

# **Sino-Africa Agricultural Cooperation Experience Sharing**

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Distinguished guests, ladies and gentlemen:

It is a great pleasure for me to be invited to attend the seminar on “Agriculture, Food Safety and Rural Development for Growth and Poverty Reduction” which is jointly held by OECD and IPRCC, to introduce to various experts and scholars the practical experience of China-Africa agricultural cooperation, and exchanges views with you on promoting the agricultural development in Africa, addressing the issue of food safety, and achieving the goal of eliminating poverty.

## **I. Status Quo of China-Africa Agricultural Cooperation**

China-Africa agricultural cooperation, which dated back to China's food aid grants to Guinea in 1959, has been sustained for half a century. Over the past 50 years, China has offered grants, provided practical agricultural technology, and trained agricultural technical and managerial personnel for Africa. At the same time, both sides conducted mutually beneficial cooperation in all sort of forms, which played a positive role in the agricultural development of African countries. In the new century, China has witnessed rapid economic development, as well as remarkable achievement made in its agricultural development. Africa and other developing countries have shown particular interest in learning from the Chinese experience in agricultural development, and constantly requested to cooperate with China. By adhering to the principle of “give play to the Chinese strengths in order to help other countries exploit their resources and meet their needs” and in line with the actual needs of African countries,

the Chinese Government has relied upon its experience in agricultural opening up and brought its advantages in agricultural technology, products and talents into full play in an effort to actively assist African countries to develop their agricultural production, solve the problem of food shortage, and contribute to the elimination of poverty. The Chinese practical experience suggests that only by achieving self-reliance and independent development in agriculture can African countries eliminate poverty and realize socioeconomic progress to the full extent.

**(I) Establishment of cooperation mechanisms.** The high-level exchanges between the state agricultural sectors of China and African countries have become increasingly frequent. Over just a few years, as many as nearly 40 high-level delegations of African countries visited China, and the leaders of Chinese agricultural sectors also made several trips to Africa. Through these high-level exchanges of visit, both sides shared their experience in agricultural development, established cooperation mechanisms, discussed the focus of cooperation, and laid a solid foundation for their agricultural cooperation. Up to now, China has signed cooperative agreements and memorandums of understanding on agriculture and fisheries with 11 countries, including Egypt, Ethiopia, South Africa and Mozambique, and has established working group mechanisms with three countries (South Africa, Egypt, and Sudan). Under the working group mechanism, the Chinese Ministry of Agriculture (MOA) has developed exchanges and cooperation plans with South Africa, Egypt and Sudan, respectively, held working group meetings on a regular basis, sent technical exchange groups to one another, and implemented cooperation projects in a bid to promote the sound development of bilateral agricultural cooperation. However, few countries have established agricultural cooperation mechanisms with China. Except the Forum on China-Africa Cooperation (FOCAC), China has not established stable exchange and cooperation relations with any regional organizations in Africa. In comparison with the 53 African countries as well as the new situation of China-Africa agricultural

cooperation, the establishment and improvement of multilateral cooperation mechanism shall be strengthened.

**(II) Provision of aid to Africa.** Agricultural assistance has always constituted an important part of China's foreign aid efforts. Africa is the key region where China implements its agricultural aid projects. China has made great contributions to improving the agricultural infrastructure of Africa, enhancing the agricultural technological level, increasing the grain output, mitigating the food shortage, and eliminating extreme poverty, and has been highly praised by the governments of African countries and their people. Since the 1960s, China has implemented approximately 220 agricultural aid projects in Africa, out of which 170 are farming, animal husbandry and fishery projects and 50 are farmland water conservancy projects, mainly including farms, agricultural technology demonstration centers, agricultural technology experiment stations and promotion stations, farmland water conservancy and agricultural technology cooperation projects, etc. In addition, the Chinese Government also earmarks a certain amount of funds annually to purchase agricultural supplies for African countries, such as food, high quality seeds, chemical fertilizer, pesticides, small- and medium-sized agricultural implements, and agricultural product processing equipment. In the new century, particularly since the establishment of FOCAC, China has greatly increased its agricultural aid to Africa, and strengthened its technical assistance efforts in particular. Chinese President Hu Jintao announced eight major measures to provide aid to Africa during the FOCAC Beijing Summit in November 2006, including the establishment of ten distinctive agricultural technology demonstration centers, dispatch of 100 senior agricultural experts, and training and cultivation of 15,000 talents in various fields (including 1,500 agricultural technological professionals). Moreover, Premier Wen Jiabao announced another six major steps to take on the UN Millennium Development Goals (MDGs) high-level meeting. China must intensify its efforts in providing agricultural

