Seven Things You Should Know about China to Understand the Trade War

Wendong Zhang

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ASFMRA Iowa Chapter Annual Conference Ames, Iowa, February 7, 2019



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 www.card.iastate.edu/farmland/ agriculture and the environment

China Ag center www.card.iastate.edu/china



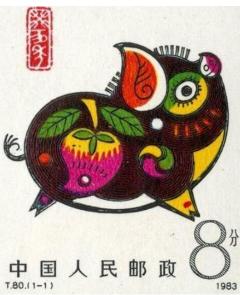
Chinese New Year 2019











Pigs have a beautiful personality and are blessed with good fortune in life.

Recent years of the Pig are: 1935, 1947, 1959, 1971, 1983, 1995, 2007, 2019

Snake _ Hors



The World's Most Watched TV Show Will Be Hosted By Artificial Intelligences



Bernard Marr Contributor ① Enterprise & Cloud

~1 billion viewers

The world's first artificial intelligence (AI) TV hosts will preside over this year's China Central Television (CCTV) New Year's Gala - the world's most-watched TV broadcast.



The World's Most Watched TV Show Will Be Hosted By Artificial Intelligences OBEN

IOWA STATE UNIVERSITY Extension and Outreach



Sows in the cloud

Chinese tech companies get into farming

NetEase and Alibaba find the field is ripe for disruption



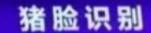
Print edition | Business > Oct 27th 2018 | HANGZHOU









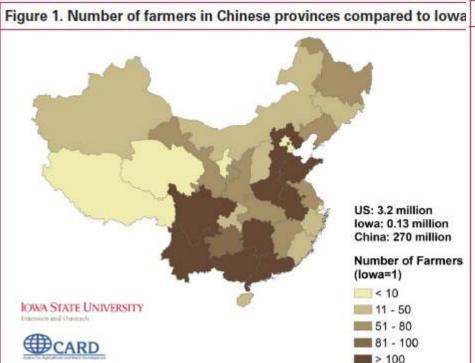


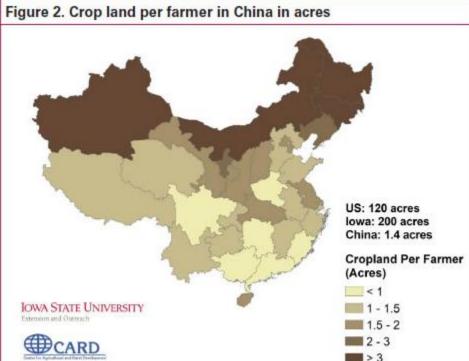


By RADII CHINA

November 23, 2018

#1: Ag is comparative advantage for US, not for China





Because crop land per farmer is so small in China, using lowa as the unit here would create too many decimal points. We use acres instead.





Navigating the Chinese agricultural economy through the lens of Iowa

By Wendong Zhang, extension economist, 515-294-2536, wdzhang@iastate. edu; Minghao Li, postdoctoral researcher, Center for Agricultural and Rural Development, Iowa State University



Chinese land is owned by collectives (Contract Right Certificate)

Total land size **Number of parcels** 承包地块 总数(块) 8 4 呈乾洪 非水沟 前乾束 被田 土地承包 合同编号 1998年 1月 1日至 200年 12月31日止 承包期限 西海明北级妹 东南南南: 地名 家庭礼包 承包方式 素包土 西港电影公路 历业团也 东 妙风 南: 清明 公路园 0.12 承包方土地承包经营权共有人情况 西省风北 乾菜 With at least on 京话者 南 轮柱 溪村园 0.35 30-year renewa 51 54

China's New Rural Land Transfer Reform

2016:

77 million acres (35% of cropland) transferred; 2007: 5%

Among them: 30% to coops or corps; 80% nongrain production

州心 où Minghao Li, Wendong Zhang, and Dermot Hayes.

क्षाकृष्ठे 016 2018. "Can China's Rural Land Policy Reforms Solve its Farmland Dilemma?" Agricultural Policy

> Review. Center for Agricultural and Rural Development, Iowa State University.



Landesa.

All family

members

Family Rep.

30-year term

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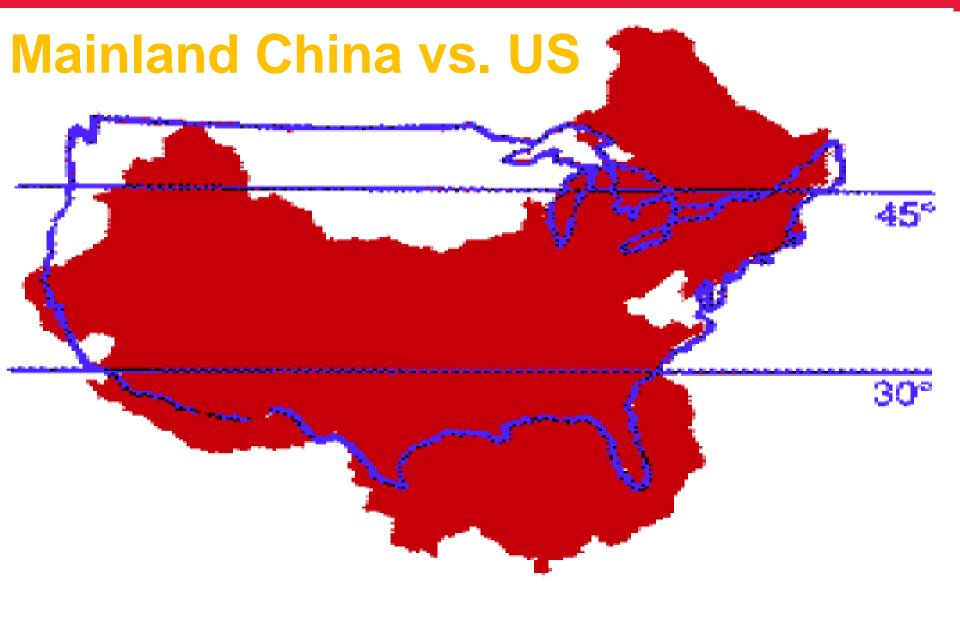
吴坤森

