

Hot Issue

Agricultural cooperation is a highlighted element under the Belt and Road Initiative.

new
stories
of the

Silk Road

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Belt and Road agricultural cooperation: New opportunities and channels for innovation

Agricultural cooperation is a highlighted element under the Belt and Road Initiative. As the initiative progresses, enhanced communications and exchanges in the agricultural sector have occurred with good effect, but the sector faces underlying challenges and difficulties. To eliminate poverty, develop the rural areas, and achieve food safety are important goals under the initiative, as they are in the mission of the Food and Agriculture Organization of the United Nations (FAO), where they are key to the implementation of the 2030 Agenda for Sustainable Development. According to Vincent Martin, FAO Representative in China and North Korea, "for this purpose, we have identified three specific areas -- development of inclusive sustainable value chains, innovation in e-agriculture, and cross-border joint controls of animal and plant epidemic diseases. These areas jointly will forge synergy for many innovative opportunities."

One key challenge and difficulty in agricultural cooperation among the Belt and Road countries is to realize development of inclusive sustainable value chains for the benefit of poor and small farmers.

According to Pierri Francesco, Policy Officer for Partnerships and South-South Cooperation at FAO, the FAO's survey on Morocco, Thailand and Uganda indicates that investments involve partnerships with the local farmers that motivate their participation can generate higher income and efficiency, which in turn pushes up returns for the investors.

Under the framework of the Belt and Road Initiative, some Chinese companies have taken the initiative to innovate business models and collaborative approaches for win-win outcomes shared by all parties involved. General Manager of CGCOC Group Wang Miao said that the group has devoted considerable resources to a rice project in Nigeria, training the local farmers in the production approach of "Company + Farmers". Thanks to this project, the tribal leaders, young village heads, and local governments are motivated to jointly head expansion of rice production. This project has created jobs for the local communities, stimulated growth of local agricultural, generated profits for the group, and promoted Chinese technologies.

"Proposed by the Belt and Road Initiative, the development of e-agriculture facilitates poverty elimination and rural development," says Vincent Martin, who adds that "e-agriculture is more than e-commerce; it is also about making information accessible, and offering controls on animal and plant epidemic diseases, production quality standards, professional consulting services, as well as financial services, and even management training. It provides the farmers with opportunities of development by leaps and bounds."

"Offering e-commerce services in rural areas helps to achieve universal development. It improves the brand values of agricultural products, enhances the traceability of products, and also raises product prices. Within a certain production organization, a credit system is formed, leading to a positive synergy for better product quality," says Li Min, chief public policy expert from JD Group.

Gerard Sylvester, Knowledge Information Management Officer of FAO Asia Pacific, believes that information and communication technology has been widely applied in guiding the local agriculture sectors, as seen in weather reports and agriculture production advice. It has facilitated the development of e-government. "But we face many challenges in real-world business. For example, in New Guinea, the products produced in natural conditions meet the organic standards. But how to help the local farmers obtain organic certification? How to implement emerging value chains, such as traceable foods? How to grant small loans to farmers within the limits of financial risk management? These all call for cross-regional and cross-sector leadership and capacities. Cooperation should be launched in standard-setting, laws, regulations, and platforms."

While the projects under the Belt and Road Initiative facilitate trade among the regions, risks of cross-border quarantine on animals and plants also emerge. It is a common challenge for regional governments.

As Thailand, Laos, and Cambodia share a long border, some animal products are circulated via the river pathways without governmental supervision. Thanawat Tiensin, Deputy Head, Department of Livestock Development, Ministry of Agriculture and Cooperatives, Thailand, when talking about risk management and cross-border animal trade, states that such trade should be safe, but trade barriers should also be avoided. For this end, governments in this region should establish cooperation under mutual trust, implement international standards, bilateral arrangements and livestock trade for mutual benefit, and execute the Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement) in a manageable and practical manner.

Li Jianjun, Head of the SPS Division, Standards and Regulation Research Center under the General Administration of Quality Supervision, Inspection and Quarantine, says that "It is worth noting that, in certain areas, trade centering around the individual farming scheme is popular. For food safety and the livelihoods of the farmers, it is important." Li adds that "under these circumstances, the Belt and Road countries should enhance multilateral and bilateral cooperation, build mutual trust, enhance SPS regulation, and provide standard guidance. At the same time, we should capitalize on the standard operation of companies for forging close partnerships with small farmers so that the implications of inherent weakness in small farmers' intervention in modernized business can be prevented."



