

Contents

Summary	1
1 - Introduction - China's economic and social background	3
China's economic miracle	3
Social tensions in China	5
Chinese data	8
2 - China's agricultural imperative	9
China's agricultural success story	10
China's need for food	12
Problems in Chinese agriculture	15
Inefficiencies in Chinese agriculture	19
Lack of agricultural land	23
Quality of agricultural land	26
Imports	28
3 - China's agricultural price support regime	31
The evolution of China's agricultural support regime	35
The motive for support	37
Enacting price supports	38
The operation of China's regime	40
The scale of China's regime	43
4 - Price floors in theory and practice	44
The theory behind price floors	45
Chinese price floors in practice	46
Prices	47
Rice	48
Wheat	49
Corn	50
Soybeans	51
Rapeseed	52
Cotton	53
5 - The likely consequences of unwinding the subsidy regime	55
Changes in Chinese agriculture	55
The effects	56
Short run effects	56
Long run effects	56
Extended effects	57
Corn	57
Exports	57
Domestic demand	59
Longer term effects	61
Extended effects	62
Soybeans	62
Exports	63
Domestic demand	63
Longer term effects	64
Extended effects	66
Cotton	66
Exports	66
Domestic demand	67
Longer term effects	69
Extended effects	69
Rice	69
Exports	70
Domestic consumption	71
Wheat	72
Exports	72
Domestic demand	73