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## **USGC Corn Mission Expects Strong Asian Demand**

### Expanding Export Market Good News for U.S. Corn, Agriculture

LANSING, MI – Attendees of the U.S. Grains Council's (USGC) 2011 Corn Mission to Japan, China, Korea and Vietnam recently returned to the States and brought back the message that strong demand for U.S. farm products will continue. Pat Feldpausch, president of the Corn Marketing Program of Michigan and a corn grower from Fowler, was a participant in the mission.

One of the first stops of the 10-day mission was the Kushiro Port in Hokkaido, Japan. Participants toured the port and heard firsthand the plans to expand capacity to accommodate larger vessels. Kushiro is the largest port facility in the heart of Japan's major dairy-producing region and is one of the eight ports designated to undergo a massive expansion in an effort to remain competitive internationally. While Japan can accept the capsized or the post-panamax vessels that are expected with the expansion of the Panama Canal, the expansions will contribute greatly to Japan's ability to handle larger ships with a faster distribution process.

"The visit was a worthwhile and vital interaction as the expansion of the port will help to increase Japan's grain import capacity at a competitive price," Feldpausch said. "Japan is our number one market for corn and this expansion will help to ensure that they will continue to be a reliable customer."

Another stop on the mission was a visit to the southern China city of Guangzhou, which is the largest feed manufacturing center in China. With a population estimated at nearly 15 million and average income of \$16,800, Guangzhou's rapidly growing middle class consumes the most meat protein in China. Attendees had the opportunity to meet with Jorge Sanchez who is the Director of USDA's Agriculture Trade Office in Guangzhou.

"China is very sensitive to food security issues and stability is job one for the government," Sanchez said. "The government wants to keep farmland producing food and China has the 'invisible boot' that pushes farmers to produce. But the government also knows there never will be nearly enough land to meet demand and I don't see yields growing or more farmers going into production."

In the past China supplied corn to other Southeast Asian countries, but in 2010 the country became a net corn importer. For the coming marketing year, China is expected to import nearly three million metric tons of U.S. corn, making it the fastest growing, and second largest, U.S. corn customer. Sanchez expects Chinese corn imports could grow to between four to 10 million metric tons annually. However, policy and infrastructure issues pose potential threats to this business.

China is the largest swine producer and consumer in the world, and the country's domestic swine industry is looking to expand. Guangzhou Lizhi Agricultural Co. is one of the large modern swine companies that is in the process of expanding production to meet the increasing domestic demand for pork. Mission attendees had the opportunity to tour the operation that has 20,000 breeding pigs and 80,000 commercial pigs.

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“The mission was a wonderful opportunity to learn about foreign markets for U.S corn and corn co-products,” Feldpausch said. “From Japan, which is a very mature market, to China, which will one day be a huge market, it was very interesting to see the differences between the two countries and the way they do business. The entire trip gave me a different perspective on each of these countries and what it will take to continue doing business with them.”

Photos and videotaped interviews with mission members are posted on the U.S. Grains Council Flickr site at <http://www.flickr.com/photos/usgc/>.

*Headquartered in Lansing, the MCGA is a grassroots-membership association that has represented the state's corn growers' political interests since the 1970s. The MCGA works cooperatively with the Corn Marketing Program of Michigan (CMPM) a legislatively established program that utilizes one-cent per bushel of Michigan corn sold and invests in research, education, new uses and market development. Michigan's corn industry adds more than one billion dollars to the state's economy annually and in 2009, Michigan's corn farmers harvested a record-setting crop of more than 309 million bushels. For more information, visit the website of the MCGA and the CMPM at [www.micorn.org](http://www.micorn.org).*

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