# Canada-China Friendship Society Importance of Food and Agriculture in Canada-China Relations

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## **Outline**

- Canada-China relationship
- China's agriculture outlook
- Canada's agriculture outlook
- Complementarity of supply and demand
- Possible future



### **China-Canada Relations**



- Expanding communication and cooperation channels
  - Ministerial/Vice Ministerial engagement
  - MOA-AAFC Memorandum of Understanding
- Increasing levels of science and technology collaboration and information exchanges



# China is one of the world's largest economies

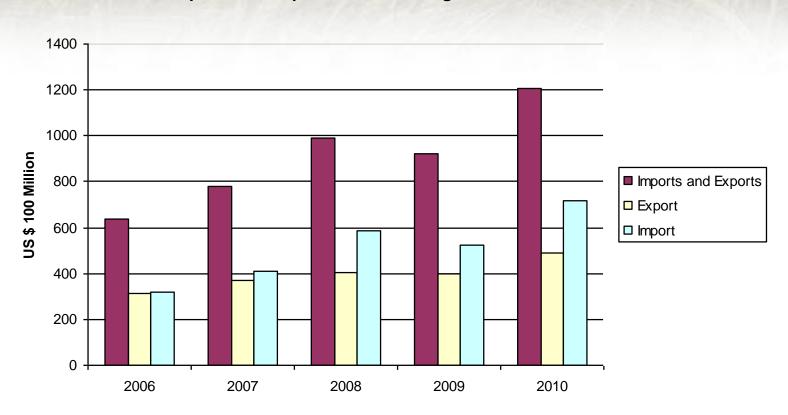
- Since reforms began, China's overall economy has been doubling in size every 8 to 10 years and is now second in the world on a purchasing power parity basis
- In a population of 1.3 billion people, about 200 million people have become "middle class" since the mid-1990s and this trend appears likely to continue
- China is now an influential member of the community governing international trade, and its agri-food policy has the potential to affect world markets
  - For example, changes in China's grain and swine herd policies were a contributing factor to the food price spike in 2008

# The world's largest agricultural economy

	CANADA	UNITED STATES	EU-27	CHINA
				(Billion US \$)/ % change
Value of Production (2007-09)	36	305	460	618*
Growth (1997-99 to 2007-09)	17 (47%)	112 (37%)	196 (43%)	363 (59%)
Total Trade (2007-09)	63	184	218**	76
Growth (1997-99 to 2007-09)	24 (38%)	86 (47%)	110** (50%)	56 (74%)
Source: World Trade Atlas				* 2007-2008 only ** 1999 only

# China's Agricultural Imports and Exports

#### Imports and Exports of Chinese Agricultural Products

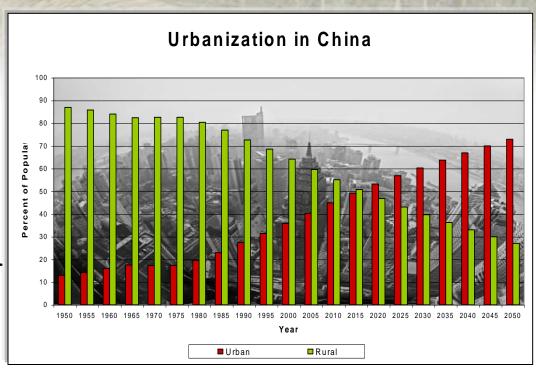


Source of data: Offered by General Administration of Customs of the People's Republic of China and gathered by China Economic Information Network

# Urbanization and infrastructure may offer new sources of competition and demand

 Between 2010 and 2030, 300 million people will move from rural areas to urban centres in China

With urbanization of coastal areas well-underway, large cities with affluent populations are expected to emerge in China's interior



 An emerging retail food sector will be a key point of sale for newly affluent consumers in China where retail sales are forecast to exceed those of the United States as early as 2013

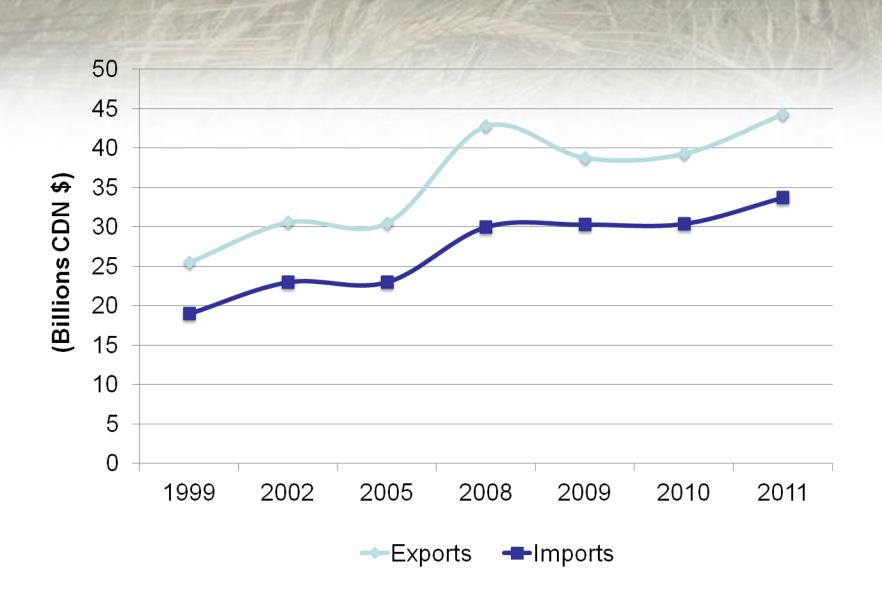
# Canada's Opportunities

- Estimated that global demand for food will double by 2050
- Food safety and environmental concerns are characterizing global food demand
- Canada has both natural and accumulated advantages
- Opportunity to become the premier supplier of agricultural and agri-food products to the world