吴亚玉

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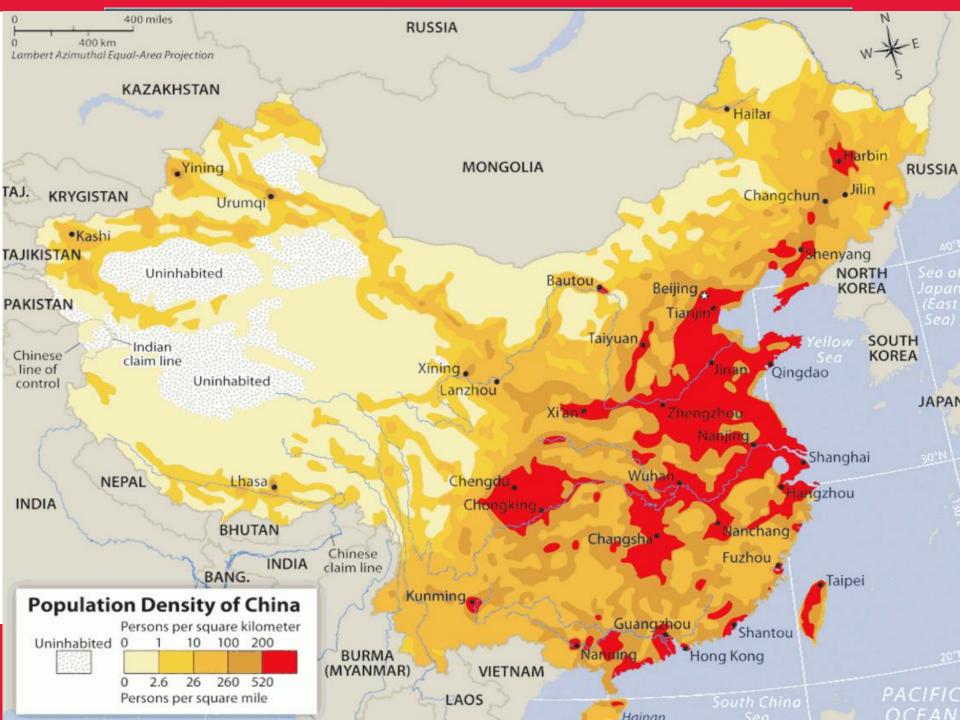
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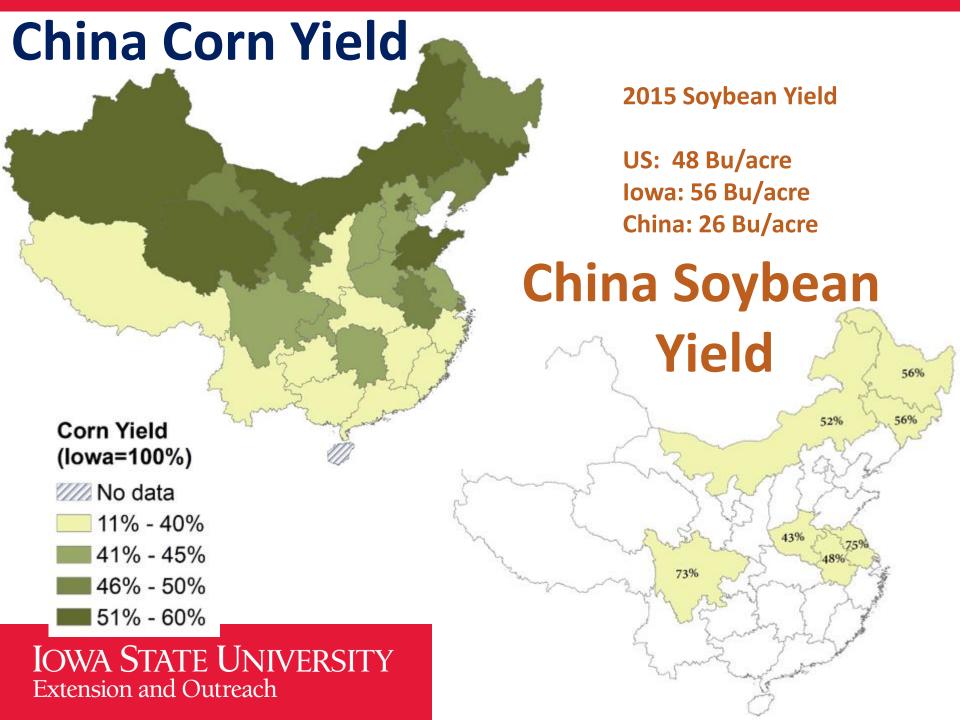






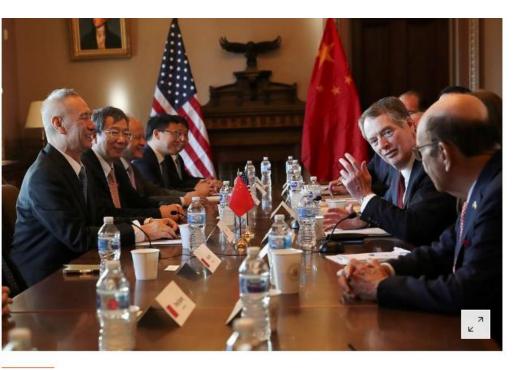








U.S., China launch high-level trade talks amid deep differences



U.S. Trade Representative Robert Lighthizer (2ndR) speaks across from China's Vice Premier Lie He (L) during the opening of US-China Trade Talks in the Eisenhower Executive Office Building at the White House in

IOWA STATE UNIVERSITY Extension and Outreach

Xi Jinping and Donald Trump 'may meet in Da Nang, Vietnam' at the end of February South China Morning Post

- Source familiar with discussions says the two sides are considering a meeting in the coastal city on February 27 and 28
- The presidents are expected to continue pushing to resolve the trade dispute between the two nations

A breakthrough deal was unlikely this week as both sides may wait to reveal their best offers, said Erin Ennis, senior vice president of the U.S.-China Business Council.

"I don't think there's going to be any big outcome," Ennis said of the talks. "Hopefully they make some good progress that will set them up to be able to get to completion at the end of the 90 days."

But the Chinese side would likely have to bring to the table a new offer that goes significantly beyond its previous offers to significantly increase purchases of U.S. goods, including soybeans, energy and manufactured goods.

China is fast-tracking that new law, with the country's largely rubber-stamp parliament likely to approve it in March.

