

US drought signals time for food sovereignty in China

By <u>Grain</u>

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China, the world's largest importer of soybeans, is being badly affected by a global spike in soybean prices sparked by a drought in the US, the world's largest exporter. If Beijing allows the country to become as dependent on the world market for maize (corn), as it currently is with soybeans, it risks much worse.

Over the past few years, China has been steadily increasing its imports of maize to provide its meat industry with access to another cheap source of animal feed beyond soybeans. This year China is likely to import a record five million tonnes of maize, and it is on track to buy another seven million tonnes in 2013. This is only around 5% of national maize consumption, but it is still more maize than China imported during all previous 25 years combined. Corporations are now moving aggressively to develop and take control of centres of export production around the world that can supply this potentially huge market.

A new report by GRAIN, Who will feed China: Agribusiness or its own farmers? Decisions in Beijing echo around the world, shows how China's growing appetite for global agricultural commodities is already having major repercussions, including land grabs in Africa and Latin America and the exodus of peasants from rural China.

"When China began importing soybeans as animal feed in the late 1990s to support the growth of its factory farms, it ushered in a dramatic agricultural transformation in both China and Latin America," says Devlin Kuyek, a researcher with GRAIN. "It killed off small scale meat production in the Chinese countryside and converted pastures, savannahs and forests into plantations in the Southern Cone. Now Beijing could move down the same path with maize, its other major raw material for feed, and the consequences will be equally severe and much more global."

"It is in China's own interest, and certainly in the interest of the rest of the world for China to reverse course," says Kuyek. "If China were to revitalise small scale livestock farming based on local sources of feed instead of subsidising factory farms that depend on imports of soybeans and maize, it would improve food security and rural livelihoods in the country. It would also help resolve the global food crisis and discourage the land grabs in Africa and other parts of the world targeted as new frontiers for export production to China."

The new report by GRAIN shows how and why China has become dependent on imports of crops for animal feed and examines the consequences. It also provides an overview of various projects by Chinese companies to outsource feed production overseas.

For a copy of the report in PDF or HTML, please visit: http://www.grain.org/e/4546

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