



# The Impact of Agricultural Products (Soybean and Dairy Products) Trade Liberalization on China's Agricultural Development

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**Abstract.** The impact of trade liberalization of agricultural products (soybean and dairy products) on China's agricultural development is a topic of great concern. The implementation of liberalized trade policies will have important impacts on China's agricultural sector. As important agricultural imports in China, trade liberalization of soybean and dairy products will promote the facilitation of international trade in agricultural products, improve market competitiveness, and promote the optimization of agricultural structure and industrial upgrading. However, liberalization may also face increased competition from imported agricultural products, domestic agricultural overcapacity and other problems, posing challenges to China's agricultural industry. Therefore, in order to realize the positive impacts of agricultural trade liberalization on Chinese agriculture, it is necessary to solve the related problems by strengthening agricultural technological innovation, improving the structural reform of the agricultural supply side, and enhancing the competitiveness of the quality of agricultural products.

**Keywords:** agricultural products, soybean, dairy products, trade liberalization, agricultural development, international trade

## 1 Introduction

The impact of trade liberalization of agricultural products (soybeans and dairy products) on China's agricultural development is a topic that has attracted much attention in the current global trade environment [1]. With the deepening of economic globalization, trade liberalization policies have gradually become popular internationally, which has prompted countries to accelerate the opening of markets in the field of agricultural products. As the world's largest agricultural producer and consumer, China faces significant challenges and opportunities in the context of trade liberalization [2]. Soybean and dairy products, as China's important agricultural imports, the implementation of their liberalized trade policies will have far-reaching impacts on China's agricultural structure, market competitiveness, industrial layout and farmers' incomes [3]. Through in-depth research and analysis, this paper will explore the positive impacts of trade liberalization on China's agricultural development and the challenges it may face, and

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provide theoretical and practical support for formulating corresponding policies and proposing effective measures.

## **2 The study of trade liberalization of agricultural products (soybean and dairy products)**

### **2.1 Current situation of China's agricultural products import and export**

#### **2.1.1 Agricultural products import:**

China's imports of agricultural products reached RMB 1.35 trillion in 2019, of which the import volume of soybean was 885,100 tons and the import value was USD 2.291 billion, and the import volume of dairy products was 41,800 tons and the import value was USD 1.288 billion [4].

Soybean is one of the largest agricultural products imported by China, and its import volume and import value rank among the top of agricultural products import. Since China is the world's largest importer of soybeans, the government actively promotes the liberalization of agricultural trade, and the accession to FTAAP and RCEP is expected to further expand the scale of soybean imports and promote the process of liberalization of soybean agricultural trade [5].

The import volume and value of dairy products are also increasing year by year, showing the rapid development of China's dairy market. The Chinese government has strengthened the supervision of dairy product quality and safety, and docked with international standards to improve the quality and safety level of dairy products and provide better conditions for dairy product imports [6].

#### **2.1.2 Agricultural product exports:**

In 2018, China's agricultural exports amounted to US\$421 billion, with aquatic products, vegetables and fruits being the largest export categories. In 2019, agricultural exports amounted to US\$408 billion, which was a decrease but still maintained a high level [7].

Although the data shows a slight decrease in the value of agricultural exports, China's agricultural exports as a whole still maintain a high level, showing China's competitiveness in the international market.

Taken together, soybean and dairy products are one of the largest categories of China's agricultural imports, and their agricultural trade liberalization will be affected by government policies and international trade agreements. The Chinese government has been actively promoting agricultural trade liberalization, and its accession to free trade agreements such as FTAAP, RCEP and the WTO is expected to further facilitate China's agricultural trade, improve market competitiveness, and help promote the optimization of agricultural structure and industrial upgrading. However, trade liberalization may also bring challenges, especially in terms of increased competition from imported

agricultural products and adjustment of the domestic agricultural market, which requires the government to take measures to solve related problems in order to realize the positive impact of trade liberalization on China's agricultural development [8].

## **2.2 The impact of soybean trade liberalization on China's agricultural development**

Soybean trade liberalization has a double impact on China's agricultural development [9]. On the one hand, China as the world's largest soybean importer, soybean trade liberalization will bring great opportunities for Chinese agriculture, promote the facilitation of soybean imports, increase supply channels, improve market competitiveness, and promote the optimization of agricultural structure and industrial upgrading. This move will help meet the growing domestic demand for soybeans and promote the development of livestock and poultry farming, while increasing farmers' income and promoting rural economic development [10].

