

The rise of China's primary industries

KEITH WOODFORD: OPINION

Although it leaves many New Zealanders uncomfortable, there is a stark reality that the future of New Zealand's agricultural industries, and hence the overall economy, is highly dependent on China.

The reason is very simple: there is no-one else in the world who needs and wants our agricultural products at the levels we produce those products.

If actions were driven by logic, then we would spend a lot of effort in trying to understand China.

We would want to understand Chinese consumers, we would want to understand Chinese government policy towards agriculture, and we would want to understand what is happening on the ground in rural China.

We do know something about all of these things, but we don't know enough. In particular, we know very little about what is happening within Chinese agriculture itself.

My first exposure to China's agriculture was back in 1973 when I spent three weeks there with the first New Zealand China Society group to travel there since the mayhem of the Cultural Revolution, when China closed its doors to foreigners.

The Cultural Revolution was still going on in 1973, but the excesses had gone and great change was occurring.

That visit to China was a life-changing experience. My Western-style economics and New Zealand agricultural science education were of little help in understanding what I was seeing. Some 43 years later I am still trying to understand China.

I recall a visit in the early 1990s when I was supervising some University of Queensland students who were investigating opportunities for Australian beef in China. The students did a great job.

Our big message back to our commercial sponsors was to forget about the steaks and focus on the offal. Indeed, we came back with prospective orders which totally stunned our sponsors, who told us that these quantities could simply not be found within Australia.

The other big message we brought back from that trip was that 'quality' is whatever the consumer wants. And if the consumer wants offal rather than steak, then that is what we have to focus on.

Since then, I have made many more trips to China and I have seen both their agriculture develop and consumer preferences evolve.

Amongst all of the change, the reality that 'China is different' remains as a constant.

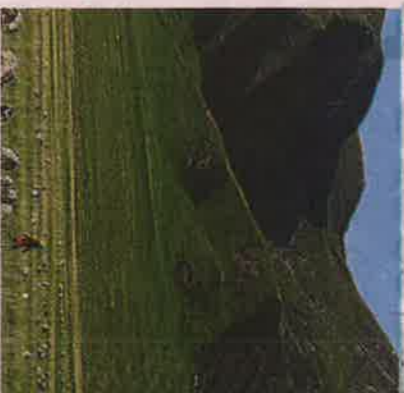
As long as we look at China from our own cultural perspectives we will make a lot of mistakes.

Currently, I am part of a Lincoln University project led by soil scientist Jim Moir where we are working with Chinese colleagues on the alpine grasslands of the Qinghai-Tibet Plateau. Up there, the livestock are yaks and sheep.

Our immediate challenge is to develop the agronomy for nitrogen-fixing legumes, but the broader challenges relate to overall system sustainability. There is a lot that we are learning, but for every question to which we find an answer, five more questions arise.

And the scale and diversity within China is so great that new contradictions continually emerge.

Each province of China is different, ranging from tropical environments to cold arid grasslands, with each province on



China has four times as many sheep as New Zealand. **KIM KYUNGHOON**

agriculture is developing fast. There are major constraints relating to a shortage of cultivatable land, a shortage of water, and perhaps ironically even a shortage of labour.

The labour shortage relates to the huge ongoing migration to the cities. However, new technologies, often imported from the West, together with investment and land reform, are combining to have a major impact.

It is easy to forget that the Chinese dairy industry is considerably bigger than the New Zealand dairy industry, and that China has overtaken New Zealand as the world's biggest producer of whole milk powder.

It is also easy to forget that China has four times as many sheep as New Zealand. Also, China produces a lot more kiwifruit, apples, and beef than New Zealand, and probably also more wine. Fortunately, from a New Zealand agri-food perspective, China also has 300 times more people to feed than we have here in New Zealand.

Some 18 months ago, I suggested to Tony Browne, a former New Zealand Ambassador to China and now executive chairman of the Contemporary China Research Centre based at Victoria University in Wellington, that we need to do a lot more to try and understand China's agriculture, and the implications for New Zealand's agri-food industries.

Tony took up that idea, and the outcome is that on October 27-28 there will be a 1½-day conference at Victoria University titled 'The Rise of Chinese Agriculture'.

Tony Browne and his key team of Dr Jason Young from Victoria University and Dr Sharon Lucock from Lincoln University, with me throwing in some ideas from behind, have put together 17 speakers, many of whom are coming from China itself.

These speakers include retired professor Yuman Liu, who will be talking about the dairy industry and professor Binglong Li from China Agricultural University, who will be talking about China's sheep and goat meat industries.

And there are another 12 speakers who will be addressing the range of China-related issues along the agri-food value chain from consumers back to producers, including China's rapidly evolving policy framework and investment issues.

The conference is aimed at Kiwis who either are involved or plan to be involved in exporting food to China. The key audience is industry and government people rather than academics. For those who are interested, here is the online link to the conference:

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