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

*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_
Agriculture policies in BRI align with overall BRI goals.

**BRI Agriculture Policy Goals**  
May 2017

- **Build agricultural policy dialogue**
- **Increase capacity building and non-governmental exchanges**
- **Strengthen science & technology cooperation**
- **Optimize agricultural trade**
- **Increase agricultural investment**

*Agriculture goals align with overall BRI goals*
**Agriculture Policies in BRI**

**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

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

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

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*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…
Opportunities and Challenges

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
  o 2013 $3 billion loan-for-crops deal with Ukraine and US import rejections due to GMOs

• USCBC Member Survey Top 10 Challenges
  o Licenses and approvals - #2
  o IPR Enforcement - #5

…but as with any market, opportunities and challenges come hand in hand
Thank you!

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