



How Will China's Emerging Middle Class Be Fed: Imports or Home-Grown?

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Key Points:

- *China feeds about 20 percent of the world's population with less than 10 percent of its arable land and less than 6 percent of the world's water resources.*
- *The Chinese middle class has grown from about 4.5 million households in 1995 to about 141 million households today.*
- *These new Chinese middle class consumers are demanding more food, higher quality (and safer) food, greater variety, and more meat – creating opportunities for U.S. exporters.*
- *Thanks to policy reforms, modernized farming practices, and extensive investments in R&D, China's agricultural sector has made tremendous strides in boosting productivity and output during the past 30 years.*
- *China's leaders always include the goal of national self-sufficiency in food in their five-year plans. Yet they face daunting challenges in pursuing this goal, and some officials recently have expressed doubts about the feasibility of attaining it.*
- *Over the past 10 years, U.S. agricultural exports to China have grown from about \$2 billion to more than \$19 billion a year. These exports are highly concentrated in just a few bulk commodity products.*
- *Chinese officials have become skillful in using various trade barriers to limit imports of food, including non-tariff barriers and aggressive trade disputes. They'll surely continue to use them unless food shortages deter them.*
- *China's continued reliance on non-tariff barriers to trade will constitute a major impediment in living up to its full potential as a market for agricultural imports.*

The Opportunity That Is China

How China's burgeoning middle class will be fed is a topic of supreme importance in agricultural circles. Over the past 30 years, China's total food consumption has soared, and so has its domestic food production. Indeed, Chinese authorities have strived to maintain a high rate of food self-sufficiency, and this objective is always included in their five-year plans.