A crucial component of any progress in the talks, according to top Trump administration officials, is agreement on a mechanism to verify and "enforce" China's follow-through on any reform pledges that it makes. This could maintain the threat of U.S. tariffs on Chinese goods for the long term.

The 2018 Trade War: Data and Nascent General Equilibrium Analysis

#2:
Why China
decided to
talk?

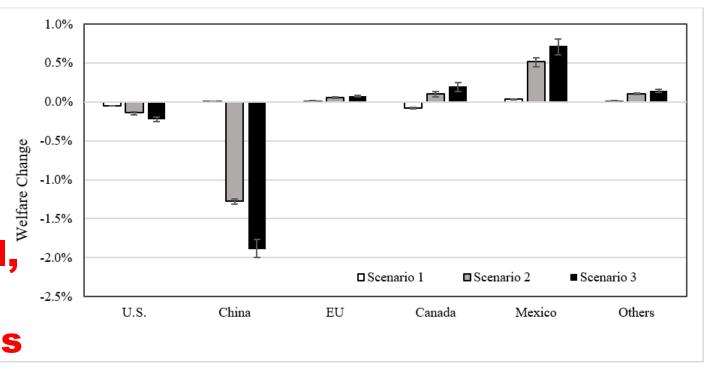
China
suffers
greater
economic
Loss overall,
but also for
US ag states

like lowa

Minghao Li, Edward J. Balistreri, Wendong Zhang

December 2018 [18-WP 587]

Figure 1. Welfare changes in selected countries.



Scenario 2: Tariff increases in scenario 1 and additional tariff increases between the United States and China, including the \$50 billion round and the \$200 billion/\$60 billion round of tariff increases. The scenario reflects the current tariffs (as in October 2018).

Scenario 3: Tariff increases in scenario 1 and 2, and additional tariff increases that are scheduled to happen at the end of 2018, i.e., the U.S. tariffs on \$200 billion Chinese products will increase by another 15%, and China's retaliatory tariffs will increase by 0~15%.

CARD Policy Briefs

The Impact of the 2018 Trade Disruptions on the Iowa Economy

- Overall losses in Iowa's Gross State Product are calculated to be \$1 to \$2 billion (off of a Gross State Product of \$190 billion).
- Overall losses to Iowa's Soybean industry of \$159 to \$891 million, with an average revenue loss across all models of \$545 million (Iowa soybeans are a \$5.2 billion industry).
- Overall losses to Iowa's Corn industry of \$90 to \$579 million, with an average revenue loss across all models of \$333 million (Iowa corn is an \$8.5 billion industry).
- Overall losses to Iowa's Pork/Hog industry of \$558 to \$955 million, with an average revenue loss across all models of \$776 million (the Iowa pork/hog industry is a \$7.1 billion industry).
- A 2% drop in Ethanol prices resulting in approximately \$105 million in lost revenues to Iowa ethanol producers.
- Revenue losses in these industries translate into additional lost labor income across
 the state. Labor income declines from the impacts to the corn, soybean, and hog
 industries range from \$366 to \$484 million without federal offsets and \$245 to \$364
 million with federal offsets.
- Iowa tax revenue losses (personal income and sales taxes) range from \$111 to \$146 million. Federal offsets would reduce tax losses to \$75 to \$110 million.



A publication of the Agricultural & Applied Economics Association





2nd Quarter 2018 • 33(2)

What Have We Learned from China's Past Trade Retaliation Strategies?

Minghao Li, Wendong Zhang, and Chad Hart

JEL Classifications: Q17, F10

Keywords: Agricultural Commodities, China, Tariff, Trade Retaliation

Proportional, Restrained Response

Currently, China has a huge overall trade surplus with the United States, and thus na status quo and avoid dispute escalations. As the two cases above demonstrate, Chin commodities with trade flows comparable to U.S. targets in order to send a clear me

Target Products That Are Substitutable

In these two cases, China chose commodities that are easily substitutable across pr domestic production. Half of the U.S. broiler products were chicken feet, a replaced commonly used for feed and can be replaced by corn or other coarse grains. In terr

Inflict Economic and Political Costs

From the perspective of China's government, the ultimate goal of retaliatory tariffs politically influential interest groups in the United States, turning them into lobbyis For retaliation measures to be effective, China's market as an export destination for be important for U.S. producers, as is the case for broiler products and sorghum. F government has long recognized the political significance of the U.S. agricultural in why it targets U.S. agricultural exports in trade spats.

UPDATE 1-CHINA SAYS
NEW ANIMAL FEED
STANDARDS WILL CUT
CHUNK OUT OF APPETITE
FOR SOY

10/20/2010

China's Feed Industry Association on Friday approved new standards for feed for pigs and chickens, lowering the protein levels in pig feed by 1.5 percentage points and those for chickens by one percentage point, the agriculture ministry said in a statement that day. It did not say when the new standards would take effect.

The ministry also said in the statement that China's overall yearly consumption of soymeal would fall by 11 million tonnes. The country used 71 million tonnes of soymeal to make animal feed in the 2017-18 crop year.

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#3: Trade disruptions give China strategic incentives to further diversify away from U.S., potentially benefitting our competitors

Commodity (2016 value of China ag imports)	USA	Brazil	Europe	Australia Argentina or Urugua			
Soybean (\$34.4 Bil.) (China increased production by 9% in 2018)	38%	47%			A-10%		
Pork (\$2.32 Bil.)	13%		50% Canada: 11%				
Ethanol (\$0.38 Bil.)	70%	11%	Pakistan 15%				
Beef (\$2.42 Bil.)	0%	22%		28%	U-21%		
Poultry (\$1.11 Bil.)		79%			A-9%		
Corn (\$0.87 Bil.)	10%	Ukraine: 79%					

China's Ag Import Sources

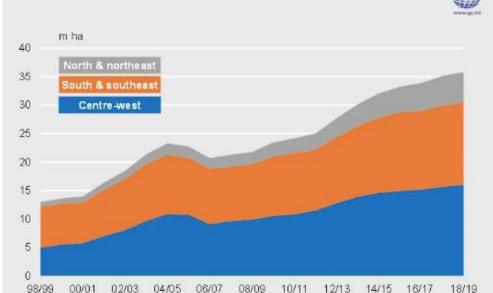
China can produces 97% of its pork, but only 15% of its soybean demand domestically China provided about US\$200/acre subsidy to increase soy production (up 9% 2018)



