

Policy Study and Analysis: Promoting Sustainable Soybean Import Trade in China

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Preface

Deforestation is one of the main drivers of global climate change. In the “2017 Global Forests Report”, CDP pointed out that about 15% greenhouse gas emissions came from deforestation. About 80% of global deforestation was linked to direct driving from the expansion of agricultural land use¹, especially from the following four key commodities: soy, palm oil, beef and timber.

In the past two decades, there has been an increasing concentration in global soybean trade. Production and Exportation are dominated by the key exporting countries such as the United States, Brazil and Argentina (In 2017-2018, these 3 countries accounted for 82% of total global soybean production and 89% of total global soybean exports). China is the key importing country (In 2017-2018, China accounted for 62% of total global soybean imports)². Among them, exports from Brazil to China increased significantly, from 2 million tons in 2000 to 50.93 million tons in 2017, and accounted for 54% of the total China soybean imports in 2017. In the 2017 report, FAO and OECD pointed out that in the past decade Brazil experienced the strongest expansion in soybean cultivation areas, which expanded by around 10 million hectares, almost the same size as Portugal. We may see a similar expansion in Brazil in the next decade³. The rapid growth of soybean production and the strong expansion in cultivation areas jointly build up the risk of deforestation in Brazil. In addition, expansion in soybean cultivation might also have an impact on the biodiversity in Brazil. Recent years, the region with a rapid increase in soybean cultivation in Brazil was located in the Cerrado region, where the Savannah biota accounts for about 7% of the world's biodiversity.

To solve the deforestation challenges driven by Brazilian soybean supply chain, apart from reducing the producers' involvement in local deforestation activities (For example, Brazil introduced the Forest Code to restrict the agricultural land use), we should also address the downstream consumers by actively engaging them in government policies and business practice. Developing a responsible consumption pattern in the downstream of supply chain could cut the deforestation risk in upstream production.

On the basis of these considerations, the research makes a thorough study and analysis of the existing soybean trade management policies and the soybean trade stakeholders in China, in hopes of providing reference for the later actions targeted at raising the awareness of sustainable soybean trade among different participating soybean consumers, exploring the sustainable

development of soybean imports from the policy level, and mitigating the indirect effects on global climate change brought by global soybean trade.

The research is conducted by means of interviews, data collection and literature review. We visited the competent authorities relevant to soybean trade including the China General Administration of Customs (GAC), China Ministry of Agriculture and Rural Affairs (MOA), China Ministry of Commerce (MOFCOM), China National Development and Reform Commission (NDRC), etc. Also, we visited the soybean traders including China National Cereals, Oils and Foodstuffs Corporation (COFCO), Cargill, and some soybean processing plants located in Tianjin and Guangxi. We collected the historic data of China soybean import and export trade, studied different management policies of China soybean import trade in the past two decades, made an overview of different participants in China soybean trade, summarized the currently most concerned problems for soybean trade policymaking and participants, analysed the awareness of sustainable development, and finally put forward the suggestions on the policy guidance in sustainable soybean trade development in China.

The definition of sustainable trade covers three dimensions: economic value; reduction of poverty and inequality; preservation and reuse of the environmental resources⁴. Our research of sustainable soybean trade mainly focuses on the sustainable development of soybean trade in preservation of the environmental resources, especially how the expansion of cultivation areas in South American key soybean producers would impact the local forests and biodiversity.

The weakness of our research is that there is still a lack of specific data about upstream producers' deforestation in soybean cultivation. Therefore, further research of the impacts brought by global soybean trade on climate change is needed. Only by facilitating the bilateral exchange between producing countries and importing countries in both government and non-government level, promoting a further research, can we have a better analysis of the impacts on climate change and thus jointly accelerate the sustainable development of global soybean trade from all sections of the supply chain.

1 FAO, 2016, State of the World's Forest 2016 Forest and Agriculture: Land-Use Challenges and Opportunities, <http://www.fao.org/3/a-i5588c.pdf>.

2 USDA's Oilseed Trade Statistics, released on Oct.12, 2018 <http://usda.mannlib.cornell.edu/usda/current/oilseed-trade/oilseed-trade-10-12-2018.pdf>

3 FAO and OECD's Agricultural Outlook 2017-2026 report, released in July 2017.

4 Definition of Sustainable Trade <http://www.befair.be/en/content/definition-0>

1. Status of China Soybean Import Trade

1.1 Overview of China Soybean Production and Import Trade

China is the original and main producing country of soybeans, with over 5000 years’ history of soybean cultivation. By the 1940s, almost 80% of total global soybean production came from China. However, with the rapid growth of American soybean industry and the quick spread of genetically modified soybeans in America, Brazil and Argentina, worldwide rank of China soybean production dropped from 1st to 4th, and accounted for less than 10% of total global soybean production currently⁵.

Soybeans are mainly used for oil extraction, food, livestock feeds and seeds. Currently, the domestically produced soybeans in China are mainly used for human food consumption (over 70% in soybean products processing). Only 25% are used for oil extraction. All soybean imports are used for oil extraction and its soy meal is used for feeds. The cultivation areas and production of China domestic soybeans decreased as a whole in 2000-2015. Since 2016, the cultivation areas and yields of domestic soybeans recovered because of the supporting agricultural policies. In 2017, total yields reached at 15.3 million tons, increased by 46% than these years’ lowest in 2015 of 10.52 million tons, as shown in Figure 1.

China has transferred from a net exporter of soybeans to a net importer since 1996. Since 2001 when China made a formal commitment of removing the quota administration of soybean imports in its WTO accession protocol, with the growth of China’s economy, China domestic market has an increasing appetite for downstream soybean products – soybean oil and soybean meal, the crushing capacities of soybeans has improved year by year, along with the soybean imports. In 2002-2017⁶, China soybean imports increased at an annual rate of 53%, and reached a record high of 93.49 million tons in 2017.

Soybean imports, mainly composed of genetically modified soybeans, occupied the market in China rapidly with the advantages of low price and high oil yielding rate. Therefore, the planted areas and market share of China domestic soybeans continuously decreased. China’s dependence on soybean imports increased consequently (As shown in Figure2, China’s soybean yields, imports and crush in 2002-2017). In 2017, the soybean imports’ share in China domestic market was up to 86.6%.

China’s soybean imports are highly concentrated. In 2002-2017, over 90% of China soybean imports came from the United States, Brazil and Argentina. Till 2011, the United States ranked the first in top 3 sources of soybean imports, where the imports constituted over 40% of the total soybean imports. Imports from Brazil took an increasing portion during the period, up from 34% to 54.4%. Brazil became the largest soybean exporter for China in 2012, in place of the United Stated. Argentina ranked third. The imports from Argentina in 2002-2017 floated around 20%-8% share of total imports.

