

CHINA GOBBLES UP SOYBEANS, CORN, COAL...



I've been told more than once that I wouldn't recognize China from what it was like when I was there 14 years ago.

Then, Beijing was a smog-filled, bicycle-bound metropolis, with people scurrying around like ants on a hill.

I guess all that aggressive activity has paid off for this developing nation. In fact, China hit a milestone when it surpassed Japan as the world's second largest economy. It's also now the world's No. 1 auto market, sliding the U.S. into second place.

BACK IN 2000, China became the largest importer of U.S. soybeans and now imports half of all the beans we export. It's also the sixth-largest, and growing, buyer of U.S. corn. The U.S. Grains Council forecasts that by 2015 China will purchase 15 million metric tons (mmt) of our corn; today it's at about 2 mmt. All this has transpired since China began its free-market reforms in 1978.

Hold on to your hats. According to Goldman Sachs, China will have the world's largest economy by 2027, surging past that of the U.S. PricewaterhouseCoopers says that could happen as early as 2020.

My mental images of that country are woefully outdated. Plenty of those two-wheelers now have been replaced by gas guzzlers. Also, many of the tattered buildings have been replaced by shiny new, high-rise condos.

In 1996 I remember seeing a

scaffold propped up on a building that looked like a healthy sneeze would topple it. OSHA would and should have had a heyday there.

We've all heard plenty about China's continued growth, running at about 10% vs. 1-2% here in the U.S. Here are a few factoids:

- Their continued rural-to-urban movement will lead to 221 Chinese cities with over 1 million people; Europe has 35.

- By 2030, China will utilize well over 4 billion tons of coal – more than three times the current production of the U.S. Coal is essential in steel production.

- China is the No. 1 buyer of iron ore and copper, and second-biggest importer of crude oil.

- China is on track to build 50,000 skyscrapers in the next 20 years – 10 times more than exist in New York City.

AFTER A TOUR of the Port of Los Angeles earlier this year, port authorities pointed out that the No. 1 export item at the time was scrap metal being sent to China, eventually to be melted and reused in their construction industry.

Albeit a little overwhelming, China's continued growth can only mean more prosperity for its population which will continually demand a better diet. And more prosperity can only mean bigger, more secure markets for your corn and soybeans. **CSO**

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