

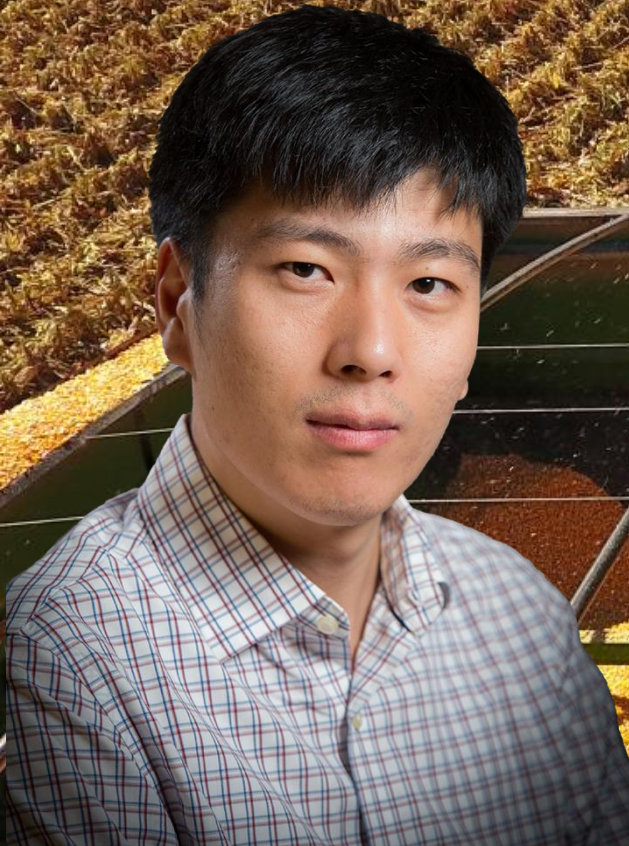
farmdocDAILY LIVE | Coronavirus and Ag US-China Agricultural Trade and Shifting Consumption Patterns in China



ILLINOIS

Agricultural &
Consumer Economics

COLLEGE OF AGRICULTURAL, CONSUMER
& ENVIRONMENTAL SCIENCES



Wendong Zhang



Nick Paulson

Recorded Webinar available at Youtube: <https://www.youtube.com/watch?v=4Hc4IKJ1Ahg>

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Agricultural & Consumer Economics

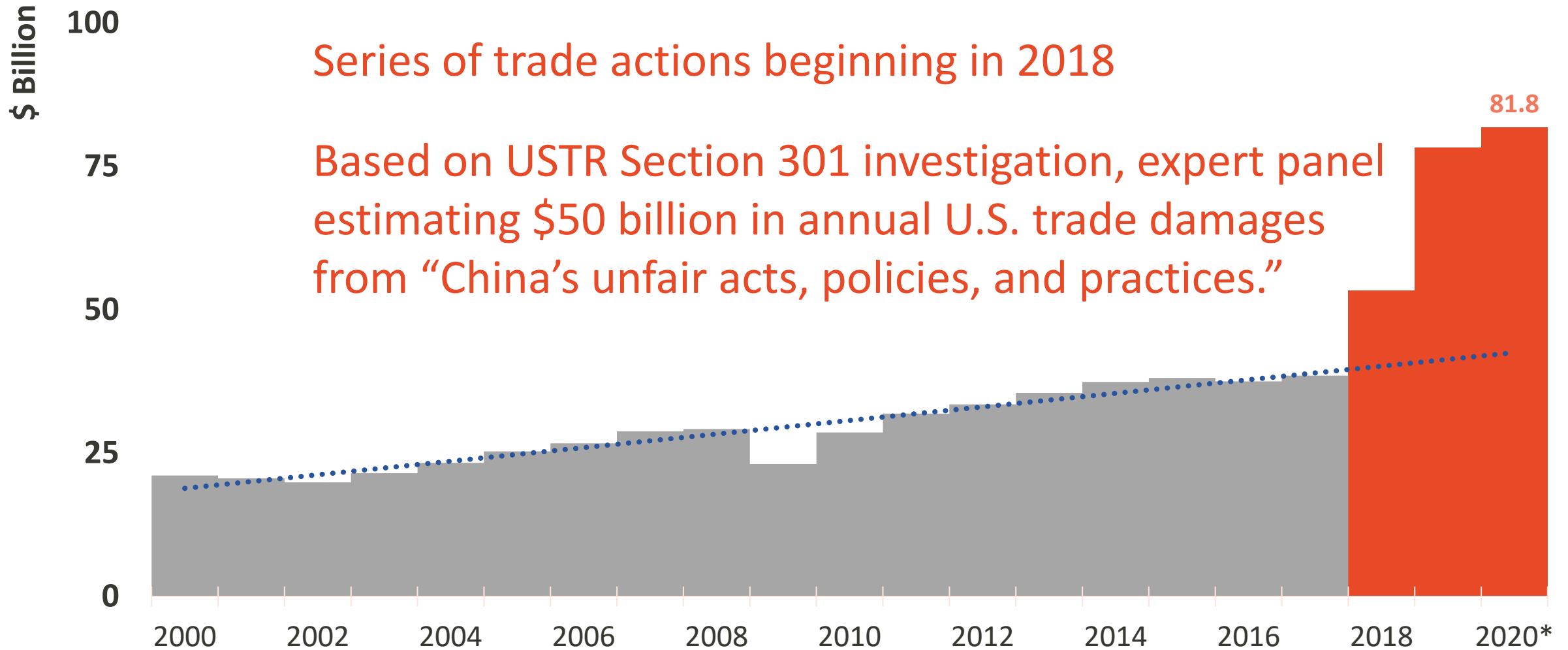
**COLLEGE OF AGRICULTURAL, CONSUMER
& ENVIRONMENTAL SCIENCES**



Nick Paulson

U.S.-China Trade War

U.S. Federal Customs Revenue, 2000 to 2020 Q1



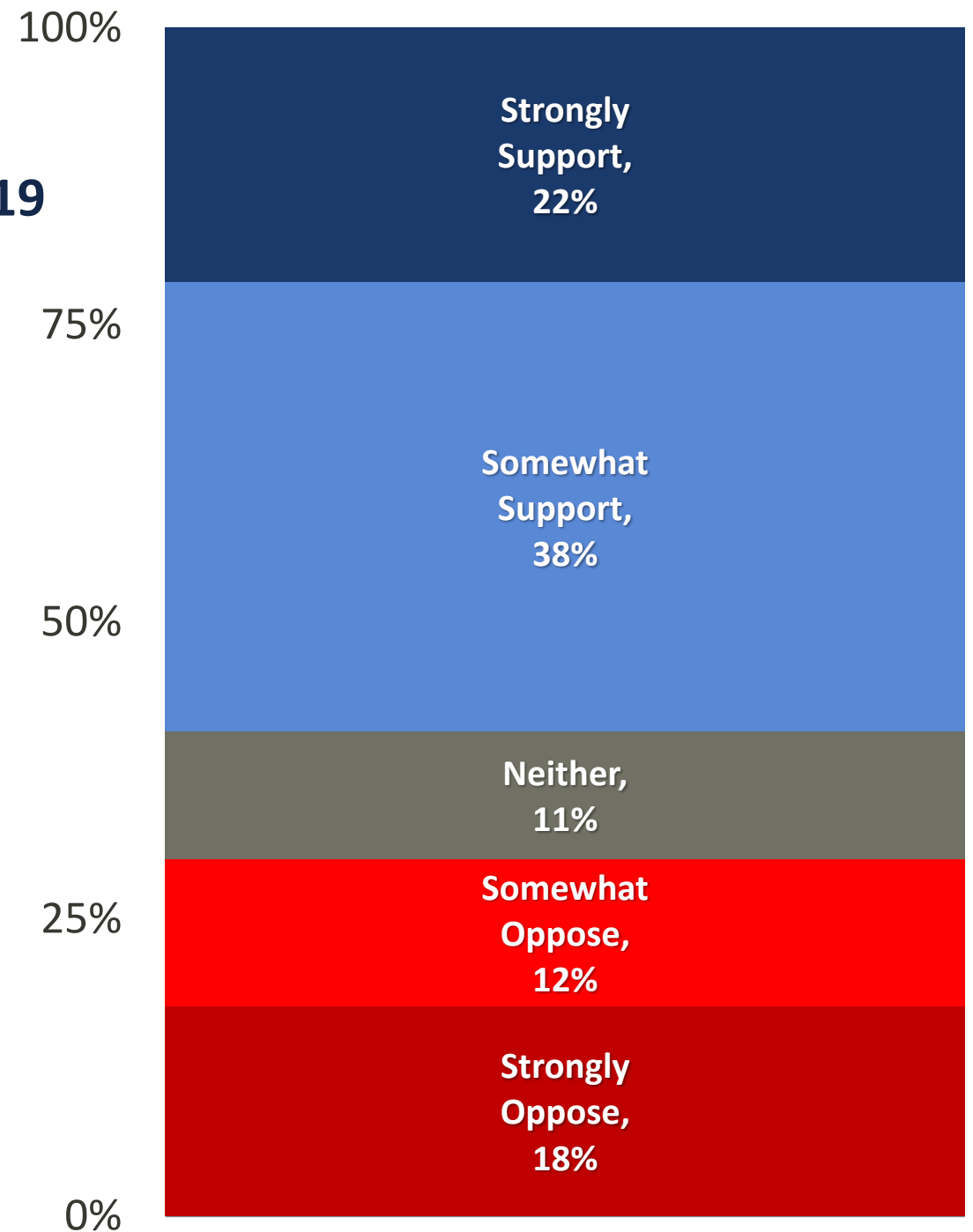
What is your level of support for raising tariffs on imports from China as a response to the Coronavirus?

