Summary of RP-China Deals Relating to Fisheries and Agriculture

By Gandalf

Below is a summary of the various memoranda of agreements (MOA) that the Philippine government entered into with the Chinese government and other Chinese entities relating to the agriculture and fisheries sectors. The list also includes a number of agreements in which the parties are Chinese and Filipino businessmen. While most were signed during the visit of Chinese Premier Wen Jiabao early this year (January 15-16), quite a number were formalized in 2006.

Data here were culled from copies of the MOAs obtained by Newsbreak, the briefing paper on the agreements prepared by the Department of Agriculture's China Trade Desk, a briefing paper prepared by the Initiatives for Dialogue and Empowerment through Alternative Legal Services, Inc., and news reports.

1MOA to expand and deepen the scope and cooperation between the agricultural agencies of China and the Philippines. This MOA expands the scope of the 1999 MOA on Agriculture and Fisheries Cooperation and the 2004 MOU on Fishery Cooperation between the two countries, to include cooperation in food security, job creation, and poverty alleviation. It also broadens the scope of the agreement and includes cooperation on biotechnology, biofuels, agri-tourism, post harvest development and handling, food processing and marketing technologies. (download here)

- **Philippine signatory**: Department of Agriculture
- **Chinese signatory**: Ministry of Agriculture
- **Signed**: January 15, 2007
2MOA for the establishment of a 35-hectare technology demonstration farm in Mabalacat, Pampanga, for the application of new varieties of sweet corn, vegetables, and crops. The agreement provides that the new varieties will eventually be applied in a 2,000-hectare area—if the demo farm succeeds. (download here)

- **Philippine signatory:** Department of Agriculture
- **Chinese signatory:** Guangdong Academy of Agricultural Sciences (GDAAS)
- **Area covered:** 35 hectares, to be expanded to 2,000 hectares
- **Signed:** January 16, 2007

3MOA to engage in technical cooperation on aquaculture, fishery products processing, marine fishing (in accordance with Philippine laws), aquatic products, and fishery necessities trading, technological research, etc. It calls for the establishment of the Sino-Filipino Fishery Cooperation Pilot zone, initially in Region 8. (download here)

- **Philippine signatory:** Bureau of Fisheries and Aquatic Resources
- **Chinese signatory:** Guangdong Ocean and Fishery Administration
- **Signed:** January 16, 2007

### On Trade

4MOA that commits the Jiangnan Wholesale Market, China’s largest fruit and vegetable center, to provide the Philippines’s Department of Agriculture a 5,000-square-meter space for Philippine tropical fruits. (download here)

- **Philippine signatory:** Department of Agriculture
- **Chinese signatory:** Guangzhou Jiangnan Fruit & Vegetable Wholesale Market Development Co., Ltd (joint government and private sector)
- **Signed:** January 15, 2007

5MOA to deepen cooperation on sanitary and phytosanitary measures. Parties agreed to exchange information on sanitary and phytosanitary legal systems as well as “consider the interests” of both parties in the formulation and implementation of laws, regulations and standards, procedures, methods and technologies of pests, diseases, poisonous and hazardous substances. (download here)

- **Philippine signatory:** Department of Agriculture
- **Chinese signatory:** General Administration of Quality Supervision, Inspection and Quarantine
- **Signed:** January 15, 2007

6MOA between the Department of Agriculture and Guangzhou Zongbao Fiber Product Co, Ltd for the production, supply, and delivery of coconut fiber or coco coir products equivalent to 100,000 metric tons for 2007. (download here)

- **Philippine signatory:** Department of Agriculture
- **Chinese signatory:** Guangzhou Zongbao Fiber Product Co, Ltds
- **Signed:** December 8, 2006
Establishment of agriculture/fisheries ventures that will export produce to China

7MOA involving the lease/development by the Fuhua Corp. of land in the Philippines for the cultivation of hybrid corn, hybrid rice, and hybrid sorghum. (download here)

- **Philippine signatory:** Department of Agriculture, Department of Agrarian Reform, and Department of Environment and Natural Resources
- **Chinese signatory:** People’s Government of Jilin Province, China Development Bank, and Jilin Fuhua Agricultural Science and Technology Development Co., Ltd. (private sector)
- **Promised investment:** US$ 3.83 billion (30 billion RMB)
- **Area covered:** Lease of 1,000,000 hectares (50,000 hectares for 2007)
- **Status:** Signed on January 15, 2007
- **Note:** The contract does not specify the amount to be invested; it’s not clear if this is a direct investment or a loan. It states that Fuhua will establish a credit platform company, which implies that participants in this project would be borrowing from Fuhua.