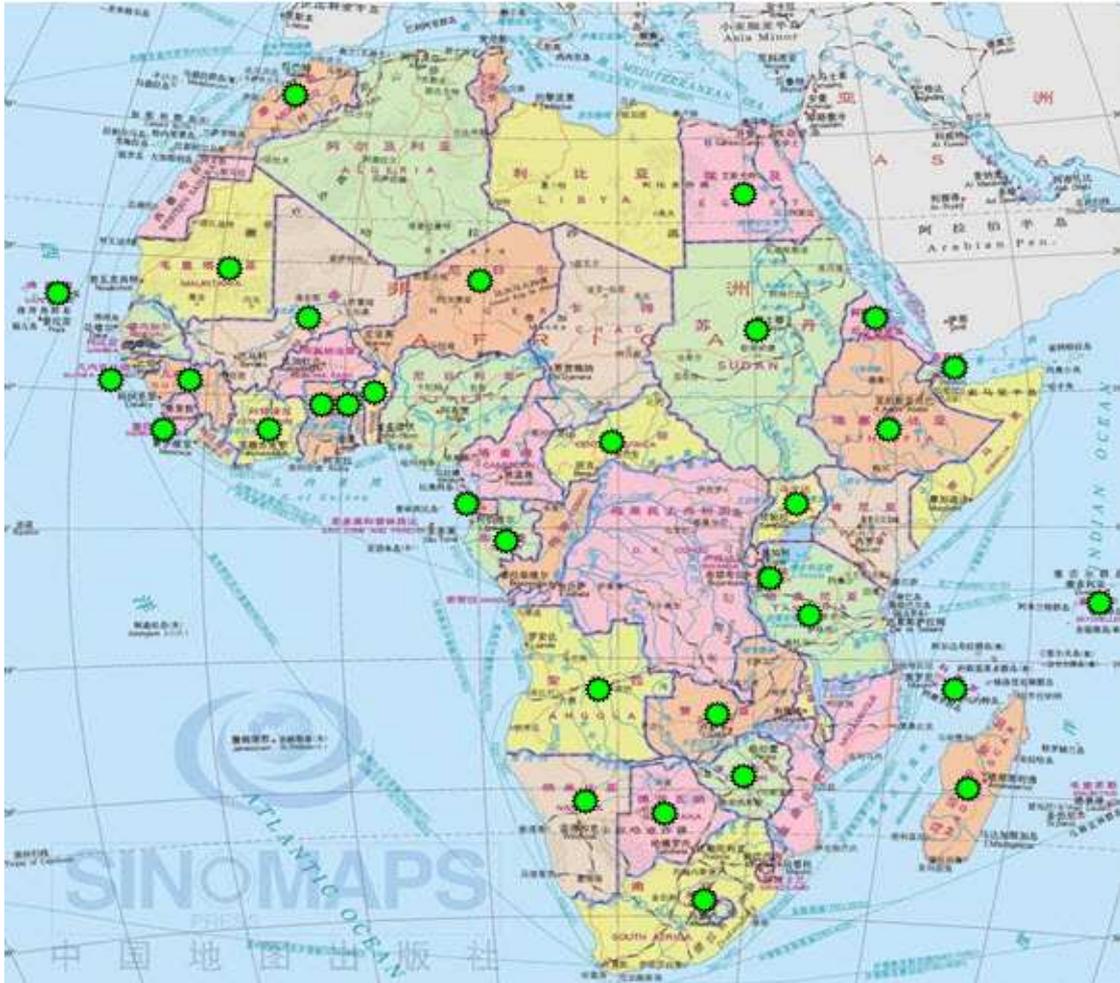
aid to foreign countries by increasing the number of agricultural technology demonstration centers in developing countries to 30, doubling the number of agricultural experts and technical personnel dispatched, and donating USD 30 million in three years to the UN Food and Agricultural Organization (FAO) as the trust funds in a bid to help the developing world improve their food and agricultural production capacity through practical actions. In January 2009, Premier Wen Jiabao announced eight new measures concerning aid to Africa on the 4<sup>th</sup> FOCAC ministerial meeting. In the field of agriculture, China shall establish as many as 20 agricultural technology demonstration centers for African countries, send 50 agricultural technology groups to Africa, train 2,000 agricultural technical personnel, and help Africa establish its own clean energy projects during the course from 2000 to 2010. The formulation of the above-said series of measures fully demonstrates the importance of agriculture in China-Africa cooperation as well as the sincerity of China in supporting the agricultural development in Africa.

**(III) Personnel training and dispatch of agricultural experts.** Modern economic theories suggest that developing countries shall not depend solely on the economic growth to address their universal backwardness. We must expand the human resource investment while increasing the physical capital investment in order to ensure the balanced growth of both kinds of investment. Due to the under-developed social programs, weak infrastructure, low quality of farmers and a large impoverished population, most of the African countries are in sore needs of strengthening the development and improving the quality of human resources. In line with such needs, and starting from the improvement of African capacity for independent development, China has stepped up its capacity-building efforts and technical support in this area. Since 2004, China has trained 4,200 agricultural managerial officials and technicians through bilateral and multilateral channels. The contents of training ranges from agricultural economy, agricultural planning, agricultural management, crop

cultivation, animal husbandry and veterinary, aquaculture, processing of agricultural products, agricultural machinery to agricultural engineering. All these measures have not only enabled the African countries to master the relevant technical knowledge and advanced managerial philosophy and experience, but also promoted the exchanges and cooperation between China and these countries, and deepened the friendship between both sides. However, the follow-up tracking and assessment targeted at the trainees is an important means to consolidate the training results and test the training effects. The Chinese Government has yet to form a China-based tracking and assessment management mechanism to scientifically evaluate the improvement and revision conducted by the trainees to their future work, the relevancy of the contents of training, as well as the effectiveness and applicability of the training results.

Meanwhile, the Chinese Government has also sent 104 senior agricultural experts with professional titles above the level of associate research fellow (associate professor) to work in 33 African countries, mainly helping their governments formulate agricultural development plans, proposing policy suggestions, and enhancing their capacity in the macro-control of agriculture and independent development.

### **33 Countries Where 104 Senior Agricultural Experts Have Been Sent**



**(IV) Technological exchanges and cooperation.** The Chinese Government has attached great importance to conducting bilateral exchanges and cooperation with Africa on agricultural technology. China has sent delegations on study trips to Sierra Leone, Zambia and Guinea-Bissau for potential agricultural cooperation, investment and development; made early-stage preparations and investigations for the construction of agricultural technology demonstration center in Africa; developed for Angola and Mozambique agricultural plans as well as comprehensive disease and pest prevention and control plans for the cashew production; and implemented technical cooperation projects of mushroom cultivation in Egypt.

The agricultural technical education and training program implemented under the cooperation between China and Ethiopia stands as a successful case for China-Africa agricultural technical cooperation. In 2001, MOA of China and the Ethiopian Ministry of Agriculture signed the *Letter of Intent on Conducting Cooperation in Agricultural Technical Education and Training and Green Certificate*. Both sides shall strengthen their cooperation on agricultural technical training. With the fund provided by the Ethiopian Government, MOA sent teachers to Ethiopia for the training. Since 2001, a total of ten training programs have been jointly implemented by the Chinese and Ethiopian governments. An aggregated number of 308 teachers have been sent to Ethiopia to teach 48 courses in six majors including crop cultivation, animal husbandry, veterinary, agricultural machinery, home economics, and development of natural resources, with about 66,000 students under training. China has helped Ethiopia establish a relatively sound agricultural technical education system. With the concerted efforts of various sides, Ethiopia has already set up 28 training institutions under the three-year system, with 7 departments, 27 majors, 600 teachers, and 15,000 students with constantly improving education conditions and quality.