- ☐ Strongly Oppose
- ☐ Somewhat Oppose
- ☐ Neither
- ☐ Somewhat Support
- ☐ Strongly Support

Survey results from **last year**

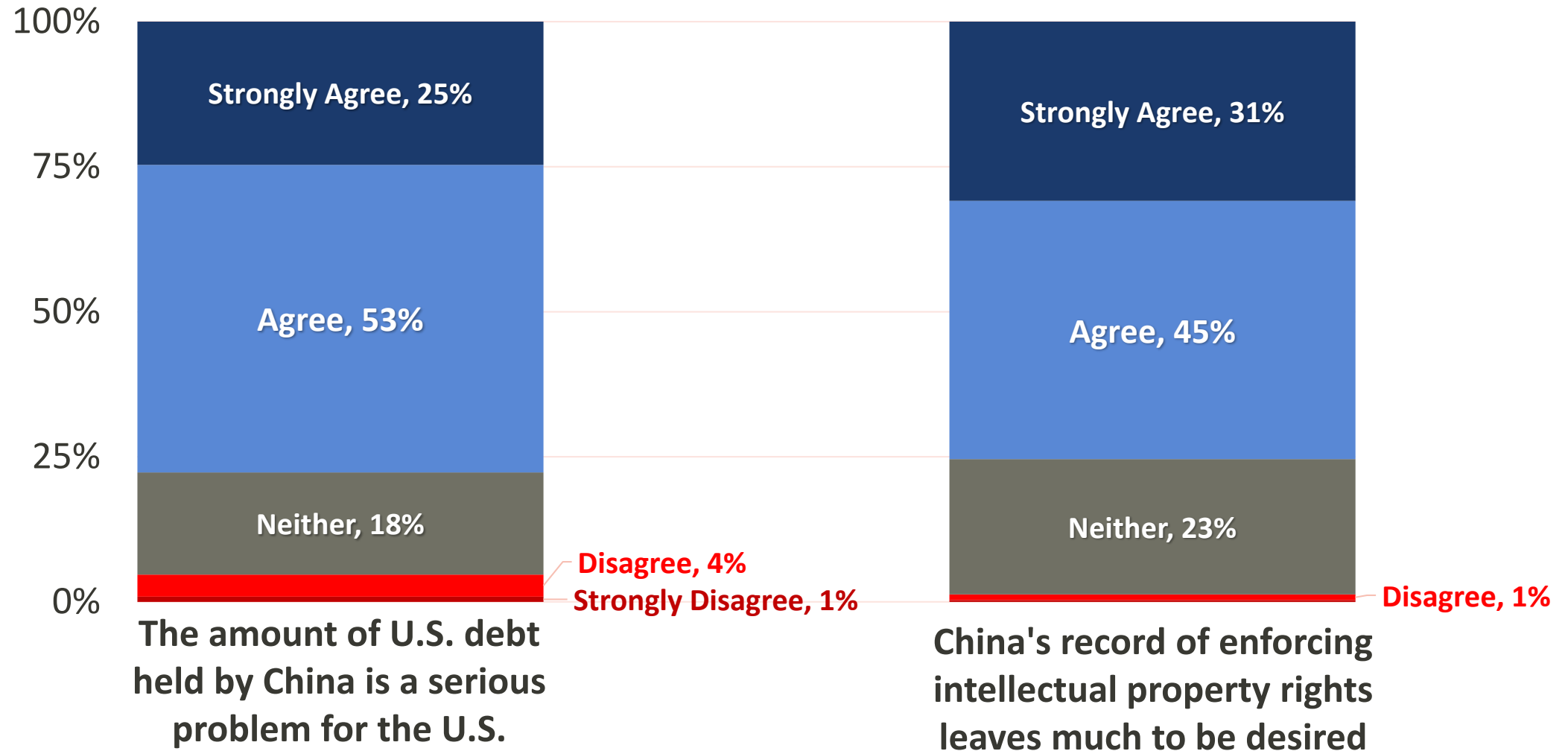
Qu et al., CARD Policy Brief 19-PB 26, October 2019

Respondent's Level of Support for Raising Tariffs on Products Imported From China