However, on the other hand, soybean trade liberalization may also face a series of challenges. Increased competition from imported soybeans may have an impact on the domestic agricultural market, causing a certain degree of price volatility and changes in supply and demand, which in turn affects the development of related industries. In addition, trade liberalization will also expose domestic farmers to more intense international competition, requiring them to strengthen agricultural technological innovation and enhance the competitiveness of agricultural product quality in order to meet market demand [1].

In order to realize the positive impact of soybean trade liberalization on China's agricultural development, it is necessary for the government to adopt corresponding policies and measures. Strengthen cooperation with other soybean exporting countries, broaden soybean import channels, and establish a stable supply chain to ensure a stable supply in the domestic market. At the same time, strengthen the research and development of agricultural science and technology and technical training, improve farmers' production skills and management level, and enhance agricultural innovation capacity and competitiveness [11]. In addition, it is also necessary to strengthen the quality supervision and standardization of agricultural products to ensure the quality and safety of imported soybeans and enhance the competitiveness of the domestic soybean industry [12].

## **2.3 The impact of dairy trade liberalization on China's agricultural development**

Dairy trade liberalization has had a significant impact on China's agricultural development. With the rapid development of China's dairy products market, trade liberalization brings both opportunities and challenges to China. On the one hand, the liberalization of dairy product imports helps to meet the growing domestic consumer demand, improve market competitiveness, and promote the development of the dairy industry, while increasing the income of farmers and promoting the growth of the rural economy

[13]. Trade liberalization also provides more import and export opportunities for China's dairy enterprises, which helps to expand overseas markets and enhance the competitive position of China's dairy products in the international market [14].

However, dairy trade liberalization also faces a series of challenges. With the increase in imported dairy products, competition in the domestic dairy market has intensified, and the domestic dairy industry may face some pressure. Therefore, China needs to strengthen the regulation of dairy product quality and safety, dock with international standards, improve the quality and safety of dairy products, protect consumer rights and enhance the competitiveness of dairy products in the domestic market. At the same time, China should also actively promote the export of dairy products by joining free trade agreements such as the World Trade Organization and Regional Comprehensive Economic Partnership Agreements to provide more opportunities and preferential policies for the export of Chinese dairy products [15].

In order to realize the positive impact of dairy trade liberalization on China's agricultural development, the government should take corresponding policy measures. It should strengthen the quality supervision system, improve the quality and safety standards of dairy products, ensure the quality and safety of imported dairy products, and enhance the competitiveness of the domestic dairy industry. At the same time, it should strengthen cooperation with other countries, promote the facilitation of dairy product imports and exports, optimize the trade environment, and expand the scale of dairy product imports and exports. In addition, it is also necessary to strengthen agricultural science and technology innovation and training in dairy production technology, improve farmers' production skills, and promote the upgrading and development of the dairy industry [16].

### **3 Impact of trade liberalization on the quality and safety of agricultural products in China**

#### **3.1 Current situation of quality and safety regulation of imported agricultural products**

As of 2022, the regulation of quality and safety of imported agricultural products has attracted much attention globally. Governments have strengthened regulatory measures for imported agricultural products in order to protect the health and safety of their consumers. This includes strengthening quality certification, inspection and quarantine procedures in exporting countries, and rigorous sampling and testing of incoming agricultural products. At the same time, international information exchange and cooperation have been strengthened to jointly address cross-border food safety risks. However, there are still some challenges in quality and safety regulation, such as differences in regulatory standards, insufficient technical means and evasion by unscrupulous individuals. Therefore, countries need to continuously strengthen their regulatory systems to ensure the healthy and orderly development of agricultural trade. With the passage of time, the quality and safety regulation of imported agricultural products will evolve to adapt to the changing global food market environment.

### **3.2 Challenges of trade liberalization on the regulation of the quality of imported agricultural products**

Trade liberalization has brought a series of challenges to the regulation of the quality of imported agricultural products. As trade barriers are lowered and international trade increases, countries are faced with more imported agricultural products from around the world. This open trade environment increases regulatory complexity, as different countries have their own different quality standards and regulatory systems. Regulators need to ensure the safety of imported agricultural products while avoiding excessive restrictions and impediments to the smooth flow of trade. At the same time, trade liberalization has intensified competition in the market, which may lead to some enterprises sacrificing product quality in order to reduce costs, or introducing low-quality agricultural products in areas with weak regulation. Therefore, countries need to strengthen international cooperation and information sharing, and establish effective cross-border quality control mechanisms to ensure the quality and safety of imported agricultural products, safeguard public health, and promote the sustainable development of global agricultural trade.