**(V) Agricultural technology demonstration and extension.** The importance of technological progress to sustained economic growth has been increasing all the time. According to a great deal of research done by experts on the developing countries, the scarcity of capital will no longer be a major constraint when these countries have reached a certain stage of development. The key constraint, however, is the shortage of technology. The 30-year experience of China receiving agricultural aid also indicates that the introduction of advanced technology and managerial philosophy has played a significant role in achieving the goal of agricultural development. As far as the African countries are concerned, their overall agricultural technical level is yet to be improved, and there is a universal shortage of necessary technical knowledge and managerial talents. Therefore, the Chinese Government has been committed to

promoting the agricultural and economic development in Africa by providing them the technical knowledge, management philosophy and managerial experience needed in order to help them solve the problem of food safety and eliminate poverty. As one of the effective methods to enhance Africa's food production capacity, the agricultural technology demonstration centers built by China under the aid project boast their multiple functions including agricultural demonstration and extension, technical training, and introduction of managerial philosophy and experience. The Chinese Government is actively implementing its commitments to the foreign countries at the Beijing Summit of Sino - African Cooperation Forum and the Fourth Ministerial-level Conference in Egypt. All of the 15 agricultural technology demonstration centers have already started the construction, some of which have put into use, and the first-phase preparation of the other five centers is carried out in an orderly manner. The 50-year historical experience that China has provided assistance to African agriculture has shown that such assistance measures as merely relying upon the government to assist the technical extending stations, experimental stations, etc. are lack of vitality. Under the conditions of market economy in particular, if we pay no attention to guide and give full play to the leading role of the enterprises in the market, the projects will not exist in the long run and operate in a normal manner. Therefore, the current centers shall take such a measure that the Chinese institutions shall undertake the projects and all the relevant departments shall be the enterprises or scientific research institutions, which are the excellent forces of China's agricultural research and production and possess relatively high comprehensive strength such as scientific research, production, management, etc. All of these enterprises or institutions are participating in the construction and management of the demonstration centers and hope that they can maintain the normal operation and explore a sustainable development mode for China's assistance to agricultural technology demonstration projects through the governmental aid funds to start the construction and preliminary operation of the said centers and then through the operation marketization of the said institutions. However,

the feasibility of the said mode for realizing sustainable development shall be tested by the upcoming practices.

### **Assisted 15 Agricultural Technology Demonstration Center Projects**

	<b>Countries</b>	<b>Units</b>	<b>Main demonstration fields</b>	<b>Construction</b>
1	Zambia	Jilin Grain Group	Corn and wheat	Under construction
2	Tanzania	Chongqing Seed Group	Rice	Under construction
3	Cameroon	Shaanxi Land-reclamation Agriculture & Industry and Commerce Corporation	Rice	Completed
4	Congo	Chinese Academy of Tropical Agricultural Sciences	Cassava	Under construction
5	Rwanda	Fujian Agriculture and Forestry University	Paddy and silkworm	Under construction
6	Benin	China National Agricultural Development Group	Corn and vegetables	Under construction
7	Togo	Huachang International Economic and Technical Corporation in Jiangxi Province	Rice	Under construction
8	Liberia	Yuan Longping High-tech Agriculture Co., Ltd. in Hunan Province	Rice	Under construction
9	Ethiopia	Guangxi Bagui Agricultural	Cash crop	Under

		Science and Technology Co., Ltd.		construction
10	Sudan	China Shandong Foreign Construction Engineering Co., Ltd.	Corn and wheat	Under construction
11	Mozambique	Lianfeng Agricultural Development Corporation in Hubei Province	Seed-breeding and livestock	Under construction
12	Uganda	Sichuan Huaqiao Fenghuang Group Co.,Ltd.	Aquiculture	Under construction
13	South Africa	China National Agricultural Development Group	Aquiculture	Under construction
14	Zimbabwe	MAE Northern Co., Ltd.	Agricultural machinery and irrigation	Under construction
15	Madagascar	Hunan Academy of Agricultural Sciences	Rice	Demonstrated

In addition, the Ministry of Agriculture (MOA) of China has implemented the rice planting demonstration projects in Sierra Leone, and carried out the work such as maintaining the infrastructure, planning demonstration field, experimental planting, demonstration, training, farming and harvesting through machines, etc. The average yield per unit of rice in the demonstration areas has been exponentially improved in comparison with that of the local varieties, among which the yield per unit of the hybrid rice “Liangyoupeiiju” stood at 10.1 tons/ hectare. The local technicians and farmers have preliminarily mastered China’s high-yielding hybrid rice cultivation techniques through the training and guidance provided by the Chinese experts. In November 2006, Kabbah, former President of Sierra Leone reaped the “first rice through a reaping hook” in the demonstration field when inspecting the said project. In February 2009, the current President Koroma also made a special trip to inspect the

hybrid rice demonstration sites, extended his regards to the Chinese experts, and affirmed the remarkable achievements which set an excellent example for its farmers.

The “South-South Cooperation” project was implemented by MOA in Nigeria. The Chinese technicians promoted such practical techniques as strong rice seedling on upland field, reasonable compact planting, regulation and control of moisture, fertilizer through production, retooling rice, etc. in numerous states of Nigeria, and the yield of instructed rice field was improved significantly. For example, two sites were selected in the central and southern region of this state in 2005, with each site covering an area of 5,000 sq.m. Raised seedlings on June 25, transplanted on July 29, and harvested on November 26. The demonstration results have shown that China’s cultivation techniques (spacing between rows is 30x20cm ) have saved 30% of the seeds, seedbeds and transplantation and increased 18% of yields in comparison with that of the local technologies (spacing between rows is 20x20cm) and increased 107% of yields in comparison with that of farmers’ planting technologies. In June 2005, our agricultural technicians also took full advantage of the rainy season to instruct farm workers to plant additional 20 hectares of rice and select the local rive variety Ex-China and SIPPI after reaping rice during the dry season, with the yield reaching 8,512kg/ha. The successful experiment and demonstration has shown that the rice production in Nigeria has a huge growth potential. Based upon the current yield of less than 3,000 kg/hectare, the yield of rice will double through applying the comprehensive high-yielding cultivation techniques.

The Chinese experts in agriculture established 11 rice producing demonstration sites in Guinea-Bissau, with 2,000 hectares of planting area, 530 tons of breeding seeds, and 3,530 hectares of promotion area, among which the yield of numerous varieties increased by over 300%. In addition, the said experts also taught the local farmers the planting techniques and management experience, obtaining widespread acclaims. In

2008, the said experts won the First Prize of Science and Technology Progress issued by MOA in Guinea.