Figure 1 Changes in Cultivation Areas and Yields of China Domestic Soybeans in 2000-2017

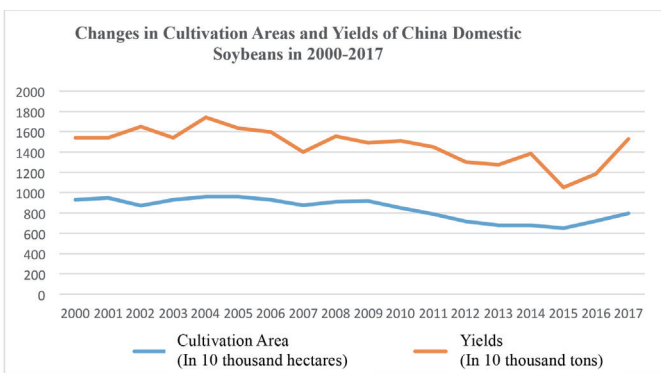
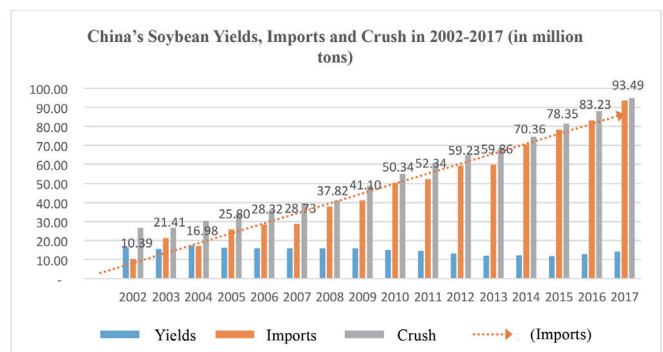


Figure 2 China’s Soybean Yields, Imports and Crush in 2002-2017



(Source: The United States Department of Agriculture)

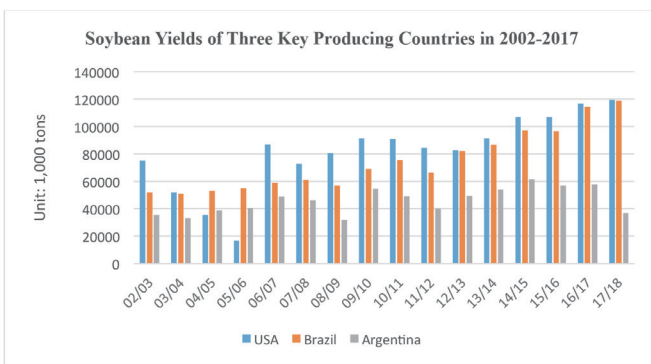
5 All the information about soybean yields, imports and exports volume, major source of imports, exporting destination, and the enterprise profiles come from the statistics on China Customs Information Center; USDA official website, National Grain and Oil Information Center; and China Industry Information Center; collected and summarized by GEI project team.

6 China officially removed the quota management of soybean import trade in 2001. Thus our research mainly focuses on the analysis of import and export trade data since 2002.

1.2 Overview of Global Soybean Trade

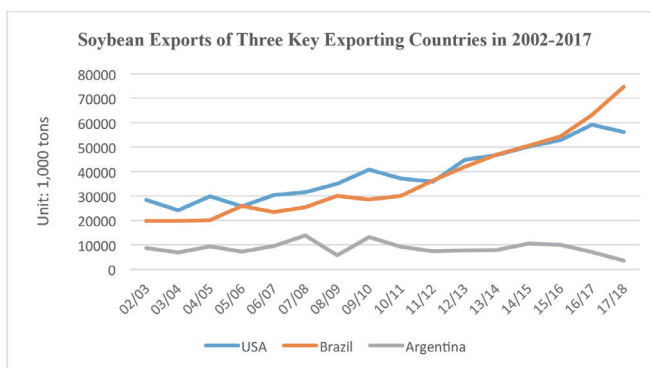
North and South America are the main production areas of soybeans in the world. In the past two decades, global main producing countries and main exporting countries are: the United States, Brazil and Argentina (As shown in Figure3: Soybean Yields of Three Key Producing Countries in 2002-2017, and Figure 4: Soybean Exports of Three Key Exporting Countries in 2002-2017), The United States ranks first in worldwide soybean production, followed by Brazil, Argentina, China, India, etc. In 2012, Brazil first surpassed the United States in soybean exports (In 2012, Brazil exported soybeans of 41.904 million tons, while the United States exported of 35.846 million tons), and became the largest soybean exporter in the world, followed by the United States, Argentina, Paraguay, etc.

Figure 3 Soybean Yields of Three Key Producing Countries in 2002-2017



(Source: The United States Department of Agriculture)

Figure 4 Soybean Exports of Three Key Exporting Countries in 2002-2017



(Source: The United States Department of Agriculture)

1.3 China's Trade with Top Three Soybean Exporting Countries

1) China-US Soybean Trade; Overview of American Soybean Market

In 2002-2017, China's soybean imports from the United States grew year by year, with an annual growth rate of 40.7% (As shown in Figure 5: Volume and Growth Rate of China's soybean imports from the United States in 2002-2017). Based on the statistics data from the China Customs, China's soybean imports from the United States increased from 4.619 million tons in 2002 to 32.855 million tons in 2017.

Figure 5 Volume and Growth Rate of China's Soybean Imports from the United States in 2002-2017



(Source: China Customs Statistics)

The harvesting season of soybeans in the United States spans from September to October every year, and the exporting season to China spans from November to next year's April. As the world's major crop producer and exporter, the domestic market of the United States has developed into a mature status, with high industry concentration. In the United States, the crush volume of the soybeans in domestic market is a bit higher than the export volume. Supply-Demand relation of the domestic market in the United States lays the foundation of the soybean transactions in the Chicago Mercantile Exchange (CME), and to a large extent affects the South American soybean premium. The main soybean export terminals for US-China trade are located in the Gulf Coast and the West of the United States. Transportation from the interior soybean production areas to the Gulf Coast mainly depends on barges, while the transportation from interior production areas to the West of the United States mainly depends on railways, mutually complementary in export market. By sea, traffic time from the West of the United States to China is half of that from the Gulf Coast of the United States to China. The protein content of soybeans differs between the soybeans produced in the Gulf Coast and those produced in the Western America. The protein content of soybeans growing up in the West is relatively low, and there is price discount for that.

Under the joint efforts of the United States Department of Agriculture and the United States Soybean Export Council, over 98% of the U.S. soybean farmers are adopting the sustainable cultivation methods. U.S. soybean farmers have formed a sustainable cultivation framework that ensures their responsibility to environment, economy and society. The U.S. Soybean Sustainability Assurance Protocol (SSAP) is a third-party certified system of sustainability, based on the best production practices by over 275,000 American soybean farms and the national conservation laws. U.S. soybean

exporters can freely apply for the “Soy Export Sustainability Certification” on the “Soy Export Sustainability Certification Portal”⁷.

As shown in the Table below, based on the statistics of U.S domestic soybean crush capacities, we can find that the main U.S soybeans traders and processors are at the same time the main exporting companies to China. Top 3 soybean crush companies are all international grain dealers: Bunge, ADM and Cargill. These 3 companies account for 69.75% of U.S. soybean crush.