Bolsonaro wins Brazilian presidency

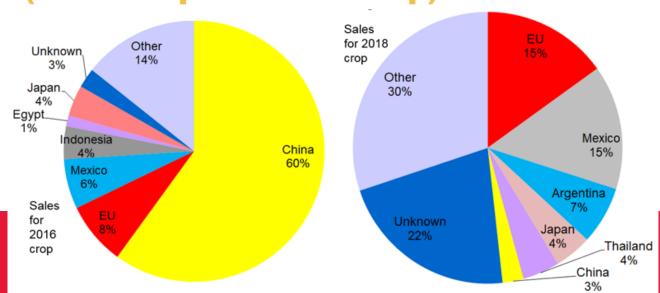
The former military officer is the latest in a global wave of far-right nationalists to surge at the ballot box.

washingtonpost.com



Soyabeans: Brazilian area by region*

Soybean Export Market Share (2016 crop vs. 2018 crop)

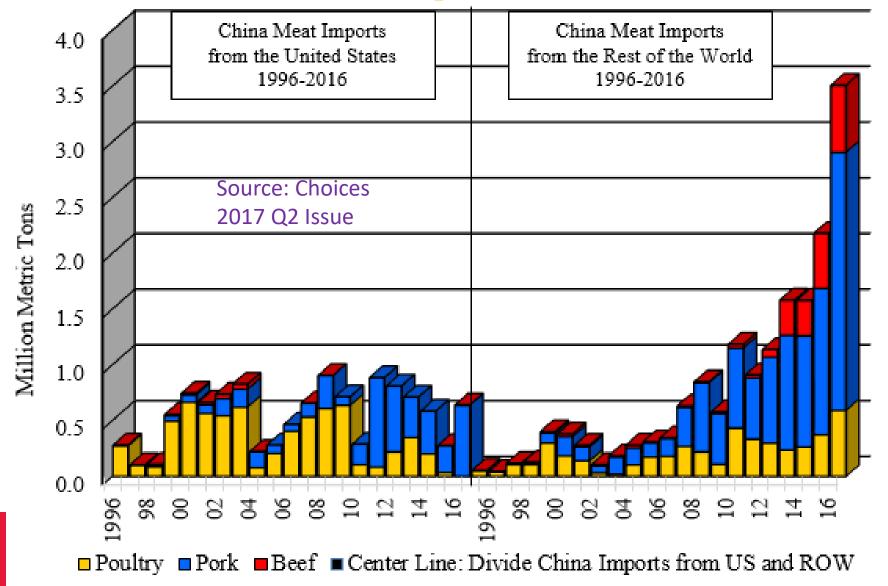


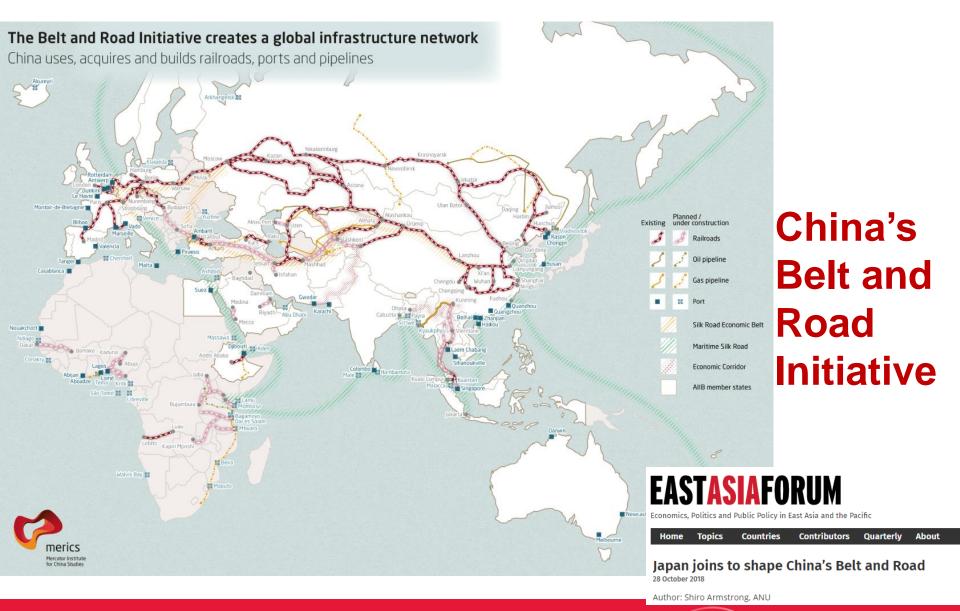
Soy Stats Worrying

(f'cast)



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





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Structural impacts of trade war

Chinese Ag Policy Presents Future Demand that could be filled by our competitors

Minghao Li, Wendong Zhang, Dermot Hayes, Riley Arthur, Yantao Yang, and Xiudong Wang. 2017. "China's New Nationwide E10 Ethanol Mandate and Its Global Implications." Agricultural Policy Review. Center for Agricultural and Rural Development, Iowa State University.

China cannot produce enough ethanol domestically to fulfill the 2020 E10 ethanol mandate

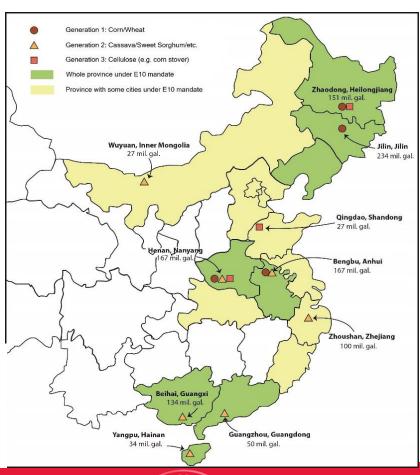
4th largest producer – 1 Bil gal.

- 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 #2076 SEPTEMBER 12, 2017 / 8:26 PM / 2 MONTHS AGO

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

China's Ethanol Trial



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Agricultural Policy Review

OWA STATE UNIVERSITY

All the Ag Policy that's fit to print!

