

# China lifts ban on GM corn imports from US

Inbound shipments may double to four million tonnes as purchases jump

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China's decision to lift an import ban on some genetically modified crops triggered an immediate jump in purchases of US corn-based feedstock and may spur a recovery in corn shipments by the world's second-biggest consumer.

"Chinese Vice-Premier Wang Yang indicated the Ministry of Agriculture lifted restrictions on several genetically modified crop strains,"

Tom Vilsack, US Secretary of Agriculture, said on Thursday in Chicago, where the two countries are holding trade talks. The approval may lead to a surge in grain shipments from the US, according to China-based analysts at Shanghai JC Intelligence Co and Beijing Orient Agribusiness Consultant Ltd.

China, already the biggest market for US food and largest buyer of its soyabeans and cotton, is seen to be relaxing curbs on corn imports as the

government pushes forward with a campaign to gain public acceptance of genetically modified organisms and seeks to expand food supplies.

Chinese buyers bought as much as 9,00,000 tonnes of a corn-based feedstock known as dried distillers grains from the US as the approval neared, according to the China National Grain and Oils Information Centre.

"All the infrastructure and logistics facilities are in place, so a large part of Chinas future corn imports will be from the US, said Ma Wenfeng," a senior researcher at Beijing Orient. The country's

imports of the grain will fall to a four-year low of two million tonnes in the year through September 2015, according to US Department of Agriculture estimates released before reports of the approval this week.

## 'No immediate jump'

Inbound shipments may double to four million tonnes once the ban is lifted, according to Li Qiang, Managing Director at Shanghai JC.

"Sellers in the US shouldn't hold their breath for an immediate jump in China's corn imports beyond a few million tonnes a year," said Meng Jin-

hui, an analyst at Cofco Futures Co, a unit of state-owned Cofco Corp, the country's largest grain trader.

Faced with scepticism at home about the safety of genetically modified organisms and a long-standing policy of meeting the country's food demand with domestic supply, its unlikely the country will further relax import controls on grains such as corn, Meng said.

Corn in the US declined three percent this year, after tumbling 40 per cent in 2013, as expanding harvests in the US, Europe and China created a supply glut.