Table: Statistics of U.S. Domestic Soybean Crush Capacities in 2015

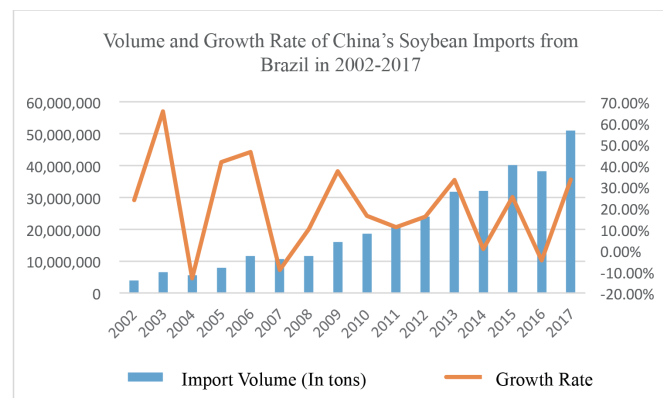
U.S. Soybean Crush Companies	BUNGE	ADM	CARGILL	AG.P	CHS	OTHER 12
Daily Crush Volume (in tons/day)	40000	36500	36500	20000	7000	22000
Percentage Share	24.69	22.53	22.53	12.35	4.32	13.58

2) China-Brazil Soybean Trade; Overview of Brazil Soybean Market

China soybean imports from Brazil grew most rapidly in 2002-2017, at an average annual growth rate of 80.17% (As shown in Figure 6: Volume and Growth Rate of China’s Soybean Imports from Brazil). Based on the statistics data from China Customs, China’s soybean imports from Brazil increased from 3.9095 million tons in 2002 to 50.9274 million tons in 2017.

The harvesting season of soybeans in Brazil spans from March to April each year, and the exporting season to China spans from May to October. The volume of Brazil soybean production increases rapidly. The soybean yields in central and western areas are relatively stable, while the yields in northeastern and southern areas are sensitive to drought. The soybean industry in Brazil is relatively fragmented, composed of many market participants and various forms of procurement. The commercial risks linked with purchasing contracts are quite large. Brazilian soybean farmers’ decision to sell is vulnerable to the exchange rate. The Brazil soybean industry hasn’t completed the construction of a sustainable development system yet.

Figure 6 Volume and Growth Rate of China’s Soybean Imports from Brazil in 2002-2017



(Source: China Customs Statistics)

As shown in the Table below, based on the data of Brazil domestic soybean crush capacities, we can find that there are lots of players in Brazil soybean processing and trading industry, while the international grain dealers take the leading position: Bunge, Cargill, ADM and Louis Dreyfus account for 46% of the total Brazil soybean crush capacities.

7 <http://www.china.ussec.org/ssap/1410.html>

Table: Statistics of Brazil Domestic Soybean Crush Capacities in 2015

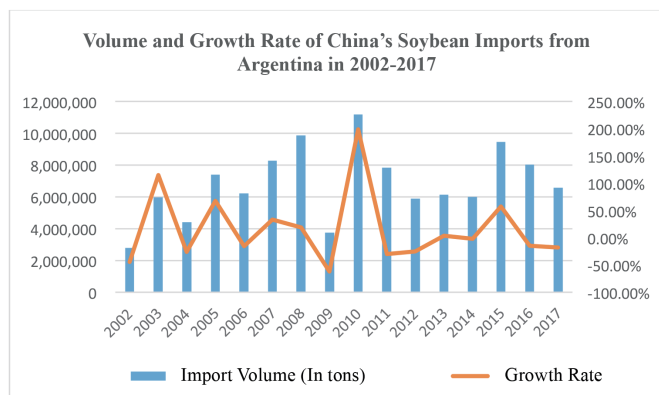
Brazil Soybean Crush Companies	Bunge	Cargill	ADM	LDC	Amaggi	Caramuru	Imcopa	Coamo	Bianchini	Others 60
Daily Crush Volume (in tons/day)	33700	16700	13000	10350	6600	6300	5700	5500	4000	58450
Percentage Share	21.08	10.19	8.13	6.47	4.13	3.94	3.56	3.44	2.50	36.55

3) China-Argentina Soybean Trade; Overview of Argentina Soybean Market

Argentina soybean production is sensitive to the changes of weather, and thus the China’s soybean imports from Argentina fluctuate a lot in an upward trend. In 2002-2017 annual average growth rate was 9% (As shown in Figure 7: Volume and Growth Rate of China’s Soybean Imports from Argentina). Based on the statistics data from China Customs, China’s soybean imports from Argentina increased from 2.77 million tons in 2002 to 6.58 million tons in 2017.

The harvesting season of soybeans in Argentina spans from March to April each year, and the exporting season to China spans from May to October. The volume and quality of Argentina soybean production fluctuates a lot with weather. Argentina adopts the differential export taxes policies to encourage the exports. Export tariff on crude soybeans is 35%, on byproducts like soybean meal and soybean oil is 32% (neither U.S. nor Brazil imposes export tariff). In Argentina domestic market, the soybean crush accounts for around 70% of total production. For soybean FOB prices, many exporters follow the Brazil’s at a discount. Since the Upriver area in Argentina can only contain the vessels of shallow draft, most soybean shipment occurs at the ports in Upriver +BB/Necochea. The protein quality of Argentina soybeans has decreased in the recent years, which is related to the weather conditions in growing season and the reduction in agricultural inputs from local farmers.

Figure 7 Volume and Growth Rate of China’s Soybean Imports from Argentina in 2002-2017



(Source: China Customs Statics)

The Argentina soybean industry hasn’t built up a sustainable development system.

As shown in the Table below, based on the data of Argentina domestic soybean crush capacities, we can find that the international grain dealers are key players in Argentina soybean industry: Cargill and Bunge from the U.S., Louis Dreyfus and Glencore from Europe, as well as China’s COFCO (COFCO has acquired Noble and Nidera), account for 64.11% of the total Argentina soybean crush capacities.

Table: Statistics of Argentina Domestic Soybean Crush Capacities in 2015 (tons/day)

Name	LDC	Cargill	Bunge	Molinos	Vicentin	COFCO (Nidera+Noble)	Deheza	Glencore	Other 12
Daily Crush Volume	32000	30100	24800	23000	20000	20000	19000	10640	3800
Percentage Share	17.45	16.42	13.53	12.54	10.91	10.91	10.36	5.80	2.07

1.4 Prospects of China Soybean Import Trend

In the short term, China's annual soybean imports in 2018-2019 will decrease slightly. USDA latest forecast data⁸ show that China total soybean imports in 2018 will decline by 4 million tons compared with the 93.49 million tons in 2017. The main reason for the reduction is that China halted purchasing U.S. soybeans since May 2018. The decreasing total domestic demand for soybean meal in China also leads to the reduction.

In the long term, according to the latest "OECD-FAO Agricultural Outlook 2018-2027"⁹, in 2018-2027, the growth of worldwide soybean trade is projected to slow considerably, mainly affected by the slow-down in the forecast growth of China soybean processing volume. Key soybean producing countries will face a moderate production increase. In 2018-2027, soybean production is projected to grow at an annual rate of 1.5%, while in the past decade (2008-2017), the growth rate was 4.8%. In 2027, the soybean production in Brazil and U.S. is projected to be 129 million tons and 131 million tons respectively. In 2027, Brazil will remain the largest soybean exporter in the world, with the exporting share up to 41.8% of total global soybean exports.

