



**S. RAJARATNAM SCHOOL
OF INTERNATIONAL STUDIES**
A Graduate School of Nanyang Technological University

RSIS COMMENTARIES

RSIS Commentaries are intended to provide timely and, where appropriate, policy relevant background and analysis of contemporary developments. The views of the authors are their own and do not represent the official position of the S.Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS. Due recognition must be given to the author or authors and RSIS. Please email: RSISPublication@ntu.edu.sg or call (+65) 6790 6982 to speak to the Editor RSIS Commentaries, Yang Razali Kassim.

No. 045/2013 dated 14 March 2013

China's Food Security: From Self-Sufficiency to a Dual Strategy

By Zhang Hongzhou

Synopsis

As self-sufficiency is no longer an option for China, a dual food security strategy is emerging which aims to utilise both domestic and international resources.

Commentary

ENSURING BASIC food self-sufficiency has been the long-standing policy for China's food security strategy. Yet, as its domestic food production is increasingly falling short of the country's rising demand as a result of population growth, rapid economic development and urbanisation, self-sufficiency alone is no longer an option for China.

China is gearing up to the rising pressure to feed its increasingly affluent population. On the one hand, it still considers domestic food production the cornerstone of its food security strategy, and is determined to boost the country's domestic food production. On the other hand, China is turning to international sources to meet rising domestic food demand, especially in its quest to achieve cereal self-sufficiency.

Boosting domestic food production

Investing in agricultural technology is considered a key to China's food security problems. It will increase investment and subsidies for the agricultural technology sector to improve land yield, resource efficiency and labour productivity. China has also been investing heavily in water and other rural infrastructure to increase its overall domestic food production.

In addition, China is consolidating its land use while nurturing professionalism in farmers to quicken the country's agricultural modernisation process.

Confronted with limited land and water resources, China is turning towards its "blue lands", including its territorial waters and EEZs, for food. At the recent 18th Party Congress Chinese leaders pledged that they would enhance China's capacity for exploiting marine resources. Inspired by the strong commitment from the top, Chinese officials and marine experts advocate that the country's food system be more maritime-based. Development of aquaculture and offshore fishing is being prioritised.

Utilising overseas agricultural resources

Domestic production alone, however, is insufficient to meet the country's rapidly rising demand, forcing China to gradually look outward for food. This outward-looking food security approach has four major aspects:

Firstly, Beijing will import more food from the international market. In the coming years, not only imports of soybeans, cotton, edible crops, sugar, dairy and other agricultural products will rise, more cereal, particularly maize, will also be imported from the international market. To secure its food sources from overseas, and ensure stability in its food supply, China has been enhancing its agricultural trade ties with major food exporters, signing agricultural agreements with countries such as the United States, Canada, Thailand, Argentina and Australia.

Secondly, China has become a major player in purchasing or leasing land in foreign countries for agricultural production. Given the unreliability of the international food trade, China is increasingly concerned that over-reliance on the international grain market could undermine its food security. Hence, Beijing intends to boost the country's food supply by expanding its agricultural operations overseas.

The Chinese government has issued a raft of policies and regulations, offering support and guidance in terms of financial subsidies and concessions to Chinese enterprises investing in overseas agricultural projects. According to a study done by the grain industry in February 2012, China has acquired over 3.5 million hectares of land overseas in recent years.

Thirdly, China aims to strengthen global food security. As the most populous country in the world and a major food trader, China's food security is highly dependent on global food trade and global food security. For this reason, Beijing recognises that the country has the responsibility to contribute to global food security given its rising influence and growing economic might. Strengthening global food security is seen as a critical means to safeguard the China's own food security.

Scholars like Lester Brown claimed that an increasingly affluent China would starve the world. Such ideas aggravated the "China threat" narrative in global food security. Therefore, by contributing to global food security, China would help defuse this "China threat" narrative and create a more favourable international environment for its overseas agricultural expansion.

Apart from providing agricultural assistance to developing countries to enhance their agricultural production, China is emerging as a major donor of food in the world. In 2011 when the food security situation exacerbated in East Africa, China provided close to US\$ 70 million worth of food aid to help those countries combat hunger.

Meanwhile, China is increasingly willing to cooperate with other countries on food security issues. At various international forums, Chinese leaders have called for cooperation among international communities on global food security. China also firmly supports the establishment of regional and international strategic food reserves.

Fourthly, as it relies more and more on the international market for food and as its overseas agricultural investment surges, Beijing is showing greater interest in reshaping international trade and investment rules. In particular, China considers the deadlock of the Doha Round of trade talks a main barrier to global agricultural trade liberalisation, which could potentially threaten the country's food trade and thus food security. Significantly, China is taking steps to push for a successful conclusion of the Doha Round.

To coordinate China's outward strategy for its food security, Beijing has formed a working group consisting of ten ministries from agriculture and foreign affairs to commerce and finance. In this increasingly globalised world and deepening division of labour, food self-sufficiency is not a practical and efficient approach to any country's food security.

In the case of China, which is facing severe shortage of land and water resources, food self-sufficiency is no longer an option. As China moves beyond food self-sufficiency, its integration into the global food system is inevitable. This brings both opportunity and challenges to global food security.

Zhang Hongzhou is a Senior Analyst with the China Programme at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University.