However, China's agricultural technical demonstration projects assisting the African countries are currently confronted with two issues: first, promotion after demonstration. At present, China's agricultural technologies in Africa are merely within the scope of demonstration and small-scale promotion. The Chinese experts in agriculture and technicians taught the farmers the relevant techniques in a scattered way, which could not play a significant driving role in agricultural development in Africa. The promotion and application of the production technologies need a perfect technical promoting system as well as powerful and vigorous support and promotion by the state, and thus the said technologies can be disseminated to the farmers. However, the majority of the African countries have weak infrastructure, and the agricultural technology promoting system is unsound even do not exist. How to promote and apply the said techniques on a large scale has remained a difficult problem up to now. Second is the assessment on the effects of the aid project, such as agricultural technology demonstration center. The western countries, the international financial organizations, etc. have attached great importance to the supervision and assessment of the aid projects and established a set of scientific and systematic evaluation methods. However, the Chinese Government has not formulated a set of systematic, standardized and scientific project assessment system for the said projects such as agricultural technical demonstration center, etc., and guaranteed the effective management, objectiveness of the achievements and convincing evaluation.

**(VI) “South-South Cooperation” under the framework of Food and Agriculture Organization (FAO).** The Special Program for Food Security (SPFS) is an important initiative in 1994 for helping the low-income food deficit countries resolve the food

security problem, and promotes the “South-South Cooperation<sup>1</sup>” in the field of agriculture under this Program. Since 1996, MOA of China has started to establish the cooperation relationship with FAO and conducted the “South-South Cooperation” in the field of agriculture in Ethiopia, which was one of the countries that participated in the cooperation at the earliest with the largest participants. So far, MOA has already dispatched more than 700 agricultural experts and technicians to seven countries such as Nigeria, Ethiopia, Sierra Leone, Gabon, Mali, Mauritania, Ghana, etc. through the channel of “South-South Cooperation” under the framework of the said Program, successfully demonstrated and promoted over 200 practical agricultural techniques and made positive contributions to the improvement of the local agricultural technical level. In 2006, the Chinese Government established the strategic partnership with FAO, and planned to dispatch 3,000 experts in the next few years. Premier Wen Jiabao announced a series of actions taken by the Chinese Government for promoting the realization of the Millennium Development Goals (MDGs) at the High-level Conference on the UN Millennium Development Goals (MDGs), including donating USD 30 million to FAO for establishing a trust fund, aiming at helping the developing countries, the African countries in particular improve the agricultural production capacity and increasing export and assistance for those food deficit countries. All of the above-mentioned actions will further deepen the multilateral cooperation between China, FAO and the African countries and benefit the African people. MOA has conducted the South-South cooperation with the African countries through utilizing the trust fund, and the South-South cooperation project between Sierra Leone, Malawi, Mali and Liberia is about to be launched. The “South-South Cooperation” project has made remarkable achievements, which has obtained high recognition from FAO and the governments of the beneficiaries. Take the said project carried out by China and Nigeria as an example, since the project has been implemented in 2003, the Chinese Government has dispatched a total of more than 500 agricultural experts and technicians and made great achievements in many fields. The yield of rice in the

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<sup>1</sup> The South-South Cooperation under the framework of “Special Program for Food Security (SPFS)” of Food and Agriculture Organization (FAO) of the United Nations means that the cooperative countries, beneficiaries and FAO shall sign the tripartite cooperative agreement, with FAO and beneficiaries undertaking part of the funds, respectively. The cooperative countries shall dispatch experts and technicians to conduct field guidance for the local agricultural production to the beneficiaries.

demonstration areas increased by 30%, and the output of the small-scale breeding fish in paddy field was equal to 850 kilograms/hectare, which basically reached the domestic level of China. The experts, technicians and local partners in Nigeria timely have summarized the technical demonstration promotion experience, and compiled and printed the *Booklet on Practical Technologies for China-Nigeria South-South Cooperation Project* with the technologies that have been demonstrated and promoted in Nigeria, which have become the guideline and a guide book for the agricultural production in Nigeria and even in every African country. In addition, the Chinese technicians also brought such comprehensive techniques such as China's swine-methane-fruit tree ecological agricultural model, raising duck in paddy field, etc. to the local areas to make experiments and demonstration, train the local farmers and help them resolve the difficult problems facing the production technologies, which produced a significant effect on the assisted countries, and were highly praised by the local officials even the President himself. Olusegun Obasanjo, Former President of Nigeria specifically wrote a letter to President Hu Jintao, and highly praised the outstanding working performance of the Chinese agricultural technicians. The current President Yar'Adua highly praised the professional ethics of the said technicians and called the agricultural technologies "fantastic technologies".

There are more and more concerns upon the great success of agricultural "South to South Cooperation" and the role it has played and effectiveness by the international community. The World Bank, WFP, Bank of Africa and some developed countries and areas (the United Kingdom, France, Japan and EU) have expressed their intentions of cooperation with the center for developing agricultural South to South Cooperation in Africa. Currently, the Ministry of Agriculture of PRC has collaborated with the World Bank to conduct fisheries project in Yemen<sup>2</sup>. In addition, China

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<sup>2</sup> It has been found by the World Bank, during the implementation in Yemen of fisheries resource management and protecting the grant project and preparing the integrated coastal zone management project funded by Global Environmental Facility, that Yemen has encountered the issue of lacking costal zone management knowledge and practical experiences while the Ministry of Agriculture of PRC has accumulated broad experiences through the implementation of resembling projects. The World Bank hope that the Ministry

cooperating with the British Government plans to carry out collaborative research projects in Africa. According to the consensus reached by the Heads of Chinese and British governments in London Summit in February 2009, China and UK shall strengthen the cooperation on agriculture, assist African developing countries in promoting agricultural productivity and jointly cope with the challenge of global food crisis. China, UK and Africa have characteristics and advantages of their own. China is affluent in applicable and practical agriculture technologies and specialists while UK has strength in funds and there are natural resources in Africa for agricultural development. The cooperation of three parties raises more resources than bilateral cooperation and is more effective than multi-lateral cooperation. China's participation can bring technologies and management mode more suitable for the agricultural development of Africa. It is acknowledged that the three-party cooperation is the strength-supplementary cooperation that facilitates the financial advantage played by international organizations or developed countries, as well as the strength of agricultural technologies and management of China. This enables to solve the financial issue of the cooperation with Africa and the issue on personnel to Africa for introducing agricultural technologies, not only assist Africa in tackling the problem of food safety, but also enhancing the African agricultural development concerned by the international community and fulfil the commitment to the aid in the agriculture of Africa.

