

Petition for Renewal of a
Western Coordinating Committee

**Assessing the Chinese Market for
U.S. Agricultural Products**

Number WCC - 101

Title Assessing the Chinese Market for U.S. Agricultural Products

Duration 3 years. September 1, 2000 - August 31, 2003

Description and Justification: The sheer size and rate of growth of the Chinese economy are sufficient reason for U.S. policy makers and businessmen to want to be informed about the market potential for U.S. exports to China. However, recent agricultural policy changes in China and the apparent imminence of China's accession to the World Trade Organization (WTO) have stimulated even greater interest in the potential for U.S. agricultural exports to China.

With over 1.2 billion people and an economy growing at over 7 percent per year, China's ability to produce enough food to feed itself remains an important concern for Chinese policy makers. Nevertheless, the prospective tariff rate reductions and increased market access in China's WTO bilateral accession offer to the United States indicates that the Chinese government recognizes the importance of trade in meeting its food security needs. Given the export dependence of much of U.S. agriculture, understanding a market that currently accounts for more than 5 percent of the value of U.S. agricultural exports is relevant to one of the top initiatives of the State Agricultural Experiment Stations' strategic agenda; specifically, to enhance agricultural and rural economies. In that initiative, a major research objective is to enhance international market development.

There is great uncertainty regarding precisely how Chinese agricultural markets and agri-food institutions will respond to increasing international competition following its WTO accession. The increased presence of foreign companies and imported products is likely to spur the development of more modern, market-driven food marketing structures in China. Understanding the precise nature and sequencing of these developments will enhance the ability of U.S. agri-businesses in the Western Region to better position themselves to compete in the Chinese market.

Objectives: The systematic assessment of China's agricultural potential as a market and as a competitor for U.S. agriculture requires some vehicle for coordination of efforts. We propose that Western Coordinating Committee - 101 be continued to assist in the development of such a systematic approach to assessing the Chinese market for U.S. agricultural products. The major objectives of this coordinating committee would be to:

1. Foster greater understanding of China's potential and likely ability to import and export food to and from markets in Asia and the Pacific Rim. The significance of developments in China's agricultural sector for U.S. producers and agri-businesses will be assessed through research targeted toward those products for which U.S. agriculture competes (or may compete) for the Chinese market and against China in third markets. This research will establish appropriate methodologies for assessments of China's agricultural markets.

2. Dissemination of research on China's food and agricultural economy to a wide audience, including policy makers, agri-business interests, researchers, and students. The primary vehicles for circulating this information are the WCC-101 annual meetings and related conferences, meeting proceedings, and the WCC-101 website (china.wsu.edu).
3. Continue to make steps towards developing a database of historic and current Chinese economic statistics and establishing criteria for generating reliable data series for the future.
4. Enhance the existing bi-national network of U.S. and Chinese analysts. The network would facilitate joint research, outreach, exchange and funding activities among committee members (both U.S. and Chinese) and industry.

Expected Outcomes: Over the last three years WCC-101 has sponsored three highly successful symposiums. The topics of these symposiums included an in-depth look at food markets in China, China's role in world markets, and China's agriculture and the WTO. Proceedings from these symposiums have been published, each of which contains many original research papers. Participation has ranged from 40 to over 100. The current committee has been very successful in identifying critical research issues and in exchanging ideas and data. It is expected that the committee will continue to be successful in these areas.

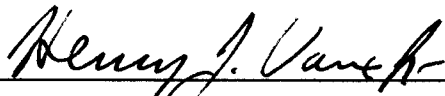
The committee will continue to sponsor symposiums on agricultural marketing and trade policy in China to identify key research areas, exchange ideas and data, and enlarge the network of researchers contributing to our understanding of Chinese agriculture. It is expected that the interaction of committee members will lead to joint research and publications. Moreover, the greater awareness of ongoing research efforts will foster a more coordinated prioritization and division of labor across research areas. The primary focus of the committee will be economic assessments, but relevant disciplines such as animal science, agronomy, sociology, finance, etc. will be included in areas of mutual interest.

