

Challenges in Chinese Agricultural Supply and Potato Staple Food Strategy

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Outline

1 Challenges in Chinese Agricultural Supply

2 Potato Staple Food Strategy

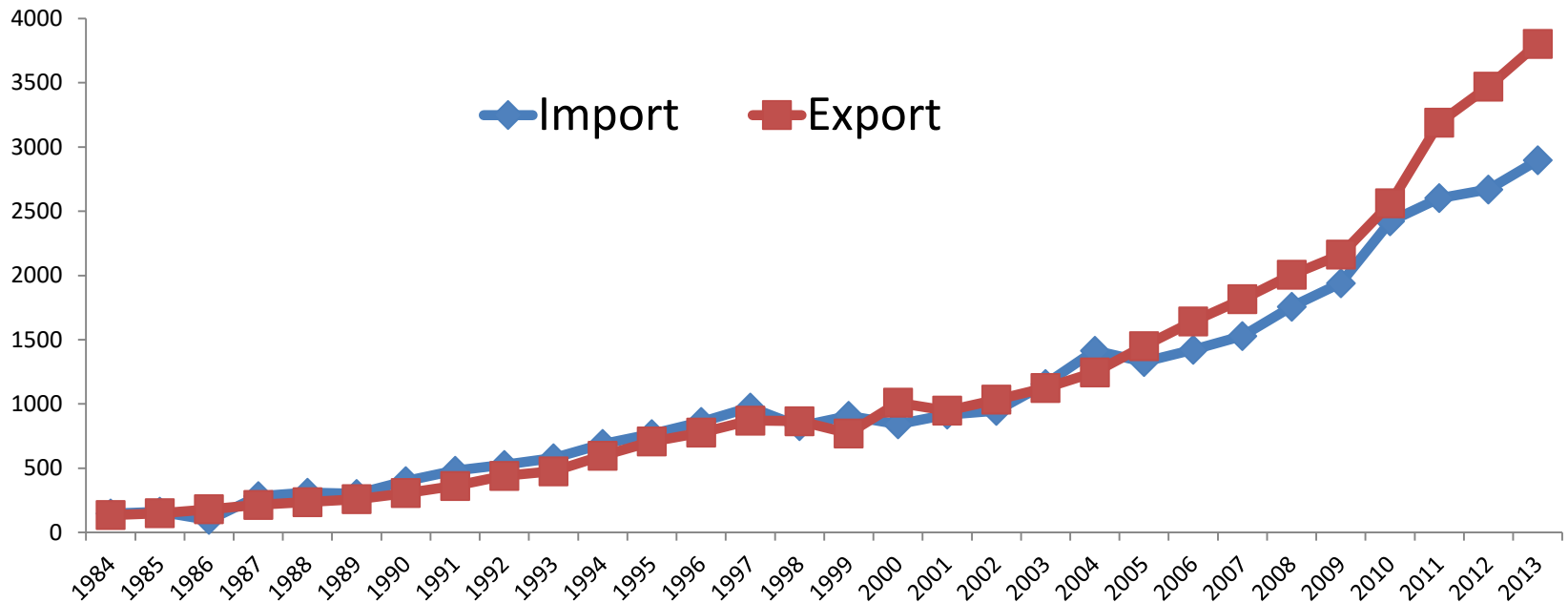
3 Further Outlook for Potato Staple Food Strategy

1. Challenges in Chinese Agricultural Supply

- The **biggest challenge** in food supply in the past was to meet the increasing **food demand**.