Ames, Iowa • Fall 2018

Quarantine Active
 Quarantine Lifted

5 - 10 MM

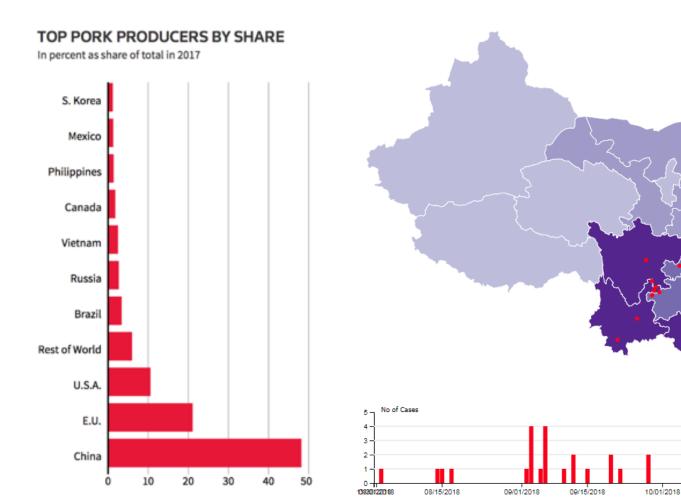
10 - 20 MM

10/15/2018

Hog Inventory in 2016 unit: millions (MM)

World's Largest Pork Producer in Crisis: China's African Swine Fever Outbreak

by Yongtong Shao, Minghao Li, Wendong Zhang, Yongjie Ji, and Dermot Hayes



#4: Arguably strategic misjudgments early on by both sides, exposing lack of mutual understandings and mistrust





Successful Farming

CHINA POWER

China Plays Down Liu He's Meeting With Trump

Not a single piece of news about this significant meeting has been broadcast by China's TV stations.

By Charlotte Gao February 04, 2019









Last week, the United States and China wrapped up a new round of high-level trade negotiations in Washington D.C. On January 31, Chinese Vice Premier Liu He, Beijing's top negotiator in the

U.S.-China trade dispute, also had a meeting with U.S. President Donald Trump in tl reporters that an agreement between the Office.

The New York Times



President Donald Trump meets (He and other members of a Chir trade delegation in the Oval Offic January 31, 2019.

Image Credit: Official White House by Tia Dufour

CHINA AND U.S. ARE A LONG WAY FROM ENDING TRADE WAR

By Chuck Abbott 2/4/2019

"We'd love to see a comprehensive, major relationship with China restored," said Perdue on Friday at the Cattle Industry Convention in New Orleans. The administration imposed tariffs on a wide range of Chinese goods as leverage for reform of China's trade policies, which the U.S. says include theft of intellectual property and forced transfer of trade secrets. Perdue told reporters that an agreement between the nations must include enforcement provisions. "We're a long way" from a final package, he said. "We were heartened by the spirit of negotiations."

Trump Optimistic on Trade Deal With China, but May Keep Tariffs Anyway

By Alan Rappeport and Mark Landler

Jan. 31, 2019

China-U.S. trade talks make important progress for current stage, says Chinese delegation

Source: Xinhua | 2019-02-01 09:00:49 | Editor: Xiang Bo

Liu and Lighthizer held candid, specific and constructive discussions in particular on such topics of common concern as trade balance, technology transfer, IPR protection and enforcement mechanism, as well as certain issues of particular concern for the Chinese side, according to the Chinese delegation.

The two sides have agreed to take effective measures to promote a more balanced development of bilateral trade. The Chinese side will make active efforts to expand imports from the United States in the sectors of agriculture, energy, manufacturing and services, which will help China's pursuit of high-quality economic development and meet the people's demand for a better life

The two sides also discussed some specific concerns of the Chinese side, and the U.S. side said it would seriously address these concerns.

Both sides believe that it is very important to establish an effective two-way enforcement mechanism, so as to ensure all measures agreed upon through consultations will be implemented. They have reached consensus in principle on the framework and basic elements of the enforcement mechanism, and will continue to hammer out more details.







Statement of the United States Regarding China Talks

— ECONOMY & JOBS

Issued on: January 31, 2019

The talks covered a wide range of issues, including: (1) the ways in which United States companies are pressured to transfer technology to Chinese companies; (2) the need for stronger protection and enforcement of intellectual property rights in China; (3) the numerous tariff and non-tariff barriers faced by United States companies in China; (4) the harm resulting from China's cyber-theft of United States commercial property; (5) how market-distorting forces, including subsidies and state-owned enterprises, can lead to excess capacity; (6) the need to remove market barriers and tariffs that limit United States sales of manufactured goods, services, and agriculture to China; and (7) the role of currencies in the United States-China trading relationship. The two sides also discussed the need to reduce the enormous and growing trade deficit that the United States has with China. The purchase of United States products by China from our farmers, ranchers, manufacturers, and businesses is a critical part of the negotiations.

The two sides showed a helpful willingness to engage on all major issues, and the negotiating sessions featured productive and technical discussions on how to resolve our differences.

The United States is particularly focused on reaching meaningful commitments on structural issues and deficit reduction. Both parties have agreed that any resolution will be fully enforceable.

While progress has been made, much work remains to be done. President Donald J. Trump has reiterated that the 90-day process agreed to in Buenos Aires represents a hard deadline, and that United States tariffs will increase unless the United States and China reach a satisfactory outcome by March 1, 2019. The United States looks forward to further talks with China on these vital topics.



#5: China is a Country of Rapid Change





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Center for Agricultural and Rural Development

Even on 1992 rchasi GDP per capita (PPP) \$37,283 **United States**

> \$1,846 China

U.S. GDP per capita was 20.2 times that of China

2016 GDP per capita (PPP)

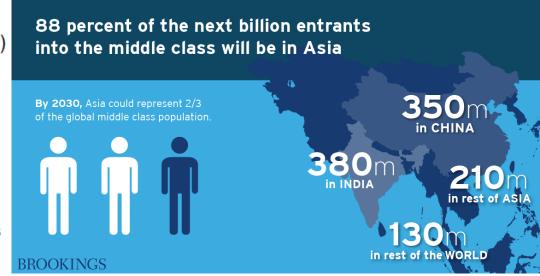
\$53,417

United States

\$14,275 China

U.S. GDP per capita was 3.7 times that of China

LINEAR



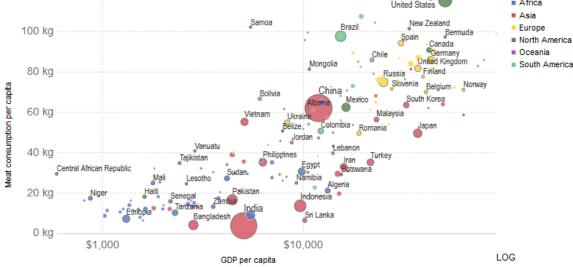
Bloomberg

Chinese People Are **Getting Richer, and** will need more protein and better environment

Meat consumption vs. GDP per capita, 2013

Average meat consumption per capita, measured in kilograms per year versus gross domestic product (GDP) per capita measured in 2011 international-\$. International-\$ corrects for price differences across countries. Figures do not include fish or seafood.





