

On the Conditions of Trade and Cooperation on Agricultural Products Among Central Asian Countries and My Advice for Its Tactics

Central Asian countries are countries with agriculture as their major business, with abundant agricultural resources and all-inclusive farm produce. With the come of economic globalization and worldwide economic uniformity, more exchanges have been conducted on researchers, information, technology and capital, more and more trade has been done of products among these countries. And the exchange and continuous integration of the customs and consumptive needs among these populations come with the trade of farm produce. As agricultural resources, production basis and farm technology vary with countries in Central Asia, the differences in the marketing competition of agricultural products constitute the conditions of agricultural trade which is an important measure to improve the utilization of agricultural resources and the competition force of regional farm produce, and the alternative to meet consumers' needs and to improve the welfare of regional mass. Therefore, it is necessary to emphasise upon the trade of agricultural products.

I.The advantages of conducting trade and cooperation of farm produce among Central Asian countries

Central Asian countries share the non fungible thing of geopolitics, and similarities of geoeconomy and geoculture, making regional economic cooperation (including the trade and cooperation of farm produce) the important means for all member countries to develop and advance.

(1) Sound location

As Central Asian countries enjoy the uniquely natural conditions of sunlight, heat, water and soil, and abundant agricultural resources of germplasm, they have large potential of agricultural production and development. Geographically, Central Asian countries are contingent neighbors, many nationalities live across the borders, get intermarried and closely related, forming and developing mutual customs and consumption patterns. Above all, these countries have numerous land borders and aviation ports in sound condition. With Xin Jiang Uygur Autonomous Region as an instance, she has 17 custom ports of first class and 12 custom ports of second class. All the advantages aforementioned make the favourable conditions for the agricultural cooperation and the trade of farm produce among the members.

(2) Significant differences of agricultural production factors

Confined by the factors of natural conditions, traditional customs, agricultural development, production structure, etc., agricultural production generally is in the situation of low investment and depending on the weather, agricultural machinery is underdeveloped, and farmers are lack of cultivating tradition and skills, mainly by soil and other production factors, and can only produce land-intensive products like food, cotton, etc. China is an agricultural country with long history and intensive-farming, and is speeding up the transition process of agricultural mode of production.

China has excellent variety resources of grains and cotton, and modern technologies of seed-breeding & generalization, precision drilling, formulation based on soil test, large scale machine - cultivating, intensive production, efficient water saving irrigation, vegetable and fruit cultivation, extermination of diseases and insect pests, storage, preservation and processing, etc., especially the technologies of production and administration by using modern agricultural machinery. And now machined cultivation has stepped into the areas of out-of-season vegetables, melons, fruits, fungus, flowers & plants, seedlings-growing, etc. Additionally, China also has rich agricultural human resources. All that mentioned above support and guarantee the agricultural cooperation and trade of agricultural products among central Asian countries.

(3) Strong complementarity of agricultural products

The analysis is conducted of the international competition of major farm produce from central Asian countries by taking the methods of relative comparative advantage(RCA), net export trade(NET) and international market share(IMS). The result shows that among the farm produce of Kazakhstan, wheat, water melon, melon, shallot, green shallot, tomato, etc are in the situation of complete export while the rest are interior in competition; among the products of Uzbekistan, cotton, grape, apricot, black cherry, walnut, wine, common vegetables, etc are strong in competition while grain crops, fruits like banana, orange, etc and animal by-products of all types are in weak in competition; among the products of Kyrgyzstan, cotton, apricot, grape, black cherry, walnut, etc are relatively strong while processed agricultural products like wheat, animal by-products, tomato and wine, etc are completely imported; among the products of Turkmenistan, her main exported products are cotton, grape, garlic, etc while her major imported products are processed agricultural products, grains, vegetables, fruits, animal by-products, etc; among the products of Mongolia, red meat has the advantage of importation while food, fruits, etc are needed importing; as to those of Afghanistan, cotton is mainly exported while the rest are completely imported; as to those of China, rice, animal by-products, garlic, onion, potato, green pepper, cucumber, flowers & plants, fruits like apple, orange, etc and processed farm products are strong while corn, wheat, cotton, oilseeds are relatively weak. From the analyses above, we can see that central Asian countries enjoy strong complementarity in agricultural products.

II. The main issues in the trade and cooperation of farm produce among central Asian countries

As national economy rehabilitates and develops, resident income and consumption get raised so that the need of fresh products will increase with big room of trade. However, there are issues in the trade among central Asian countries, with the factors of history, economic development and different development stages.