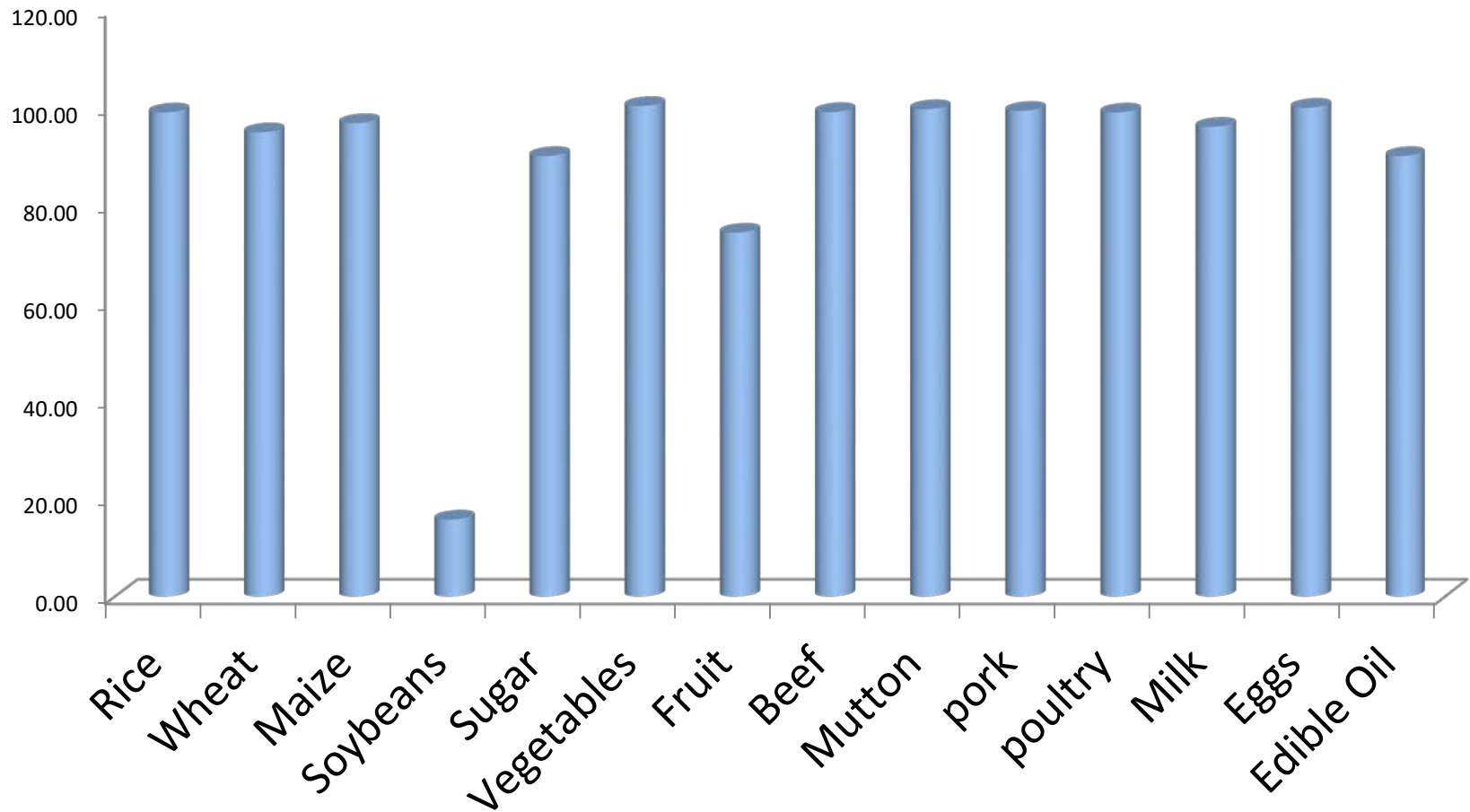
China food trade: export and import (million US\$) in 1984-2013



On average China was a net food exporter until the late 2000s.