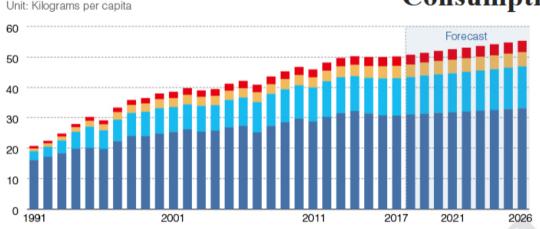
Source: UN FAO; World Bank, World Development Indicators

Our World

A Meatier Middle Kingdom



Charts of the Day: China's Growing Meat Consumption





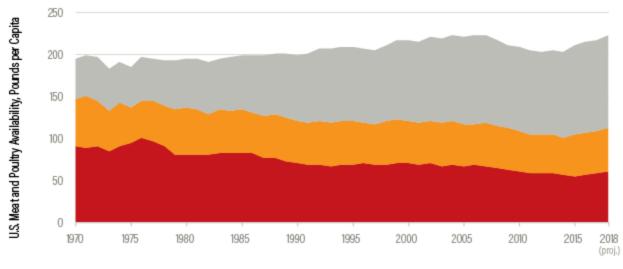
Source: **贝斯**數据

Original Sources: Organization for Economic Co-operation and Development, Food and Agriculture Organization of the United Nati

U.S. Meat Consumption Has Shifted from Beef toward Chicken



2018 Will See High Meat Consumption in the U.S., but the American Diet is Shifting



ру 🌉



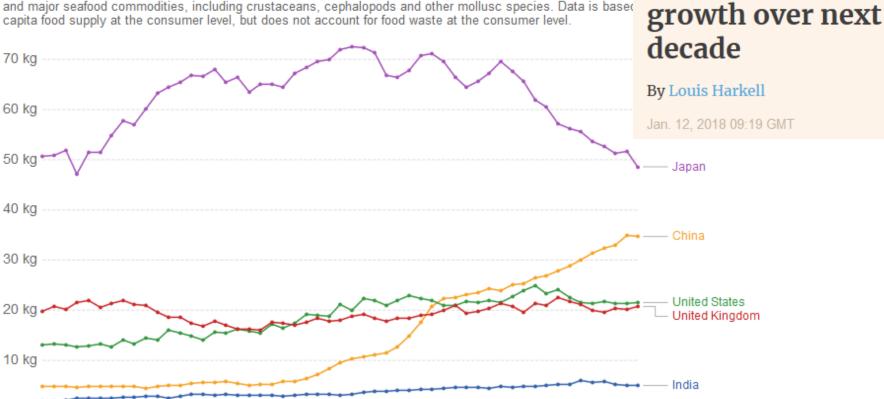






Fish and seafood consumption per capita

Annual consumption of fish and seafood per person per year, measured in kilograms. Data is inclusive of all fish and major seafood commodities, including crustaceans, cephalopods and other mollusc species. Data is based capita food supply at the consumer level, but does not account for food waste at the consumer level.



1990

2000

IOWA STATE UNIVERSITY Extension and Outreach

1980

1970

Source: UN Food and Agriculture Organization (FAO)

0 kg 1961



CC BY-SA

2013

Rabobank: China to

of global seafood

consumption

drive more than half

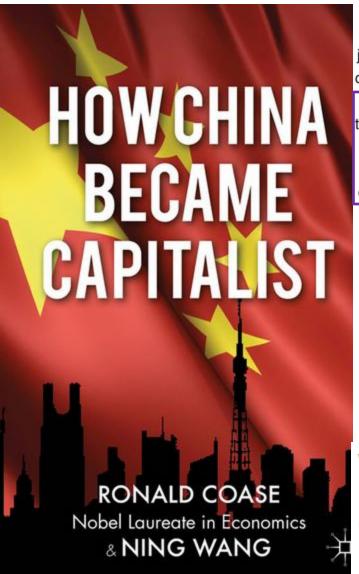
My hometown: Shenxian, Shandong Province

Greenhouse – plastic film - Shandong Province



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#6: Chinese economy and U.S.-**China Relations at Inflection Points**



Description this book

How China Became Capitalist details the extraordinary, and often unanticipated, journey that China has taken over the past thirty five years in transforming itself from a closed agrarian socialist economy to an indomitable economic force in the international

arena. The authors revitalise the debate around the rise of the Chinese economy through the use of primary sources, persuasively arguing that the reforms implemented by the Chinese leaders did not represent a concerted attempt to create a capitalist economy, and that it was marginal revolutions that introduced the market and entrepreneurship back to China. Lessons from the West were guided by the traditional

Chinese principle of seeking truth from facts. By turning to capitalism, China reembraced her own cultural roots. How China Became Capitalist challenges received wisdom about the future of the Chinese economy, warning that while China has enormous potential for further growth, the future is clouded by the government s monopoly of ideas and power. Coase and Wang argue that the development of a ntegral in

