

## Iowa Opportunities in China



Josh Lammert, a member of I-LEAD, spoke to the Treynor Optimist Club on March 15, 2014. I-LEAD is a two year leadership development program sponsored by the Iowa Corn Growers Association.

Josh and the other members of I-LEAD took a trip to China to promote Iowa grain and meat exports. The US Grains Council set up the meetings in China and the US Meat Export Federation set up tours. The trip was December 8-18 2013.

Josh said that China gets a lot of media attention for Iowa corn exports, but they only buy 13% of Iowa corn exports. Japan buys 37% of the corn exported from Iowa.

One of the problems in selling beef and pork to China is that the people there eat mostly fresh meat. Most people do not have freezers or refrigerators. Our meat has to be frozen to ship that far.

Even though China is highly populated, 49% of the people live in rural areas. They typically farm 1-5 acres. Their grain volume is about 60% of U.S. yields. The rural income is less than \$100/month in U.S. currency. The Government owns the farm land and gives farmers a 30 year lease. The older generation remains on the farms and the younger generation is migrating to urban areas.

Josh said that China uses few large trucks, so most grain is transported by motorized bicycles. Since grain production is in the Northern part of the country and is utilized in the Southern part, it is cheaper and faster to import grain than to use domestic grain. For example, buying grain from China producers takes about two months longer for delivery than importing it from the United States, due to their inefficient transportation system. Even imported grain is unloaded from barges, bagged, moved to the final destination, unbagged and pelleted, the rebagged for sale.

The delegation also went to China to promote Iowa beef. Currently China does not import beef. Instead, Hong Kong, a China protectorate, imports beef, some of which ends up on the black market in China.

Josh said that they were promoting Iowa grain and beef products, instead of U.S. products. It is termed the Iowa Advantage, providing consistent and safe products.

More information about their China trip is available at:

<http://www.iowacornstalk.com/2013/12>