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## **Report Name:** Overview of the PRC Draft Food Security Law

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### **Report Highlights:**

The People's Republic of China (PRC) is in the process of drafting a "PRC Food Security Protection Law" with the stated purposes of safeguarding the nation's grain supply, ensuring domestic food security, and protecting the PRC's economic and social stability and state security. Sources indicate the Standing Committee of the National People's Congress plans to release a final version of the law before the end of 2023, but it is uncertain whether the second reading will be the last review and revision period before final publication. This report contains an overview of the Law in its current form. FAS China is monitoring changes between drafts and will publish a full translation of the draft law and an update when the final version of the law becomes public.

## I. Executive Summary

The People's Republic of China (PRC) is in the process of drafting a "PRC Food Security Protection Law" (herein the "Food Security Law" or "the Law") with the stated purposes of safeguarding the nation's grain supply, ensuring domestic food security, and protecting economic and social stability and state security. The Food Security Law defines the term "grain" as wheat, rice, corn, soybeans, coarse grains, and processed forms of grains. Coarse grains include sorghum, barley, buckwheat, highland barley, mung beans, potatoes, and sweet potatoes. The law is also applicable to food security protection measures for oilseeds and edible oils.

Like many high-level policies the PRC central government sets forth, the drafters implicitly task all participants in the relevant industries with implementation of the Food Security Law, including government offices at all levels, agricultural producers, processors, and distributors, and related industries such as the finance and insurance sectors. In other words, the Law broadly delineates food security policy goals "to be implemented," often without specifying which specific government entities are responsible for doing so nor differentiating between competencies of the central, provincial, or local governments.

In June 2023, the National Development and Reform Commission (NDRC) and the National Food and Strategic Reserves Administration (NFSRA) submitted a draft of the Food Security Law for the first reading and deliberation to China's top legislative body, the Standing Committee of the National People's Congress (NPC). In October 2023, a revised draft was submitted for the second reading. The second draft incorporated comments from the first reading and additional policies for insurance support, enhancing international grain security cooperation, and leveraging international trade to secure the domestic food supply. Sources report the NPC plans to release a final version of the Law before the end of 2023, but it is uncertain whether the second reading will be the last review and revision period before final publication.

Chinese language versions of the first and second drafts of the Food Security Law are attached to this report.

Compared with the first reading, the second reading of the Food Security Law has the following major changes:

- The definition of the term "grain" as used in the Food Security Law was amended to include "soybeans, coarse grains, and their processed grains" and further explains that "coarse grains include sorghum, barley, buckwheat, highland barley, mung beans, potatoes, and sweet potatoes, etc."
- The PRC is required to strengthen international food security cooperation and leverage international food trade to achieve food security in China.
- The PRC is required to improve the policy-based agricultural insurance system, encourage commercial insurance business.

- Local people's governments at or above the county level shall adapt measures to local conditions and promote cultivation of abandoned land. Abandoned land shall be managed, and measures shall be taken to guide re-cultivation.
- The PRC promotes the comprehensive utilization of saline-alkali land and formulates comprehensive utilization of saline-alkali land.
- The PRC strengthens the protection of new plant variety rights.

## II. Structure and Key Provisions of the Food Security Law

The PRC Food Security Law consists of 11 chapters and 74 articles. The 11 chapters include General Provisions, Protection of Cultivated Land, Grain Production, Grain Reserves, Grain Circulation, Grain Processing, Food Emergency, Food Conservation, Supervision and Management, Legal Liability, and Supplementary Provisions.

The following are key points of the Food Security Law as of the second draft.

### 1. The **General Provisions** stipulate that:

- China will implement a national food security strategy based on self-reliance, guaranteed domestic production, moderate imports, and technological support. The goal is to ensure that domestic grain supply will provide basically all feed grain and “absolute security” of staple grains.
- County- and higher-level Departments of Development and Reform, Natural Resources, Agriculture and Rural Affairs, and Food and Reserve Bureaus must work together on food security protection in accordance with the Food Security Law and stipulated responsibilities.
- The country will strengthen international food security cooperation and have international food trade play its role.