Education Plan: In the past, the WCC-101 symposiums have provided a forum for graduate students to present their research to and receive feedback from experienced researchers interested in China's food markets. This is a valuable educational experience for these students, which will continue to be available to students at future symposiums. Moreover, as attendees from the academic community recognize ideas that are germane to courses they teach, some of the research presented at the WCC-101 symposiums may be integrated into classrooms and graduate research programs.

The WCC-101 has sought to reach beyond the academic community by intentionally focusing some symposiums on issues of interest to researchers, commercial interests, and policy makers alike. Several researchers from Chinese government agencies have participated in WCC-101 symposiums, creating an opportunity for researchers and industry members to make connections in Chinese ministries and government offices. In addition to the meetings and the associated proceedings, the WCC-101 web site provides current information on committee-related research, as well as links to relevant data and information that is useful to researchers interested in China's food markets.

Operational Structure: WCC-101 has operated with a Chairman and a Secretary. Each year, the Secretary becomes Chair, and a new Secretary is elected. The IMPACT Center at Washington State University has performed the dual functions of treasurer and administrative support - establishing accounts to collect and disburse committee funds for meetings, assisting in meeting arrangements, and assisting in the compilation and preparation of proceedings and reports as well as other matters as they arise. An executive committee consisting of the Chairman, Secretary, a representative from IMPACT, and the administrative advisor has been established to ensure continuity and oversee the functions of the committee. A committee is generally established each year to plan and organize symposiums and meetings.

Signatures

Administrative Advisor	Date
	8-15-00
Chair, Western Director's Association	Date

Appendix 1

Participants: Invitations were sent to the Western Directors and members of the original committee. The following have indicated their willingness to participate in the Western Coordinating Committee on Assessing the Chinese Market for U.S. Agricultural Products:

Name	Institution/Agency	Expertise	Res	Ext	Teaching
John Beghin	Iowa State University	Chinese Agriculture	50	30	20
Wen S. Chern	Ohio State University	Chinese Ag Trade	50		50
Hunter Colby	USDA/ERS/MTED	China Research	100		
Stephen Davies	Colorado State University	Int'l Trade & Econ.	50		50
Catherine Durham	Oregon State University	Ag Economist	100		
Don Ethridge	Texas Tech University	Cotton Economics	25		25
Cheng Fang	Iowa State University	Chinese Agriculture	80	20	
Frank Fuller	Iowa State University	Int'l Marketing	100		
Murray Fulton	U of Saskatchewan	Indust. Organiz/Co-ops	60		40
Brad Gilmour	Agri-Food Canada	China, ASEAN, Institutions	NA		
David W. Hird	UC Davis	Vet Medicine & Epidemiology	30		70
David Holder	USDA/CSREES	Administrative Representative			
Mary Holz-Clause	Iowa State University	Animal Science		100	
Hsin-Hui Hsu	USDA/ERS/MTED	China Research	100		
James R. Jones	U of Idaho	Int'l Trade & Mktg	70		30
Bryan Lohmar	USDA/ERS/MTED	China Research	100		
Thomas A. Lumpkin	Washington State Univ.	East Asian Crops	50	25	25
Scott Rozelle	UC Davis	Economics of Development	55		45
Richard Schermerhorn	University of Georgia	Market Development			50
Andrew Schmitz	University of Florida	Chinese Agriculture	50	20	30
James Seale	University of Florida	Chinese Agriculture	80		20
James R. Simpson	Ryukoku University/Japan	Chinese Agriculture			100
Rodney Smith	University of Minnesota	Chinese Economics	50		50
Vincent Smith	Montana State University	Trade/Economics			
Brenda Sternquist	Michigan State U	Environment/China	25		75
Dan Sumner	UC Davis	Ag Policy/Labor Economics	25		25
Paul Thiers	Washington State U	Chinese Ag Policy	70		30
Robert Tichy	WSU	Forest Products	50		
Francis Tuan	USDA/ERS/MTED	Head, China Section	100		
Daniel De La Torre Ugarte	University of Tennessee	Ag Policy Analysis	100		
Eric J. Wailes	University of Arkansas	International Ag Trade	70		30
Thomas I. Wahl	Washington State U.	Int'l Trade/Analysis	85		15

