

Analysis on Problems and Countermeasures of Export Trade of Characteristic Agricultural Products: Taking Henan Province as an Example

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Abstract

Developing characteristic agricultural products is an important means and method to adjust agricultural industrial structure and increase farmers' income. It is also an inevitable requirement for Henan province to participate in international and domestic market competition and give full play to its regional advantages. This paper analyzes the current situation of the development of henan characteristic agricultural products, explores the existing problems, and then puts forward countermeasures to promote the better development of Henan characteristic agricultural products export trade.

Keywords

Henan Characteristic Agricultural Products; Export Competitiveness; Countermeasures.

1. Introduction

Henan is a province with large population and agriculture, and is one of the main agricultural production bases in China. Developing characteristic agricultural products is an important means and method to adjust agricultural industrial structure and increase farmers' income. It is also an inevitable requirement for Henan province to participate in international and domestic market competition and give full play to regional advantages.

2. Analysis of the Current Situation of Henan Characteristic Agricultural Products Export

2.1. Total Situation of Characteristic Agricultural Products in Henan Province

Export trade volume of characteristic agricultural products in Henan province is basically growing year by year. The total export trade of characteristic agricultural products in Henan increased from \$321 million in 2005 to \$489 million in 2009, with an average annual growth of \$42 million. However, compared with 2009, the total export trade of characteristic agricultural products decreased in 2010, from \$489 million down to \$453 million. In terms of growth rate, from 2005 to 2010, the average annual growth rate was 7.48%, among which the growth rate in 2008 was the largest, 17%. Only in 2010, compared with 2009, the growth rate decreased to -7%.

2.2. Henan Characteristic Produce Exports Each Product Circumstance

There are four main products in henan's specialty agricultural exports. In 2010, for example, vegetables were \$85.03 million, meat was \$76.89 million, fruit was \$63.21 million and oil was \$59.64 million. The four categories of products in total exports to \$284.77 million, the characteristics of the agricultural products export total to \$316.42 million, occupy larger proportion. From 2005 to 2010, the total export volume of main featured agricultural products in Henan province, such as meat, vegetables, fruits and oilseeds, accounted for more than 70% of the annual trade volume of featured agricultural products in henan province. They are in

descending order: vegetables, meat, fruit and oil. In terms of the proportion of total agricultural exports, vegetables account for the largest proportion, reaching 18.8% in 2010, followed by meat, reaching 17% in 2010, fruits ranked third in 2010, accounting for 14%, and oil fourth, 13.2% in 2010. But in terms of growth rate, fruit grew the fastest, basically growing steadily year by year, from 6.4% in 2005 to 14% in 2010. And vegetables growth after the first small growth, has been reduced from 15.9% in 2005 to 14.6% in 2008, in 2009 began to get bigger, at 15.2% in 2009, a further increase of 18.8% in 2010.

2.3. Export Market of Characteristic Agricultural Products in Henan Province

According to the intercontinental structure of the export of Henan characteristic agricultural products, the export markets of Henan characteristic agricultural products are mainly concentrated in Asia, Europe and North America. Among them, Asian countries and regions are the main agricultural trade partners of Henan Province. In 2010, agricultural exports to Asia accounted for 59.3% of the total agricultural exports. Europe followed with 18.46 per cent in 2010. Again to North America in 2010, the proportion of 13.68%. From the structural characteristics of the main countries and regions of agricultural products export in Henan Province, the main agricultural products export markets are relatively concentrated and stable, which are mainly Japan, the United States, South Korea, Hong Kong and other countries and regions, among which Japan is the largest agricultural products export market in Henan Province.

Japan, the United States, South Korea and Hong Kong accounted for 19.60%, 11.99%, 9.07% and 7.22% respectively. From the perspective of changes, from 2005 to 2010, the proportion of Henan characteristic agricultural products exported to North America remained stable on the whole, about 13%; In Asia, however, the proportion has been decreasing from 68.38% in 2005 to 58.4% in 2010. Overall, Europe's share increased and then fell, from 14.64% in 2005 to 20.63% in 2009 and 14.68% in 2010.

