

Executive Summary

China Agricultural Outlook 2015-2024 describes the outlook for major agricultural commodities of production, consumption, prices and trade in the next decade in China. The commodities mainly include grain, cotton, oilseeds, sugar, vegetables, fruits, meat, poultry eggs, dairy, fish and seafood and feed. The overall conclusions are: 1) the agricultural production will keep steady development in the next decade; 2) the quality and benefits of the development of modern agriculture will be greatly improved by transferring the mode of agricultural development; 3) the interaction and integration with the global agriculture will be significantly strengthened; 4) the consumption structure of agricultural products will be transformed and upgraded at higher speed; 5) the strategic goal of national food security, in particular, basic self-sufficiency of cereals and absolute security of ration grain could be reached.

Continuous steady development in agricultural production

In the next 10 years, with the constant improvement of policy support system and related production supporting measures, the production of cereal, oilseeds, vegetables, fruits, meat, poultry eggs, dairy, aquatic products and other major agricultural products will continue developing steadily. Within the forecast period, the total output of cereal is estimated to increase at an annual rate of 0.6%. The maize production driven by strong domestic demand will continue to maintain rapid development, and the output in 2024 is predicted to increase by 13% compared to that of 2014, which accounts for most of cereal output increase. Oilseeds (including soybean) production for 2024 is estimated to grow by 15% compared to that of 2014, and vegetables and fruits production are expected to increase by 6% and 11% respectively, compared to those in 2014; the production of meat, poultry eggs, dairy and aquatic products is estimated to increase by 16%, 11%, 24% and 19% respectively.

Food security ensured

The area of cereal will remain steady, and the comprehensive grain production capacity will be further enhanced in the next 10 years. By 2024, the total area of rice, wheat, maize is expected to be kept at more than 1.36 billion mu (1 mu=0.0667 ha), the total output will reach 580 million tons, and the total consumption be 600 million tons. The output of rice in 2024 is expected to be around 206 million tons or around 14.5 million tons in milled rice, and the food consumption of milled rice will be 114

million tons. The output of wheat is expected to reach 129 million tons, among which 89 million tons will be consumed as food. The maize output is expected to reach 244 million tons, and the food consumption of maize is expected to be 7.0 million tons and its feed consumption and industrial consumption will maintain a higher growth rate. The balance between supply and demand could be ensured through the moderate increase of imports. Within the forecast period, the reasonable self-sufficiency rate of cereal will be maintained, and the supply of rice and wheat will fully meet the demands. The goal of basic self-sufficiency of cereal and absolute security of ration grain could be achieved.

Relatively rapid growth in agricultural product consumption

With the increase of population, the rising of people's incomes and driving force of urbanization, the consumption of major agricultural products will maintain a relatively rapid growth in the next 10 years. The consumption of rice in 2024 is expected to reach 145 million tons by an annual rate of 0.3%. The wheat consumption is estimated to increase by 0.6% annually and reach 132 million tons in 2024. The maize consumption is expected to increase to 265 million tons by the annual rate of 3.1% in 2024. The direct per capita vegetable consumption is expected to increase by 1.0% annually, and the consumption of processed vegetables will grow rapidly. The consumption of fruits in 2024 is expected to reach 93.9 kg per capita at a higher growth rate, that of urban residents is 105.4 kg, and of rural residents is 73.6 kg, and the total consumption is expected to reach 280 million tons. The consumption of sugar and meat will continue to increase slightly, and reach nearly 18 million and 100 million tons in 2024 respectively. Edible vegetable oil consumption will increase at a slower rate and reach 33.13 million tons in 2024. Egg consumption continues to grow, and in 2024 reaches 39.15 million tons, increased by 11% compared to 2014. Dairy consumption will continue to increase and the estimate for 2024 is 63 million tons, 30% more than that in 2014. The consumption of aquatic products is estimated to reach 77 million tons in 2024, up by 19% over 2014. Feed consumption will be raised to 229 million tons in 2024 by an annual rate of 1.7%.