China's soybean imports are mainly to meet domestic demand for soybean meal feed processing. According to FAO's latest forecast data, in 2018-2027, China's food consumption of protein will grow at an annual rate of 1.7% (annualized 7.2% in the past decade). The production and consumption of protein is based on soybean meal. Combined with FAO's projection of the growth rate of China protein consumption in the next decade, future increase of soybean meal consumption will also slow down. Also, in Oct. 2018, China Feed Industry Association proposed to lower the crude protein levels in pig feed and set an upper limit¹⁰. If the new animal feed standard gets approved and exercised, the reduction in the use of protein in feed processing will reduce the domestic consumption volume of soybean meal in China, and thus reduce the demand of soybean imports. Therefore, in the next decade, the demand of China soybean imports and the import volume will not increase as dramatically as it was in the past decade. The soybean imports will be quite stable.

8 2018/19 Outlook Changes, Nov. 2018, by Foreign Agriculture Service/USDA

9 OECD-FAO AGRICULTURAL OUTLOOK 2018-2027 © OECD/FAO 2018 <http://www.fao.org/publications/oecd-fao-agricultural-outlook/en/>

10 "China Feed Industry Association proposed to lower the crude protein levels in pig feed and set an upper limit"

<http://finance.sina.com.cn/china/2018-10-09/doc-ifeuwws2569181.shtml>

2. Trade Policies of China Soybean Imports

China's transformation from a traditional country of origin of soybeans and a net exporter into the world's largest soybean importer, is accompanied by the change of China soybean trade management policies. In the last two decades, China soybean import trade policies can be summarized as the quota management stage, transitional stage and market-oriented trade stage. Before 1996, China adopted the management of tariff quotas of soybeans. Based on actual domestic demand, government authorities in relevant to crops imports (Including National Development and Reform Commission, State Grain Administration, Ministry of Foreign Economic Relation and Trade, etc.) determined annual soybean import volume year by year (3% tariff rate on imports within the quota, 114% tariff rate on imports outside the quota). In 1995, China's soybean imports were only 0.29 million tons. Since 1996, China adjusted its trade policy on agricultural products, abolished the quota management system for soybean imports, and levied a 3% tariff on soybean imports. The soybean imports in 1996 reached 1.11 million tons, increased by 280% compared to 1995. In 2001 China's WTO accession protocol, the country made a formal commitment to cancel the quota management for soybean imports and implement a 3% bound tariff rate for soybean imports. The soybean imports in 2001 surged to 13.25 million tons, over 10 times more than the 1996 imports. In view of the import trade procedures, compared with other major import agricultural products (For example, wheat and corns were still under tariff quota management system) over the same period, management policies of China soybean imports were generally loose.

2.1 Current Soybean Import Trade Policies, Government Authorities and Other Relevant Institutes

Based on the business operation process of the soybean exporting and importing traders, we can find that currently the trade management of China soybean imports is mainly composed of the following four aspects: the quarantine management of entry plants, automatic import license management, statistics management of the reporting of the imports of the bulk agricultural commodities, security management of genetic modification, and the administration of the participation of China soybean processing industries by the foreign capitals that are closely related to soybean import trade, especially NDRC's management of the "Catalogue of Industries Guiding Foreign Investment".

2.1.1 Quarantine Management Policies of Entry Plants

China implements the "Quarantine Access Policy". Before March 2018, General Administration of Quality Supervision, Inspection and Quarantine of China (AQSIQ)¹¹ was entitled to make policies relevant to quarantine and inspection of entry animals and plants. China's soybean imports should first receive bilateral agreement from entry-exit plants quarantine authorities in both exporting and importing countries. The authorities should sign on a "Protocol about the Quarantine Requirements of Soybeans from Country XX to China". Then AQSIQ, referring to the list of regulated pests for soybeans in certain exporter, issues the corresponding "Measures of Administration on Import Soybean Plants Inspection and Quarantine from XXX Country", and issues the corresponding "Quarantine Certificate of Entry Animals and Plants" to the soybean importers. Relevant laws, regulations and measures of administration over the years are shown in the Table below.

¹¹ Since March 2018, AQSIQ changed into the General Administration of Market Supervision of China. The original entry-exit inspection and quarantine function was transferred to GAC.

Type	Name	Issuer	Document Number, Issuance Date, Date of latest revision	Issuing Authority	Content
Law of Inspection and Quarantine	Law of the People's Republic of China on Import and Export Commodity Inspection, and the Regulation on the Implementation	The 6th Meeting of the Standing Committee of the Seventh National People's Congress	Promulgated by Order No. 53 of the President of the People's Republic of China on February 21, 1989	GAC/AQSIQ	
	Law of the People's Republic of China on the Entry and Exit Animal and Plant Quarantine, and the Regulation on the Implementation	The 22 nd Meeting of the Standing Committee of the Seventh National People's Congress	Promulgated by Order No. 53 of the President of the People's Republic of China on October 30, 1991	GAC/AQSIQ	"To transport animal and plant products into China through trade, China's statutory quarantine requirements shall be specified in the contract, ..."
	Food Safety Law of the People's Republic of China, and the Regulation on the Implementation	The 7 th Meeting of the Standing Committee of the Eleventh National People's Congress	Promulgated by Order No. 9 of the President of the People's Republic of China on February 28, 2009; Revised on April 24, 2015	AQSIQ/CFDA	"Implement credit management and build up credit records for importers of import and export food, For importers with bad records... shall strengthen the inspection and quarantine of their import and export food."
Measures of Administration on Inspection and Quarantine	Measures for Administration of Entry Animal and Plant Quarantine ¹²	AQSIQ	Promulgated by Order No. 25 of AQSIQ on August 22, 2002; Revised on November 25, 2015		AQSIQ or authorized agencies are in charge of the issuance of the "Quarantine Certificate of Entry Animals and Plants"
	Measures for Administration of Supervision on Entry and Exit Agricultural Products	AQSIQ	Promulgated by Order No. 177 in 2016	AQSIQ	"For specified entry company, it should have effective quality control and traceability management system"
	Measures for Administration of Import Soybean Plants Inspection and Quarantine from XXX Country	AQSIQ	Promulgated by Order No. 177 in 2016 (Note: The sign-off dates of China and other exporters were different. The measures took instance of the latest released regulations on importing soybeans from Ethiopia	Department of Supervision on Animal and Plant Quarantine	Origin of plants management, registration, storage requirements, pre-export requirements, certificate requirements, etc. ¹³

12 http://www.aqsiq.gov.cn/xxgk_13386/jljjg_12538/zjl/2016/201605/t20160511_466076.htm

13 http://www.aqsiq.gov.cn/xxgk_13386/jgl/dzwjyjs/201508/t20150805_446473.htm

Among them, according to the “Measures for Administration of Supervision on Entry and Exit Agricultural Products” in 2016, all entry animal and plant products should register their abroad production, processing and storage companies at AQSIQ (Now updated to GAC)¹⁴. Thus since July 2016, all production, processing and storage companies in the main China soybean importing countries have registered in accordance with the provision. The provision shows that the quarantine and inspection department already has the registration rules for trade participants in the countries of origin of soybeans.