3. Problems Existing in the Export Trade of Henan Characteristic Agricultural Products

3.1. Export Commodities are Unitary

Taking 2010 as an example, the total export volume of main featured agricultural products in Henan province, such as meat, vegetables, fruits and oilseeds, accounted for more than 63% of the annual trade volume of featured agricultural products in Henan Province. Other years the proportion is also high, basically above 50%. It can be seen that the characteristic agricultural products in Henan are mainly concentrated in several kinds of agricultural products, and the variety is too single, which is not conducive to the development of the characteristic agricultural products in our province.

3.2. Export Markets are too Concentrated

As mentioned above, the main export markets of agricultural products are relatively concentrated, mainly in Japan, the United States, South Korea and other countries and Hong Kong, among which Japan is the largest export market of agricultural products in our province. Although maintaining a relatively stable trading partner is very important for international trade, the export market is too concentrated. Once there is a conflict with the importing country, the importing country will quickly implement some boycott measures, which can easily lead to an increase in quantity or a drop in the price of the importing country, thus leading to emergency restrictions or anti-dumping investigations by the importing country. Therefore, how to expand the export market is also one of the key issues of whether the trade of characteristic agricultural products in our province can achieve a major breakthrough.

3.3. Exports Cost too Much to Produce

At present, the domestic market prices of rice, wheat, corn, soybean and other major grain crops in our province have exceeded the international market, seriously affecting the international market competitiveness of our characteristic agricultural products. High cost will directly weaken the competitive advantage of price.

3.4. Export Commodities are Poorly Processed

The processing of agricultural products in Henan province is mainly primary products with few high value-added products. In 2010, exports of primary products accounted for more than 70 percent, while those of deeply processed agricultural products accounted for less than 30 percent. The export of meat, vegetables, fruits and oil products accounts for 70% of the total export of agricultural products in the province, and still occupies an absolute dominant position in the export of agricultural products. Among them, corn, wheat and other main agricultural products export deep processing proportion is very small.

3.5. There are Quality Problems with Exported Agricultural Products

Henan characteristic produce exists quality problem. Due to decentralized production and export, agricultural products lack unified standards, and the appearance and packaging of products are not standardized and non-standard, which affects the export of characteristic agricultural products. Some even have quality problems, such as poor nutritional value, unqualified hygiene, and even safety problems. For example, some products still have excessive pesticide residues, excessive mold, pests and diseases. With the intensification of foreign trade competition and the improvement of people's living standards, developed countries such as Japan and the European Union have strengthened their technical barriers to the import of agricultural products, which also affects the export of henan's characteristic agricultural products.

4. Measures to Expand the Export of Henan Characteristic Agricultural Products

4.1. Adjust the Export Structure of Agricultural Products

Our province should adjust agricultural products trade strategy, implement agricultural products diversification, brand change, at the same time, also should expand agricultural products export market, implement agricultural products out of the market diversification. Specific measures can be taken from the following aspects. First, to develop a variety of characteristic agricultural products in our province, rather than limited to meat, eggs and poultry products, but also to strengthen the export of vegetables, fruits, grains, oil crops and other agricultural products in our province. It is beneficial to form the international brand image of diversified characteristic agricultural products in our province. The second is to integrate the original scattered, small model of individual agricultural export enterprises in our province, so that they form a diversified, professional, industrialized organization or large enterprises, and give unified advanced technology and management, to ensure the quality and quantity of our province's agricultural exports, pay attention to build the brand effect of our province's characteristic agricultural products in the international market. In the future, our province should pay more attention to the development of brand, to create a characteristic agricultural products brand in Henan Province. The third is to implement the export of agricultural products market diversification, change our province agricultural products export market is too concentrated. At present, the export of agricultural products in our province is mainly concentrated in Asia, among which Japan is the largest export market of agricultural products in our province, while the trade volume with Countries in Europe, North America and

Africa is less, so we should strengthen the commercial contact with each country to promote the cooperation and development of agricultural products trade. We will explore the European Union and other markets with huge potential, and actively develop emerging markets in the Middle East and Southeast Asia. We encourage qualified and capable leading enterprises to "go abroad" and set up agricultural production bases in Southeast Asia, the European Union and Latin America. Encourage and support enterprises and business personnel to independently carry out business abroad, use various promotional means to expand investment, open more new markets, and gradually change the new pattern of the single international market.

