

# Chinese Agriculture - Quick Facts

Agriculture is an important economic sector of China, employing over 300 million farmers. China ranks first in worldwide farm output, primarily producing rice, wheat, potatoes, sorghum, peanuts, tea, millet, barley, cotton, oilseed, pork, and fish.

China is rich with plant and animal resources. There are thousands of crop varieties including over 1200 plant cultivars of cereals, fruits, vegetables, grasses, flowers and natural rubber. In addition, there are about twenty animal species of swine, chicken, goose, yellow cattle, buffalo and others with a total of 576 breeds. Furthermore, there are more than 20,000 recorded waterborne organisms including 3800 types of fishes, 300 reptiles, 40 water mammals, and 600 aquatic plants.

In 2010, there were 1.35 billion people, and 121.716 million hectare of cultivated land in China. The cultivated land comprised one quarter of water paddy and three quarters of dry land. The per capita of cultivated land was on average 0.092 ha - which is about 40% of the world's average. This makes China a country gravely short of cultivated land resources.

In 2010, the total import and export trading revenue of Chinese agricultural products was 121.96 billion USD which was an increase of 32.2% over 2009. The breakdown of this figure is Exports 49.41 billion USD; and Imports is 72.55 billion USD.

In 2010, the grain output for China totaled 546.41 million tons, a 2.9% increase over 2009. Unit yield per hectare rose from 2.5 to 5.0 tons, with an average annual growth of 2.3%, and the per capita grain production increased from 0.3 to 0.4 tons against the growing population and shrinking arable land area. Confronted with a tight global grain supply and large price fluctuation in the past two years, China made a concerted effort to improve agricultural efficiency to combat these issues. Food security has become one of top of the

national government.

From 1978 to 2010, China's meat production increased from 8.56 million to 72.787 million tons with an average annual growth of 7.4%. This means that the per capita availability rose from 8.9 kg in 1979 to 54.8 kg in 2010. Fish production rose from 4.653 million to 48.95 million tons over the same period, representing an annual growth of 8.2% and a per capita increase from 4.9 kg to 36.9 kg.

## China's Agricultural Subsidy Policies

To keep up with the changes in economic development, China has implemented an agricultural subsidy system that conforms to WTO rules and the reality of China.

The core of the system is "the Four Subsidies".

### Subsidy No.1

This is a direct subsidy which is given to farmers according to the grain field size they farm. It is targeted at the main grain producing regions, and has replaced the previous grain market subsidy.

### Subsidy No.2

This subsidy is for production materials and is calculated according to the price changes of essential farm inputs such as diesel and fertilizer, so as to offset the increase of grain production cost created by the price rise of inputs.

### Subsidy No. 3

This subsidy is for the use of improved varieties and is provided to farmers who purchase and use improved crop varieties in order to increase their output for their land.

### Subsidy No. 4

This subsidy is for the purchase of farm tools and machinery. In 2011, the subsidies amounted to 155.0 billion Yuan.

Austvest Pty Limited (ABN: 72 095 065 366) has had a substantial presence in Chinese market since 2001 and has rapidly expanded its network over the past few years. Austvest created a complete range of solutions for its clients by leveraging its local government and business relationships and business expertise in China. These solutions focus on providing strategic differentiation and marketing superiority to Australian companies.

With Austvest, clients are assured of a transparent business partner, world-class processes, speed of execution and the power to stretch their budget.



For more information contact : [info@austvest.com](mailto:info@austvest.com)

[www.austvest.com](http://www.austvest.com)

While every effort is made to ensure the information given is accurate, Austvest Pty Limited, Austvest International does not accept liability for any errors or mistakes which may arise. All specifications and prices (if applicable) are subject to change without notice. Austvest acknowledges the proprietary rights of the trademarks and product names of other companies mentioned in this document. Copyright © 2000-2011.