Source: FAO

Except soybean, China achieved high level of food self-sufficiency in 2013

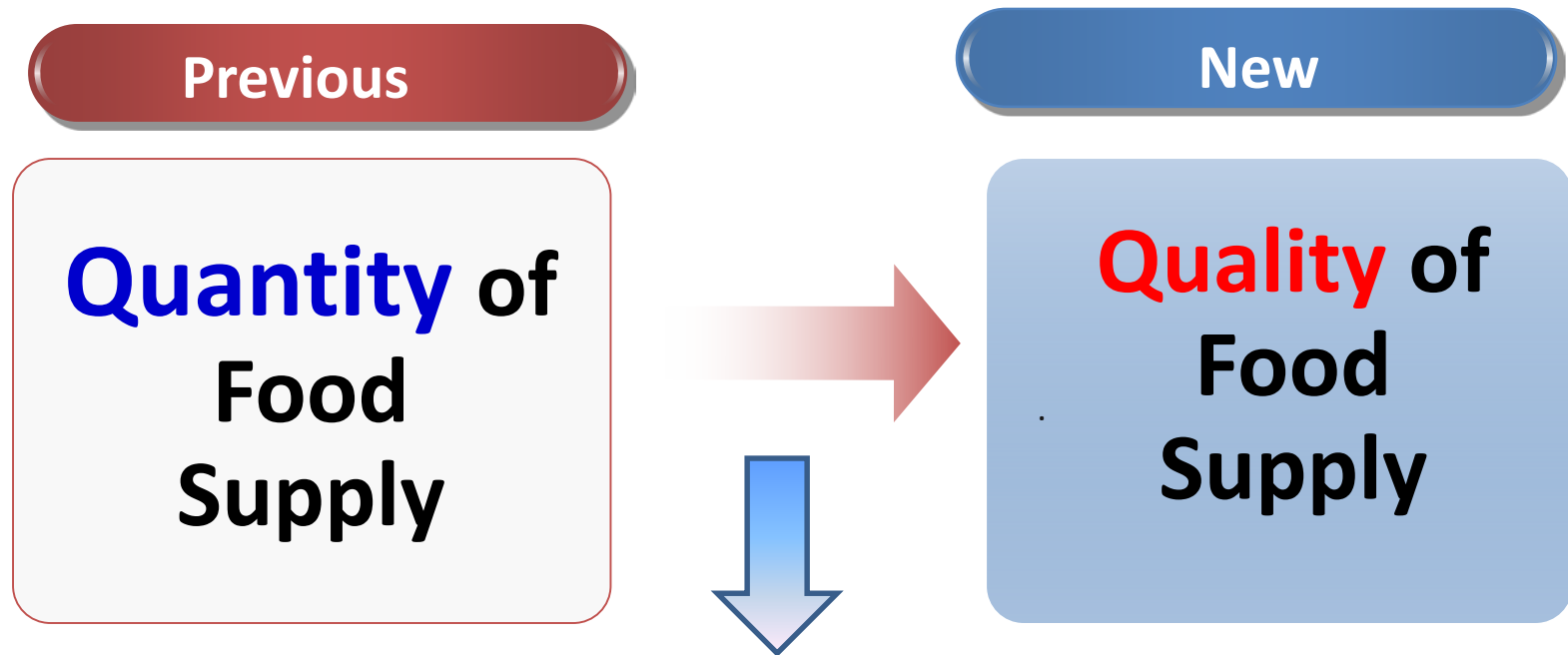


Source: FAO

Changes in dietary patterns pose new challenges to China's agricultural sector



One of the New Challenges in China's Agricultural Products Supply



Supply-side structural reform and support for innovation were identified as a way to boost **agriculture modernization**.

China's 'Supply-Side' Structural Reform in Agriculture

- This strategy expects to **benefit farmers** by **improving their production efficiency** and **increasing the added-value of agriculture products.**



2. Potato Staple Food Strategy

- In January 2015, China's Ministry of Agriculture (MOA) announced that China was boosting its **potato** production and consumption to transform **the crop into** the country's **fourth major grain: after rice, wheat and corn.**



Potato Staple Strategy in China

- The key point of this strategy is to improve its **industrialization, without using the land and water resources** currently utilized for rice, wheat and maize production.