### **3.3 Countermeasures and measures to enhance China's agricultural product quality competitiveness**

In order to enhance the competitiveness of China's agricultural product quality, a series of countermeasures and measures need to be taken. First, strengthen the construction of agricultural product quality standards and regulatory systems to ensure that quality is controlled throughout the entire process from source to end. Second, encourage the innovation and promotion of agricultural science and technology, promote the modernization and intelligence of the production process of agricultural products, and improve production efficiency and quality levels. Third, strengthen farmers' training and technical support, enhance their quality awareness and management level, and promote agricultural transformation and upgrading. Fourth, actively promote agricultural product quality certification and brand building, and improve product added value and market competitiveness. Fifthly, we will strengthen agricultural product quality information disclosure and consumer education, and increase consumers' awareness of and willingness to buy high-quality agricultural products. Finally, encourage agricultural enterprises to go abroad and expand international markets, and promote the establishment of a good quality image for Chinese agricultural products in the international arena. By combining these measures, China's agricultural products will be able to gain a greater competitive advantage in the global market and realize quality improvement and sustainable development.

## **4 Challenges and Responses**

Chinese agricultural products face a series of challenges in the process of improving quality competitiveness, but there are corresponding coping strategies. First of all, the

global market competition is fierce, and the competitive pressure of agricultural products from other countries is greater. To cope with this challenge, China can enhance its competitiveness by improving the quality of agricultural products, strengthening brand building and expanding the international market. Second, as quality and safety issues of agricultural products occur from time to time, strengthening supervision, enhancing standards and certification systems, and promoting agricultural modernization can effectively address this challenge. Thirdly, climate change and environmental pollution have an impact on the production of agricultural products, and it is necessary to actively promote green agriculture and sustainable development in order to adapt to new climatic and environmental conditions. Fourth, technological innovation and talent training are important guarantees for improving quality competitiveness. Increasing investment in research and development of advanced technologies and training of professionals can help solve technological bottlenecks and improve the quality of agricultural products. Finally, as consumer demands and tastes are becoming increasingly diversified, it is necessary to keep up with market changes and launch high-quality agricultural products that meet consumer demands. With comprehensive measures to address the challenges, China's agricultural products will be able to continuously improve their quality competitiveness and achieve greater advantages and development in the international market.

## 5 Conclusion

The impact of trade liberalization on China's agricultural products (soybean and dairy products) trade is a two-way process. On the one hand, trade liberalization has brought opportunities for Chinese agriculture, accelerated imports of soybeans and dairy products, promoted the facilitation of international trade in agricultural products, improved market competitiveness, and promoted the optimization of agricultural structure and industrial upgrading. On the other hand, trade liberalization has also brought challenges. Increased competition from imported agricultural products may lead to shocks in the domestic agricultural market and pressure on farmers' incomes, as well as the challenge of monitoring the quality and safety of imported agricultural products.

In order to realize the positive impact of trade liberalization on Chinese agriculture, we need to adopt a series of effective policies and measures. Strengthening the supervision of agricultural product quality and improving the competitiveness of agricultural product quality is an important way to ensure that imported agricultural products meet domestic standards and safety requirements. Meanwhile, agricultural science and technology innovation and industrial upgrading are also key factors in promoting sustainable agricultural development. By improving the efficiency and quality of agricultural production and strengthening agricultural science and technology research and development, we can enhance the international competitiveness of China's agricultural products. In addition, strengthening policy and institutional reforms, optimizing the policy environment for agricultural trade, and providing more convenient customs clearance services and trade facilitation for the import and export of agricultural products are also important measures to promote trade liberalization.

In summary, trade liberalization has had a complex and far-reaching impact on China's agricultural development, bringing both opportunities and challenges. Only by adopting active and effective policies and measures, giving full play to the positive effects of trade liberalization, and at the same time coping with the challenges, can we achieve a win-win situation between trade liberalization and agricultural development, and promote China's agricultural development in the direction of high quality and sustainability.

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