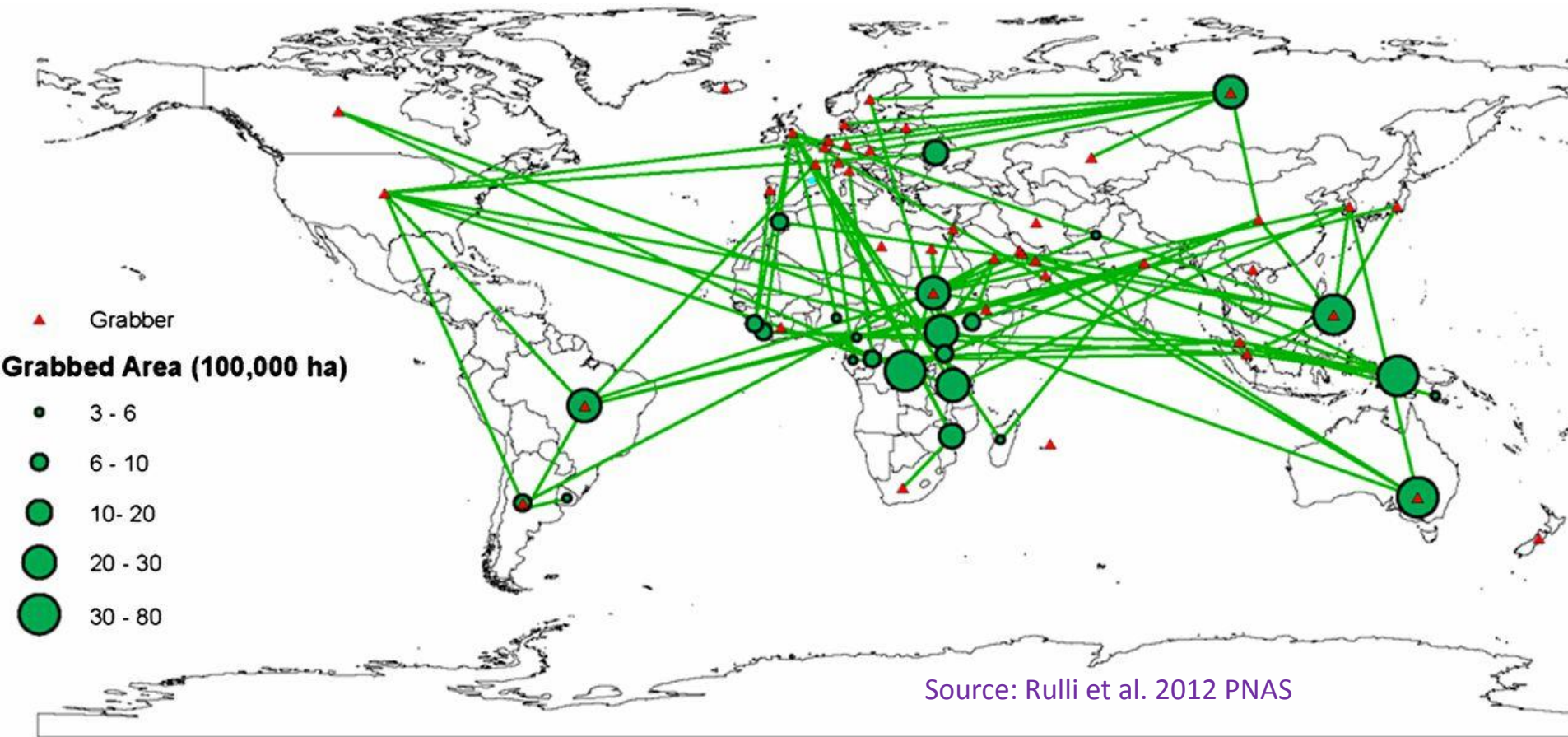


Farmland Acres Owned by Chinese Owners as of 2016



Bloomberg

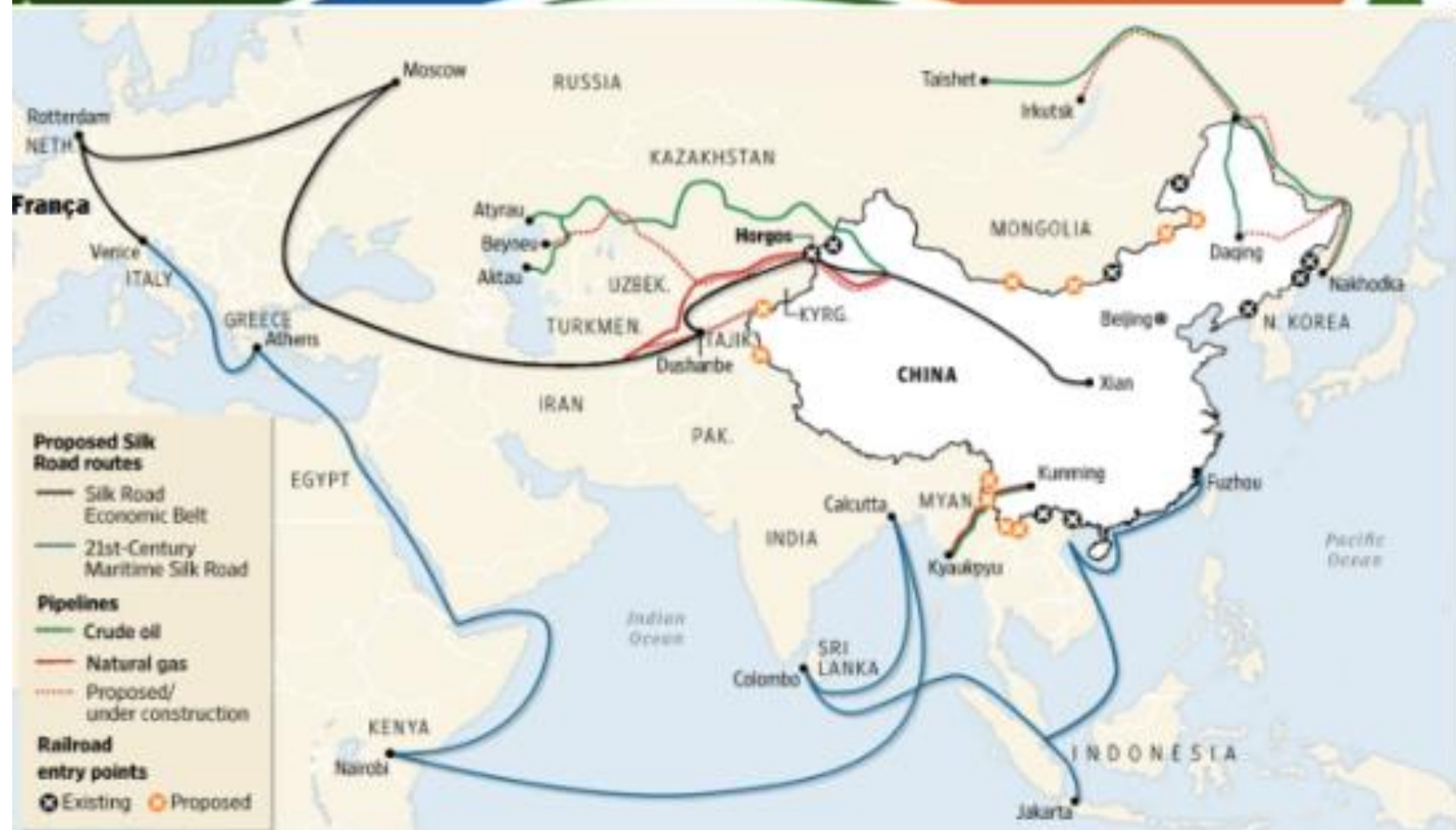
Global Land Grab - 2012



Top Grabber: UK, US, China, United Arab Emirates, Israel
Top Grabbed Country: Australia, Brazil, Indonesia, Congo, Philippines, Sudan

The Silk Road Economic Belt

An Opportunity to Work, Share, Prosper and Succeed Together



Sources: Xinhua (Silk Road routes); U.S. Department of Defense, Gazprom, Transneft (pipelines); United Nations (rail entry points)

The Wall Street Journal

Planned Network of High-Speed Rail Lines to Be Built By 2030

High-Speed Rail in China



Source: National Development and







12 janv. Interviewed by Aressy Bra...

Samedi 08:27

- 相册
- 收藏
- 钱包
- 卡包
- 表情
- 设置
- 微信
- 通讯录
- 发现
- 我

< 我 钱包 微信支付

转账 刷卡 钱包

城市服务

滴滴打车 京东精选

Q币充值 微信红包 吃喝玩乐

信用卡还款 腾讯公益 电影票

AA收款 机票火车票

广州服务

医院挂号 违章办理 港澳再次签注

路况实拍 机动车年审预约 机动车快撤理

身份证业务预约 招考查询 广州天气

出入境业务预约 婚姻业务预约 新生儿重名查

住房业务预约 机动车车船税 机动车年票

2017 ISU Land Value Survey is Ongoing until Dec 1st

- Who: Farm managers, appraisers, real estate brokers, ag lenders, ag sales
- When: December 1st, 2017
- How: Online – Qualtrics Survey
<http://bit.ly/LandValue2017>
- Contact: landvalue@iastate.edu
- Results released Dec 12 Tuesday