# Canada's Agricultural Sector



# Canadian Trade of Agri-Food Fish and Seafood From 1999 to 2011



# **Canadian Trade Commissioners in China**



## What Canada Has to Offer

#### Canadian Agri-Advantages:

- a reliable producer of diverse and high-quality products
- leader in agricultural scientific and technological innovation as well as regulatory practices
- many major Canadian industry associations are active in China

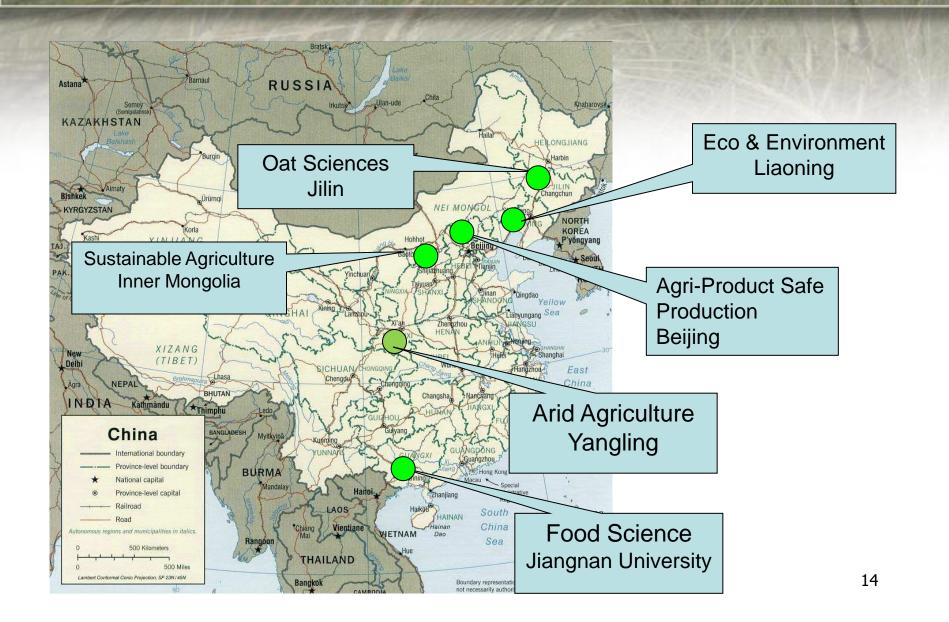
#### Areas to explore:

- enhanced Canadian government/industry coordination and focus
- history of successful collaborative science & innovation projects
- the growing relationship is bringing mutual understanding and improving market access
- reliability of supply

# Governmental Cooperation Mechanisms

- Ministry of Agriculture: 中国农业部
- Ministry of Science and Technology: 中国科技部
- Ministry of Education: 中国教育部
- State Administration for Foreign Experts Affair: 中国国家外国专家局
- General Administration of Quality Supervision, Inspection and Quarantine: 中国国家质量监督检验检疫总局)

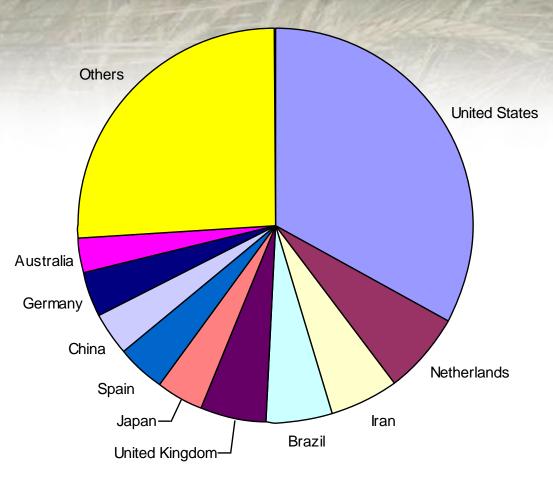
### 6 Canada-China Science & Innovation Centers



# Oat Cooperation Project in Jilin



# Canada – A world leader in dairy genetics and technologies



In 2010, Canada exported \$100.9 million in dairy cattle genetics to 54 countries around the world

- -\$77 million in bovine semen
- -\$16.9 million in dairy cattle
- -\$7 million in bovine embryos

# Canada also uses world-leading technology and practices

 Canadian dairy producers use some of the most modern dairy farm equipment and management technologies in the world



 We also have world-leading expertise in effective animal husbandry practices

# Canada is partnering with China to demonstrate the benefits of canola meal as a premium dairy feed

#### **Current Demonstrations:**

- 7 large scale feeding trials with major dairy companies
- Partnering with industry, provincial and national governments

#### **Past Demonstrations:**

- 2006: Sanyuan Dairy (Beijing)
  - \* increase of 1.5 L/cow/day
- 2009: Inner Mongolia Agriculture University
  - \* increase of 0.8 L/cow/day



### **Issues to Watch**

- Competition (global supply and demand)
- World response to food security
- Changing Chinese landscape
  - Urbanization
  - Domestic policies
  - Water scarcity
  - Infrastructure
  - Population growth
  - Diet (caloric in-take and composition)

# Future - how we define our relationship.....

 Agriculture will be a key component of our relationship, now, 2025, 2050 and beyond....

 Rules based international trading system, require predictability and stable environment......

Socio-economic development of our countries....

### **Chinese Proverbs**

"If you are planning for a year, plant rice.

If you are planning for a decade, plant trees.

If you are planning for a lifetime, educate people"

"Hunger is a great teacher"