

(Translation)

Statement at IFAD Briefing
On G20 Agriculture Ministers Meeting
By Ambassador Niu Dun
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Distinguished delegates, ladies and gentlemen,

Welcome to today's briefing on G20 Agriculture Ministers Meeting. At the outset, I wish to extend our thanks and appreciation to Mr. Nwanze, IFAD President, Ms. Josefina Stubbs, Associate Vice President, Mr. Pertev, Secretary, and to all staff members of IFAD, for what you have done to organize this event. My appreciation also goes to all delegates present here today. Your presence testifies to the interest and support of the international community to the issue of agriculture and G20 Agriculture Ministers Meeting. I do believe that, with your wisdom and enthusiasm, through the exchange of inspiring ideas, we will surely lay a solid foundation for the success of the G20 Agriculture Ministers Meeting.

Taking this opportunity, I wish to thank all the countries and international organizations, including the three Rome-based agencies, for their support to China as the host of G20 Summit this year. The objective of today's briefing is to introduce to you the organizational arrangements of the 2016 G20 Agriculture Ministers Meeting, share China's vision, improve communication and exchange and make coordinated and concerted efforts with all parties concerned. My

presentation will focus on: a) overview of 2016 G20 Summit; b) information on G20 Agriculture Ministers Meeting; and c) figures and facts on the development and international cooperation in China's agricultural sector.

A. 2016 G20 Summit in China

On Nov. 16, 2015, H.E. Xi Jinping, President of China, announced at the Antalya Summit that China will host the 11th G20 Summit from September 4th to 5th, 2016 in Hangzhou, Zhejiang Province. This shows both the international community's strong confidence in China and China's sincere wish to make contribution to the international community.

It is known to all that the G20 summit mechanism was set up at the height of the international financial crisis in 2008, demonstrating G20 members' determination to put the global economy back on its feet. The G20 thus became the premier forum for international economic cooperation. After nearly a decade of development, G20 is now facing a transformation from a mechanism of crisis response to one of long-term governance. As its agenda items shift from short-term issues to deep-seated and longer-term ones, the necessity for and difficulty of macroeconomic policy coordination and enhanced cooperation among G20 members have both increased. We need to act in the spirit of partnership to work for the smooth transformation of G20 and the consolidation of its role as the premier forum for global economic governance.

At current stage, the global economy is no longer mired in crisis, but the recovery remains weak and fragile for lack of growth engines. And, the performances and policies of major economies continue to diverge. We are in an urgent need of new sources of growth to take the global economy to a new round of prosperity.

We have also noted that reform of the global economic governance in recent years has hit a rough patch and international economic and trade rules have been fast evolving. The year of 2015 witnessed the UN Sustainable Development Summit, the 10th WTO Ministerial Conference and the Paris Climate Conference, where new plans have been made for international development cooperation, the multilateral trading regime and the global campaign against climate change. We need to make coordinated and concerted efforts to guide international economic cooperation. New ways will be explored to drive development and structural reform, injecting impetus into the growth of individual countries and energizing the global economy. We should enhance economic connectivity and exchanges among countries and improve global economic and financial governance so as to address inequality and imbalance in global development and ensure that the benefits of economic growth will be equitably shared by people of all countries.

Based on an assessment of the current situation and the expectations of all parties, we have formulated the theme of the 2016 Summit as "**Towards an Innovative, Invigorated, Interconnected and Inclusive World Economy**". We hope to take forward the preparatory work for the Summit in the following four key areas.

First, we need to transform growth patterns in innovative ways with particular focus on pursuing reform and innovation. We must create and seize new opportunities to raise the potential of global economic growth. **Second, we need to improve global economic and financial governance**, increase the representation and voice of emerging markets and developing countries, and enhance the capacity of the global economy to ward off risks. **Third, we need to promote global trade and investment** to generate growth and build an open world economy. **Fourth, we need to promote inclusive and interconnected development**, strive to implement the 2030 Agenda for Sustainable Development, eliminate poverty, and achieve common development.

In the course of making preparations for the 2016 G20 Summit, China will work with all other parties to pull in one direction in the spirit of win-win partnership. We should pool wisdom, form synergy, implement the outcomes of the Antalya Summit and all previous summits, and jointly advance international economic cooperation.