Development of inclusive sustainable value chains



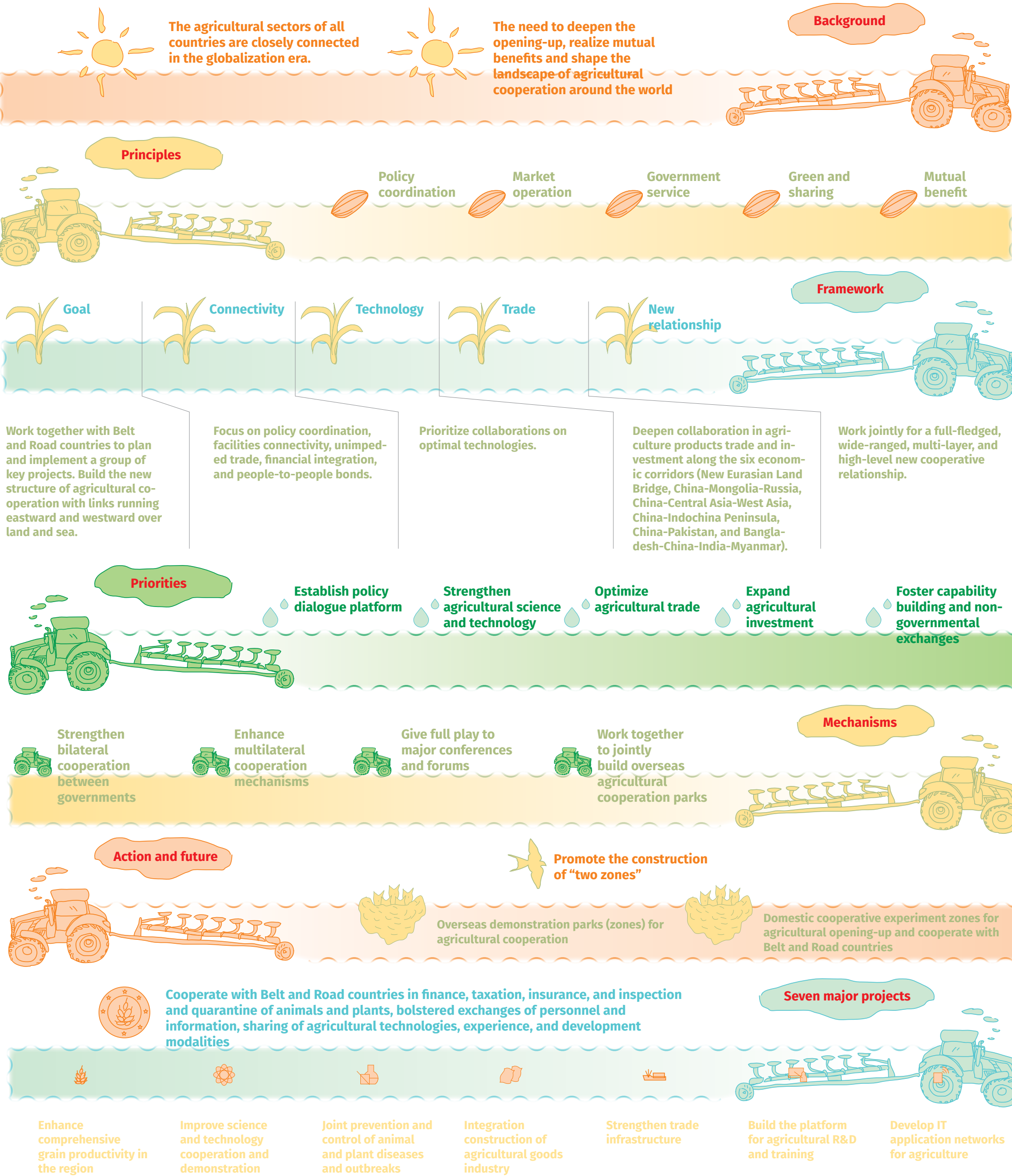
Opportunities for the poor through agricultural e-commerce



Response to challenges of cross-border quarantine of animals and plants

Promote Belt and Road agricultural cooperation

Agricultural exchanges and trade was an important part of the ancient Silk Road. Countries benefited from wider spread of farming skills and commodities. Agricultural civilization expanded and prospered in Asia, Europe and Africa through the closer connectivity of countries. In the new era, agriculture remains the foundation of the national economy in Belt and Road countries, and agricultural cooperation is their common pursuit since many long to fight hunger, eradicate poverty, and achieve food and nutrition security. Therefore under the initiative, agricultural cooperation can be a good foothold for Belt and Road countries to build a community of common interests and destiny.