Survey results from **last year**

Qu et al., CARD Policy Brief 19-PB 26, October 2019

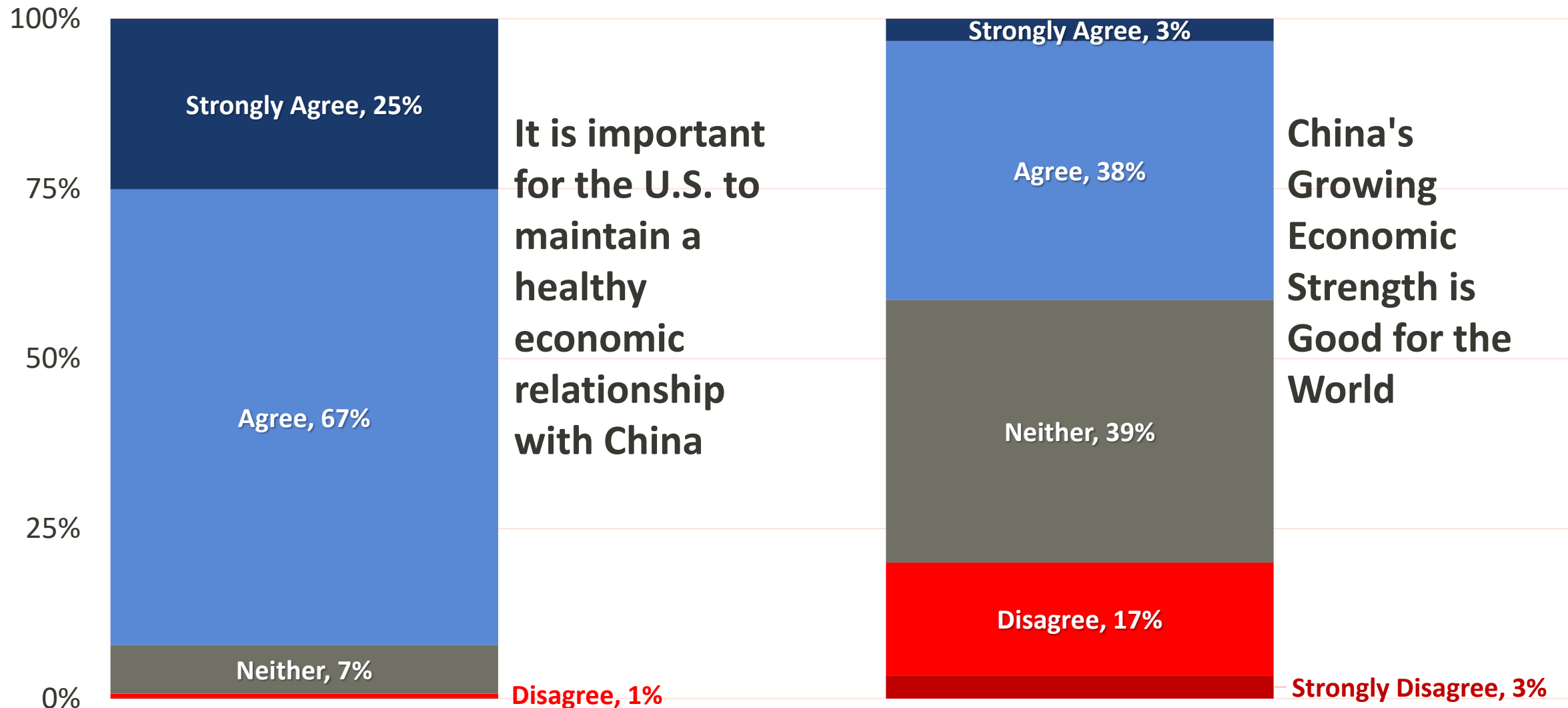


What is your level of support for canceling some U.S. debt held by China as a response to the Coronavirus?

- ☐ Strongly Oppose
- ☐ Somewhat Oppose
- ☐ Neither
- ☐ Somewhat Support
- ☐ Strongly Support

Survey results from **last year**

Qu et al., CARD Policy Brief 19-PB 26, October 2019



What is your view on the long-term outlook for demand growth in China and exports of U.S. agricultural products?

- ☐ U.S. ag exports to China will decline
- ☐ U.S. ag exports to China will remain stable
- ☐ U.S. ag exports to China will increase
- ☐ I don't know

US-China Agricultural Trade and Shifting Consumption Patterns in China

IOWA STATE UNIVERSITY
Extension and Outreach



Wendong Zhang

Assistant Professor and Extension Economist

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China Records First Ever Contraction in Quarterly GDP on Coronavirus

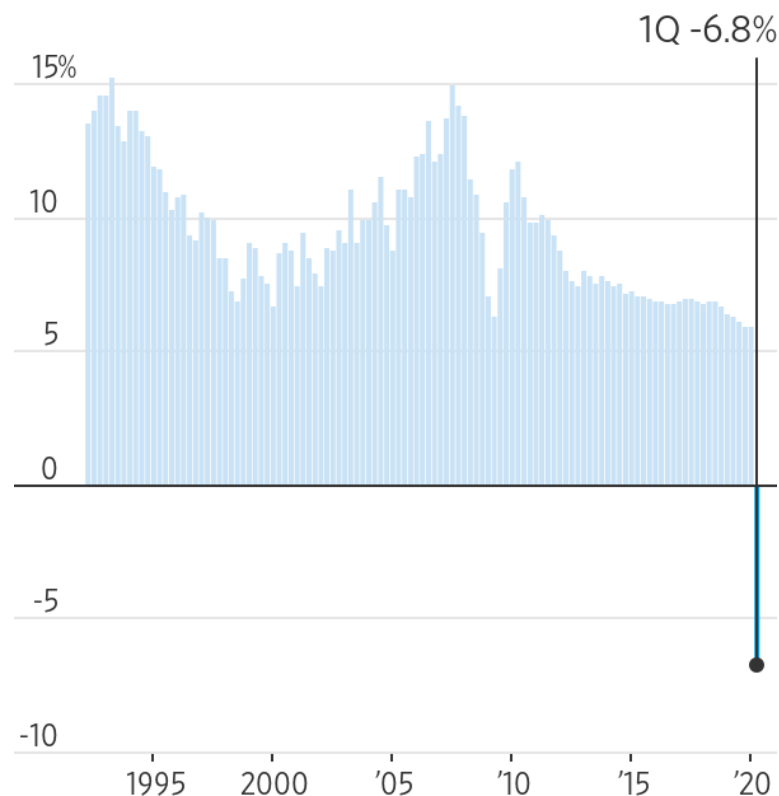
GDP contraction of 6.8% foreshadows pain likely to be reported world-wide

THE WALL STREET JOURNAL.

Viral Hit

China recorded its first GDP contraction since it began reporting quarterly figures in 1992.

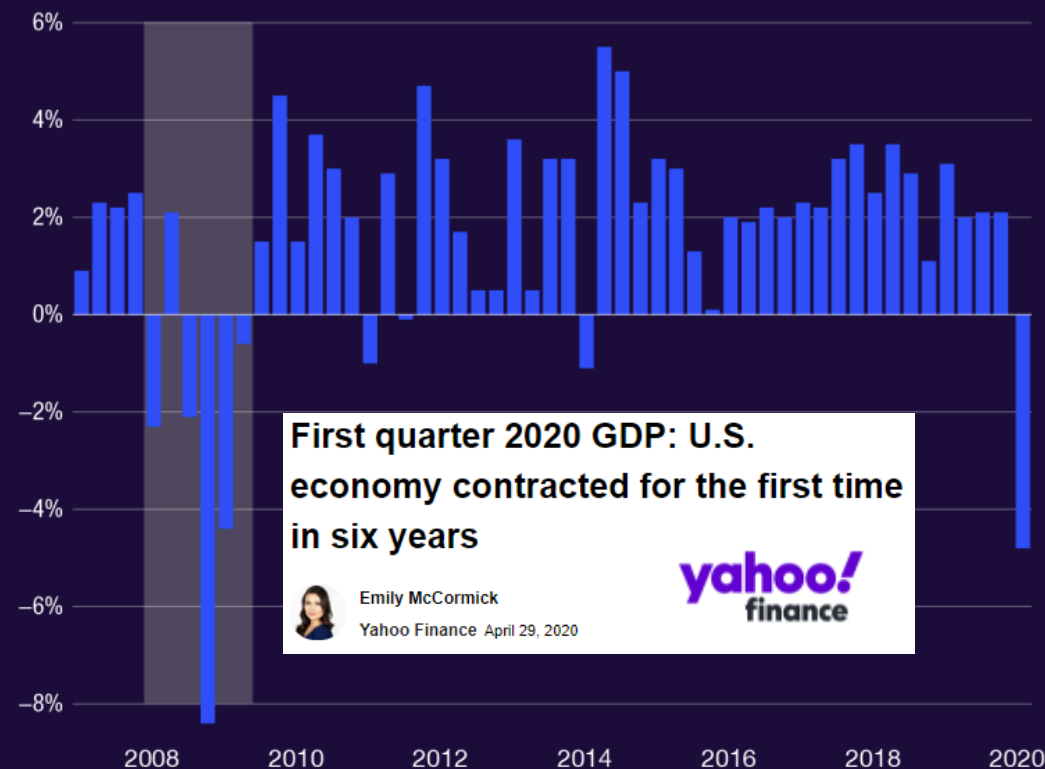
Quarterly GDP, change from a year earlier



Source: National Bureau of Statistics via Wind

GDP PLUNGES AMID CORONAVIRUS

REAL GDP % CHANGE FROM PRECEDING QUARTER



First quarter 2020 GDP: U.S. economy contracted for the first time in six years




Emily McCormick
Yahoo Finance April 29, 2020

yahoo!
finance

SHADED AREA INDICATES RECESSION
SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS

yahoo!
finance

A photograph of Donald Trump and several Chinese officials, including Li Keqiang, standing in front of the American and Chinese flags. Trump is on the right, looking towards the left. Li Keqiang is in the center, looking towards the right. Other officials are visible in the background.

The coronavirus will delay agricultural export surges promised in trade deal with China

March 2020

The novel coronavirus has shocked the world's economies.

The virus has spread to more than 100 countries and many U.S. states. This has rattled global stock markets, plunging the Dow more than 2,000 points on March 9 – the biggest one-day drop since the 2008 Great Recession.

Concerns about potential global economic decline has made implementation of the U.S.-China phase one trade deal uncertain. This deal requires China to purchase an additional **US\$12.5 billion worth of U.S. agricultural products in 2020**, and **\$19.5 billion more in 2021**.