B. G20 Agriculture Ministers Meeting

Food security and agricultural development is always one of the priorities of the G20. The first Agriculture Ministers Meeting was held in Paris, France in 2011 to meet the global challenge of food price volatility and to improve the global food security. In the following G20 summits hosted by Mexico, Russia and Australia, the discussion on agriculture has always been on the agenda, reflecting the continued concern worldwide on agricultural development and food security.

The second Agriculture Ministers Meeting was held in Turkey in 2015 with focus on the establishment and development of sustainable food systems as well as the issue of food waste. At a time of slow and weak economic recovery when the international community is transforming from the Millennium Development Goals (MDGs) to the UN 2030 Agenda for Sustainable Development, it is important for the G20 to accelerate the shift in agricultural growth patterns, thus providing solid support to an innovative, invigorated, interconnected and inclusive world economy.

China will consistently follow the principle of openness, inclusiveness and transparency to participate in all kinds of G20 activities. In our presidency of the G20 in 2016, we will actively forge political consensus and common actions among G20 members in the field of agriculture to boost innovation-driven agricultural development, improve the world food and agriculture governance and contribute to the UN 2030 Agenda for Sustainable Development.

1. Overall arrangements for the 2016 G20 Agriculture Ministers Meeting

The 2016 G20 Agriculture Ministers Meeting will be held on June 3rd in Xi'an, Shaanxi Province, and a communiqué is expected to be released. The G20 Agriculture Deputies Meetings will be held in Beijing and Xi'an in March and June respectively to develop and consult on the outcomes of the Ministers Meeting. The Meeting of G20 Agricultural Chief Scientists will take place in May to further carry out the communication mechanism for agricultural scientists, which was built in 2011 during the first Agriculture Ministers Meeting. Moreover, in order to promote investment as well as economic and trade cooperation in the field of agriculture, China will take the initiative to organize the first G20 Agricultural Entrepreneurs Forum. Leading and innovative agribusinesses from G20 countries will be invited to attend this Forum, which will serve as a platform for dialogue and communication so as to boost innovation and promote collaboration.

2. Theme and topics of the G20 Agriculture Ministers Meeting

Sustainable development is a global hot topic, as demonstrated by the endorsement of the UN 2030 Agenda for Sustainable Development, which gives direction for global development in the next 15 years. Innovation is a key driving force in agricultural development and should play a central role in agricultural development programs of all countries. Hence, the theme of the G20 Agriculture Ministers Meeting "Agricultural Innovation and Sustainable Development" highlights the keywords of "innovation" and "sustainable development". China stands ready to work together with other G20 members to seek solutions for conceptual, technological and institutional innovations so as to achieve food security and boost economic growth in a sustainable manner.

Based on the above-mentioned theme, 8 topics have been proposed in the hope that 4 or 5 topics would be selected and submitted as the

agenda items for the G20 Agriculture Ministers Meeting. The eight proposed topics are as follows:

1. **A multi-facet system to ensure food security.** Efforts should be made to build a comprehensive food security system that covers production, consumption, trade and other relevant aspects so as to facilitate the achievement of Goal 2 of the UN 2030 Agenda for Sustainable Development.
2. **Sustainable agricultural development.** As there is an increasing pressure on agricultural resources and environment, it is recommended that G20 members shall all be practitioners of the Green Development concept to promote ecological progress in agriculture and upgrade the sustainability of agricultural development.
3. **Conceptual, technological and institutional innovation in agriculture.** G20 should review the innovative development in agriculture and explore further innovations in terms of concept, SciTech, institution as well as business models, so as to inject impetus to global agricultural development.
4. **Smallholders' development in an open agricultural industry.** Family farming remains the prevalent and the most important way of production in the world. G20 members shall discuss how to improve the production and living conditions of smallholders in the context of economic globalization and agricultural industrialization, so that smallholders can be better integrated into the market value chain.
5. **Investment cooperation and trade facilitation.** Insufficient investment is a serious bottleneck that constrains agricultural development. G20 members shall explore policy recommendations to increase and improve agricultural investment, and measures to facilitate the stable and sound development of agricultural market.
6. **New types of farmers and production service for agriculture.** G20 members shall help upgrade rural labour through capacity building and explore ways to reinforce production service for agriculture, with the aim to create better conditions for agricultural development.