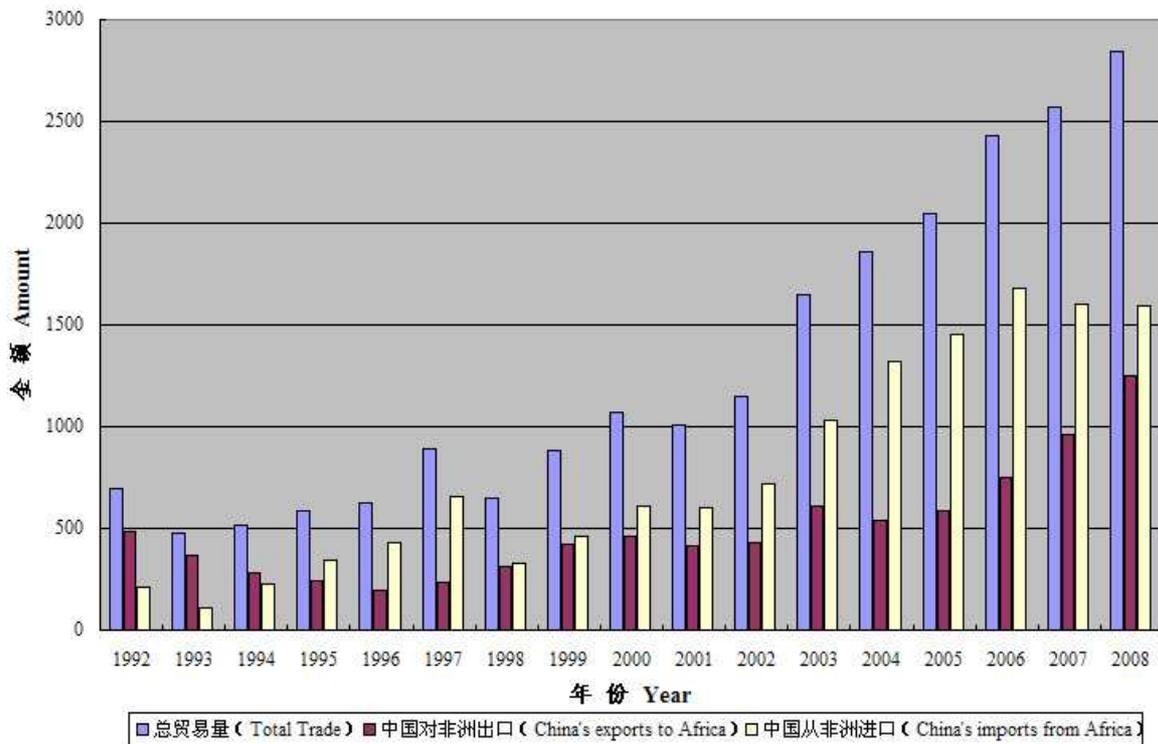
**(VII) Agricultural product trade and investment development.** The agricultural product trade between China and Africa enjoys a rapid increase. In 2008, China-Africa agricultural trade value was USD 2.8 billion, an increase of 9.2% as compared with the previous year. The agricultural products imported by China from Africa surpassed USD 1.6 billion with the export value of USD 1.2 billion. Despite small scale, China-Africa trade on agricultural products recently has been developing rapidly. The outcome of analysis and prediction conducted by specialists on

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of PRC assist Yemen in identifying projects in priority and conduct related-field investigation and training activities in Yemen.

China-Africa agricultural trade structure and product advantage features indicates that the complementation of China-Africa agricultural trade is markedly improved, that the said trade is developing in line with the resource endowment and comparative advantage and that the bilateral cooperation on agriculture has tended to optimize the structure of agricultural resource allocation.

1992-2008 中非农产品贸易额变化 (百万美元, 以2000年美元不变价格计算)  
Changes in Agricultural Trade between China and Africa 1992-2008 (millions of dollars)



(以 2000 年美元不变价格计算: to calculate at the constant price of the value of dollar in 2000)

Investment, as one of the key forces in economic growth, is significantly important to developing countries and areas. China's investment in and cooperation with Africa is on the continuous development. According to incomplete statistics, as of the end of 2007, the accumulated direct investment of China in Africa was USD 1.2 billion, in which the cumulative investment in African agriculture was USD 134 million. The number of enterprise established was 52 and various farms constructed were more

than 100. The investment areas include offshore fisheries, crops farming and agricultural product processing etc. For example, enterprises owned by China Agricultural Development Group currently implement development projects in such African countries as Zambia, Tanzania, Guinea, Gabon and Ghana etc. The cultivated lands of more than 16 thousand hectares have been constructed and put into operation. The main crops planted are corn, wheat, rice etc. as well as cash crops such as sisal hemp and cocoa etc. The livestock and poultry breeding industry of a scale has also developed, for which most of the projects has entered a period of maturity and completion. Shaanxi Land-reclamation General Corporation signed an agricultural development project of USD 120 million in total with the government of Cameroon, including the projects of construction of the base of five thousand hectares for rice production, four thousand hectares of cassava cultivation, as well as the plant with capacity of annual 30 thousand tons of rice processing and the farm with 50 thousand ostriches available annually and supporting slaughtering and processing plants etc. Presently, tests, pilots and training concerned have commenced and the reclamation land area is more than 160 hectares, rice production per unit more than six tons/hectare. Guangdong Agribusiness Group Corporation, since 2001, has exploited local abundant cassava resources for ethanol processing with an initial investment of USD 2.045 million and achieved the capacity of six thousand cubic meter annual production of ethanol. The enterprise has acquired favourable economic benefits while promoting local employment and economic development.

## **II. Phase Characteristics of China-Africa Agricultural Cooperation**

It can be drawn from the conclusion and analysis on the 50-year development of China-Africa agricultural cooperation that different phase characteristics is manifested in the China-Africa agricultural cooperation from the perspective of the China's unilateral aid to Africa, bilateral economic and technological cooperation and

multilateral cooperation after the establishment of China-Africa Forum on Cooperation in 2000.

**The first is** from 1959 to the late 70s (non-reimbursable assistance phase). China-Africa agricultural cooperation was one of the key focuses of China's diplomacy, which was characterized by the unilateral assistance provided by China to Africa and the support to national liberation movements of African countries. During this period, the agricultural assistance was associated with China-aided construction of agricultural technology experiment stations, promotion stations, large farms and water conservancy facilities etc. for African countries, which rendered strong supports in the endeavour for and consolidation of political independence of African countries, advanced the development of diplomatic relations between China and African countries and strengthened mutual understanding, thus laying the foundation for further agricultural cooperation. However, some agricultural supporting projects over-emphasized the grade, scale, and the role of pilot with little consideration of economic benefits. After the completion of projects, under the guidance of technological specialists of China, projects operated properly with great success achieved and production harvests in successive years. Nonetheless, after projects transferred to the governments of countries aided and the withdrawal of Chinese specialists, owing to their economic difficulties and the lack of financial inputs in projects and management experiences, projects lacking sustainability in general suffered operational difficulties and even were shut down, failing to bring into full play its role.

