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U.N. Food Agency Issues Warning on China Drought

By KEITH BRADSHER

HONG KONG — The United Nations' food agency issued an alert on Tuesday warning that a severe drought was threatening the wheat crop in China, the world's largest wheat producer, and resulting in shortages of drinking water for people and livestock.

China has been essentially self-sufficient in grain for decades, for national security reasons. Any move by China to import large quantities of food in response to the drought could drive international prices even higher than the record levels recently reached.

"China's grain situation is critical to the rest of the world — if they are forced to go out on the market to procure adequate supplies for their population, it could send huge shock waves through the world's grain markets," said Robert S. Zeigler, the director general of the International Rice Research Institute in Los Baños, in the Philippines.

The state-run news media in China warned Monday that the country's major agricultural regions were facing their worst drought in 60 years. On Tuesday the state news agency Xinhua said that Shandong Province, a cornerstone of Chinese grain production, was bracing for its worst drought in 200 years unless substantial precipitation came by the end of this month.

World wheat prices are already surging, and they have been widely cited as one reason for protests in Egypt and elsewhere in the Arab world. A separate United Nations report last week said global food export prices had reached record levels in January. The impact of China's drought on global food prices and supplies could create serious problems for less affluent countries that rely on

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imported food.

With \$2.85 trillion in foreign exchange reserves, nearly three times that of Japan, the country with the second-largest reserves, China has ample buying power to prevent any serious food shortages.

"They can buy whatever they need to buy, and they can outbid anyone," Mr. Zeigler said. China's self-sufficiency in grain prevented world food prices from moving even higher when they spiked three years ago, he said.

The United Nations Food and Agriculture Organization said Tuesday that 12.75 million acres of China's 35 million acres of wheat fields had been affected by the drought. It said that 2.57 million people and 2.79 million head of livestock faced shortages of drinking water.

Chinese state news media are describing the drought in increasingly dire terms. "Minimal rainfall or snow this winter has crippled China's major agricultural regions, leaving many of them parched," Xinhua reported. "Crop production has fallen sharply, as the worst drought in six decades shows no sign of letting up."

Xinhua said that Shandong Province, in the heart of the Chinese wheat belt, had received only 1.2 centimeters, or about half an inch, of rain since September. The report did not provide a comparison for normal rainfall for the period.

The Food and Agriculture Organization, in its "special alert" on Tuesday, said the drought's effects had been somewhat tempered by relatively few days of subzero temperatures and government irrigation projects. The agency went on to caution that extreme cold, with temperatures of minus 18 degrees Celsius (just below zero Fahrenheit), could have "devastating" effects.

Kisan Gunjal, the F.A.O. food emergency officer in Rome who handles Asia alerts, said by telephone that if rain came soon and temperatures warmed up, then the wheat crop could still be saved and a bumper crop might even be possible.

On Tuesday, Chinese meteorological agencies were warning of frost for the next nine nights in the heart of Shandong Province, with temperatures falling as low as 21 degrees Fahrenheit. They forecast little chance of precipitation in the next 10 days except for the possibility of a light rain or a dusting of snow on

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Wednesday or Thursday.

Mr. Gunjal said the special alert on China was the first that the F.A.O. had issued anywhere in the world this year. There was only one last year, expressing "grave concern" about food supplies in the Sahel region of Africa, notably Niger.

President Hu Jintao and Prime Minister Wen Jiabao, China's top two officials, made separate visits to drought-stricken areas last week, and each called for "all-out efforts" to cope with the water shortage.

Typically, world food reports barely mention China, partly because many details of the country's agriculture production and reserves are state secrets. But China, in fact, is enormously important to the world's food supply, especially if something goes wrong.

The heat wave in Russia last summer, combined with floods in Australia in recent months, has drawn worldwide attention to the international wheat market, because Russia and Australia have historically been big exporters. But China's wheat industry has existed in almost total isolation from the rest of the world, with virtually no exports or imports, until last year, when modest imports began. Yet it is enormous, accounting for one-sixth of global wheat output. The statistical database of the United Nations' food agency shows that in 2009, the last year available, China produced almost twice as much wheat as the United States or Russia and more than five times as much as Australia.

Currently, the ground in the country is so dry from Beijing south through the provinces of Hebei, Henan and Shandong to Jiangsu Province, just north of Shanghai, that trees and houses are coated with topsoil that has blown off parched fields.

China's national obsession with self-sufficiency in food includes corn, another crop that is grown and consumed entirely in China with minimal imports or exports. Little known outside of China, the country's corn industry actually grows one-fifth of the world's corn, according to F.A.O. statistics. China's corn crop is mostly in the country's northern provinces, where the drought is worst now.

Mr. Gunjal said the success or failure of the corn crop, as well as the rice crop, would depend mostly on rainfall this spring and summer, not the shortage of

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rain this winter.

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Winters tend to be dry in southern China, the world's largest rice-producing region. But this winter is drier than most.

China had about 55 million tons of wheat in stockpiles as of last summer, Mr. Gunjal said. That was equal to about half the annual harvest.

China is already the world's largest importer of soybeans, which are oilseeds, not a grain. China buys soybeans mainly for use as animal feed, because the Chinese diet is shifting toward more meat.

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