Preface

In 1999, Edward Elgar published a book by Yanrui Wu, entitled *China's Consumer Revolution*. In that book, Wu examined general patterns of Chinese household demand for a variety of consumer goods such as foods, durables, housing and health care. Following his evaluation of the impacts of economic and social factors on household consumption, he predicted that the outlook for growth in Chinese household consumption was bright, and he went on, "China's consumer revolution has just begun". He was right. Since the publication of his book, enormous changes have taken place in China's household consumption, and indeed, China's consumer revolution has continued.

The consumer revolution has had an enormous impact not only on China's but also on global demand and supply due to the sheer size of demand by the Chinese consumers. Thus, unfolding what has happened since Wu's book and also forecasting what may happen in the future can generate valuable implications for government policy formation and trade strategy development. This book has this purpose although it focuses on food consumption only.

This book originated from a study of China's food consumption we conducted during 2011–12 for the Australian Department of Agriculture, Fisheries and Forestry (DAFF). Wherever possible, all the information and facts have been updated. We thank DAFF for its financial support and for its kind permission for us to use the findings of the study in this book. We also wish to acknowledge the financial support from the Faculty of Law, Business and the Creative Arts of James Cook University in Australia, China's National Natural Science Foundation (No. 71203096), and Research Funds of China's Ministry of Education (No. 20120097120042), that enabled us to update and enrich our research work.

Food consumption changes in China have been most dynamic in recent years and have drawn much attention from traders, government officials and researchers around the globe. Major changes include not only the rising demand for food in aggregate but also demand for a more diverse range of food, demand for higher protein and higher quality food, and the growth of away-from-home food consumption. On the other hand, constrained by limited and degrading agricultural resources, China's ability

to produce domestically to meet the changing and increasing demand for food has been declining. It has been generally held that China's domestic supply will not be able to meet the rising demand for food in the future.

China's food imports have been on the increase in recent years. China became a net food importer rather than net food exporter in the early 2000s. In 2012, China's agricultural imports, most of which are foods, were US\$111.4 billion and exports US\$62.5 billion. This represents a trade deficit of US\$48.9 billion, an increase of 45 per cent compared to 2011; in 2011 the deficit was US\$33.8 billion.

Clearly, insights into China's food consumption and its trends should be most valuable in understanding this potentially enormous food market. Such insights will help both China and food exporting countries to better understand how food consumption may evolve in the coming years and how they can work collaboratively to meet the rising needs for food in China. This book examines China's food consumption, focusing on the period of 2000–12. It also sheds light on how the food consumption trends may develop into the future.

We have written the book for anyone who is interested in the dynamics of Chinese food consumption. Food traders, leaders of agri-food industries, food trade officials, and food market researchers should, in particular, find this book of great relevance. Those who are interested in the development of the broad Chinese consumer market may also find the book of interest – food is an important part of the market and changes in food consumption affect the demand for other consumer goods.

The book will also be a valuable reference for university students at both undergraduate and postgraduate levels. It will be useful as supplementary reading in courses that deal with food consumption trends, food demand and supply, food trade and broad agricultural trade around the globe in general and in China in particular.

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