Significances

This strategy is to match China's supply-side reform in agriculture

1

**Guarantee
national food
security**

2

**Reduce the
pressures of
environmental
resources**

3

**Improve the
dietary
structure**

Goal

- The MOA is planning to expand ...by 2020

Production

- 100 million mu, 1300 kilograms per mu, 130 million tons.

Processing

- 30% of potato seeds are expected to be planted as staple food processing

Seed

- 45% of virus free seed potatoes used

Consumption

- 30% of potatoes are expected to be consumed as staple foods

Main progresses

- **Developing the first generation of potato staple product.**
- Screening out suitable potato seeds from 17 regions
- Testing the nutrition of 22 potato seeds
- Preparation for "National potato staple products and industrial development planning"
-



3. Future outlook for Potato Staple Food Strategy

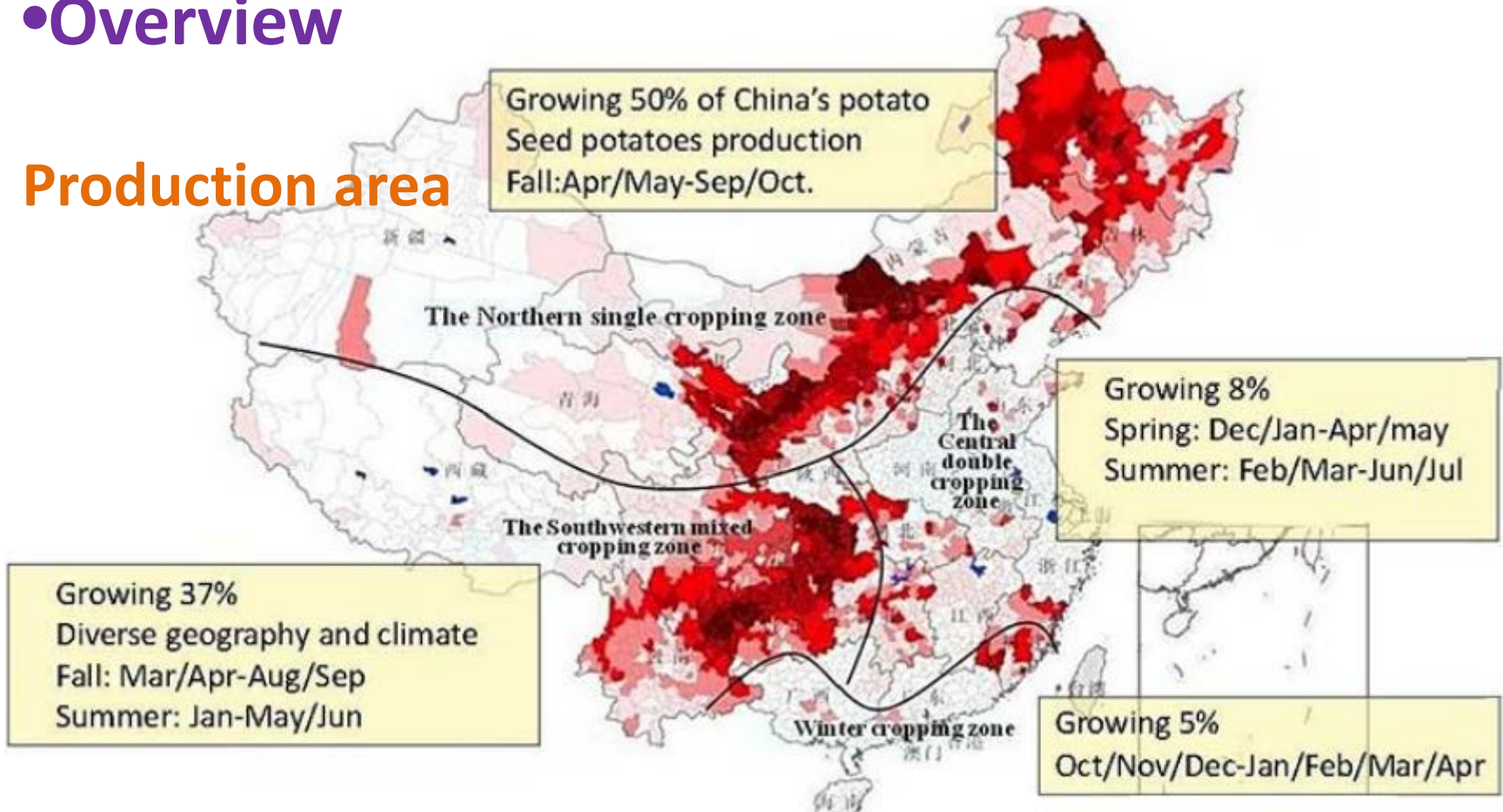
- ❑ Production
- ❑ Processing
- ❑ Consumption