After March 22, 2018, China carried out the institutional reform. The original function of supervision of the entry-exit inspection and quarantine was transferred from AQSIQ to GAC. And thus the inspection and quarantine of soybean trade was transferred to GAC, executed by the Department of Supervision on Animal and Plant Quarantine in GAC. In addition, the original function of drafting laws and regulations for entry-exit products was transferred from AQSIQ to GAC and MOA, including the issuance and adjustment of the prohibition lists for entry animals, the issuance of prohibition for entry-exit animal and plant products, and the lifting of prohibition. For the international corporation, MOA is responsible for signing the intergovernmental agreements and protocols for animals and plants quarantine, while GAC is responsible for signing and implementing the agreements and protocols in relevant, as well as the agreements between the departments of animals and plants quarantine¹⁵.

2.1.2 Automatic Import License Management

In November 2004, MOFCOM and GAC jointly issued the “Measures for Administration of Automatic Import Licensing”, adopted the automatic licensing in management of soybean import trade, authorized by MOFCOM and GAC. The purpose of automatic import licensing administration for soybean imports is to facilitate the construction of database for soybean imports, and also to monitor and to provide the government with the information of bulk commodities import that may damage the domestic industries.

a) Approval of Automatic Import License by MOFCOM

China’s domestic soybean import companies shall apply for the automatic import licenses from the provincial commercial authorities at the designated registration office. SOEs in Beijing shall apply directly at the license management Office, Department of International Trade and Economic Affairs of MOFCOM.

In August 2008, the MOFCOM issued the “Measures for Administration of the Reporting and Information Publication on the Import of Bulk Agricultural Commodities”, which requires companies to file their soybean import business for official records.

One of the industry associations under the MOFCOM, China Chamber of Commerce for Import and Export of Foodstuffs, Native Produce and Animal Byproducts, is responsible for the execution. Import companies that have completed the filing for the import of bulk agricultural commodities, should follow the requirements of “Measures for Administration of the Reporting and Information Publication on the Import of Bulk Agricultural Commodities”, fulfill the reporting obligations required by the China Chamber of Commerce for Import and Export of Foodstuffs, Native Produce and Animal Byproducts, and apply for the “Automatic Import License” from provincial commercial authorities at the designated registration office. The provincial competent commercial authorities are in charge of the preliminary examination of the “Automatic Import License”, and the MOFCOM is in charge of the reexamination.

b) Inspection and Clearance of Automatic Import License by Customs

Since 2004, the entry soybean imports shall handle the clearance procedures in customs against the “Automatic Import License” and receive the automatic import license stamp of approval.

According to the Announcement No.2 in 2013 on Automatic Import License Online Inspection System, released by the MOFCOM and GAC, the clearance procedures in customs can be handled online. There is now no need for soybean import companies to provide a written-version of their automatic import license to customs.

2.1.3 Proper Security Management of Genetic Modification in Agriculture

As committed to WTO, since 2001, China has fully opened up to soybean imports at a trade level. However, as almost all soybean imports are genetically modified (GM) soybeans, in order to strengthen the security management of genetically modified organisms (GMO), regulate the development of related industries, and to some degree control the import of genetically modified soybeans, MOA issued the “Administrative Measures for Security Assessment of Agricultural Genetically Modified Organisms”, “Administrative Measures for Safe Import of Agricultural Genetically Modified Organisms”, and “Administrative Measures for Identification of Agricultural Genetically Modified Organisms” on January 7, 2002. The above three laws, especially the “Administrative Measures for Safe Import of Agricultural Genetically Modified Organisms”, play an important guiding role in the import, processing, production, storage and sale of GMOs in China. The following laws and regulations for GMOs are mostly compiled based on the aforementioned laws. Currently, the competent authority for the import of GM soybeans is the administration office of GM security under the Department of Science, Technology and Education of MOA.

¹⁴ http://www.aqsiq.gov.cn/xxgk_13386/jlqg_12538/zjl/2016/201602/t20160202_460414.htm

¹⁵ “Rules of functions, departments and staffing for China General Customs” http://www.gov.cn/zhengce/2018-09/10/content_5320815.htm

In 2001, MOA first made regulations based on the specific application procedures and management measures about the GM security license of soybean imports:

Type	Name	Issuer	Document Number, Issuance Date, Date of latest revision	Issuing Authority	Content
Laws and Regulations of Genetically Modified Security	Regulations on Security Management of Agricultural GMOs ¹⁶	State Council	Promulgated by Order No. 304 of the State Council of the People's Republic of China on May 23, 2001; Revised in October 2017	MOA	Agricultural GMOs in the agricultural GMOs list must be clearly labeled before selling in China's domestic market. Foreign companies that export GMOs as raw materials to China should make an application to MOA. Those who pass the security assessment receive a GMO Safety Certificate, issued by MOA.
Administrative Measures	Administrative Measures for Safe Import of Agricultural Genetically Modified Organisms	MOA	Promulgated by Order No.9 of MOA on January 15, 2002; Revised on November 30, 2017	MOA	Related administrative measures for the safety certificate of GM soybean imports
	Administrative Measures for Identification of Agricultural Genetically Modified Organisms		Promulgated by Order No.10 of MOA on January 15, 2002; Revised on November 30, 2017		Related administrative measures for identification of GM soybean imports

Administrative measures for the security management of GMOs in relation to soybean imports, released by the MOA over the years are listed as follows:

- “Administrative Measures for Security Management of Genetic Engineering for Agricultural Organisms”, promulgated by Order No.7 of MOA on July 10, 1996
- “Administrative Measures for Security Management of Agricultural GMOs”, promulgated by the State Council on May 23, 2001
- “Administrative Measures for Security Assessment of Agricultural GMOs”, “Administrative Measures for Safe Import of Agricultural GMOs”, and “Administrative Measures for Identification of Agricultural GMOs”, promulgated by MOA on January 7, 2002
- “Administrative Management for Security Management of GM Food”, promulgated by the Ministry of Health of the People's Republic of China (MOH) in 2002
- On October 11, 2002, MOA issued the Announcement No.222 that extended the execution period of the “Interim Administrative Measures for Security Management of Agricultural GMOs”, considering technical problems
- On September 4, 2003, MOA announced the extension of the expiration date of “Interim Regulations for Import of GM Products” to April 20, 2004
- “Administrative Measures for Quarantine and Inspection of Entry and Exit Agricultural Products”, promulgated and executed by Order No.62 of AQSIQ on May 24, 2004
- “Administrative Measures for Security Assessment of Agricultural GMOs”, revised by Order No.38 of MOA on July 1, 2004
- “Measures for Approval of Processing the Agricultural GMOs” promulgated by Order No.59 on January 27, 2006
- “Interim Administrative Measures for Security Management of Agricultural GMO Projects”, issued by the executive office of MOA on December 31, 2009
- “Proposal for Security Supervision of Agricultural GMOs by MOA in 2015”, issued by the executive office of MOA on February 15, 2015
- “Decision on Revision of ‘Administrative Measures for Security Assessment of Agricultural GMOs’ from MOA”, issued by Order No.7 of MOA on July 25, 2016, implemented after October 1, 2016.