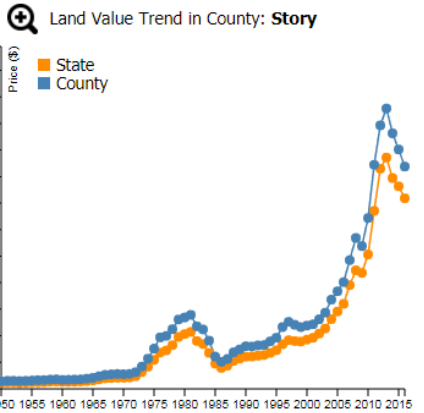
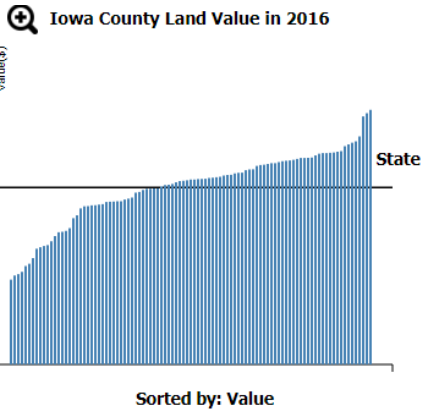
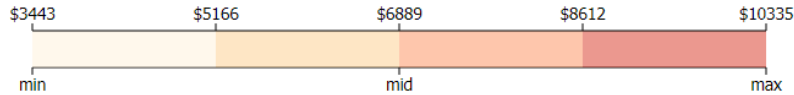
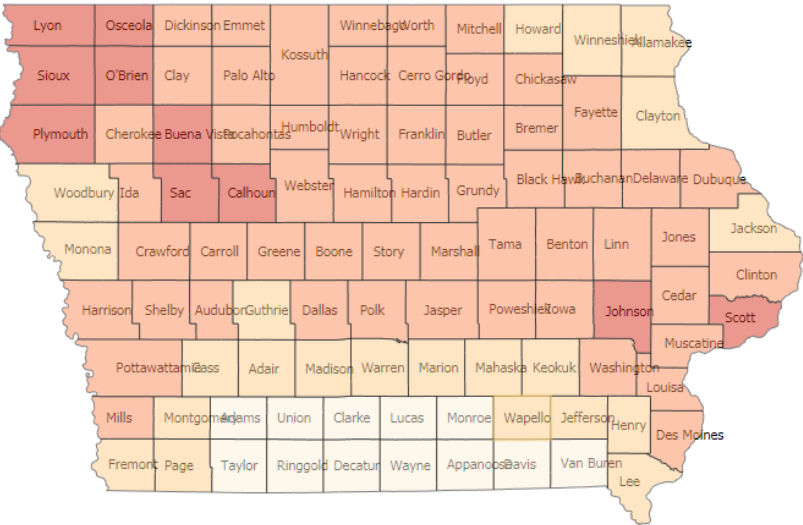
YouTube stream <http://bit.ly/LandResults2017>

<https://www.card.iastate.edu/farmland>

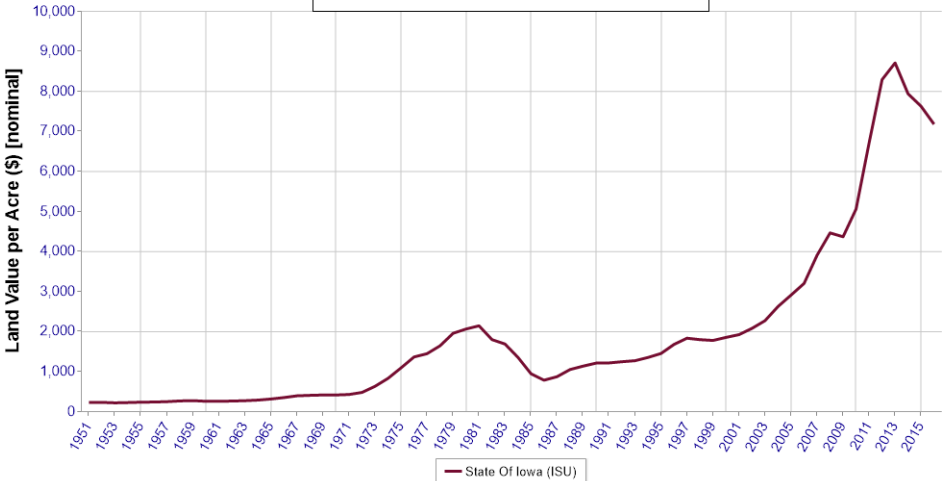
Iowa Farmland Value Portal



#ISUland
value



CARD IOWA STATE UNIVERSITY
Center for Agricultural and Rural Development Extension and Outreach
Land Value History for State Of Iowa



Thank You!

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