



China's Belt and Road Initiative

Opportunities and Challenges for US Agriculture

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What is the Belt and Road Initiative?

What is the Belt and Road Initiative (BRI)?

- Proposed by Xi Jinping in 2013 to build trade and infrastructure networks
- May 2017 Belt and Road Forum attended by 29 heads of state and representatives of 130 countries
- Roughly 80 countries participating to date
- Not just one road – “Silk Road Economic Belt” and “Maritime Silk Road,” but also “Arctic Silk Road” and expansion to Europe and Latin America
- **Improving connectivity**
 - Facilities – roads, ports, telecom
 - Trade and investment
 - Financial integration
 - Intergovernmental policy coordination
 - Non-governmental exchanges



China Daily

BRI is a loose brand rather than a master plan



Alignment with China's Strategic Interests

- **Diversify China's sources of strategic commodities like food and energy**
 - China has one-fifth of the world's population, but only 7 percent of its arable land
- **Develop and stabilize borders**
- **Soft power through global leadership and international aid**
 - \$308 million in food aid to developing BRI countries
- **New construction = uses of steel, concrete and other products with overcapacity**
- **Internationalization of the RMB**

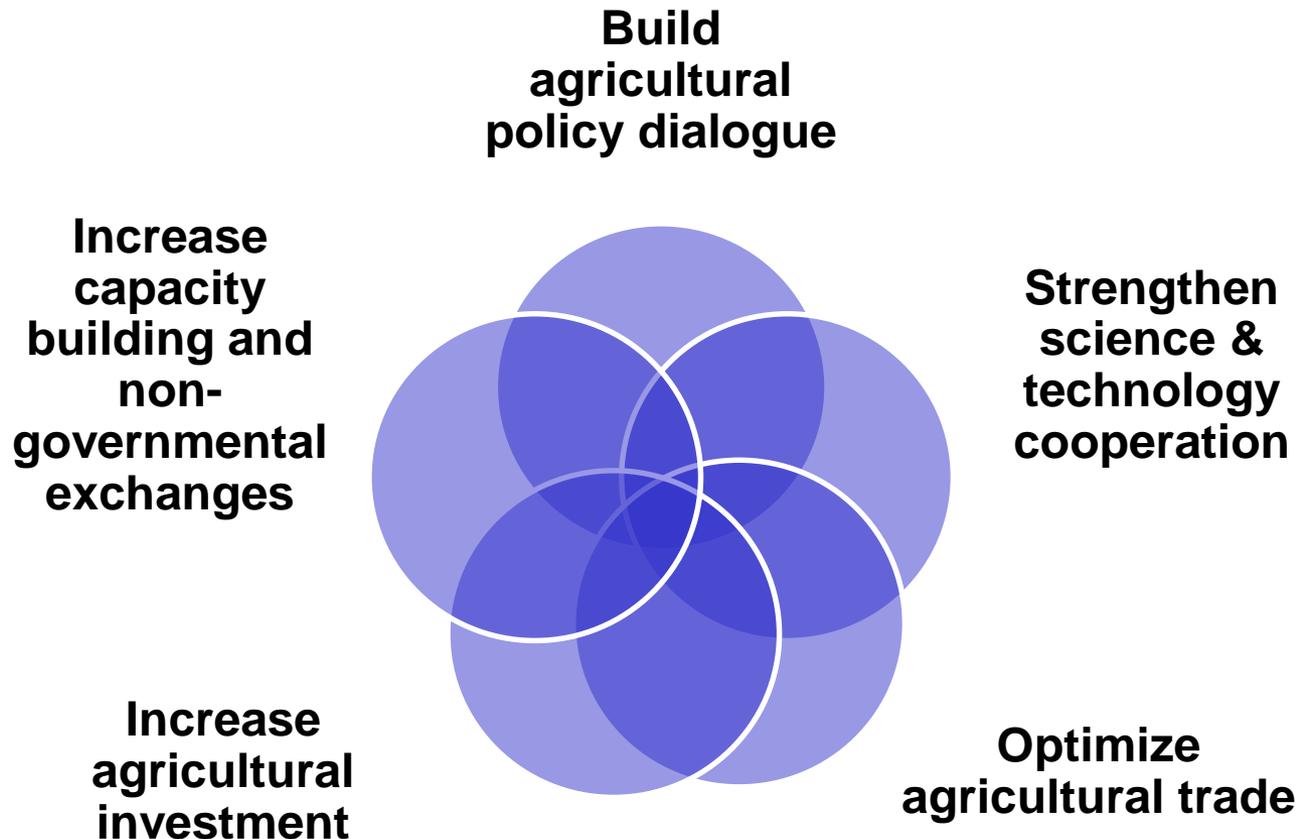


BRI may help other countries, but it is also in China's interests



BRI Agriculture Policy Goals

May 2017



Agriculture goals align with overall BRI goals



Implementation

**Bilateral and
multilateral
cooperation**

Agreements with
Serbia, Argentina,
Chile, and Egypt

**Major
conferences
and forums**

Forum on
Agricultural
Collaboration in
Support of BRI

**Agricultural
cooperation
parks**

10 overseas
cooperation parks
and 10 international
cooperation parks
in China

**Keep in mind: BRI efforts
are not new**

- 2013 loan-for-crops deal with Ukraine
- 2015 China-Kazakhstan Modern Agriculture Innovation Park