Source: China's Ministry of Agriculture, yidaiyilu.gov.cn

Belt and Road Initiative boosts Polish dairy sales

Cow breeder and milk producer Mariusz Marczak, 31, keeps around 170 milk cows in the small village of Lipnice. For him, business is getting better and better thanks to the Belt and Road Initiative.

The cows enjoy pleasant conditions. Some are freely eating and drinking, others are enjoying massage with the help of automatically-rotating brushes, and still others are taking part in the mechanical milking process on their own.

Marczak has equipped his farm with automatic milking machines and three tractors. Stanislaw, Marczak's 65-year-old father, is very happy as a baby cow is expected to arrive that evening.

After selling milk to the dairy company, his family's milk may be made into a favorite dairy product for Chinese consumers. Stanislaw happily introduced the story.

Now his farm produces around 3,000 liters of milk a day. Their monthly sales are around \$30,000 and their profit adds up to \$7,900. The more they sell to China the more profit they can make.

"In recent years, the European milk market has become saturated," Mariusz said. "The construction of China's Belt and Road Initiative is bringing about progress in Poland. If the quality of Polish dairy products is guaranteed, we can let more Chinese consumers benefit from Polish dairy products through maritime transport or the cargo railway," said Mariusz.

Szymon Makos, sales manager of the Lowicz District Cooperative Dairy Plant (OSM Lowicz) which was created 110 years ago, said that the dairy company acquires 1.6 million liters of milk daily from more than 6,000 dairy farmers, with an annual production value of 400 million euros (approximately \$436 million). From that, milk with a total value of 10 million euros (approximately \$10.9 million) is sold in 2016 in China.

"China is a vast market," said Mariusz. "I know the Silk Road in China's history and I am very interested in the current Belt and Road Initiative. I hope that there will be more trains going back to China through Poland so we can bring Poland's agricultural products such as apples, milk, jams and pork to the Chinese market," said Mariusz.

According to the office of export facilitation of the Polish Agricultural Market Agency, Poland's annual export of agricultural products to China now exceeds 100 million euros (approximately \$109 million), and has risen to 163 million euros (approximately \$179 million) within each of the past three years. The Belt and Road Initiative has provided opportunities for enhancing bilateral trade and expanding the cooperation in the agricultural sector between China and Poland. China Railway Express (CR Express) has provided new impetus for promoting bilateral economic and trade cooperation.

Just about 50 kilometers west of Marczak's cow farm, the Polish city of Lodz now has a direct cargo railway connection with Chengdu, capital city of southwest China's Sichuan province. The rail connection is one of the symbolic projects of the Belt and Road Initiative, a China-proposed transnational network of trade, investment and economic development. "I hope that more Polish dairy products can be transported to China," said Makos.

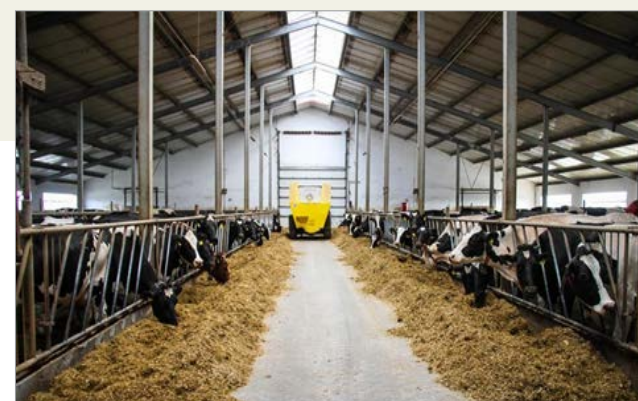


A cow farm in Lipnice, Poland



OSM Lowicz products

Xinhua



A cow farm in Lipnice, Poland.

Xinhua



A dairy worker operates a machine at OSM Lowicz in Poland.

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A cow farm in Lipnice, Poland.

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A dairy farmer feeds cows at a cow farm in Lipnice, Poland.

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