WORLD NEWS

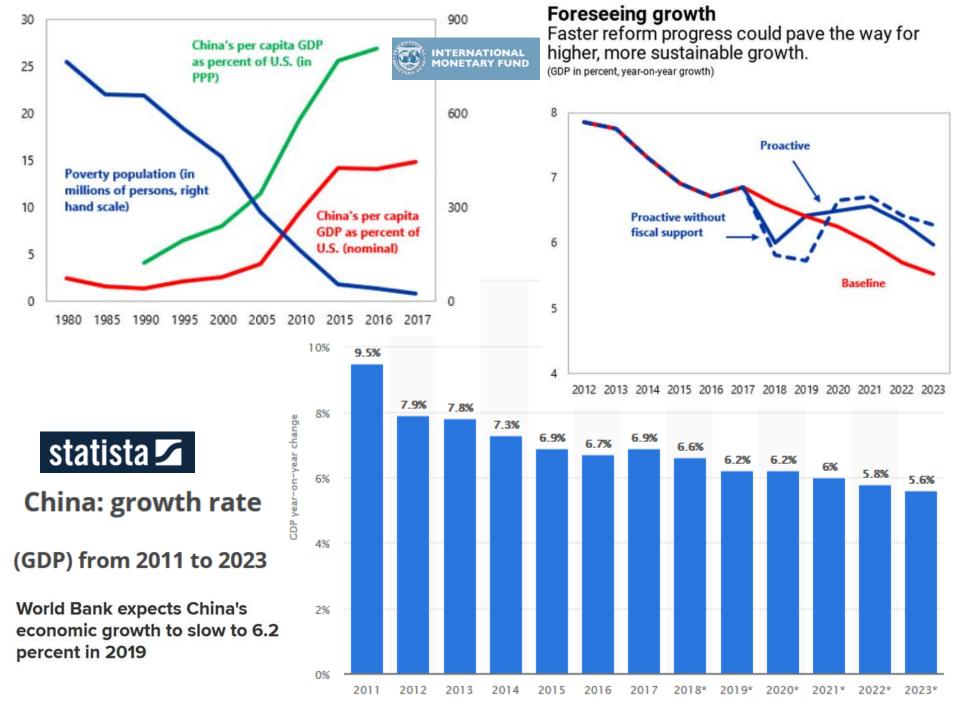
OCTOBER 17, 2017 / 9:29 PM / A YEAR AGO

Xi says China will let the market play decisive role in resource allocation

WORLD NEWS NOVEMBER 12, 2013 / 3:47 AM / 5 YEARS AGO



China vows 'decisive' role for markets, results by 2020



U.S.-China Relations at Critical Inflection Point

NATIONAL BESTSELLER

"Thucydides's Trap identifies a cardinal challenge to world order."

-HENRY KISSINGER, former US scentury of state



CAN AMERICA AND CHINA ESCAPE THUCYDIDES'S TRAP?

GRAHAM ALLISON

Lesson 4: Domestic performance is decisive.

Lesson 5: Hope is not a strategy.

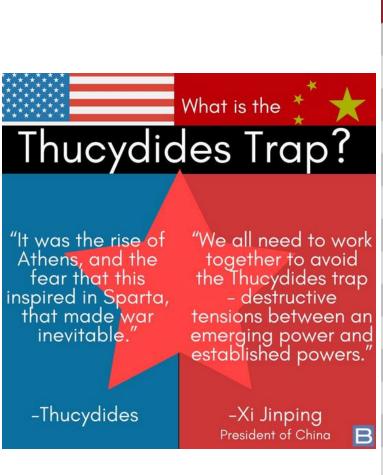


t was the rise of Athens, and the fear that this inspired in Sparta, that made war inevitable." —Thucydides



Is a War between China and America Simply Unstoppable?

uilding his analysis on Thucydides' study of the Peloponnesian War, Graham Allison and his colleagues have studied the classic international relations problem of military conflict between a rising power and an established dominant power. They identified 16 such situations over the past 500 years, and found that 12 of them ended in war — painting a gloomy picture of the future of US-China relations.



	Period		Ruling Power	Rising Power		Result		
1	First half of 16th century	***	France	Hapsburgs		War		
2	16th–17th centuries		Hapsburgs	Ottoman Empire	(•	War		
3	17th century		Hapsburgs	Sweden	-	War		
4	17th century		Dutch Republic	England	+	War		
5	Late 17th-early 18th centuries		France	Great Britain	業	War		
6	Late 18th-early 19th centuries		United Kingdom	France		War		
7	Mid-19th century		United Kingdom, France	Russia		War		
8	19th century		France	Germany		War		
9	Late 19th-early 20th centuries	-upt	Russia, China	Japan	•	War		
10	Early 20th century		United Kingdom	United States		No war		
11	Early 20th century		Russia, U.K., France	Germany		War		
12	Mid-20th century		Soviet Union, U.K. France	Germany	8	War		
13	Mid-20th century		United States	Japan	•	War		
14	1970s-1980s	À	Soviet Union	Japan	•	No war		
15	1940s-1980s		United States	Soviet Union	À	No war		
16	1990s-present		United Kingdom, France	Germany		No war		





Lexington

The Trump administration is right to redefine relations with China

It is also very bad at managing them



US-China Business Council Statement on January Trade Talks

WASHINGTON - January 31, 2019 - In response to the White House's statement about this week's negotiations in Washington, US-China Business Council (USCBC) President Craig Allen said:

"We understand that this week's discussions covered familiar ground on structural issues and look forward to hearing details about any progress that was made. The long-standing concerns that foreign companies have about protection of intellectual property rights, technology transfer, and market access in China are ones that we believe are prime for resolution. We urge both governments to use the next month to address these issues.

"We are pleased to learn that both sides have agreed that any outcomes will be fully enforceable. As we have stated repeatedly, a viable outcome must include a regularized, results-oriented government-to-government dialogue that produces measurable, commercially meaningful outcomes addressing the concerns of American companies.

"In addition, any agreement between the governments should include positive incentives when China produces milestone deliverables, including a mechanism for removing US tariffs and Chinese retaliatory tariffs as progress is made. Removal of these tariffs must be a priority.

Print edition | United States >















#7: Chinese consumers, producers, and gov't increasingly like U.S.

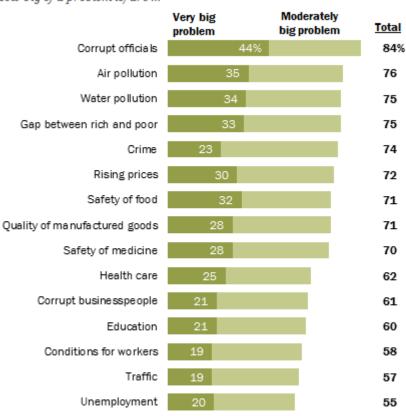
Sky-high Housing

Chinese real estate is the most unaffordable in the world



Corrupt Officials, Pollution Are Top Concerns

How big of a problem is/are ...