1) potato production

•Overview

Production area

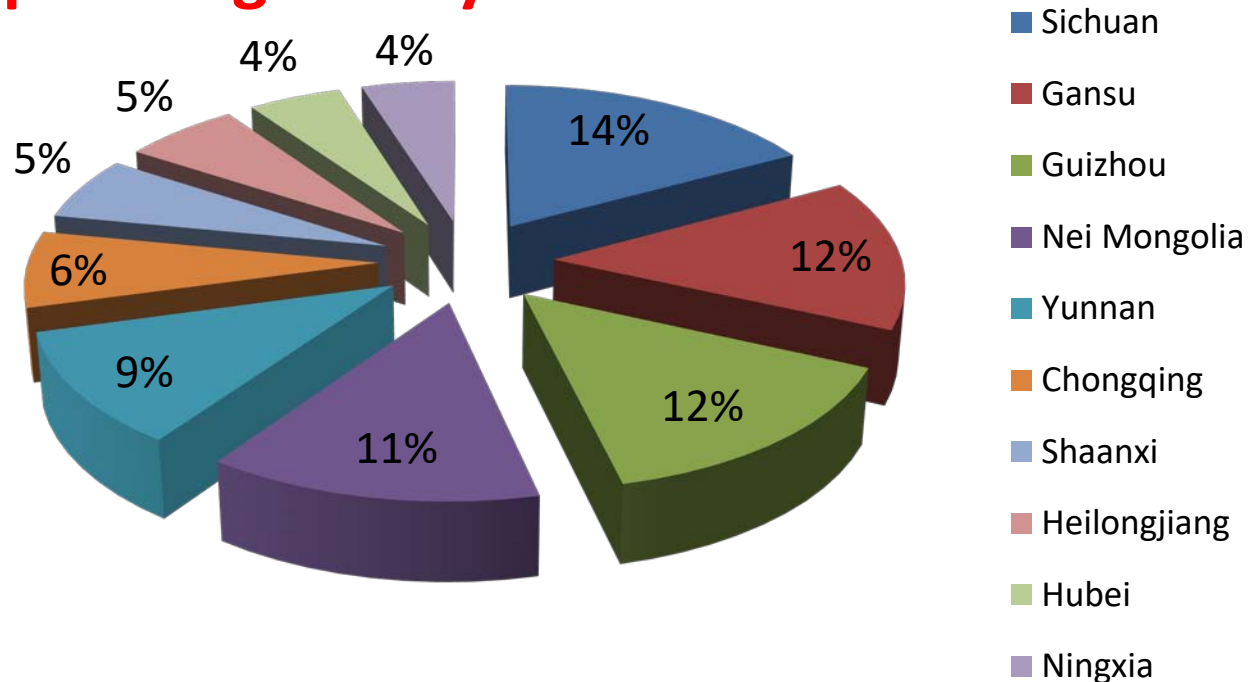


1) potato production

•Overview

Most regions in Northern single cropping zone and Southwestern mixed cropping zone.