Other Participants

Lynn Alfalla	USDA/FAS	Jason Hafmeister	USDA/FAS
Colin Carter	UC Davis	Cathy Halbrendt	University of Delaware
Kevin Chen	U of Alberta	Won W. Koo	North Dakota State U.
James Cornelius	Oregon State University	Kathryn McKinley	Ag Canada
Gail Cramer	University of Arkansas	Will Martin	The World Bank
Fred Crook	The China Group	Willie Meyers	FAO
Bill Dean	WSU-Prosser	Michael Reed	University of Kentucky
Erle Ellis	U of California Santa Cruz	Terry Sicular	U of Western Ontario
		Gary Storey	U Saskatchewan
		Eric Thor	Arizona State University
		Shwu-Eng H. Webb	Winrock Int'l – Beijing
		Anning Wei	Rabobank – Hong Kong

Appendix 2

Accomplishments: The WCC-101 has sponsored 6 symposiums, “China as a Market and Competitor,” “The China Market: Data and Information Systems,” “Doing Business in China,” “Food Markets in China: New Looks and Deeper Understanding,” “China’s Role in World Food Markets,” and “Chinese Agriculture and the WTO.” The target audience at the first symposium was researchers interested in China. The next two symposiums were aimed at both researchers and industry, with one day of a two-day symposium targeted at each group. The most recent symposiums have been attended by researchers from North America and China working in academia and government. Attendance has ranged from 40 to over 100. It is the committee’s intention to return to the research and industry format for future symposiums.

Significant progress has been made toward meeting the objectives of the original petition for WCC-101. However, the original objectives are still relevant and consistent with the interests of the committee and its members. Researchers involved in the project have assessed Chinese supply and demand in a number of studies. The ERS has been very instrumental in furthering access to Chinese data, and researchers involved in the WCC-101 have presented work that is on the cutting edge of addressing China’s data problems. Others have shared data and have collaborated on various research projects. Papers presented at recent symposiums have looked closely at the factors influencing future growth in agricultural production in China and the implications for Chinese food trade. Other research has centered on China’s internal and external trade barriers, trade patterns, and China’s competitiveness in world markets. The most recent symposium focused on issues related to the impacts of China’s accession to the WTO. At that meeting, presenters approached China’s entry into the WTO from several different angles including: market access for U.S. wheat from the Pacific Northwest, management strategies in China’s state-owned enterprises, harmonization with international food standards, welfare impacts of trade on Chinese agricultural labor, the impact of water shortages on agricultural output, and the potential for Chinese imports of forestry products.

Chinese researchers attended all of the symposiums, and representatives of China’s State Statistical Bureau (SSB) attended the third symposium. Researchers from China Agricultural University, China’s Ministry of Agriculture, and China’s state trading company (COFCO), who are involved in collaborative research with committee members, have attended meetings organized by the WCC-101.

Proceedings from the symposiums include: *China As a Market and Competitor*; *The China Market: Data and Information Systems*; *Food Markets in China: New Looks and Deeper Understandings*; *China’s Role in World Food Markets: A Workshop*; and *Chinese Agriculture and the WTO*, published by the IMPACT Center at Washington State University.

APPENDIX H

PRINCIPAL INVESTIGATOR CONTRIBUTION TO WCC -101

NUMBER AND TITLE: 101 – Assessing the Chinese Market for U.S. Agricultural Products

PARTICIPANT: (Name, Mail Address, Phone and Email)

Appointment
% Research %Extension %Teaching

SIGNATURES

Principal Investigator

Date

Department Head or Research Leader

Date

Director, Petitioning Station, Agency or Institution

Date