

AGREEMENT ON U.S. - CHINA AGRICULTURAL COOPERATION

China and the United States are the world's two largest agricultural producers. Over the next several years, all nations will face important challenges as they work to ensure sufficient affordable food and fiber are made available to the world's people in an environmentally sustainable manner. It will be important that China and the United States work cooperatively to ensure these challenges are met successfully.

In that spirit, China and the United States are determined to build on our long history of cooperation in agriculture on the basis of equal and mutual benefit. Agriculture should be one of the bright points in our bilateral relationship - China and the United States must work together to make it a pillar of strength in the 21st century. With this agreement, China and the United States launch a partnership in agriculture for the 21st century with three objectives: increased technical cooperation and scientific exchange, specific technological exchanges to develop the agricultural sectors of both countries, and the resolution of trade disputes.

I. Technical Cooperation and Exchange

China and the United States agree to actively promote comprehensive cooperation in agriculture in the field of high-technology and encourage research institutes and agricultural enterprises to collaborate in high-tech research and development. China and the United States agree that enterprises should be urged to make investment in each country to produce and do business in high-tech agricultural products.

The United States will review its technical assistance programs in China to consider ways to increase the efficacy of these programs. China will examine existing restrictions on investment and business development in China with a view toward facilitating investment and development in China's agricultural economy by enterprises and non-governmental organizations.

The United States will create special educational symposiums specific to China's needs in cooperation with U.S. land grant universities for Chinese officials and producers. The United States will provide opportunities for young Chinese leaders to visit U.S. farms, ranches and universities to study management systems and production technologies. The United States will arrange opportunities for Chinese officials and business leaders to study U.S. marketing and distribution of agricultural products in China and the United States.

II. Specific Technical Cooperation and Assistance Initiatives

As a means to implement the principle of technological cooperation and exchange, China and the United States will implement specific projects from the list below:

Field and Horticultural Products

- P Provision of U.S. technical expertise in plant protection, production and distribution of farm products to assist China in its efforts to improve efficiency in agricultural systems.
- P Joint research on and the exchange of crop varieties and genetic resources, such as:
 - R exchanging genetic resources of farm crops (for example, appropriate high quality, cold-tolerant, salinity tolerant, and disease- and pest-resistant varieties of wheat, corn, cotton and fruits),
 - R conducting joint research, development and utilization of genetic resources of farm crops, and
 - R conducting joint research on conventional seed breeding.
- P Joint research projects on plant protection, such as:
 - R biotechnology applications for disease and pest control,
 - R research on disease and pest forecasting,
 - R research on integrated control approaches for diseases and pests,
 - R research on pesticide application technologies, and
 - R research on chemical herbicides.
- P Technical collaboration on post-harvest storage and transportation techniques.
- P Technological exchanges and cooperation on precision agriculture.

Biotechnology

- P The United States will arrange visits by Chinese regulators and scientists to U.S. biotech regulatory agencies in Washington, followed by visits with private companies
- P The United States will arrange study tours of the U.S. seed industry that include meetings with U.S. government and international agencies involved with biotech seed.
- P China and the United States will undertake a joint project, staffed by both Chinese and U.S. scientists, on drought-resistant, salinity-tolerant, and cold-resistant crops.
- P China and the United States will hold a joint seminar on the commercialization of biotech projects.
- P Cooperative research on transgenic plant technology, including research on target genes of major crops, genetic engineering, genetic breeding, and development and utilization of transgenic crops.
- P Development and scientific utilization of feed resources and use of biotechnology to improve feed quality, feed conversion rates, and development of new feed resources.

Meat, Poultry, and Livestock

- P The U.S. livestock industry will provide free registration and enrollment for select Chinese officials and producers in Cattlemen's College classes during NCBA Conventions or Summer Conferences.
- P The U.S. livestock industry will provide free registration and enrollment for select Chinese officials and producers at the World Pork Symposium to study the latest technology in the pork industry.
- P Strengthening cooperation in conservation of genetic resources for livestock, poultry, and forage grass.
- P Strengthening cooperation in selection and utilization of new breeds and varieties.
- P Technical assistance on quick testing, monitoring, and management of major animal diseases.
- P Collaborative research on testing technology for safety and quality of animal feed.
- P Technical assistance on environmentally sound production practices and waste disposal techniques.

Aquaculture

- P Collaborative research and technological exchange in aquaculture to improve efficiency and minimize adverse environmental impacts.
- P Exchange of genetic resources for aquatic products.