4.2. Comprehensively Improve the Quality of Agricultural Exports

In the face of the fierce competition in the international market, first, we should enhance our own strength, improve the quality of China's agricultural products, increase the scientific and technological content of agricultural products and added value. To this end, we need to do a good job in three aspects: one is to concentrate manpower, material and financial resources to focus on the technical research and development related to characteristic agricultural products, and implement the joint scientific and technological research of different departments; Second, accelerate the promotion and application of new varieties and technologies, and vigorously promote mature and effective new varieties and technologies; Third, we will do a good job in technology demonstration and training. In the process of agricultural products to track, to achieve green processing, to change our province's export of primary agricultural products in the market disadvantage, fundamentally improve the market competitiveness of agricultural products, improve the reputation of our province's characteristic agricultural products in the international market.

4.3. Reducing the Cost of Agricultural Exports

To reduce export costs, we should start from three aspects. First, from the perspective of enterprises themselves, we should strengthen the research and development of agricultural products and improve their production quality. Strengthen the improvement of agricultural machinery, vigorously promote mechanical reform, improve production efficiency, reduce production costs. Secondly, from the government side, one is to henan agricultural prices stable, in case for raising the price of a product, set up a chain reaction in the prices of agricultural products, the second is to strengthen the policy subsidies for agricultural production, including grain subsidies, production, labor and so on, the third, from the farmers themselves, is to strengthen the improvement of farmers' own quality, Strengthen the study of agricultural production science and technology knowledge, scientific farming, rational farming, improve production efficiency, reduce production costs.

4.4. To Strengthen the Government Service Function, Promote the Characteristic Agricultural Exports

The government should establish an effective administrative organization and strengthen its service function. First of all, draw lessons from the successful experience of foreign countries, implement grade standards for agricultural products, strengthen animal and plant epidemic prevention system, break local protectionism, gradually straighten out the internal and external inspection system of animals and plants, improve the efficiency of quality management. Secondly, as soon as possible to start the construction project of China's plant unregulated epidemic areas, accelerate the construction process of China's animal unregulated epidemic areas, implement the relevant epidemic management norms formulated by the United Nations Food and Agriculture Organization, enhance the competitiveness of China's agricultural products, gradually eliminate the relevant bans of some developed countries on China's agricultural exports, and promote the development of China's agricultural export trade.

4.5. Actively Respond to Technological Barriers to Trade

One is active with international technical standards. We should establish our own trade technology system by referring to international norms, which can not only greatly reduce international trade friction, reduce discriminatory technical provisions, but also make our province's agricultural exports free from trade retaliation by importing countries and effectively break technical trade barriers. At the same time, it helps to improve its own production to meet various advanced standards, thus expanding agricultural exports. The second is to make full use of trade remedies. To safeguard legitimate rights and interests, can use WTO "technical trade barrier agreement" and domestic "foreign trade barrier investigation interim provisions". The former provides non-discriminatory treatment and national treatment to member countries in terms of relevant product regulations, standards, certification and inspection systems. The agreement can be used to require major importing countries to eliminate discriminatory trade measures, and can also resort to WTO dispute settlement mechanism to seek proper settlement in a timely manner. The latter regulation if the enterprise is treated unfairly in international trade, can have the help of expert force to investigate and obtain evidence, still can apply for the Ministry of Commerce to carry out a case investigation of the trade barriers to import, to eliminate these barriers to export trade. Three is to establish and perfect security early warning mechanism of agricultural products. When the agricultural products of Henan province are sued abroad, the enterprises should take effective measures to actively respond to the lawsuit instead of passive avoidance. Relying on the departments in charge of the associations of various industries, establish the price and quality monitoring system of agricultural products as soon as possible, and timely issue an early warning when it is found that there is a bidding sale, a substantial increase in exports to a certain market and poor product quality. The inspection and quarantine department should fully study the international inspection and quarantine standards of agricultural products, give policy guidance and technical supervision in the production links of agricultural products production enterprises, enhance the green environmental awareness of our province's agricultural products and international agricultural products inspection standards of high quality agricultural products; Follow up in the process of agricultural products to achieve green processing.

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