Top 10 regions by area harvested



1) potato production

- Further Outlook for Production in 10-15 years

- **First Stage**

Area harvested (10 thousand mu)	Yield (Kilograms per mu)	Production Quantity (10 thousand tons)
10000	1300	13000

- **Second Stage**

Area harvested (10 thousand mu)	Yield (Kilograms per mu)	Production Quantity (10 thousand tons)
15000	1500	22500

2) Overview: processing potato

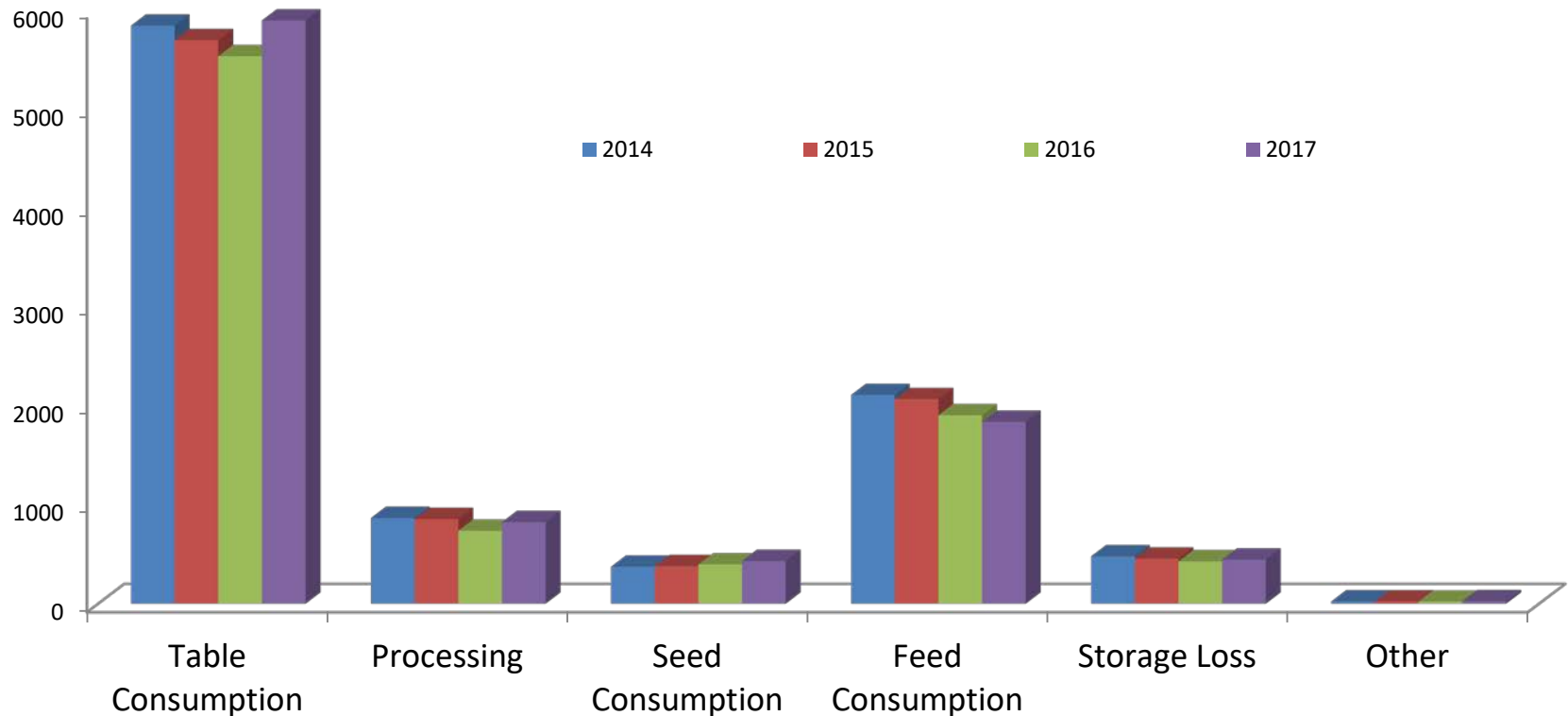
- Processing potatoes account for 10-15 percent of total production
- Among 5000 enterprises, there are only 150 large scale ones (10,000 products per year)
- Processing potatoes mainly include such products as starch, frozen french fries, chips, and dehydrated potatoes.

