China’s Soybean Market and Its Impacts on U.S. Soybean Exports

As the basic industry of a country, agriculture plays an important role in the economic development, because of its close relation to the national economy and people’s livelihood. As we know, China has been regarded as an agricultural country for thousands of years, but it has always been a challenge for the country to produce enough food for its population due to the extremely limited per capita arable land. There has been great changes in China’s agricultural trade patterns since China became a WTO member. Take soybean as an example, China has turned from a net soybean exporter to a huge net soybean importer since 1996 and the major cause is China’s increasing market demand for soybeans and soybean products like soybean oil. If such situation continues for a long time, China’s soybean trade will lose competitiveness in the international market and result in local trade imbalance. In the study, secondary data will be collected from “China Statistical Yearbook” and a primary data will be collected through a survey of Chinese soybean producers. The data will be analyzed through three methods to address a set of research questions: First, descriptive and trend analysis will be used to examine the trends and characteristics of China’s soybean production and trade. Second, comparative analysis will be used to examine if China has any comparative advantages in soybean production. Third, “supply and demand theory” and regression analysis method will be used to identify the major factors of China’s soybean imports and examine the impacts on U.S. soybean exports. Through these analyses, this project will provide information for predicting China’s soybean imports and deriving implications for U.S. soybean exports.