In our recent research on the impacts of the U.S.-China trade war on U.S. agriculture, we argue that **China has the capability to make these purchases**, despite delays and disruptions to supply chains and trade flows caused by the coronavirus.

THE CONVERSATION

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Disclosure statement

Wendong Zhang receives funding from US Department of Agriculture Agriculture and Food Research Initiative (AFRI) Markets, Trade and Economics program with the project titled "Quantifying the Transmission of U.S.-China and Global Policy Impacts through a New Commodity-Specific International General-Equilibrium System".

Tao Xiong is a Professor of Agricultural Economics at Huazhong Agricultural University located in Wuhan, China, and currently a visiting scholar in Center for Agricultural and Rural Development (CARD) at Iowa State University.

Partners

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Iowa State University provides funding as a member of The Conversation US.

Unappreciated hazards of the US-China phase one deal

Chad P. Bown (PIIE)

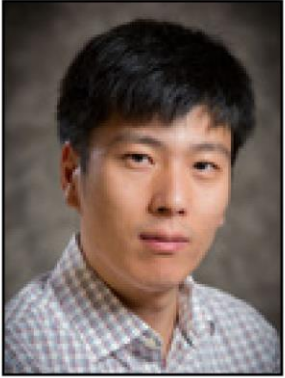
January 21, 2020 5:00 AM

US export targets for agriculture, energy, and manufactured goods under phase one deal may be difficult to achieve

Total US exports to China by covered sector, billions USD

a. Agriculture

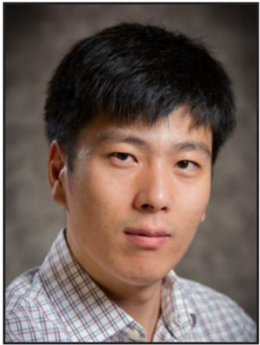




By Wendong Zhang, extension economist, 515-294-2536, wdzhang@iastate.edu

Ag Decision Maker

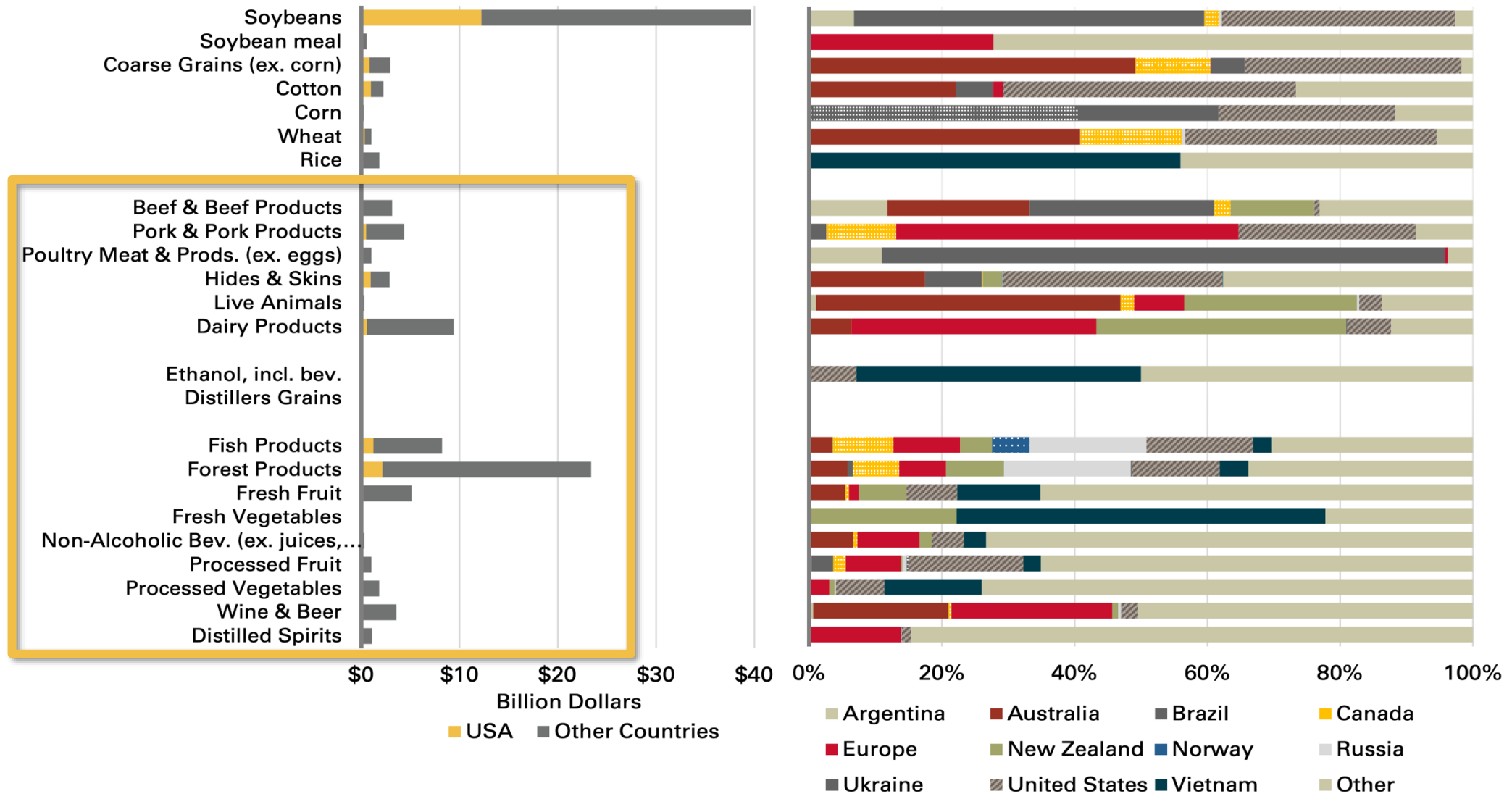
February 2019



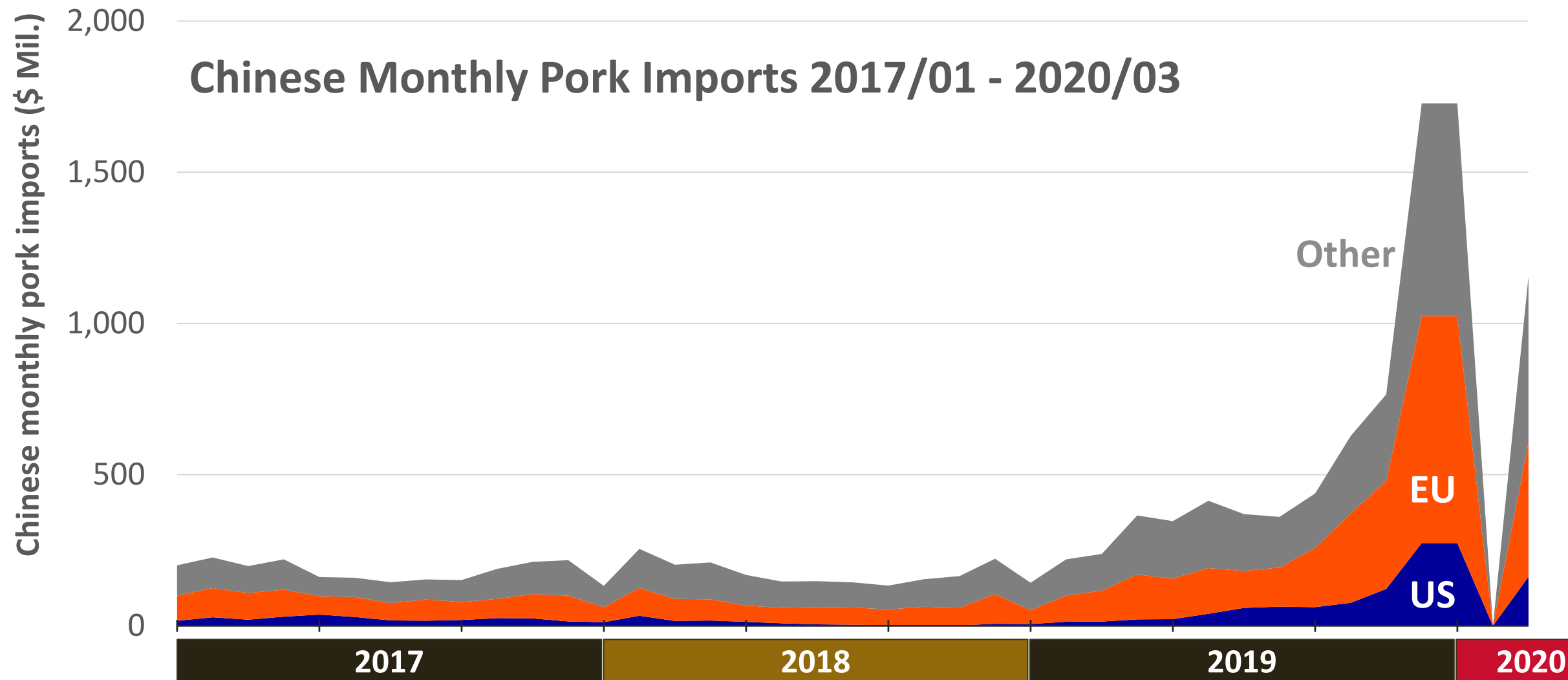
Seven things to know about China to understand the trade war