**The second is** from 70s of 20<sup>th</sup> century to the end of 20<sup>th</sup> century (phase of cooperation based on mutual benefit). In the late 70s, China implemented the open-up policy and adjusted foreign aid policies and modes and the management system of economic aid projects. Ideological factors were gradually weakened with emphasis

shifted towards economic benefits. China-African cooperation during this phase experienced the transition from the unilateral non-reimbursable aid to bilateral beneficial cooperation and the gradual introduction of multilateral cooperation mechanism. The cooperation modes tended to be diverse. China, based upon the constantly drawing up the lessons from the agricultural assistance to Africa, modified the aid approach and explored the cooperation mode. Despite the continuation of non-reimbursable aid<sup>3</sup> provided for African countries with financial difficulties, China began to adopt the means of technological communication, talents output and personnel training etc, to further promote China-Africa economic and technological cooperation and encourage the combination between the aid for Africa and the development of economic and trade cooperation. Enterprises became the main body to implement the project for assistance. In this phase, a number of Chinese enterprises invested successively in the development of some new agricultural projects by the funds for China's foreign aid and preferential loans while renovating and revitalizing some projects done in the past, achieving certain economic benefits and preliminarily exploring the experiences and practices of carrying out overseas investment cooperation in accordance with the law of market economy. For instance, China State Farm Agribusiness Corporation utilized China's preferential loans to buy farms in Zambia for agricultural development, engaged mainly in grain, vegetable and livestock cultivations. It not only achieved sound economic benefits, but also inspired an impetus to local economic development and increased the income of farmers.

**The third is** entering into the new century (phase of comprehensive development). With the rapid economic development of China, Sino-African relations have made phenomenal progress. The establishment of Forum on China-Africa Cooperation, in

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<sup>3</sup> Overall, during this stage, the agricultural assistance was relatively less mainly in that China lay in the stage of reform and opening up and the Chinese Government allocated more human resources, materials and financial resources for the national constructions of agriculture and economics.

which agriculture is deemed as one of the key fields of China-Africa cooperation, marks the new stage of comprehensive development of China-Africa cooperation. China-Africa cooperation on agriculture in the new century focuses on advancing the independent development of agriculture in Africa with the launch of comprehensive cooperation and the achievement of advantages complementation. On the one hand, bring into full play the comparative advantage of China's agricultural products, technologies and talents. Combine China's funds for foreign aid, funds from international organizations, as well as State funds of Africa. Carry out technological exchange with African countries. Set up the pilot center for agricultural technologies and send experts on agriculture to launch vocational education on agriculture, technological training and South-South cooperation etc. Consolidate the traditional friendship between China and Africa. Assist African countries in increasing agricultural productivity, expanding agricultural production, safeguarding food safety and promoting economic development. On the other hand, take full advantage of the favourable condition for agricultural development in Africa. Boost the economic cooperation and facilitate the output of China's agricultural products, technologies, equipments and talents, and the economic development of Africa through the means of trade promotion and investment cooperation etc. China-Africa agricultural cooperation in this phase is most characterised by diverse forms, rich contents, broad fields, multi-stakeholder involvement and capital diversification.

### **III. Challenges and Opportunities of China-Africa Agricultural Cooperation**

China-Africa agricultural cooperation develops quickly. Essentially, it is the result of the development of Chinese agriculture, the urgent request to develop Africa's agriculture and the reasonable result of the the China-Africa agricultural cooperation.

**Viewed from China**, nearly 30 year experience of reform and opening up has shown that, agriculture is the foundation on which we build the country, for the well-developed agriculture is the solid foundation for the beginning, leap and soaring of the overall national economy. For 30 years, we mainly depend on ourselves; we feed 22% world population with less than 10% cultivated land, reduce the absolutely poverty-stricken population from 250 million to 40.07<sup>4</sup> million in less than 30 years, realizing the promises of *Millennium Declaration*. The world-recognized achievements obtained from agriculture and rural economic development have made enormous contributions to the world food security, received great attention in the international cooperation arena, laid a solid foundation for China-Africa agro-cooperation, and constituted an important part in the said cooperation.

**Viewed from Africa**, agricultural development is the problem in many Africa countries that calls for immediate solution and top priority to realize political stability, economical development and social stability. Agriculture constitutes more than 30% in the Africa countries' national economy and has special effects in solving working labour issues and maintaining national political stability. To vigorously develop agriculture has become the consensus of the countries in Africa. *The New Partnership for Africa's Development (NEPAD)* gives the priority to agriculture in the future development and the Africa countries place vigorously developing agriculture and rural economy as a primary task. Therefore, to develop the national agriculture by attracting foreign investment is the general policy in these countries and various preferential policies and measures of capital, taxation, import, export and foreign exchange management, etc are formulated in many countries. Many African country leaders express their willingness to have agro-cooperation with China, hoping the Chinese enterprises to participate in their local agricultural development. Their urgent

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<sup>4</sup> According to the newly adjusted mix standard released by the Chinese Government - based on income and consumption, 1196 RMB/year per capita, in 2009, the Chinese poverty population is 40.07 million.

demands and sincere aspirations create a favourable policy environment for China-Africa agro-cooperation.

**From comparative advantage,** China-Africa agriculture has relatively strong complementarities. The nature conditions in Africa are superior, the agricultural resources are abundant and the potential for developing agriculture is enormous. While China is relatively lack of agricultural resources and the space for expanding agriculture is limited; agriculture in most African countries still follows the traditional extensive models, the production and management technologies need to improve and the output of crops is generally low, most of which can not be self-sufficient. While the agriculture in China has a long history with abundant resources in intensive cultivation and advanced practical agricultural technologies, especially in the fields of hybrid rice and corn, prevention of diseases and insect pests, poultry farming, dry farming, gas utilization, medium and small sized agricultural machinery and processing equipments, etc. Chinese agriculture and African agriculture are highly complementary in terms of resources, production, market, technologies, etc., which determines enormous potential in the China-Africa agro-cooperation.

