

Markets

Commodities Currencies

Retail & Consumer

# Voracious China Still Struggling to Stand on Its Own Two Feet

Comments **Article** 

**Economics** 







Email

### COMMENTARY By CAROLINE HENSHAW



A vendor unloads a watermelon from a truck at a market in Shanghai.

Beijing's hopes for food selfsufficiency may prove little more than a pipe dream as growing pressures on China's water system limit its agricultural potential.

China's influence on world food markets has grown steadily in recent years as consumption has increased. driven by population growth and a growing taste for more Westernized diets by the country's expanding

## About The Source

The Source is WSJ.com Europe's home for rapidfire analysis of the day's big business and finance stories. It is edited by Lauren Mills, based in



THE SOURCE HOME PAGE »

> Follow The Source on Twitter



If Like The Source on Facebook

The Asian giant caused ripples in world grain markets by becoming a net importer of corn for the first time in 15 years last season and analysts expect its sugar imports could rise by 50% in the 2011-12 crop year due to growing demand for sweet foods and drinks.

But now experts warn that China's increasingly intensive farming practices—driven by the government's attempts to contain spiralling food-price inflation—are causing long-term damage to the country's water resources, leaving Beijing's goal of food self-sufficiency even further out

"China's trying as hard as they can to be food self-sufficient, but there are likely to be some years where they can't do that," said David Molden, the deputy director general of research for the International Water Management Institute.

"Looking at their water system 30 years down the line, I'm a little doubtful."

Already the strain on China's agricultural system is showing. This year the government was forced to take the unprecedented step of releasing water from the Three Gorges reservoir after the worst drought in 50 years reduced parts of the Yangtze, Asia's biggest river, to a

In a new report with the United Nations Environment Programme, the IWMI warns that such problems could become even more widespread as harmful agricultural practices sap groundwater stores in the world's key breadbaskets-including the North China Plains, the Indian Punjab and western U.S.

The report estimates that there are currently 1.6 billion people living in areas of water scarcity and this will "easily grow to two billion soon if we stay on the present course."

And with climate change putting growing pressure on productivity and the world's population expected to top 9 billion people by 2050, IWMI forecasts that global crop yields may fall 5% to 25% short of demand over the next 40 years.

## **Most Recent**

Articles Comments

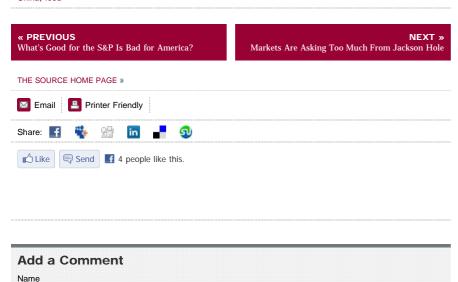
- Libya's Oil Production Picture Remains Unclear
- Euro Vision: Schaeuble Awarded Nul Points
- Markets Are Asking Too Much From Jackson Hole
- Voracious China Still Struggling to Stand on Its Own
- What's Good for the S&P Is Bad for America?

"If we continue our present practices, 70% more food equates to using 70% more water," said Mr. Molden. "At some point there will be a point of reckoning. I think we're already coming close to that in all three places."

Instead, he argues for a more unified approach to managing ecosystems, incorporating links between agriculture and the wider landscape, re-using waste products and improving coordination with other sectors to improve the sustainability of food systems.

And despite Beijing's goal to become self-sufficient in food, China is likely to become ever more reliant on international markets, said Mr. Molden. "China will have to rely on some kind of weather insurance in the trade system," he said.

China, food



# THE WALL STREET JOURNAL.

BACK TO TOP -

# WSJ.com Account: Create an Account: Help & Information Center: • Subscriber Agreement &

AP ENABLED

Comment

## About:

## WSJ.com:

We welcome thoughtful comments from readers. Please comply with our guidelines. Our blogs do not require the use of your real name.

## Tools & Formats:

- 📳
- (33)
- 🖭

## THE WALL STREET JOURNAL.

## **Digital Network**

## Foreign Language Editions:

Copyright ©2011 Dow Jones & Company, Inc. All Rights Reserved