

China: Current Agriculture News and Issues

FEBRUARY, 2006

Government seeks ways to increase grain production

Despite continued increases in grain production, China still does not produce enough grain to meet the country's growing demand. As a result, government officials and industry observers are focusing on ways to increase China's grain production in the future.

In January 2006, the Chinese Agricultural Ministry announced its plans to increase the country's grain harvest by nearly 5 million metric tons per year to reach 500 million metric tons by 2010. Both Ministry experts and agricultural researchers are currently exploring different ways to reach those goals and minimize Chinese dependency on imports.

According to the Chinese National Bureau of Statistics, the country's grain production has increased in the last two years, with over 480 million metric tons produced in 2005 marking a three percent increase from the previous year. Despite this increase, however, China's grain production is still not sufficient to meet demand. China's total grain consumption in 2006 is expected to reach 500 million metric tons and it is anticipated that there will be a shortfall in domestic supply of nearly 15 million metric tons.

The increasing population and subsequent demand has made it necessary for the government to develop long-term plans to ensure a steady grain supply in the future. According to agricultural experts with the Northeast Institute of Geography and Agricultural Ecology within the Chinese Academy of Sciences, China's Northeast region, which includes the provinces of Heilongjian, Liaoning, and Jilin and is the largest grain producing region in the country, may have the capability to produce 125 million metric tons of grain by the year 2030.

It is anticipated that nearly 600,000 hectares of land in the Northeast region could be developed for grain production over the next 25 years, which could help increase production by nearly three million metric tons in 2030. To accomplish this task, it would be necessary to develop two new irrigation projects to help enhance the water supply and further develop the region's agricultural potential.

In addition to increasing grain production in the Northeast region, China's Agricultural Ministry will also work to increase grain production throughout the rest of the country. To do this, the Ministry will focus on improving irrigation and soil conditions as well as encouraging the country's farmers to produce high-yielding grain varieties. According to some industry experts, with more policies aimed at improving grain production, China could eventually become a net grain exporter.

SOURCES: Dow Jones International News Service, Reuters News, Xinhua's China Economic Information Service