16 http://jjuban.moa.gov.cn/fwllm/zxbs/xzsk/bszl/201405/t20140527_3918108.htm

2.1.4 NDRC's Management of Foreign Capital into China's Soybean Processing Industry

To strengthen the management of the domestic soybean processing industry, NDRC issued a series of regulations and guidance, including the "Catalogue of Industries Guiding Foreign Investment" and its revised edition, the "Interim Administrative Measures for Approving Foreign Invested Projects", the "Guidance for Healthy Development of the Soybean Processing Industry", and the "Catalogue for Guiding Industry Restructuring" from 2004. The NDRC clearly made statements around controlling blind investments and low-level repeat construction in soybean extraction projects, prompting domestic soybean processing companies to control the capacities of these plants within a reasonable scale by merger and acquisition, reorganization and resource integration.

Since June 28, 2017, there has been no investment limit for foreign capital entering into China's soybean processing industry. According to Order No.4 by NDRC and MOFCOM, in the "Catalogue of Industries Guiding Foreign Investment (2017 Revision)", the soybean processing industry is no longer in the "Catalogue of Industries Where Foreign Investment is Restricted".

3. Stakeholders in China's Soybean Value Chain

With the gradual adjustment to China's soybean imports trade policy, the number of soybean imports is increasing year on year, and the composition of the traders involved in the soybean import trade is changing. Before 1999, China's domestic soybean import traders were large SOEs such as COFCO and Sinograin and the processing enterprises were predominantly domestically funded. In 2000, domestic-funded soybean oil processing enterprises accounted for 90.3% of the national capacity, and 91% of the actual amount of total soybean crush. In 2004, due to the fluctuation in global soybean prices, small-and-medium-sized domestic funded soybean processing enterprises were in danger of great losses and even bankruptcy. Foreign capital seized the opportunity and quickly entered into the Chinese market by acquiring or constructing soybean processing enterprises. Thereafter, shares of foreign funded enterprises in China's soybean processing industry grew rapidly. By the end of 2016, China's soybean trade and processing enterprises could be divided into three categories: SOEs, foreign funded enterprises and private enterprises, each accounting for about 1/3.

3.1 Import Traders and Processing Enterprises

According to the administrative measures for security management of GM soybeans, as well as the inspection and quarantine of animal and plant entry, GM soybean imports can only be used in processing. Therefore, China's soybean importers are mainly the processing enterprises that have processing capacities. The crush capacities and rankings of major soybean enterprises show that China's soybean processing capacities are concentrated in the top 15 groups (As shown in the Table below: Ranking of Crush Capacities for China's Soybean Processing Enterprises by the end of 2015). In 2015, all processing enterprises with crush capacities over 1000 tons/day contributed to the effective capacity of around 531.3 thousand tons/day. Among them, the top 15 groups accounted for 83.86%, with the effective capacity of 294.6 thousand tons/day (for some groups the capacities include soybean and rapeseed mixed-pressing production lines). In these 15 groups, the representatives of SOEs are: COFCO, Sinograin and Sinotex. The representatives of foreign funded enterprises are: international grain dealers such as Yihai (Partially held by U.S. ADM Group), Cargill, Bunge and Dreyfus. The representatives of private enterprises are: China Shipping Group, Guangzhou Green Oil Industrial and Xiangchi.

Table: Ranking of China Soybean Trading and Processing Enterprises in 2015 (Top 15)¹⁷

Ranking	Soybean Trading and Processing Enterprises	Daily Capacity (in tons)	Percentage Share
1	Yihai Group	44300	12.61%
2	COFCO	41200	11.73%
3	Jiusan Group	35000	9.96%
4	Bohi Group	26000	7.40%
5	Sinograin Group	22000	6.26%
6	Sinotex Group	21600	6.15%
7	Cargill Group	18000	5.12%
8	China Shipping Group	16500	4.70%
9	Bunge Group	13500	3.84%
10	Dongling Group	13000	3.70%
11	Noble Group	12500	3.56%
12	Sinar Mars Group	10000	2.85%
13	Louis Dreyfus Group	7500	2.13%
14	Jilin Grain Group	7000	1.99%
15	Xiangchi Group	6500	1.85%

¹⁷ The statistics in the table is from 2015. After 2016, the Nobel Group and Sinotex were merged into COFCO

Among the soybean traders and processing enterprises, SOEs and foreign funded enterprises (Such as: COFCO, Cargill, etc.) have begun focusing on corporate social responsibility in local communities, setting up departments for corporate social responsibility or assigning commissions for it in their processing factories. For the environmental impacts of soybean products, Sinograin has carried out a series of internal publicity and training activities, and also participated in many exchange seminars about sustainable soybean trade.

3.2 Industry Association

3.2.1 China Chamber of Commerce for Import and Export of Foodstuffs, Native Produce and Animal Byproducts

The China Chamber of Commerce for Import and Export of Foodstuffs, Native Produce and Animal Byproducts (CFNA) was founded on September 2, 1988¹⁸, registered in the Ministry of Civil Affairs of the People's Republic of China (MCA), and also the chamber of commerce under MOFCOM. Currently, CFNA has over 7000 member companies. Their business operations cover the processed products including cereals and grain, oil and oilseed, as well as agricultural, forestry, food and farm products such as wood and forestry chemicals. CFNA aims to encourage an equally competitive market environment and a good operating order, protect the interests of the country and the industry, protect the legitimate rights of member companies, and promote industry development. CFNA serves as a bridge between member companies and MOFCOM. Since 2006, CFNA has participated in roundtable meetings on sustainable palm oil and supported the publicity of sustainable palm oil in the China market.

3.2.2 China Soybean Industry Association

The China Soybean Industry Association (CSIA) was founded in 2007 and administered by MOA. Previous presidents of the association include the vice minister of MOA and the chairman of large-scale soybean processing SOEs. The purpose of CSIA is to encourage the development of China's soybean industry, focus on the production, processing, trade and circulation of soybeans in China, and promote bilateral trade and communication between China and the main soybean producing countries¹⁹.

3.2.3 China National Vegetable Oil Association

The China National Vegetable Oil Association (CNVOA) was founded in 1993. It's a nation-wide industry association voluntarily formed by members from the production, trade and processing of vegetable oil industries. CNVOA focuses on the basic situation of China's vegetable oil industry, by collecting data, providing related policy suggestions for the development of China's vegetable oil industry, assisting with governance of the industry and market by facilitating communication between different participants in the industry, as well as communicating throughout the supply chain²⁰.

3.3 Exporting Enterprises

The global soybean trade supply chain is mostly occupied by five international companies including the Monsanto of U.S., and the ABCD grain-quartet (ADM, Bunge, Cargill of U.S. and Louis Dreyfus of France). Among them, Monsanto specializes in the business of GM soybean seeds. ABCD quartet are the main suppliers in global soybean trade, and also the main suppliers in China's soybean imports. With the increase in China's soybean trade volume, domestic traders in major producing countries like the U.S., Brazil and Argentina, began supplying soybeans to China's importing enterprises, such as: CHS of U.S., Amaggi/Caramuru of Brazil, and Molinos/Vicentin of Argentina.