Corruption, Pollution, Inequality Are Top Concerns in China

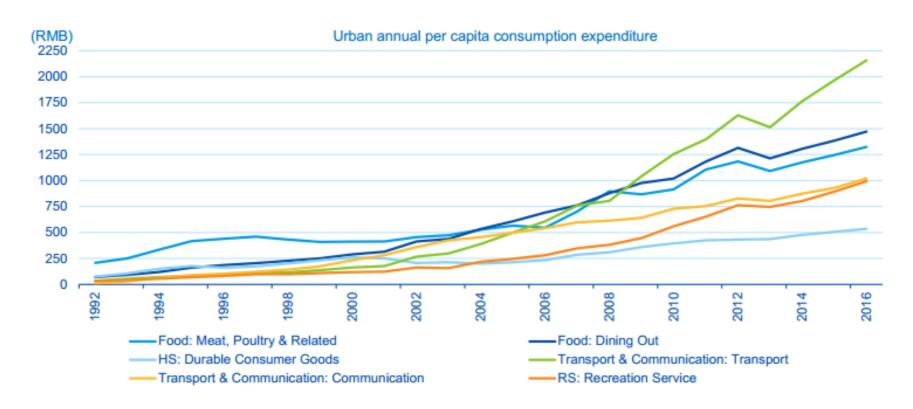
Many Worry about Threats to Traditions and Culture

Pew Research Center

SEPTEMBER 24, 2015

Source: Spring 2015 Global Attitudes survey. Q60a, bCHI, d-f, h-q.

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









2018: 1 Billion Users

2013: 195 Mil. Users

What's Wechat?

WeChat is a smartphone application that consists of...







A staff member jumps for a photo to celebrate after Alibaba's "Double 11" shopping festival, also known as Singles' Day, set a new record of 213.5 billion yuan (\$30.7 billion) in Shanghai on Monday. Online shoppers in China on Sunday shattered last year's record of \$24 billion in sales during the country's annual buying frenzy. This year's extravaganza was the 10th one to be held. I AP

BUSINESS

China's Alibaba nets record \$30 billion in Singles' Day sales extravaganza, but growth rate plunges

REUTERS



NOV 12, 2018





Be Careful with your PR/Marketing Plan

and tweets

Newsweek





Goats and Soda

CULTURE

Dolce & Gabbana Ad (With Chopsticks) Provokes Public Outrage in China

December 1, 2018 - 7:00 AM ET

The videos feature an Asian woman in a lavish Dolce & Gabbana dress attempting to eat pizza, spaghetti and cannoli. With Chinese folk music playing in the background, a Mandarinspeaking voiceover kicks in: "Welcome to the first episode of 'Eating with Chopsticks' by Dolce & Gabbana" — pronounced incorrectly on purpose in a way that mocks Chinese speech.

The male voice proceeds to mansplain how to "properly" eat the dishes. "Is it too big for you?" mocks the voiceover when the woman doesn't know what to do with the gigantic cannoli. "Let's use these small stick-like things to eat our great pizza margherita," he instructs in another video.

"That's explicit racism," one person commented on Weibo.

"D&G's stereotyping China. [The videos] only show the brand's outdated view about China."

U.S.

DUKE UNIVERSITY OFFICIAL STEPS DOWN AFTER TELLING CHINESE STUDENTS TO USE 'ENGLISH 100% OF THE TIME' IN LEAKED EMAIL

BY CHRISTINA ZHAO ON 1/27/19 AT 3:42 PM



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One professor from Duke University sent out an email asking Chinese students not to speak Chinese in school building.

biostatistics-mbstudents-secondyear@duke.... > Something to think about ... Today at 1:49 PM

Hi All.

I had two separate faculty members come to my office today and ask if I had pictures of the MB students. I shared with them the head shots of the first- and second-year cohorts taken during orientation. Both faculty members picked out a small group of first-year students who they observed speaking Chinese (in their words, VERY LOUDLY) in the student lounge/study areas. I asked why they were curious about the students' names. Both faculty members replied that they wanted to write down the names so they could remember them if the students ever interviewed for

To international students, PLEASE PLEASE PLEASE keep these unintended consequences in mind when you choose to speak in Chinese in the building. I have no idea how hard it has been and still is for you to come to the US and have to learn in a non-native language. As such, I have the upmost respect for what you are doing. That being said, I encourage you to commit to using English 100% of the time when you are in Hock or any other professional setting.

Copying the second-year students as a reminder given they are currently applying for jobs.

Happy to discuss more. Just stop by my office.

Megan Neely Assistant Professor Director of Graduate Studies Master of Biostatistics Program

9:53 AM - 26 Jan 2019

13,971 Retweets 28,552 Likes











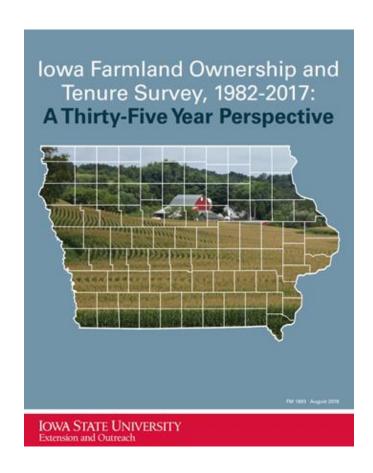




Key Messages (on Ag Decision Maker): Understand Contemporary China!

- 1. Ag is not China's comparative advantage
- 2. China suffers more economically, but retaliate on ag states like lowa
- 3. Trade war makes China further diversify away from US
- 4. Trade war exposes early strategic misjudgments and growing mistrust
- 5. China is a country of rapid change
- 6. Chinese economy and relations with US at inflection points
- 7. Chinese producers and consumers increasingly think and act like Americans





- 82% of Iowa land is debt-free
- 60% of land owned by owners 65+ years old, one-third of land owned by 75+ years old, 13% of land owned by women landowner 80+ years old
- Ownership continues to shift from sole ownership to trusts and corporations
- 53% of lowa land rented out mainly cash rent
- 34% of Iowa land owned by landlords with no farming experience, 23% of land owned by retired farmers who do not currently farm
- 29% of Iowa land owned primarily for family/sentimental reasons

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2018 IOWA LAND VALUE



down 0.8% down \$62

Double Downward Pressure

Land Value = income / interest rate

IOWA STATE UNIVERSITY Extension and Outreach



Thank You!

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