By Wendong Zhang, extension economist, 515-294-2536, wdzhang@iastate.edu

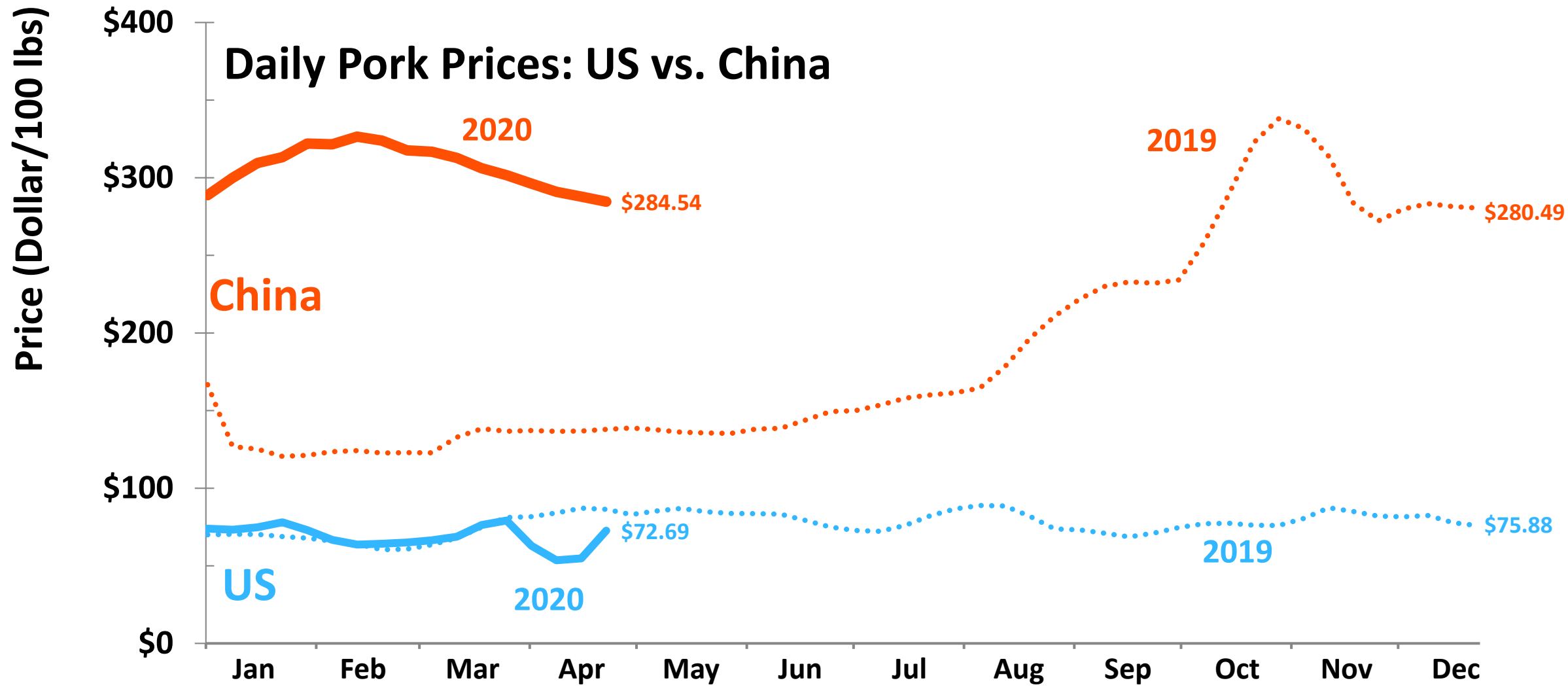
Key Chinese agricultural imports by commodity and country in 2017



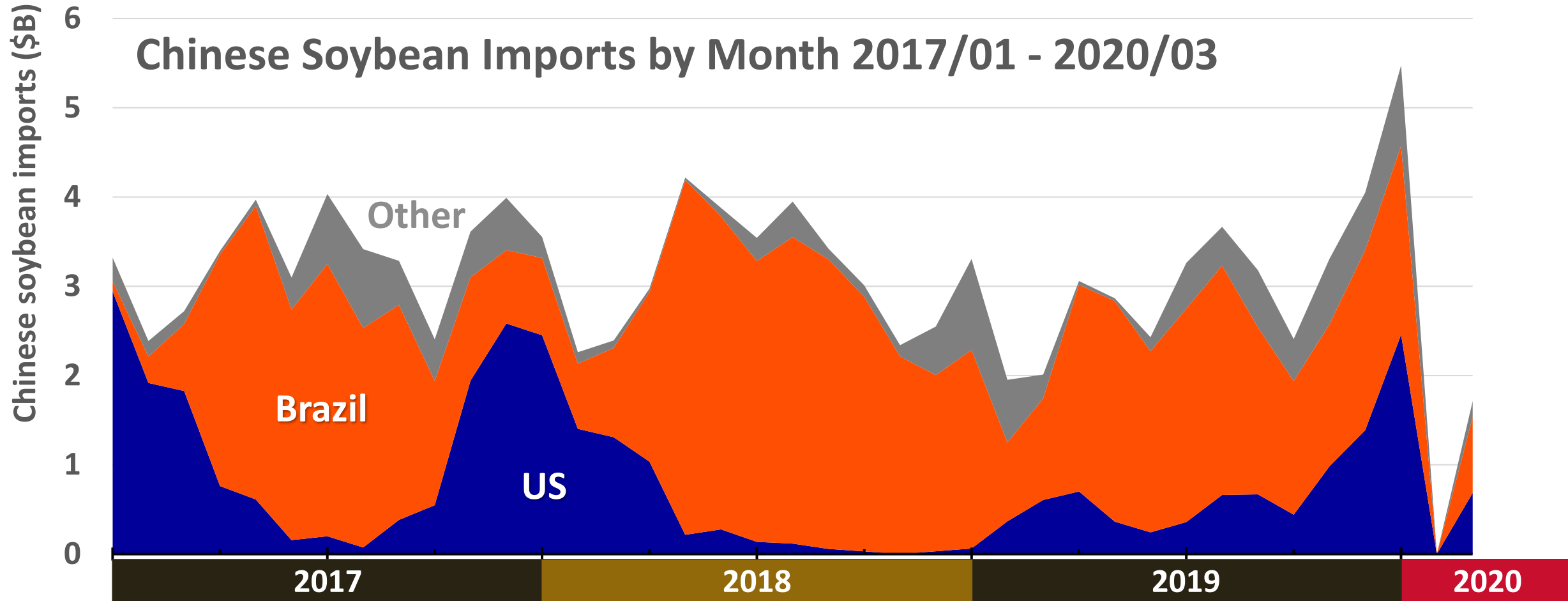
US Pork Exports to China Surged b/c ASF, so has Europe's