From the data provided in above tables, we find that international grain dealers take the largest share in three of the major producing countries, and their share in China's soybean trade and processing industry amounts to 21.57%. Much of the global soybean trade sits within the international grain enterprises, or between the branches²¹.

18 <http://www.cccfna.org.cn/read.php?id=16>

19 <http://www.chinasoybean.org.cn/Art/201707/5343.html>

20 <https://baike.baidu.com/item/%E4%B8%AD%E5%9B%BD%E6%A4%8D%E7%89%A9%E6%B2%B9%E8%A1%8C%E4%B8%9A%E5%8D%8F%E4%BC%9A/9202726>

21 <https://www.xzbu.com/2/view-657943.htm> "Current Status of China Soybean Import Trade and the Policy Analysis"

4. Summary of Trade Policies for China's Soybean Imports

The 20 year study of China's soybean trade policies from different competent authorities and the participation of different stakeholders, combined with the interviews on the above, shows that China's soybean trade liberalization is increasing consistently. Current regulations and administration are mainly for protecting the security of the national food supply, summarizing and monitoring the import data, and the security of agricultural GM technologies. Participants in soybean trade are mainly large SOEs and foreign funded enterprises. In trade activities, traders focus on the cost analysis and economy in soybean imports. They are beginning to pay attention to the sustainable development in China's domestic soybean industry, while sustainable development in global soybean trade receives much less attention.

Participants in soybean import trade markets, or importers, are mainly downstream consumers of soybean imports – soybean processing enterprises. Import volumes objectively reflect the demand in China's domestic market. Exporters are predominantly the key international grain dealers and the large producers and traders in major soybean producing countries. U.S. grain traders take the leading position among international grain dealers.

4.1 Current Problems

1) Stakeholders' Weak Awareness of Sustainable Development in Soybean Import Trade

a) During the interview, we found that China's soybean import traders and processing enterprises are concerned with the impacts of the global soybean supply and demand on soybean spot prices, which includes the change in soybean planted areas in major producing countries every year. Most of the enterprises remain in the cost-driven and benefit-driven stage of development, away from the value-driven stage. Therefore, the potential risk of damaging local environments (including deforestation and the impact on biodiversity), brought about by the increased soybean cultivation areas in upstream producing countries, receives less attention.

b) Certain traders and government authorities have been involved in discussions around the sustainable development of the soybean trade held by international or domestic institutions and have built awareness for the sustainable development of soybean import trade. However, because of the lack of appropriate policy guidance, they've not taken specific actions against the sustainable development of soybean trade.

2) Sustainable Development Systems in the Top 3 Soybean Producing Countries are Different

Only the U.S. from the top 3 soybean producing countries has successfully built a sustainable development system for soybeans, with the guidance of government and industry associations. Brazil and Argentina, as the top 2 exporters in South America, currently still lack government-level awareness and actions for sustainable development. Soybean importers, which have championed or are about to advocate for sustainable soybean supply chain, will face a non-standard situation if they want to procure soybeans from producing countries that have not yet established a sustainable development system. In such case, the competitiveness of soybean producing countries lack of a sustainable development system will be weakened in the global soybean trade.

4.2 Opportunities

The trade policies had changed from quota management to current free trade following the market demand.

1) China has released restrictions on the import and trade of soybeans. The trade policies generally comply with the order in global and domestic soybean markets and allow for free trade.

2) There are still many administrative measures around licensing in the form of trade management. Such certificates are mainly for the following purposes: Security impact of imported foods on domestic food security, summarizing and monitoring of import data, as well as the security management of agricultural GM technologies.

Current free trade policy of soybean in China will make it more convenient to guide the soybean importers to gradually shift from short-term "cost-driven" to long-term "value driven" by establishing reasonable market mechanism, and achieve the sustainable development of soybean supply chain.

4.3 Challenges

With the change in China-US trade relations in 2018, China's soybean import trade environment has changed as well. With the 25% additional tariff on American soybean imports, the import trade of U.S. soybean almost froze by November, 2018. Meanwhile, the governments and soybean enterprises in China are trying to replace the U.S. soybean imports by tapping into alternative upstream and downstream supply, which includes: increasing the cultivation of domestic soybeans, opening up to more soybean and soybean meal exporting countries, etc.²²

Under this new situation, in the short term, China's import of soybean will depend more on the producing countries from South America. With this potential increase demand of soybean, the cultivation area of soybean for the coming season in the producing countries in South America is expected to expand, which would cause potential risk of taking up local land such as wetlands and forests if the existing agricultural land was not enough and would also bring challenges to the sustainable development of soybeans in those soybean producing countries.

²² http://news.ifeng.com/a/20180710/59084452_0.shtml "MOFCOM: Encourage enterprises to increase the soybean imports from other countries" , "Encourage enterprises to restructure the soybean imports, increase the soybean and soybean meal imports from other countries and regions" .

5. Policy Analysis and Recommendations for Stimulating the Sustainable Overseas Procurement of Soybeans in China

5.1 Combine the Soybean Trade Policies with China's Idea of Becoming the "Leader in Global Governance"

Existing soybean import trade policies are mainly about the national economy, people's livelihood, security of domestic agricultural products and food safety issues. Soybeans, as the largest imported agricultural products in China, rely on international grain sources. Thus, the prospects of China's soybean import trade is dependent on whether the upstream suppliers in the international trade supply chain can achieve long-term sustainable development. The stability of international grain sources should also be considered as part of China's food security issues.

In 2016, China created the concept of "Being a Participant, Coordinator and Leader in Global Governance", closely combining the development with global development. Since 2017, under the guidance of the concept, especially the "Belt and Road Initiative", China has issued a series of green guides about foreign investment and policies on sustainable development. For example, in 2017, the Ministry of Ecology and Environment issued the "Program for Ecology and Environment Protection in the 'Belt and Road'", and the Ministry of Finance issued the "Guidance on Financing in the 'Belt and Road'". However, there are no appropriate guiding policies for sustainable trade development that focus on the participants of global trade and cover all the possible procedures.

Therefore, considering that soybeans are number one by volume when it comes to agricultural product imports in China, we suggest the soybean trade authorities, take soybeans as the example to formulate guidance and policies that promote sustainable development throughout the supply chain. This starts with choosing the right cultivation areas in the producing countries, then the sowing and harvesting, and finally the transportation into China for processing and sale. The policy could be an example of "Being a Participant, Coordinator and Leader in Global Governance".

5.1.1 Facilitate Intergovernmental Communication between Soybean Importing and Exporting Countries

Since Brazil is the largest producing country of China's soybean imports, and the country is currently faced with a risk of damaging local environments brought about by increasing their soybean cultivation areas, Brazil's soybeans make for a good example:

Reducing the risk of deforestation from soybean production and trade will play a role in increasing carbon sinks and reducing carbon emissions in Brazil as well as the Latin American region as a whole. Both China and Brazil have signed on the Paris Agreement and clearly set their emission reduction targets in their National Determined Contributions (NDC) to address climate change, therefore, it's suggested that to have a discussion on the topic of zero-deforestation and sustainable trade of soybeans, we combine the Nationally Determined Contribution (NDC) from China and Brazil to facilitate the bilateral communication between trade and environment departments in these two countries and encourage the respective competent authorities to promote awareness of sustainable development in the soybean industry.