(1) Trade-related measures lack of standard and technical barriers standing out

In some central Asian countries, foreign trade policies are varied with too many human factors; economic and trade laws are imperfect with randomness; business scope changes with the market demand, coming with strong fluidity, which make the difficulty and cost of enterprises to develop the local market. There are also some imperfect customs practice and procedures existing which influence the normal functions of the trade of agricultural products. Restriction policies and standards of farm produce are being strengthened. For instance, the policies of high tariff are implemented to the imported vegetables from China, and strict inspection and quarantine systems are exercised to the imported meat from China. With the coming of the high incidence of trade friction and opening up wider to the outside world, there come more and more barriers and

requirements for the agricultural products exported to central Asia.

(2) Small size of export enterprise, single mode of trade

The enterprises of agricultural product import and export are mainly medium and small sized, most of which engage in decentralized operations and have no economies of scale. Meanwhile, they are weak in market competition, technological innovation abilities and brand awareness. They are far from the international standards and requirements of industrialization, enlarged scale and globalization in that the enterprises with petty trade in the border areas as their main business export agricultural products, most of which are primary, single, low-tech and low-value-added, and have low export percentage of the fine and further processed agricultural products with high – tech.

(3) low total volume of agricultural trade and its irrational structure

The agricultural trade among central Asian countries is in the infant stage with low total volume and irrational structure. With Xin Jiang Uygur Autonomous Region as instance, Xin Jiang Uygur Autonomous Region is the bridgehead in the agricultural trade and cooperation between central Asian countries and China. However, the export volume of the agricultural products only accounts for 5% of her total export volume, and the agricultural products exported to central Asian countries only occupy a proportion of 20% in the total export volume. Additionally, the structure of agricultural exports is irrational in that the export of fruits takes over 45% of the total export volume to the central Asian countries while that of vegetables and animal by-products, though growing fast, only occupies around 15% of its total export volume.

III . A Tactics and advice for the trade and cooperation of agricultural products among central Asian countries

The inter-government exchange and cooperation is the base and prerequisite of agricultural trade so that governments necessarily strengthen and promote the cooperation and trade. Governments need to coordinate the border relations and the multilateral trade, sign bilateral agreements of agricultural cooperation, establish the dialogue system of agricultural investments and trade, and guarantee the stability and reliability of bilateral and/or multilateral agricultural cooperation and exchange.

(1) Strengthen the government support and service

Governments necessarily strengthen the trade facilitations, especially the emphases upon the cross-border transport and custom services, the expansion of trade volume and the improvement of trade structure, build the government support of agricultural economic and trade policies and information service system, issue in time trade-related laws and regulations, foreign trade policies, the technological requirements and standards of inspection and quarantine, custom services for agricultural exports, increase their loan support to the agricultural businesses, establish the sharing system of agricultural information to provide the information of government policies, agricultural exhibitions, agricultural businesses, agricultural importers and exporters, and guarantee the smooth and sound operations of information channel and systems.

(2) Strengthen the exchange and cooperation between agricultural enterprises

Governments need to encourage industrial and commercial enterprises to conduct trans-national exchange and cooperation in terms of capital, technology, product and marketing, to cooperate and

invest in the areas of agricultural machinery, means of production, farm product processing, etc, to sign long-term contracts of land leasing and agricultural machinery leasing, etc, to start joint ventures, co-operative enterprises and foreign investment companies, to establish the cooperation of agricultural transport and sales between business partners, to hold agricultural exhibitions and to host forums of agricultural technology and cooperation.

(3) Speed up the agricultural restructuring

Governments based on the principles of market requirements and comparative advantages support the agricultural brands with strong competition so that the countries in the agricultural economic cooperation and trade can gain the economic benefits and comparative advantages, speed up the agricultural restructuring to develop the agricultural products with strong competition such as vegetables, flowers & plants, spice crops, etc, to foster the land intensive products like grains, cotton, etc, and to stress on the animal husbandry to bring into the full play the superiorities of livestock farming and poultry egg production in order that agricultural fine and further processing industries could speed up their development, and the technology content, added value and the quality of agricultural products could be improved with the technological advance to promote the regional economic development.

(4) Improve the quality of agricultural products

Quality is the basic prerequisite of agricultural market competition and tech-barriers of variety. The improved quality and safety of agricultural exports by high technical standards and international standards or the requirements of target countries makes less international trade frictions and disputes caused by the quality of the agricultural exports. With the quality as the strategy of market sharing, the production, processing, storage, and transport of the agricultural exports should be monitored in the production process to guarantee the quality of agricultural products to raise the welfare of central Asian residents.