US Pork Exports to China Surged b/c ASF, so has Europe's

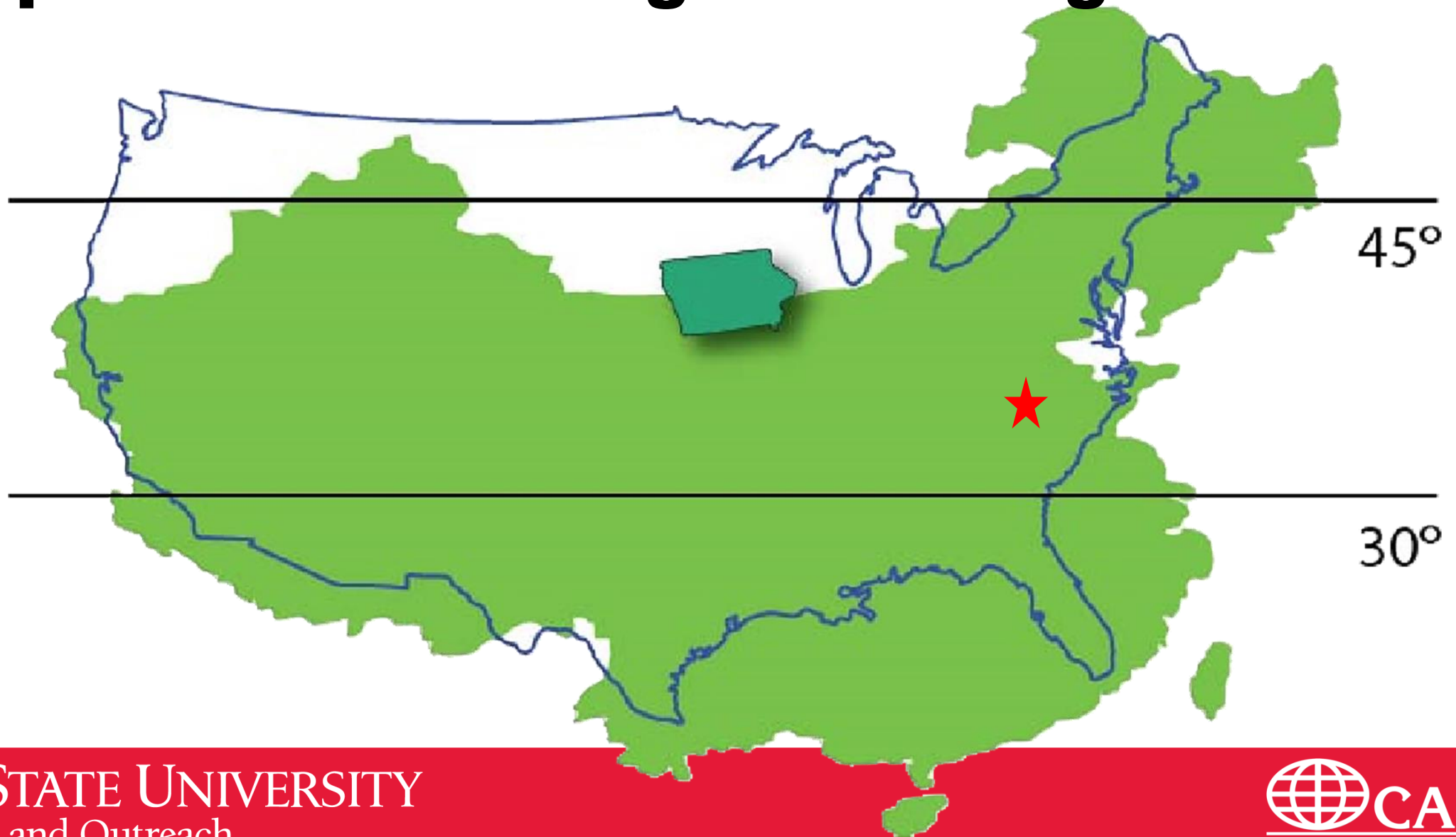


US Soybean Exports Comparable to 2019, but behind 2017



Source: UN Comtrade

What remains unchanged: Comparative advantage for US Ag

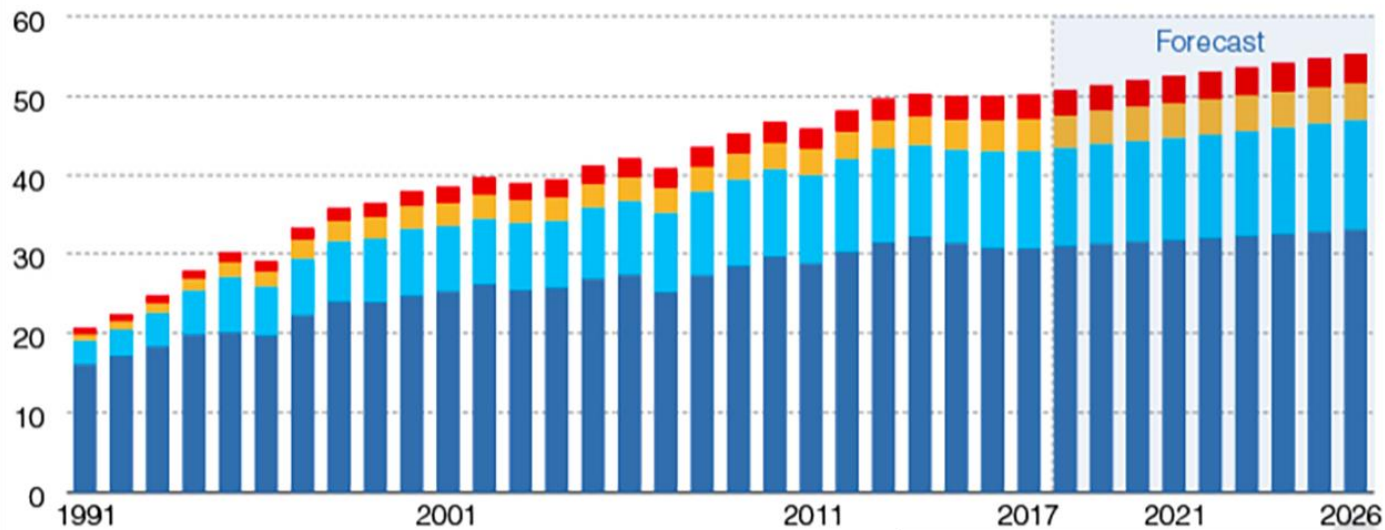


What remains unchanged after COVID-19: Chinese surging meat consumption & beyond

A Meatier Middle Kingdom

■ Pork ■ Poultry ■ Beef and veal ■ Sheep

Unit: Kilograms per capita



Source: 财新数据
Caixin Data

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

Oct 12, 2018 08:20 PM

DAILY CHART

Caixin
ENGLISH | 财新中文

Charts of the Day: China's Growing Meat Consumption

CHINADAILY 中国日报网
CHINADAILY.COM.CN

中文

Home / Business / Industries

Chilean cherries a hit with festive shoppers

By Ouyang Shijia | China Daily | Updated: 2019-02-12 09:45

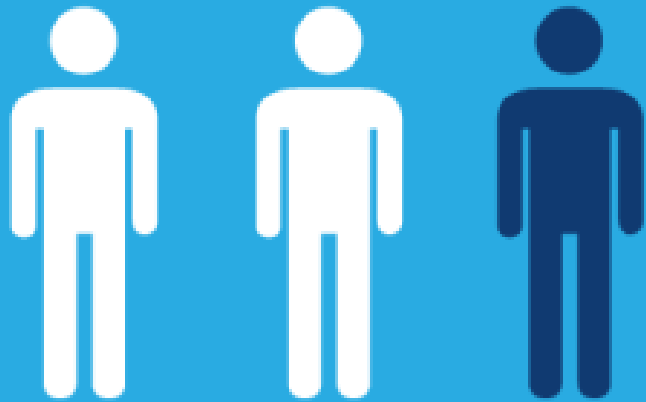


Consumers buy cherries at a supermarket in Guangzhou, capital of Guangdong province. [Photo by Li Zhihao/For China Daily]