Natural Resource and Environment

- P The United States will provide technical assistance in water conservation and management for China to further its work in identifying and conserving key water resources.
- P China and the United States will consider undertaking joint research projects on natural disaster and environmental issues. Research projects may include the following:
 - R development of measures to reduce the negative impacts of natural disasters on agriculture;
 - R technological improvements to monitor and evaluate natural disasters;
 - R studies on the impacts of climatic changes on the agricultural eco-system; and
 - R development of measures to control greenhouse gas emissions in agriculture.

III. Resolution of Trade Disputes

China and the United States agree to accelerate the removal of all non-tariff measures restricting trade in agricultural products that cannot be justified under WTO rules. In particular, China and the United States agree that sanitary and phytosanitary disputes should be settled scientifically so as to promote the rational two-way trade of farm products.

Citrus

China and the United States have agreed to protocols and work plans (Addendum A), in accordance with the standards and principles of internationally accepted pest risk assessment (PRA), and will permit the import of U.S. citrus to China. The United States shall ensure that U.S. citrus exported to China shall not cause harm to China's agricultural production and agrees to undertake additional science-based trapping to satisfy China's concerns.

The U.S. will continue to expedite import approval of Chinese horticultural products such as pears, longans, and penjing upon receipt of required data and documentation. In order to facilitate such a process, both sides will hold regular consultations and provide requested information as quickly as possible.

Meat

China and the United States have agreed that both sides should ensure the health and safety of U.S. exports of meat to China. In recognition of the situation that the U.S. possesses a sound system of epidemiological disease control and a program for chemical residue control, China will accept meat from all USDA Food Safety Inspection Service (FSIS) approved plants. China maintains the right to audit the U.S. inspection system through random inspection of establishments and random inspection of U.S. product at the Chinese point of entry.

Should China determine, based on scientific inspection, that a particular shipment is not wholesome, then China can refuse to accept shipments from the originating plant until the underlying problem is resolved. China shall promptly notify FSIS of such action.

China accepts the USDA/FSIS "Meat and Poultry Export Certificate of Wholesomeness" (Addendum B) as proof that FSIS certified meat and poultry complies with the U.S. inspection standards, and therefore any meat accompanied by the certificate is eligible for import into China.

Wheat

China and the United States have agreed that both sides should ensure that the U.S. wheat exported to China shall pose no risk to Chinese wheat production. Based on this understanding, China has agreed to permit import of all types of wheat from all regions of the United States.

Taking note of the conclusions of the report entitled "Risk Assessment for the Importation of U.S. Milling Wheat Containing Teliospores of *Tilletia controversa* Kuhn (TCK) into the People's Republic of China," China and the United States have agreed to initiate immediately a joint project to reach a bilateral agreement on the tolerance level of TCK in wheat exports to China, and to study the sampling and testing procedures proposed by the United States in Addendum C. In the absence of reaching a bilateral agreement on the tolerance level one year after the initiation of the project, the tolerance level and other provisions applied during the

interim period shall continue to be applied. In this regard, the United States agrees to provide necessary support, including training of personnel, to facilitate reaching such an agreement.

In the interim period, which commences upon signature of this Agreement on U.S.-China Agricultural Cooperation, the United States agrees that an accredited U.S. laboratory will certify according to the procedures in Addendum C, and China agrees to accept, shipments of U.S. wheat that do not exceed a tolerance level of 30,000 TCK spores per 50 gram sample.

Both China and the United States agree that no special measures, including those affecting expeditious discharge and changes in destination, will be taken with regard to U.S. wheat at or below this tolerance level. All ports in China will be eligible to import U.S. wheat that is at or below the tolerance for TCK. They also agree that currently there are no other outstanding phytosanitary issues that would inhibit China's imports of U.S. wheat. Equivalent tolerance levels will also be applied to other U.S. grains in case of possible TCK contamination.

Both sides recognize that, as a standard part of commercial contracts for Chinese purchases of U.S. wheat, certification of contract terms are final at loading and U.S. officials and/or the seller's representative may sample and test shipments upon arrival if problems arise. Parties to the contract shall mutually settle any claims.

This agreement, written in both English and Chinese, was signed on April 10, 1999 in Washington, D.C. Both the English and Chinese versions have equal force.

Charlene Barshefsky
U.S. Trade Representative
On Behalf of the Government of
The United States

Shi Guangsheng
Minister of
Foreign Trade and
Economic Cooperation
On Behalf of the Government of the
People's Republic of China

Date: April 10, 1999

Date: April 10, 1999