BRI builds on existing Chinese international agriculture policies

Priority Projects

- Increasing regional grain production
- Science & Technology cooperation and demonstration
- Joint animal and plant disease control
- Vertical integration of agriculture
- Strengthening trade infrastructure
- Agricultural R&D and training
- Agricultural digitization



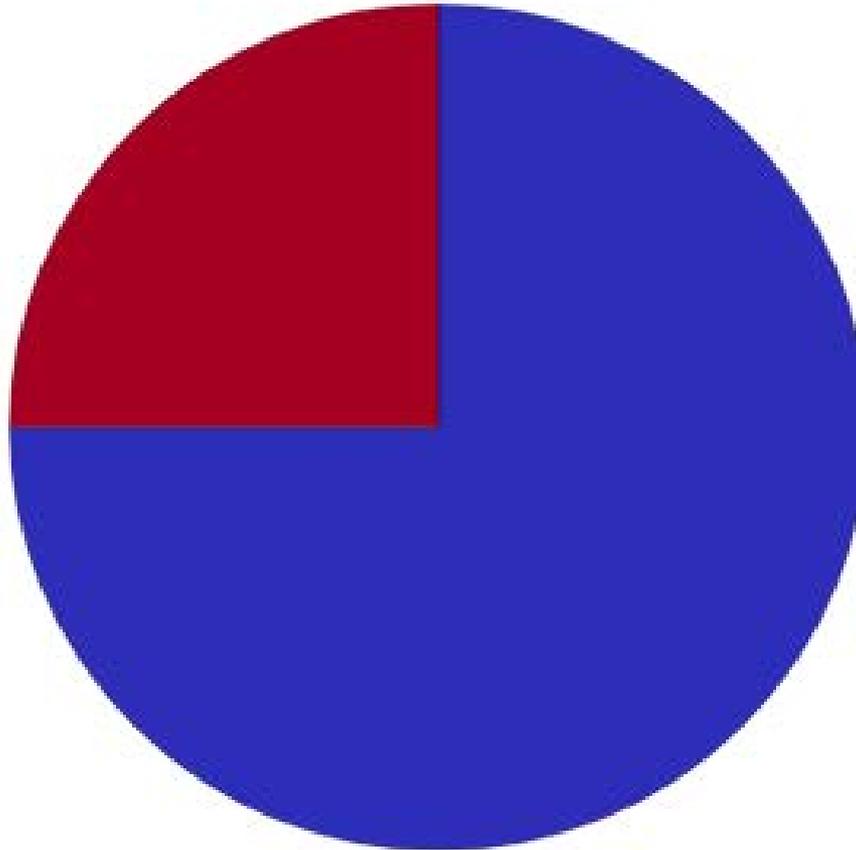
Possible opportunities for involvement by foreign companies



Opportunities and Challenges for US Companies



Is your company interested in the Belt and Road Initiative?



Significant interest among US companies in participating in BRI projects

Opportunities

- **Improved infrastructure → expanded supply chains**
 - New freight rail network across Central Asia
- **Opportunities to sell to China from third countries**
 - Kazakh wheat and Ukrainian corn
- **Technological cooperation → improved agricultural output in BRI countries**
 - Technology licensing opportunities
- **Sharing international best practices**

Importance of China to US companies:

- Export market for US farmers
- Destination for US biotech products
- US agricultural equipment, veterinary medicine
- Most US companies in China to access Chinese customers

BRI could create new markets for US agriculture...

Challenges

- **No central location for information on BRI projects – how to identify the opportunities?**
- **BRI projects governed by local laws, so no uniform application process, no uniform standard of transparency, and no uniform dispute settlement process**
- **Preference for BRI countries as trading partners may displace some US suppliers**
 - 2013 \$3 billion loan-for-crops deal with Ukraine and US import rejections due to GMOs
- **USCBC Member Survey Top 10 Challenges**
 - Licenses and approvals - #2
 - IPR Enforcement - #5

...but as with any market, opportunities and challenges come hand in hand



Thank you!

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