What remains unchanged after COVID-19: Chinese surging middle class

88 percent of the next billion entrants
into the middle class will be in Asia

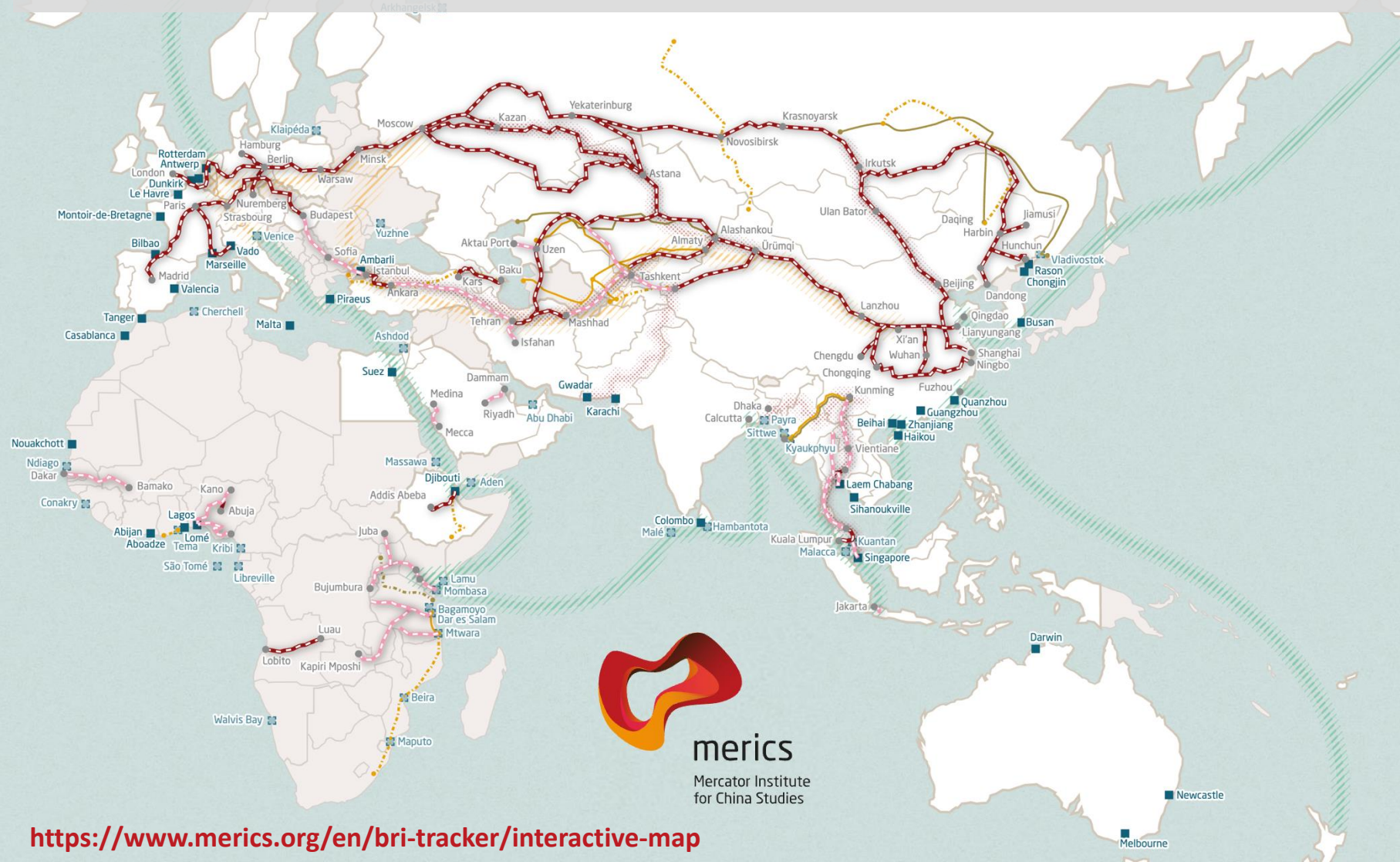
By 2030, Asia could represent 2/3
of the global middle class population.























BROOKINGS



What remains unchanged after COVID-19: Chinese continued overseas investment & diversification through BRI



| | | Existing | Planned |
|---|-------------------------|---|---|
|  | Railroads |  |  |
|  | Oil pipelines |  |  |
|  | Gas pipelines |  |  |
|  | Ports |  |  |
|  | Silk Road Economic Belt |  | |
|  | Maritime Silk Road |  | |
|  | Economic Corridor |  | |
|  | AIIB member states |  | |

What has changed due to the coronavirus?

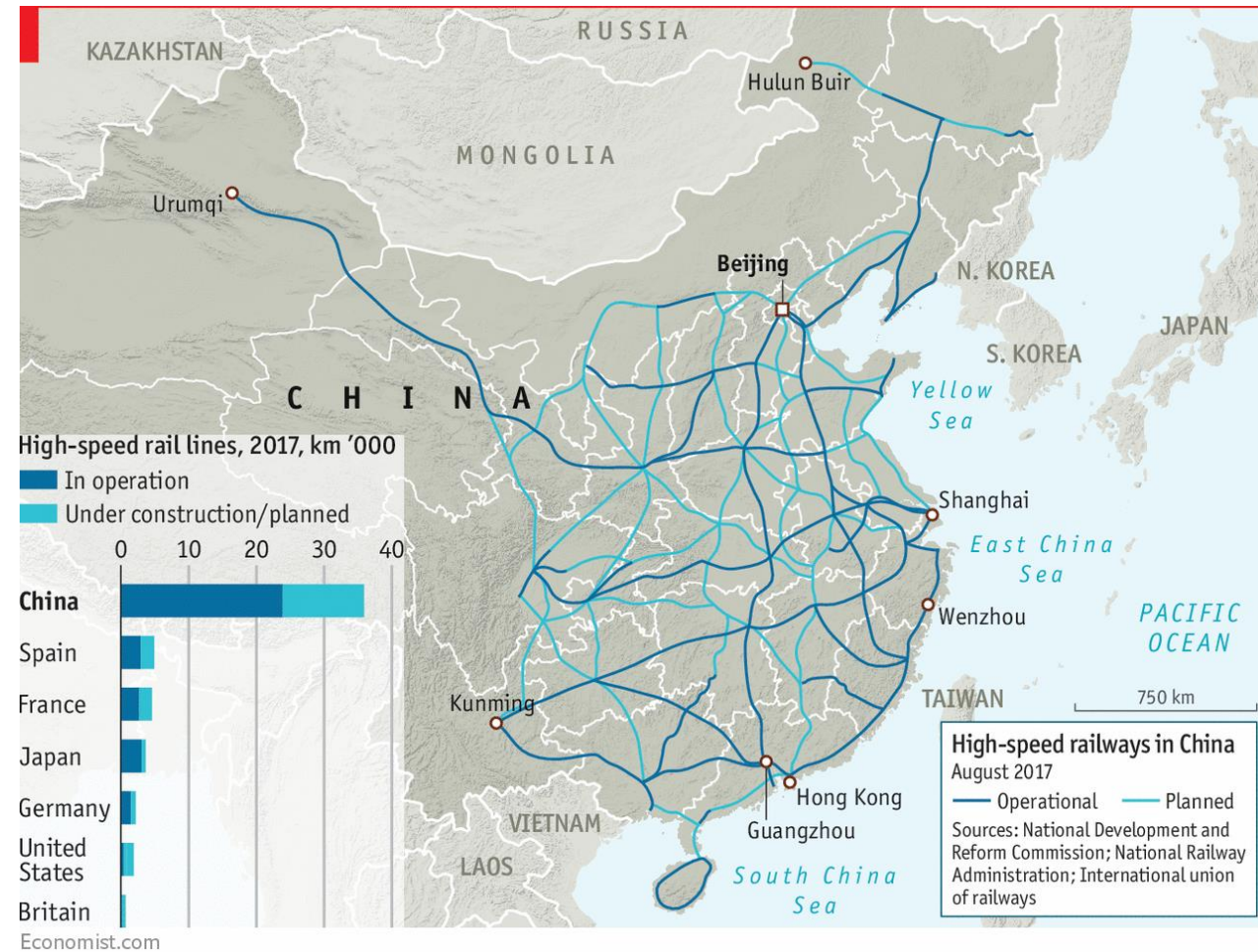
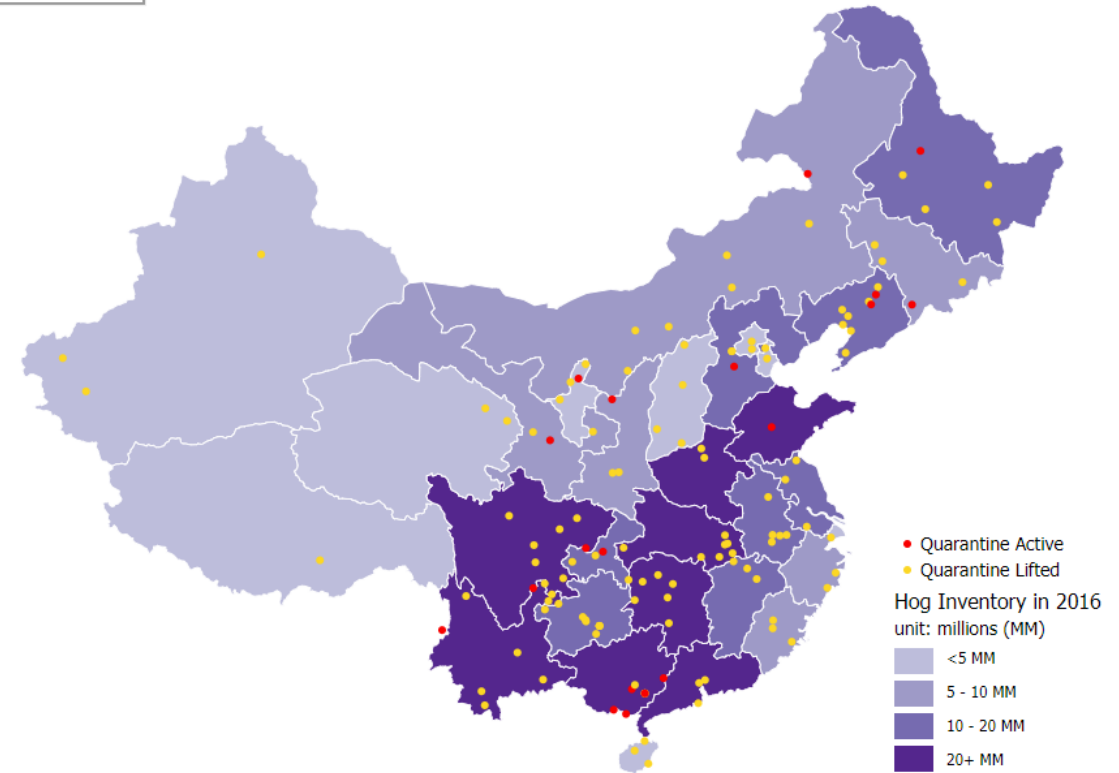
High Speed Rail & Social Governance