7. **Poverty eradication and rural development.** Eradicating poverty is the priority objective of the UN 2030 Agenda for Sustainable Development. Given that the majority of poor people are living in rural areas, agricultural development is the most important means in poverty eradication. G20 members shall jointly explore ways for agriculture to contribute more to poverty reduction in the world.
8. **The “Internet+” and modern agriculture.** G20 members shall keep up with the application of the “Internet+” and big-data technology in agriculture, strengthen technological cooperation and information exchange, and facilitate the innovative development of agriculture in all countries.

Moreover, China will build on the outcomes of the two previous sessions of Agriculture Ministers Meeting in France and Turkey as well as the results of the G20 Development Working Group, to reinforce the implementation of relevant activities, including the reduction of food loss and waste, and facilitate the inclusion of relevant follow-up activities in the agenda items.

C. Development and International Cooperation of China’s Agricultural Sector

China is a big agricultural country. Many friends present here today follow closely to the latest development of China’s agricultural sector. Taking today’s opportunity, I wish to brief you the current status of China’s agricultural development, the challenges we are facing as well as some information on international cooperation in agricultural sector.

As a developing country with a population size of 1.3 billion, China has relied on its own capacity for the nation’s food security and agricultural development, which represents the country’s largest responsibility for and one of the most important contributions to global poverty reduction, as well as peace and development of mankind. The Chinese Government has identified agricultural production, food productivity and the prosperity of rural areas as its top priority. With a series of pro-farm

policies to consolidate the foundation of agriculture, press ahead with rural reform, and promote agricultural modernization, China has made widely recognized achievements in agricultural and rural development, featuring good harvests in consecutive years, improvement of farmers' living standard, harmony and stability of rural areas that can be categorized as follows:

First, China's grain output has grown for the twelfth consecutive year, exceeding 600 million tons for the third year in a row. Food security is of particular importance for China, as the country is home to 1.36 billion people. As the saying goes, food is the first necessity of the people. Without food security, China will see its hands tied to do anything else.

China's grain output reached 571.2 million tons in 2011, exceeding 550 million tons for the first time and succeeded by the 601.95 million tons in 2013, 607.1 million tons in 2014 and 621.4 million tons in 2015.

Looking back, we can see clearly the growth curve of China's grain output. When P.R. China was founded, it could only produce a bit more than 100 million tons of grain each year; in 1978 when the Reform and Opening-up policy was introduced, the figure was over 300 million tons; since 2013, grain output has stood above 600 million tons, which is a hard-earned result. At present, China is able to ensure 98% of self-sufficiency rate for rice, wheat and corn, with higher-than-world-average per capita availability of 450 kilograms.

China has made significant contribution to the world food security, producing 1/4 of the world grain output on less than 1/10 of the world arable land and feeding nearly 1/5 of the world population.

It has not only increased grain output but also the production of non-staple food, ensuring ample supply and stable prices. In 2014, China produced 6.16 million tons of cotton, 35.17 million tons of oil seeds, 13.32 million tons of sugar, 760 million tons of vegetable, 150 million

tons of fruit, 87.07 million tons of meat, 28.94 million tons of eggs, 37.25 million tons of milk and 64.50 million tons of aquatic products, leading the world in the production of meat, eggs, vegetable, fruit and aquatic products.

Second, farmers have seen their income increasing steadily and rapidly, and their living standard greatly improved. Living an affluent and decent life has always been the most beautiful dream of Chinese farmers. At present, their income is increasing rapidly and steadily. In 2015, per capita disposable income of rural residents stood at US\$1,737 (11,422 RMB *yuan*), with a year-on-year growth rate of 8.9%, while the average growth rate since 2011 has reached 10.1%.

Besides, living standard of farmers has been greatly improved. In 2015, each farmer averagely spent US\$1,065 on daily consumption (7,000 RMB *yuan*), and most of rural households own TV sets, refrigerators and washing machines. Motorcycles and electric motorcycles are common in rural areas, while many farmers are able to afford cars.

According to statistics, in 2012 every 100 rural households owned 117 TV sets, 67 washing machines, 62 motorcycles and 198 cell phones, with almost two cell phones for one household. In addition, poverty alleviation in rural area has been enhanced. The size of poverty stricken population decreased from 122 million in 2011 to 70.17 million in 2014. Rural residents are able to afford enough food and clothing while the compulsory education, basic health care and housing have been guaranteed.