Slight rise in agricultural product prices

The price of agricultural products will be driven up by cost in the next 10 years. With the improved market pricing mechanism, the interaction of prices of agricultural products on domestic and international markets will be strengthened. The prices of rice, wheat and maize are expected to be stable, perhaps with slight rise due to the rising costs. With strong links to international market, the prices of cotton, oil, and sugar will fluctuate along with international prices. Sugar prices will recover at a small pace. The prices of vegetables will go up, and the selected vegetables may experience increased price volatility in some years. The prices of live pig and pork will rise. The prices of beef and mutton are expected to hover at a high level with obvious seasonal changes. Egg prices will rise with volatility. The prices of aquatic products will be higher than the previous 10 years. The prices in various aquatic products will show a diverse trend with seasonal volatility. It is expected that feed prices will follow a slightly upward trend. Considering the potential impacts of feedstuff and animal diseases, the prices may fluctuate violently.

Significant improvement in the Quality of agricultural development

As the strategy of Restructuring and Remodeling is implemented, the development of China's agriculture will transfer from the quantitative to the qualitative growth pattern. Major agricultural product output will increase more slowly. The yield increase (representing the progress in science and technology) will become the main yield-increasing factor, and the consumption of diversified and high quality agricultural products is becoming a prevailing trend, and agricultural industry chain will be further extended. Within the forecast period, the outputs of wheat, maize, meat, poultry eggs, dairy and aquatic products are estimated to grow at 0.2%, 1.3%, 1.5%, 1.0%, 2.1% and 2.8%, which are significantly lower the levels of 2.6%, 5.2%, 2.8%, 2.0%, 5.1% and 3.4% in the last 10 years, respectively. The yield forecasts of rice, wheat and maize for 2024 are 6990, 5505 and 6540 kg/ha, 2.6%, 4.9% and 12.5% higher than those in 2014, respectively. With the adjustment and upgrade of consumption structure, the demand for agricultural product processing develops rapidly. In 2024, the industrial consumption of wheat and maize are predicted to reach 15.4 and 86.0 million tons, 14% and 59% higher than those in 2014, respectively. The

processing rates of meat, vegetables, fruits and other fresh agricultural products will increase significantly, and are estimated to reach 16%, 15% and 11%.

Agricultural interaction and integration at home and abroad has been significantly strengthened.

In the next 10 years, more attentions will be paid to the protection of agricultural resources and environment, and the integrated utilization of both domestic and overseas resources and markets. With the stimulation of demand for the rapid growth and further diversification of domestic consumption of agricultural products, the import and export volumes of agricultural products will steadily grow. As the Doha round of trade talks under the WTO coming to an end, the bilateral and multilateral trade agreements signed by China and related countries (regions) are implemented and the bilateral trade negotiations are promoted, and the Belt and Road Strategy is deepened, the interaction and integration of domestic and international agriculture will be significantly strengthened. The imports of agricultural products with limited production resources are expected to maintain appropriate growth. The imports of maize are estimated to reach about 4 million tons in 2024, that of soybean about 83 million tons, and milk products (equivalent to raw milk) about 16 million tons. The exports of the traditional competitive agricultural products such as vegetables, fruits and aquatic products will continue to grow in volume. The exports of vegetables and fruits are predicted to come up to 12 and 4.5 million tons, 20% and 10% higher than those in 2014 respectively. The exports of aquatic products are expected to reach 5.4 million tons, and continue to be in a leading position in the world. Meanwhile, the excessive imports of low-price agricultural products have already brought about severe shocks to domestic cotton and sugar industry. It is estimated that the cotton area and output will be 3.56 million hectares and 5.65 million tons in 2024, 15% and 8% lower than those in 2014 respectively. The output of sugar will drop, and is expected to reach 12.23 million tons in 2024, with a gap of about 6.3 million tons between supply and demand.