8MOA on the development of land in the Philippines for cassava and sugar for ethanol production. (download here)

- **Philippine signatory:** Department of Agriculture, Department of Agrarian Reform, and Department of Environment and Natural Resources
- **Chinese signatory:** Agricultural Department of Guangxi Zhuang Autonomous Region
- **Promised investment:** US$6.2 million
- **Area covered:** An initial 40,000 hectares of agribusiness lands
- **Status:** Signed on January 15, 2007
- **Note:** The contract does not specify the amount to be invested. Parties agree that “any disagreement or dispute shall be resolved through amicable negotiations and/or diplomatic channels.”

9MOA on a joint establishment of a bioethanol plant in the country. (download here)

- **Philippine signatory:** B.M. SB Integrated Biofuels (private sector; president is Mr. Aurelio L. Lacson)
- **Chinese signatory:** Nanning Yongkai Industry Group (private sector; president is Mr. Lai Kebin)
- **Expected investment:** US$35 million
- **Signed:** January 15, 2007

10MOA for the supply machineries and equipment and the establishment of facilities to manufacture bioethanol. (download here)

- **Philippine signatory:** Negros Southern Integrated Biofuels Company (private sector; president is Mr. Aurelio L. Lacson)
- **Chinese signatory:** Nanning Yongkai Industry Group (private sector; president is Mr. Lai Kebin)
- **Expected investment:** US$35 million
- **Signed:** January 15, 2007

11MOA on the setting up of facilities in Palawan to produce 150,000 liters of bioethanol a day. (download here)
12MOA to develop bio-ethanol plants, each with a capacity to produce at least 150,000 liters a day. (download here)

13MOA on a joint venture in aquaculture, hatchery, and the processing of various fish species, mollusks, seaweeds, and other marine products. (download here)

14MOA to form a joint venture corporation—under a 60-40 percent ownership in favor of the Filipino partner—to invest in the culture of high value species (abalone, sea cucumbers, sea urchins, and scallops) in mariculture parks in various parts of the Philippines. (download here)

15MOA between the Philippine China Fisheries Consortium, Inc. and the Xunshan Fishery Co. Ltd. on the breeding and culture of grouper and other high-value species. (download here)

Supply/Construction Contracts tied to a credit facility

16MOA with the China CAMCE Engineering Co. Ltd. on the provision of small mobile ice plants and transport facilities to municipal fishery cooperatives and associations. (This includes ice storage facilities, refrigerated vans, cold storages, and transport facilities which are classified or identified as part of the cold chain.) (download here)
17MOA for the construction of a shipyard, establishment of a cold storage facility, and the rehabilitation of the Navotas Fish Port Complex to be funded through a credit facility under CAMCE. (download here)

18MOA on the development and construction of the Candaba Water Resource Project as an alternative source of irrigation and potable water. (download here)

OTHERS

An agreement which involves the development of land in the North Luzon Agribusiness Quadrangle (NLAQ) to establish an agroindustrial project with all-weather greenhouses for the production and export of quality flowers and off-season vegetables and fruits to Japan, Hong Kong, and Taiwan.

Philippine party: A Business Mirror report of January 15, 2007 quoted Agriculture Secretary Arthur Yap as saying that Beidahuang is expected to sign a contract with E.L. Enterprises Inc.

Chinese party: Beidahuang Heilongjiang Group (private sector)

Expected investment: US$120-million

Area covered: 200,000 hectares

Status: Not yet signed
Note: Newsbreak obtained copies of the MOUs from the office of Bukidnon
Rep. Teofisto Guingona III

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