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Report Highlights:

This report provides a news synopsis of agricultural trade policy and agricultural commodities in China. Trade policy includes: Five-Year-Plan (2006-2010) projects agricultural exports will reach US \$38 billion by 2010. Agricultural Commodities include: China vows to increase cotton production during the 11th five-year period; Implementation of floor price program for Indica and Japonica rice; China's dairy production increasing in the first half of 2006; Chongqing municipality receives US \$2.5 funding for drought alleviation; Vice Premier urged officials to prepare for the National Agriculture Survey.

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Trade Policy

Five-Year-Plan (2006-2010) projects agricultural exports will reach US \$38 billion

On August 24, 2006, the Ministry of Commerce (MOFCOM) released the first Five-Year-Plan for agricultural exports. According to the plan, China's agricultural exports will reach US \$38 billion by 2010 with a 7 percent annual increase. (China Food Newspaper, 8/28/2006, ZJP)

Agriculture/Commodities

China vows to increase cotton production during the 11th five-year period

On September 9, during the National Conference on Cotton Competitiveness, Vice Minister of Agriculture, Fang Xiaojian, emphasized increasing cotton production competitiveness through science based development strategies and rational distribution. The 11th five-year plan forecasts China's total cotton production will reach 7 MMT by 2010. (Farmer's Daily, 09/11/06, WXP)

Implementation of floor price program for Indica and Japonica rice

The Chinese State Grain Administration announced the implementation of a floor price program for Indica and Japonica rice in seven major producing provinces starting in mid-September through late February 2007. China's Grain Reserve Corporation and provincial reserve companies will purchase Indica rice at US \$180 and Japonica rice at US \$187 per tonne. (State Grain Administration Website, 09/07/06, JJY)

China's dairy production growing fast in the first half of 2006

China total dairy production from Jan-June, 2006, reached 7.37 MMT, a 24-percent increase over the same period in 2005. Fluid milk production made the largest gain to 6.32 MMT, up 27 percent from the previous year. (China Food Newspaper, 8/24/2006, ZJP)

Chongqing Municipality receives US \$2.5 million for drought alleviation

The Chinese central government allocated US \$2.5 million in funding for drought alleviation in southwest China. The central and municipal governments have already spent in excess of US \$27.8 million while losses are estimated at US \$816 million. Approximately 97 percent of cropland has been affected. (Xinhuanet.com, 08/31/2006, ZL)

Vice Premier urges officials to prepare for the National Agriculture Survey

Vice Premier Hui Liangyu urged agriculture officials to prepare for the country's second National Agriculture Survey in 2007. Vice Premier Hui Liangyu emphasized the survey will help the central and local government officials understand problems facing the rural areas as well as identify effective solutions for building "the new socialist countryside." The first National Agriculture Survey was conducted in 1997. (Xinhuanet.com, 08/31/2006, ZL)