

## **LCSAR/TCIO WORKSHOP 2011 (EXPERT CONSULTATION)**

### **AGRICULTURAL TRADE LINKAGES BETWEEN LATIN AMERICA AND CHINA**

**-DRAFT-**

**FAO-ROME (19 - 20 September 2011)**

#### **BACKGROUND**

Recent FAO<sup>1</sup> and World Bank<sup>2</sup> studies indicate that developing countries' share in world agricultural exports increased from 32% in 1990/91 to 42% in 2006/07. Most of this gain came from expansion of exports to other developing countries (about 12%) while the share of their exports to industrial countries declined.

According to OECD-FAO projections, Latin America is the fastest growing production region and Brazil has by far the fastest growing agricultural sector, expecting to grow by over 40% by 2019, when compared to the 2007-09 base period. As stated by OECD-FAO, the developing and emerging economies which are enjoying increasing affluence with rising per capita incomes over a number of years, with population demographics and continuing urbanisation to mega population centres also reinforcing demand, are leading to significant changes in consumption and dietary habits, which explains the trade trends indicated above. This involves a transition from traditional staple foods and grains to more processed and prepared food products and convenience foods, containing a greater proportion of animal protein and with more fruits and vegetables in national diets.

China in turn, from being a small agricultural importer (1.4% of world imports in 1990/01), became the fifth largest importer at 5.4% of world imports in 2006/07 (US\$ 4.8 billion to US\$ 52.3 billion). But China has also increased dramatically its agricultural exports from US\$ 8.0 billion in 1990/91 to US\$ 36.9 in 2006/07 at 3.7% of world exports (Aksoy and Ng, 2010). It is the seventh largest exporter of agricultural products, just after Brazil. "... China has a large agricultural sector and large food economy. The performance in these sectors is of great significance for future outcomes in the rest of the world. As such, what happens inside China's borders will also affect the actions of policy makers globally."<sup>3</sup> China is both a competitor and a dynamic market for Latin American products.

#### **WORKSHOP OBJECTIVE AND OUTPUT USE**

The workshop is organised by the Investment Centre Division of FAO within the context of the Cooperative Programme FAO-World Bank. It is intended as a forum for exchanging knowledge and latest case study information on the evolving agricultural trade linkages between Latin America and China and on the opportunities and challenges for Latin American economies.

The workshops results will be used to develop an enhanced framework for guiding interventions by FAO, the World Bank and other international and national development actors in support of better focused investment projects.

---

<sup>1</sup> OECD-FAO, Agricultural Outlook 2010-2019, 2010.

<sup>2</sup> The World Bank, "The Evolution of Agricultural Trade Flows", Policy Research Working Paper 5308, May 2010.

<sup>3</sup> IAAE, Beijing, August 2009.

## PROGRAMME (DRAFT)

**19 September 2011**

---

8:45-9:00 Welcome

### **Session 1: Recent trends in world agricultural trade and role of China – Chaired by [.....]**

Major issues to be discussed during this session:

- new agricultural trade patterns: increasing participation of developing countries while share of industrialised countries remained stagnated or declined;
- China's rapid increase in world share of agricultural imports and exports during the last twenty years --- impact of China's large agricultural sector and food economy;
- emergence and consolidation of commercial and economic linkages between China and Latin American countries;
- asymmetric performance among countries in Latin America.

9:00-10:00 Recent trends in world trade of agricultural and agro-processed food products.  
David Hallam, FAO, Director EST

10:00-10:30 Coffee break

10.30-11:30 Developments and patterns of trade in agricultural commodities between China and Latin America.  
Simei Wen/Vice President of South China Agricultural University

11:30-12:30 Trade and investment relations between Latin America and China with special reference to agri-products.  
Osvaldo Rosales, ECLAC, International Trade and Integration Division

12:30-14:00 Lunch break

### **Session 2: Agricultural policy in China and Latin America: Lessons from selected experiences - Chaired by [.....]**

Major issues to be discussed during this session are:

- best practices to boost productivity and quality;
- value chain integration;
- market access and trade facilitation;
- trade governance;
- market outlook.

14:00-15:30 China as a market for Latin American agricultural products: supply and demand outlook  
Soy industry: Argentina and Mercosur, Marcelo Regunaga,  
Diary/beef industry: Uruguay and Mercosur, Daniel Conforte, Senior Lecturer,  
Massey University, New Zealand

15:30-16:00 Coffee break

16:00-17:30 China and Latin America are competitors in world agricultural markets: examples of best practices, policies, etc.

Apples China, (TBD)  
Citrus Brazil, (TBD)  
Asparagus Peru and China, Geoffrey Cannock, Gerente de Economía Aplicada,  
APOYO Consultoría S.A.C., Peru

## 20 September 2011

---

### **Session 3: Trade opportunities, risks and challenges, China as a force in agricultural trade and investment with Latin America?**

Major issues to be discussed during this session are:

- China's public investments in land and technology in developing countries and in Latin America;
- implications for food security of trans-national government led investments versus profit oriented company investments;
- risks and challenges for the Latin America agriculture.

9:00-10:00 Business potentials and challenges arisen from the recent trade developments between China and Latin America – private sector perspective  
(tbd)

10:00-11:00 China's public investments in land and technology in Latin America .....  
(tbd)

11:00-11:30 Coffee break

11:30-12:30 Prospects and challenges of agricultural trade between China and Latin America: analysis of problems and opportunities from the Chinese perspective  
Fu Qin, Director General Institute of Agricultural Economics and Development of Chinese Academy of Agricultural Sciences

12:30-14:00 Lunch break

### **Session 4: Agricultural trade and growth prospects**

The objective of this session is to confront the issues raised from different standpoints - government, private sector and cooperation agencies- with a view to summarise the trade prospects and highlight the challenges, the growth opportunities, the sustainability and the risks for different Latin American countries.

14:00-16:00 Roundtable Discussion  
Chaired by Alberto Valdes

Invited Discussants: TBD

16:00-16:30 Coffee break

16:30-17:30 **Session 5: Conclusions and way forward.** Chair Alberto Valdes

The conclusions from the workshop will provide guidance in the development of a framework for investment planning.