### 2. Under the **Protection of Cultivated Land** chapter:

- The PRC government must control strictly the conversion of cultivated land into forestland, grassland, garden land and other agricultural land.
- Cultivated land must be used mainly for production of grain, cotton, oil, sugar, vegetables and other agricultural products, as well as forage and feed.
- The PRC must establish a strict farmland quality protection system and strengthen farmland construction using high standards. The law encourages recultivation of abandoned land and saline-alkali affected lands.

3. The **Grain Production** chapter:

- Requires the PRC to promote the revitalization of the seed industry, maintain the safety of the seed industry, and promote high-quality development of the seed industry.
- The PRC must strengthen water resources management and ensure reasonable water use for grain production.
- The PRC shall promote mechanization, advanced technology and disaster prevention capacity to increase efficiency.

4. The **Grain Reserves** chapter states that:

- The PRC government is responsible for controlling the central government grain reserve as well as local government grain reserves to adjust supply/demand, stabilize markets, and respond to emergencies.
- The State Council has the authority to determine the total quantity and varieties of grain in reserves as well as the amount each region should maintain.
- Local people's governments at or above the county level shall, based on the actual situation including capacity, weather, availability, etc., guide grain processing enterprises above a certain size to establish corporate social responsibility reserves and encourage qualified business entities to provide grain storage services to farmers.

5. The **Grain Circulation** chapter states that:

- The PRC can use multiple measures to regulate the market in the context of significant market fluctuations, such as release grain market information; adopt policy-based grain procurement, storage, and sales; set grain inventory under specific circumstances; release of reserve grains; guide grain processing or limit the amount of grain used for deep processing; and other necessary measures.

6. The **Grain Processing** chapter states that:

- The PRC should guide the optimization of total grain processing, giving priority to processing staple grains for human consumption. Processing of feed grains and industrial uses of grains must be secondary to the processing of adequate staple grains.

7. Under **Food Emergency**:

- The PRC shall establish a reporting system for abnormal fluctuations in the grain market. When an incident occurs causing abnormal fluctuations in the supply and demand relationship and prices in the grain market. The competent departments at or above the county level responsible for development and reform, agriculture and rural areas, and grain and strategic reserves must promptly report relevant information. If the government at or above the county level determines that a food emergency has occurred, it must initiate an emergency response.

8. The **Food Conservation** chapter:

- Requires the PRC to implement food loss and waste prevention measures to provide public education, reduce residual waste, and improve storage, transportation, and processing standards.

9. Under **Supervision and Management**:

- The PRC must:
  - Establish a food safety supervision coordination mechanism and information sharing mechanism,
  - Establish a monitoring and early warning system to strengthen food security,
  - Conduct comprehensive risk assessment and improve food security information publication mechanisms,
  - Establish a grain quality safety traceability system, and
  - Improve food quality and safety risk monitoring systems and food quality and safety inspection systems.
- If a foreign investment that is conducting grain production and business operations affects or may affect national security, a foreign investment security review must be conducted in accordance with relevant national regulations. [**Note:** The Ministry of Commerce and NDRC may lead a security review panel similar to the work of the Committee on Foreign Investment in the United States.]

10. The **Legal and Liability** section stipulates enforcement measures for the Law and empowers local governments to implement administrative punishments or fines for violations.

11. The **Supplemental Provisions** includes definitions stated in the Executive Summary, i.e. that the term “grain” includes wheat, rice, corn, soybeans, coarse grains, and processed forms of grains, and that “coarse grains” include sorghum, barley, buckwheat, highland barley, mung beans, potatoes, and sweet potatoes. This section also states that the law is also applicable to food security protection measures for oilseeds and edible oils.

**Attachments:**

[Law-on-Ensuring-Food-Security-2nd-Draft 中文.pdf](#)

[Law-on-Ensuring-Food-Security-Draft.pdf](#)