Chinese Livestock Industry Modernization



African Swine Fever Cases in China (Mainland)

Show All Cases Animation ☐ On ☒ off Map Base Data:



Changes in my hometown?

Greenhouse – plastic film - Shandong Province



In China, 500+ million consumers shop on mobile phones, even before the coronavirus

FINANCIAL TIMES

Yuval Noah Harari: the world after coronavirus

This storm will pass. But the choices we make now could change our lives for years to come

Yuval Noah Harari MARCH 20 2020

In this time of crisis, we face two particularly important choices. The first is between totalitarian surveillance and citizen empowerment. The second is between nationalist isolation and global solidarity.

<https://www.ft.com/content/19d90308-6858-11ea-a3c9-1fe6fedcca75>

特朗普说中国将竭尽所能让他连任失败；
中方：没兴趣！美国男子听特朗普话，误食清洁剂身亡

2020-05-01 12:11 来源：澎湃新闻·澎湃号·政务

字号



青春上海

+ 关注

据报道，美国总统特朗普周三在白宫接受路透社采访时宣称，中国“将竭尽所能”使他在11月的总统大选中连任失败。



在4月30日举行的外交部例行记者会上，路透社记者就此事向发言人耿爽提问，耿爽表示，中国没兴趣干预美国大选。

Chinese Lesson Time

美国

中华民族伟大复兴

危机

Thank You!



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IOWA STATE UNIVERSITY
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2019 ISU Land Value Survey

2019 ISU Land Value Survey
The 2019 ISU Land Value Survey shows a 2.3 percent increase in average Iowa farmland values from November 2018 to November 2019. The average statewide value of an acre of farmland is now estimated at \$7,432. This modest increase, which barely exceeds the pace of inflation, is the second rise over the past six years, but still represents a 15 percent decrease from the 2013 peak in nominal land values, or a 23 percent drop in inflation-adjusted values.

2017 Iowa Farmland Ownership & Tenure Survey Paper Copy Available for Order (\$5 Only)

The new, 60-page [2017 Iowa Farmland Ownership and Tenure Survey report](#) is available for order at the [Extension Store](#) for only \$5 each paper copy. This is a unique survey across the nation which provides statistically representative information on many aspects of land ownership, tenure and transitions in Iowa. For example, the survey finds that 60% of Iowa land is owned by people 65 years or older, 82% of Iowa land is owned free of debt, and 29% of all acres is primarily owned for family or sentimental reasons.

1. What are you interested in?

- [2019 ISU survey results](#)
- [find more land value data](#)
- [recent analysis & contact](#)

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CARD is a center located within the College of Agriculture and Life Sciences at Iowa State University.

www.card.iastate.edu/farmland

China Ag Center · Publications

Wendong Zhang and Tao Xiong. 2020. "The coronavirus will delay agricultural export surges promised in trade deal with China." The Conversation.

The novel coronavirus has shocked the world's economies.

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In our recent research on the impacts of the U.S.-China trade war on U.S. agriculture, we argue that China has the capability to make these purchases, despite delays and disruptions to supply chains and trade flows caused by the coronavirus. A resilient and recovering Chinese economy means the country can comply with the trade deal and potentially minimize damage to the U.S. economy from an ongoing trade war.

Chinese agriculture and related imports in 2017
In 2017, billions of dollars worth of Chinese products were imported to other countries.

| United States | Other countries |
|---------------------------------|-----------------|
| Soybeans \$13.94b | \$25.69b |
| Forest products \$3.07b | \$19.53b |
| Fish products \$1.12b | \$1.78b |
| Fruit products \$1.16b | \$2.91b |
| Cotton \$0.99b | \$1.23b |
| Hides and skins \$0.96b | \$1.88b |
| Coarse grains \$0.96b | \$1.93b |
| Dairy products \$0.82b | \$1.78b |
| Fresh fruit \$0.39b | \$4.71b |
| Wheat \$0.29b | \$0.42b |
| Processed fruit \$0.14b | \$0.03b |
| Processed vegetables \$0.13b | \$1.57b |
| Wine and beer \$0.09b | \$2.27b |
| Beef products \$0.09b | \$3.12b |
| Distilled spirits \$0.02b | \$0.22b |
| Non-alcoholic beverages \$0.02b | \$0.31b |
| Fresh vegetables \$0b | \$0.01b |
| Ethanol \$0b | \$0.01b |
| Soybean meal \$0b | \$0.04b |
| Poultry, meat and produce \$0b | \$1.02b |
| Rice \$0b | \$1.83b |

Chart: The Conversation, C20-01-02 - Source: U.S. Department of Agriculture, Foreign Agricultural Service - [Get the data](#)

Wendong Zhang. 2020. "US-China Phase 1 Trade Deal and US agriculture: A big win for farmers or too good to be true?" Ag Decision Maker. Iowa State University Extension and Outreach.

Almost two years after the start of the US-China trade war, leaders of both countries signed the highly anticipated Phase 1 trade deal on January 15, 2020. This is especially significant politically and symbolically because this deal represents the first time both countries made moves to actually reduce the tariff rate rather than escalate the situation. In the 88-page

Figure 1. Key US agricultural exports by commodity and country in 2017

www.card.iastate.edu/china

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