When the Reform and Opening-up policy was introduced, there were more than 500 million people living under the poverty line in China. Now, there are only 70 million. Many international agencies have spoken high of China's contribution to the realization of the MGDs. China's achievement in poverty reduction has set a sample for the whole world.

Third, agricultural modernization has been expedited, leading to great improvement in equipment and facilities. Modernization is the underlying goal of agricultural development, including comprehensive infrastructure, advanced technologies and equipment. Effective irrigation covers 52% of total farmland to ensure harvest regardless of flood or draught, reducing the dependence on weather. The contribution of agricultural SciTech has reached 56% and the driving force of China's agricultural growth has shifted from the increase of resource inputs to the reliance on the advancement of science and technology. The coverage of premium varieties is over 96%, bringing a comprehensive upgrading to the varieties used in production. The application of agro-machinery in farming is over 61%, replacing the dominance of human and animal power; and, commercial processing rate of farm produce is over 60%, extending the value chain while also enhancing the added value of farm products.

Fourth, development of the new countryside has made significant progress, leading to changes in rural areas. The primary task of rural development is to turn rural areas into a happy home for all farmers. Based on the overarching goal for production development, affluent life, civilized and clean rural communities, and democratic management, the overall condition of rural areas has been improved: community environment becomes better; renovation of dilapidated houses is accelerating; recreational farming and rural tourism is prospering; rural social undertakings and social security schemes are set up; and, rural social management is improving.

Fifth, rural reform is pressing ahead, bringing about systems and mechanisms that are supportive to modern agriculture. Rural reform can exert a fundamental and comprehensive influence, which always draws high attention. China's reform originated from the household contracting system in rural areas. China has followed a market-oriented way of reform, following the requirement of modern agriculture, and on

the basis of stabilizing and improving rural basic operation system, to deepen rural land system reform, develop new types of operators of farming, and encourage moderate-scale operation of various types, making breakthroughs in the following areas:

First, rural land tenure has been further clarified. The current contracting relations of land will be maintained, while the transfer of right to use land is encouraged, being law-based, voluntary and compensatory, in various forms including subcontracting, leasing, exchange, transfer and share-holding cooperation, so that the flexibility of the right to land contracting and operating is conducive to the development of all forms of moderate-scale operation.

Second, the development of new types of agricultural operation system is accelerating. Family farms, farmers' cooperatives and leading agricultural enterprises have gradually become the main driving force of modern agriculture.

Third, new types of professional farmers are emerging. When young people from rural areas start to work in cities, it leaves the question as to who will stay on the farms. In recent years, we are delighted to see that young and educated people have chosen to stay in rural areas, and more and more migrant workers, college graduates and ex-service men start their own business in agriculture. In particular, these professional farmers are active in utilizing the Internet. With the support of the "Internet+" Strategy, they are selling featured products via social media networks and e-commerce platforms such as Wechat, Weibo and Taobao. In such a way, a nation-wide market of productive factors allocation and product distribution has been formed to enhance the efficiency of resource allocation and enable scale economy. The creative ideas of farmers have injected fresh vitality into the traditional sector of agriculture.

In general, China's agricultural and rural development is at its best historical stage, with steady growth of output, rapid increase of farmers'

income, and harmonious and stable rural communities. Such an achievement can be attributed to the following factors:

First, the Chinese government attaches high priority to issues concerning agriculture, rural areas and farmers, and has developed and implemented sound strategies that are suitable for China's conditions. China has always placed work related to agriculture, rural areas and farmers at the top of its agenda for national economic and social development, and adjusted and improved guidance for agricultural and rural development based on the level of economic and social development and main challenges.

In recent years, a series of major strategies and guidance have been formulated, including “promoting agricultural and rural development with the support of industries and urban areas”, “integrated development of urban and rural areas”, “coordinated development of industrialization, IT application, urbanization and agricultural modernization”, and “integrated development of the primary, secondary and tertiary industries in rural areas”.