**From the bilateral relationship,** the traditional friendship between the peoples in China and Africa established for a long time, and the political basis for development and cooperation is very solid. The people in China and Africa have been supporting each other in a long-term cooperation and have forged profound friendship. They have always helped each other in the construction of developing national economy and improving people's living standards. Especially, the disinterested assistance provided by the Chinese Government as much as possible to African countries since the later periods of 1950s are well-received extensively by the governments and people in African countries; the enormous achievements obtained from the Chinese economic construction since its reform and opening-up and the great contributions made from

the agricultural development to the world food security are respected by them. Many African countries consider China as the role model to follow and ask for developing friendly cooperation relationship with China, and this has laid the solid foundation for developing China-Africa agro-cooperation.

**From African political and economical environment,** after experiencing the democratization reform of politics in the early years of 1990s, the political situation has been moving towards stabilization and developing in the direction of peace and development. With the reform and adjustment in African countries, the macro economical environment in Africa has been improved to some extent. For a decade, although the globe economy has experienced ups and downs, twists and turns, the African economy has basically maintained the recovery increase at an intermediate or low speed. Most countries continue to promote economical reform. They promote management abilities in the aspects of finance, currency and exchanges, etc. by adapting cautious macro economic policies and improve investment environment by adapting the favourable policies and measures to attract foreign investment. In 2008, the direct investment attracted by Africa increased to 88 billion dollars (*International Economic Cooperation*, Issue No. 9, 2009), which is characterized by a six-year increase and a new historical record, reflecting the gradual improvement of Africa investment environment from a perspective. All above not only provide better conditions for direct foreign investment, but also create a more stabilized political and economical environment for developing China-Africa economic agro-cooperation.

However, we should also realize that, due to the undeveloped Africa agriculture, the characteristics of agriculture itself and the limitations of Chinese economical development, the economic agro-cooperation between China and Africa encounters many difficulties. **Firstly,** many African countries have complicated political, economical and social environment, undeveloped rural social businesses, insufficient

agricultural input, poor infrastructure, unimproved irrigation systems and market systems such as preservation, processing and transportation, weak anti-natural disaster abilities, insufficient production materials and low production levels, etc., all the above factors limit the speed of China-Africa economic agro-cooperation development rapidly. **Secondly**, agriculture itself is a weak industry subjected to natural conditions and a combination of natural and economical re-production, undertaking dual risks both from the market and the nature. In addition to this, it is also characterized by large agricultural investment, long production period, slow return and low comparative profits. All the factors stated above increase the risks and cost for the Chinese agricultural enterprises to invest and develop in Africa. **Thirdly**, in accordance with the Theory of Investment Development Cycle<sup>5</sup> authored by Mr. Dunning, UK Master of International Management, China is developed into the adjustment period characterized by paying equal attention to foreign investment introduction and foreign investment, with the later in soaring speed. However, the development of China's agricultural investment in Africa still lags behind. Currently, there are about 50 enterprises investing and developing in Africa, but those enterprises are restricted by small investment scale and low economic benefits. Though some agricultural enterprises have willingness to invest in Africa, in general, they choose to wait and see.

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<sup>5</sup> The tendency of direct foreign investment in developing countries depends on their economic development and their own advantages: GNP per capita lower than USD 400 indicates the country is the poorest country, of which the direct foreign investment is in a clean state and the inflow of the direct foreign investment remains at a very low level; GNP between USD 400 – 1500, the development of economy improves, the international market expands, investment environment achieves great improvement, the inflow of direct foreign investment increases rapidly, the direct foreign investment is at relatively lower level and at its initial stage; GNP per capita between USD 2000 – 4750, economic power has a great improvement, some domestic enterprises begin to own possession advantages and internalized advantages, the direct foreign investment increases rapidly; GNP per capita exceeds USD 5000 indicates the country is a developed country, which has powerful possession advantages and internalized advantages and is able to take advantage of its location predominance of the host country from the level of global strategy and the direct foreign investment is of a considerably large scale.

#### **IV. Future and Development of China-Africa Agricultural Cooperation**

Consolidate and develop the friendly cooperation relations with various developing countries which are the solid foundation of Chinese foreign policies. With the constant changes of international political patterns and economical situations, strengthen the political, economical and technical cooperation with African countries remains the basis for China to develop foreign relations. Among the cooperation, agricultural cooperation is still a very essential and active part and governmental cooperation is still the main focus in China-Africa cooperation. At a certain period of time in the future, on one hand, the Chinese Government shall continue to improve governmental cooperation, deepen China-Africa relations, strengthen the traditional friendship, help Africa to improve productivities in Africa, guarantee the food safety by the means of high level visits and exchanges, technical exchanges, demonstrations, trainings, “South-South Cooperation”, etc. On the other hand, steadily promote economical cooperation between enterprises, fully use the comparative and competitive advantages in the Chinese agricultural production technologies, agricultural business and management, etc., use all kinds of means and resources comprehensively to broaden cooperative channels for China-Africa agro-agriculture and make efforts to promote economical development in Africa.

**(I) Improve cooperation mechanism.** As the foundation for China-Africa agricultural cooperation and the legal basis ensuring the sound development of the bilateral cooperation, the agricultural cooperation mechanism provides the institutional guarantee for the regular exchange and communication between China and African countries. In this regard, the China-ASEAN cooperative mechanism is worth learning from. Eight out of the ten ASEAN countries have forged bilateral agreements with China on agricultural collaboration. According to the agreement, both sides have established working group or joint committee for bilateral agricultural cooperation, followed by periodic meetings to define the prioritized fields for agricultural cooperation and formulate plans for bilateral agricultural exchange and

cooperation. Thanks to these fixed channels, the countries concerned could conduct timely communication to obtain the actual situation and coordinate to address the problems in cooperation, laying a sound foundation for China-ASEAN partnership on agriculture. In addition, under the impact of economic globalization wave, all the ASEAN countries began to realize the importance of initiating a new cooperative level and constructing an all-round partnership, determined to launch the “expert-oriented” economy and established several cooperative mechanisms with China, such as the mechanism between ASEAN and China, Japan and ROK (10+3), ASEAN and China (10+1), the Greater Mekong Sub-region (GMS), etc. Under the framework of such mechanisms, conferences are held on a regular basis between China and ASEAN countries to jointly deliberate on plans, stage policies and coordinated problems pertaining to cooperation, playing a significant role in advancing China-ASEAN political and economic collaboration. In view of this, the Chinese Government is supposed to establish and improve, at an earlier date, multilateral cooperation mechanism with more African countries and regional organizations, such as the African Union, Southern African Development Community, Union of Arab Maghreb, etc. in an aim to exchange agricultural conditions, probe into cooperation focuses, and exert concerted efforts to promote the development of China-Africa agro-cooperation.