Through this bilateral communication with both China and Brazil's government authorities, China may well affect the upstream production as a downstream consumer due to their status as the largest soybean importer. Experience of existing sustainable soybean system (e.g., SSAP of the USA.) could also be learned through the bilateral communication. As a result, this could improve Brazil's ability to establish a certification system for a sustainable development of soybeans, which is in line with Brazil's domestic conditions or is mutually recognized by soybean importing and producing countries. In addition, it will also benefit both countries in implementing the requirement of SDG-12 "Responsible Consumption and Production", from the UN's "2030 Agenda for Sustainable Development".

5.1.2 Formulate and Issue the Guiding Policies for Sustainable Development of Trade in Reference to the Guiding Policies for Sustainable Outward Investment under the "Belt and Road Initiative"

China is active in investment and trade when it comes to the countries along the "Belt and Road". Green guides about outward investment under the "Belt and Road Initiative" provide direction for Chinese enterprises to participate in investing in "Belt and Road" areas. Therefore, in order to realize the sustainable development of global trade, we suggest the competent authorities for environment and industry associations refer to the guiding policies for investment to jointly formulate a standard for sustainable soybean trade, as so to direct producing countries, soybean traders, and processing enterprises in China. By influencing the soybean importers or even the planters in Brazil through the purchasing process, we can reduce the damage to local environments, especially the forests, caused by soybean cultivation.

5.2 Include the Potential Environmental Risks of Soybean Producing Countries and the Necessities of Sustainable Development into the Current Guidelines, to Improve the Awareness of Risk and Development of Participants in Soybean Trade

In 2013, MOFCOM and the Ministry of Environmental Protection jointly issued the “Guidelines for Environmental Protection in Foreign Investment and Corporation”, (hereinafter referred to as the Guidelines)²³. The Guidelines aims to further regularize the environmental protection behaviors of Chinese enterprises in foreign investment and corporation activities, identify and prevent environmental risks, guide enterprises to actively fulfill social responsibilities for environmental protection, establish a good international image of Chinese enterprises, and support the sustainable development of the host country. In addition, MOFCOM releases the “Country Guidelines for Overseas Investment and Cooperation” (hereinafter referred to as the Country Guidelines), for example, the 2017 Country Guidelines for Brazil worked through the law of environment and the Forest Code, as well as the precautions for Chinese enterprises’ investment in Brazil. Although soybeans are Brazil’s major exporting commodity to China, there is no specific analysis.

As mentioned earlier, China’s soybean trading and processing enterprises have not established the concept of facilitating sustainable development from the upstream of the supply chain to ensure a long-term stable supply. Since 2015, some Chinese enterprises have achieved access to supply major soybean producing countries in South America, by means of acquiring international grain dealers and establishing joint trading enterprises. However, most enterprises considered this as a way of ensuring market supply, not sustainable development of the local environment, and thus neglected improving the local investment and trading behaviors. Therefore, considering stakeholders’ weak awareness of sustainable development in the upstream of the industry chain, we suggest that the ministries include the potential risk of damaging Brazil’s environment when cultivating soybeans, and how China’s procurement of Brazilian soybeans can help reduce damage to the local environment, in the current Brazil Country Guidelines. This will contribute to achieving the goal of the Guidelines as well as raising awareness of global environmental protection among all stakeholders involved in the China-Brazil soybean trade.

5.3 Encourage and Promote China’s Large SOEs to Play a Demonstrating Role in the Procurement Process through the Guidance of Industry Associations

For the sustainable development of soybean import trade, we suggest the industry associations choose large SOEs as demonstrating enterprises and encourage them to keep up with international practices, whilst putting pressure on them to reduce the environmental damage to Brazilian exporters at the forefront of the procurement process. It will deliver China’s willingness to purchase sustainable soybeans, and thus build environmental awareness among soybean planters and traders in Brazil. It will facilitate the construction of sustainable production and development systems for soybeans in Brazil and long-term stable supply of soybeans for China.

5.4 Include the Proposal of Responsible Soybean Purchasing into Relevant Subjects of the Upcoming 2020 Biological Diversity Conference Held in China

As the host country of the fifteenth meeting of the Conference of the Parties to the Convention on Biological Diversity in 2020²⁴, China’s Ministry of Ecology and Environment stated that China will promote the approval of a new global strategic plan for biological diversity, and design the objectives and roadmap for the protection of global biological diversity in 2021-2030.

As the largest soybean importing country in the world, if China could act as a “Responsible Consumer”, encourage the upstream of the soybean supply chain, like Brazil, so that the impact on local biological diversity is reduced, it will be easier for the conference to achieve its goal. Therefore, we suggest the Ministry of Ecology and Environment, together with MOFCOM and MOA, issue relevant proposals for responsible soybean procurement, and include it in the biological diversity conference.

23 http://www.gov.cn/zhuanti/2013-02/28/content_2596923.htm

24 http://world.gmw.cn/2018-05/22/content_28922069.htm

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1) Global Environmental Institute. “Going Out – the Current Status of China’s Foreign Investment, Trade and Assistance, and the Challenges in Environmental Protection”. China Environment Publishing House. First Edition in July 2013

2) The Carbon Disclosure Project (CDP). Policy Briefing for policymakers—Opportunities for China to promote sustainable soybean trade and improve global deforestation. https://6fefcbb86e61af1b2fc4-c70d8ead6ced550b4d987d7c03fcdd1d.ssl.cf3.rackcdn.com/cms/reports/documents/000/002/796/original/China_Forest_Briefing_CN_web.pdf?1515663560

3) Qushang, Zhao Dexin. “The Reversion of China Soybean Import and Export Status, and the Food Safety – What the Reversion of China’s Position in Global Soybean Trade Taught Us”. Journal of Guizhou University of Finance and Economics, 2011(2):43-48

4) Wang Weiwei. “Current Status and Policy Analysis of China Soybean Import Trade”. <https://www.xzbu.com/2/view-657943.htm>

5) Wang Shaoguang. “History of Soybeans in China”. http://www.360doc.com/content/13/0524/15/1410309_287774233.shtml

Appendix 1

Relevant documents for foreign investment in China soybean processing industry, released by NDRC over the years are listed as follows:

1) “Catalogue of Industries Guiding Foreign Investment (2004/2007/2017 Revision)”

2) “Interim Administrative Measures for Approving Foreign Invested Projects” in 2004

3) “Guidance for Healthy Development of Soybean Processing Industry”

4) “Catalogue for Guiding Industry Restructuring (2011 Revision)”

5) “Administrative Measures for Approving and Filing Foreign Invested Projects” in 2014

Abbreviations

USDA	The United States Department of Agriculture
FAO	The Food and Agriculture Organization of the United Nations
BRI	Belt and Road Initiative
OECD	Organization for Economic Cooperation and Development
NDC	Nationally Determined Contribution