Second, policy innovation has been promoted to strengthen agriculture, benefit farmers and enrich rural areas in a systematic way. The agricultural tax has been abolished; subsidies in line with WTO rules are implemented; purchase and selling of food is liberalized; minimum purchase prices for grain is put in place; and subsidies for agricultural insurance premium is provided. All these actions help to form a policy system that is market-oriented, gives play to the role of government, and stays in line with China's national conditions and international practices.

Third, institutional innovation has been enhanced to form a clear institutional framework for integrated urban and rural development. Current land contracting relations maintain unchanged, land transfer systems are improved and specialized farmers' cooperatives and production service systems are encouraged. Reform of collective

ownership of forests is pressing ahead, and farmers' initiatives are mobilized. Rural public service is prioritized, comprehensive rural social security systems are set up, and urban and rural access to public service is equalized.

Fourth, fiscal support is continuously strengthened to ensure full implementation of policies. Statistics¹ shows, between 2010 and 2014, general fiscal expenditure on agriculture, forestry and water conservancy had grown at an average annual rate of 14.6%. In 2015, the spending was 11.4% higher on a year-on-year basis, with the focus on grain production, development of featured industries, agricultural infrastructure, and advancement of agricultural science and technology.

Over a long period of time, China has made arduous efforts in seeking solutions to the development issue based on its national conditions and international experience. Reform and opening-up has enabled remarkable economic and social development. Some of our friends in the international arena may ask that with such an achievement, is China a developing country anymore?

China's GDP in 2014 was 63.59 trillion RMB *yuan*, already over US\$1 trillion. According to initial estimates, China's growth rate in 2015 was 6.9%², being the second largest economy in the world. However, China's per capita GDP is only US\$7,589, or 65% of the world average, 1/7 of the US and 1/5 of the EU, ranking the 80th in the world.

China still lags behind developed countries in terms of its level of comprehensive development, particularly its innovative capacity, labour productivity and social security, with certain indicators even lower than

¹Information on the implementation of Law on Agriculture, inspection team of the Standing Committee of the National People's Congress, published by Economic Daily on November 16, 2015.

²China's GDP in 2015 was 67.6708 trillion *yuan* (nearly US\$10.3 trillion at the exchange rate of US\$1=6.57 *yuan*), with a YOY growth rate of 6.9% on the basis of comparable prices, ranking the second in the world.

some other developing countries. Taking the UN Human Development Index for example, China is at Number 91 on the scale.

The development of urban and rural areas, and among different regions is uneven. There are metropolises such as Beijing and Shanghai, but in the Mid-Western region, especially remote rural areas, conditions for housing, transportation, education and health care are still poor. Indeed, China has lifted 600 million citizens out of poverty since Reform and Opening-up, and become the first country to achieve the MDG objective to reduce the population living in poverty by half.

However, China is still facing a huge task of poverty reduction. Currently, there are 74 million people receiving minimum subsistence allowance, 85 million people with disabilities, and by our national standard, there are 70.17 million poor people living in rural areas. However, if calculated by the World Bank standard, there are around 200 million people living under the poverty line. The Chinese Government has determined and announced to take effective measures to lift all the 70.17 million poor rural population out of poverty by the end of 2020.

To be honest, China's agricultural and rural development is still faced with tremendous challenges. Externally, the world economic recovery is slow and suffering from setbacks, while China's domestic economy has entered the stage of "new normal", with emerging negative impact on the demand for farm produce, prices, production, and farmers' employment and income. Internally, agriculture is constrained both by resources and environment pressure, and by the floor of cost and the ceiling of market price. Consumers have higher requirements for the variety and quality and safety of farm produce. The pressure to ensure supply, while guaranteeing safety and protecting environment is mounting. China's farming sector is also facing the challenges of small-scale operation, high cost and weak competitiveness. The Chinese Government recognizes that the short plate on the barrel to build an all-

round well-off society by 2020 remains the difficulties related to agriculture, rural areas and farmers, especially farmers still living under the poverty line. Therefore, the task for agricultural and rural development is not easy at all.

China's development is closely related to the development of the world, and the Chinese Dream shares common ground with dreams of peoples of all nations. Under the theme of poverty reduction for development, China stands ready to work with all parties to strengthen cooperation under the G20 mechanism and on other bilateral and multilateral platforms, so as to promote global agricultural development and poverty reduction.

Thank you very much for your attention.