**(II) Promote trilateral cooperation.** Boasting a set of best practices in developing agriculture, a series of mature and practical agricultural techniques as well as a group of hard-working experts good at practice, China is obviously advantageous in conducting “South-South Cooperation” in agriculture and has achieved a great success, serving as the guidance and demonstration for non-agricultural cooperation. Along with China’s rapid economic development and significant rise of its international status, an increasing number of countries have put forward to the Chinese Government their cooperation intentions. Even the relevant international financial institutions and developed countries have proposed intents to jointly assist

the developing world with the advancement of agricultural production level relying on China's experience and superior technologies in agricultural development. Therefore, it's supposed to further explore and attract the World Food Programme, International Fund for Agricultural Development, World Bank, European Union and Organisation for Economic Co-operation and Development and other international, regional and multilateral organizations and the developed world to launch trilateral collaboration with China so as to make joint efforts to promote agricultural development and eliminate poverty in Africa.

**(III) Establish a technique backup service system.** In the years to come, there will be 20 agricultural technology demonstration centers aided by China in Africa, together with 104 senior agricultural specialists, 50 agricultural technical teams as well as the experts sent to Africa due to the "South-South Cooperation" projects, the said centers and Chinese experts and technicians in agriculture will have covered almost all the African countries with diplomatic ties with China, constituting a huge technology demonstration network involving wide aspects of agriculture and a expert team with a full range of specialities, followed by huge space for optimizing the allocation of resources.

China shall rely upon these demonstration centers and the expert team, strengthen the lateral interaction and exchange between African countries, conduct long-term demonstration, promotion and training of agricultural technologies, give full play to the large-scale radiation, motivation and direction of the demonstration centers and agricultural experts, form a technique backup service system facilitating the improvement of agricultural production capacity and boost the agricultural and economic development of Africa by hosting trans-regional, trans-national experience exchange meeting, achievement exhibition, demonstration and promotion meeting, introduction meeting of means of agricultural production and agricultural machinery, training course on techniques, etc.

**(IV) Push forward cooperation on investment and development.** The accelerated economic globalization process has led to the increasing intensified relevance among the agricultural development of various countries, the progressively dynamic cross-border flow of production factors. Thus, it has become a trend for enterprises of all countries to conduct overseas investment and cooperation. By the end of 2007, China has established 582 national key leading enterprises of agriculture industrialization<sup>6</sup>, over 3,000 provincial agriculture industrialization leading enterprises and more than 50,000 small- and medium-sized agricultural leading enterprises. These enterprises, national leading enterprises in particular boast strong economic strength, abundant operation and management experience, great role of demonstration and motivation, the advantages and conditions for overseas expansion, and they are regarded as the major power for further investment, development and cooperation in Africa. With regard to the enterprises intending to invest and develop in African, the Chinese Government shall offer them macro-guidance and supportive policies in terms of capital, tax, tariff, insurance, etc., encourage and support competitive Chinese enterprises to carry out agricultural investment in Africa, partner local areas to stimulate the promotion and application of Chinese agricultural technologies and management experience, expand the bi-directional trade of China-Africa agricultural produces, raise African food safety level and boost the agro-development. However, concerted efforts of both sides are required since the non-agricultural investment and cooperation involve a package policy with regard to tariff, production, processing, sale, trade, etc., all of which will have a significant influence upon the enthusiasm of enterprises. The African countries are expected to

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<sup>6</sup> National key leading enterprises of agriculture industrialization refers to those taking the processing and circulation of agricultural produces as its main business, getting associated with farmers through varied benefit connecting mechanism and motivating farmers to enter into the market so as to achieve the dynamic integration and mutual promotion of production, processing and sale of agricultural products, with the scale and business indicators meeting the proscribed standards and the accreditation of the Joint Conference of National Agriculture Industrialization.

further improve investment environment, adjust their policies of attracting foreign capital, create more favourable conditions for overseas investment and cooperation so as to realize the vigorous development of China-Africa economic and agricultural cooperation.

**(V) Reinforce the multilateral cooperation on food safety.** Over the past decade, the world's grain production has experienced a slow growth while the consumption has been growing at a faster pace, especially the sharp increase of food consumption resulted from the rapid development of biofuels in recent years, have given rise to the shortage of world food supply, slump in stock and price increase. The significant fluctuation of the international agricultural produce market has triggered a series of socioeconomic issues, leading to a 75 million-increase of the poverty-stricken population worldwide within a year and a breakthrough of 1 billion hungry population. The food safety problem in Africa is even more serious. Among the 53 African countries, 44 are short of food suppliers and 21 are confronted with severe situations. The continent has a food gap of 36 million tons, with over 100 million people suffering from hunger. Since food<sup>7</sup> is deemed as the daily necessities and industrial raw materials with strategic significance, ensuring the food safety is not only a long-standing top priority of governments of all countries, but also a long-term strategic task for the whole world. The *Decision of the Central Committee of the Communist Party of China on Several Major Issues in Promoting Rural Reform and Development* adopted in the 3<sup>rd</sup> Plenary Session of the 17<sup>th</sup> CPC Central Committee has set forth that agriculture-related departments shall “strengthen international exchange and cooperation on food and make contributions to improve global food supply.” In the China-Africa Cooperation Forum and the High-level Event on the Millennium Development Goals, the Chinese Government has declared a series of important initiatives in agriculture so as to help the developing world improve food and agricultural production capacity, which not only reflects the practical actions

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<sup>7</sup> The concept of food boasts both narrow and broad senses. The former refers to grain, including rice, corn, barley, wheat, sorghum, etc. while the latter refers to the whole group of food crop in agricultural production, which also includes beans, potatoes, and rapeseeds in addition to grain.

taken by China as a responsible developing country, but also the specific measures to reinforce international cooperation on food. China will stick to making contributions to promote world food safety and agricultural development. By actively taking advantage of its technical advantages, it aims to advance the agricultural and food safety level of the African countries through various forms, such as food and technical assistance, capacity building, South-South cooperation, technology demonstration and dissemination, dispatch of experts, etc. In addition, the country also calls upon the rest of the world, international organizations and all walks of life to increase input in agriculture, raise food output, establish mechanism for the early warning, coordination and rescue of global food security, ameliorate the world food trade system and create a favourable condition facilitating the agricultural development of the developing world, the African countries in particular so as to jointly safeguard the world food security and root out poverty.

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