3) potato consumption

Potato consumption in some countries

Ranking	Country	Per Capita Consumption(kilograms)
1	Belarus	185.2
2	Ukraine	139.8
3	Poland	114.7
5	Russia	111.5
10	United Kingdom	100.8
14	Netherlands	93.9
18	Canada	78.4
22	Germany	70.7
42	United States	55.6
65	China	41.2
96	Japan	20.8

China's potato consumption structure in 2014-2016 MT



Consumption characteristics

1

Low Level of Per Capital Consumption

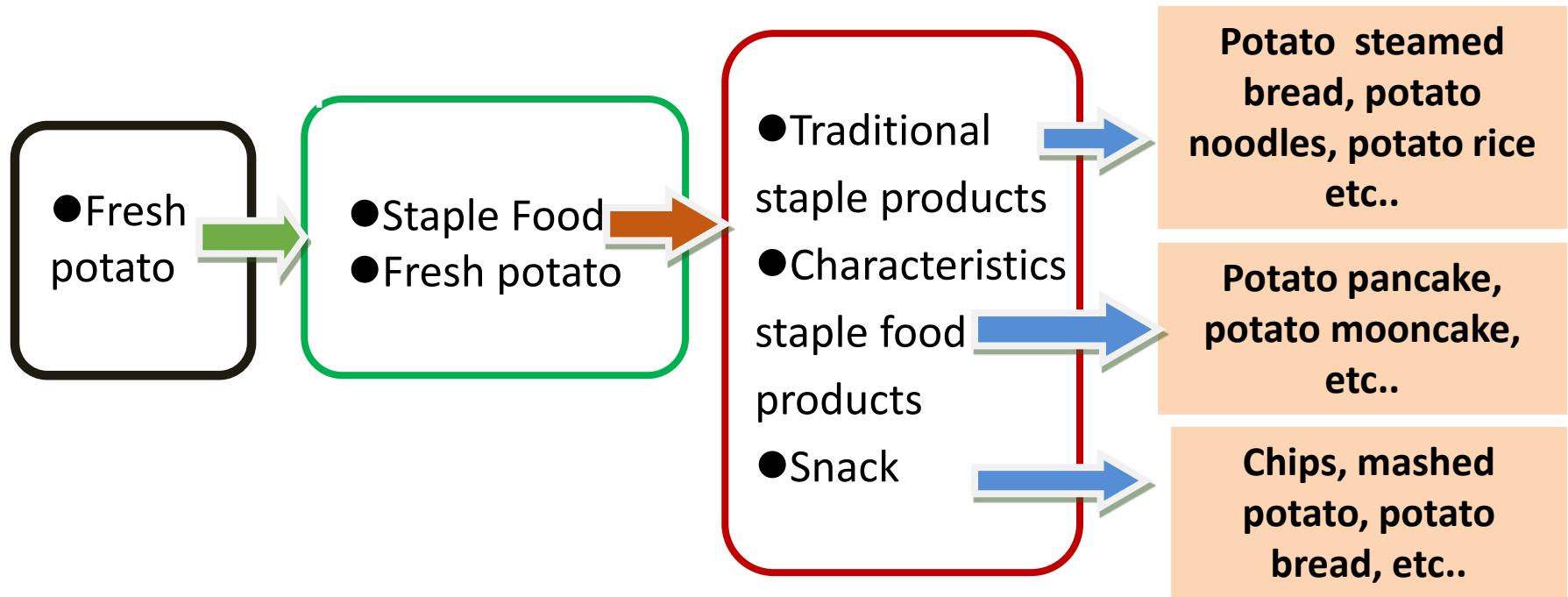
2

Majority of Fresh potatoes are used for direct consumption which accounts for 65%

3

Incomplete understanding of potato nutrition

Further Outlook for Processing and Consumption



**THANKS FOR
YOUR ATTENTION**