



MINUTES

THIRD MEETING OF THE CONSULTATIVE BOARD

ASSOCIATION FOR THE PROMOTION OF AGRICULTURAL COOPERATION BETWEEN CHINA AND THE CEE COUNTRIES

November 5, 2016 - Kunming, China

Date: November 5, 2016

Time: 15:00 PM

Location: Wanda Vista Kunming Hotel, Kunming, China

Present: Bulgaria – Mr. Vasil Gelev,
China – Mr. Tang Sheng Yao, Mr. Li Kaihang
Czech Republic – Mr. Vladimir Randacek (Czech Embassy)
Estonia – Mr. Olavi Petron
Hungary – Mr. Zsolt Belanszky-Demko, Agnes Karteri
Latvia – Mrs. Ilona Meziniece-Briede
Lithuania – Ms. Kristina Dubikovaitė
Macedonia – Mr. Perica Ivanoski
Montenegro – Mr. Darko Konjevic
Poland – Mrs. Agnieszka Witek
Romania – Mrs. Livia Chivu, Mrs. Liliana Basarabescu
Slovak Republic – Mr. Ing. Ivan Visnovski
Slovenia – Mr. Martin Gosenca

Absent: Albania, Bosnia and Herzegovina, Croatia and Serbia

I Call to order: at 15:10 AM by Chair Vasil Gelev

II Quorum: thirteen of seventeen countries present

III Report by Chairman Vasil Gelev

IV Discussion of the Annual Activities of the Association 2017



We, the Consultative Board of the Association for the Promotion of Agricultural Cooperation between China and the CEE countries, have met on November 5, 2016 in Kunming, China to discuss the annual activities of the Association for 2017.

Mr. Vasil Gelev called the Meeting to order at 15:10 am.

A quorum of Members was presented and the Meeting, being duly convened, proceeded with the Agenda.

The members of the Consultative Board agreed that the Bulgarian side would provide in written form a protocol from the 3rd Meeting of the Consultative Board.

Report of the results of the Association for 2016

As Chairman of the Consultative Board of the Association, Mr. Vasil Gelev presented to the attendees a report for the implementation of the goals of the Association for 2016, approved and voted by the countries on the 2nd Meeting of the Consultative Board that was held on February 24, 2016 in Sofia, Bulgaria.

Discussion of the Annual Activities of the Association for 2017

Within the determined period (October 28, 2016), the Association received remarks and requirements for additional information for the proposed activities from the following countries: Croatia, Czech Republic, Hungary, Latvia, Lithuania, Poland and Slovak Republic.

Within the conducted 3rd Meeting of the Consultative Board, the participating countries unanimously decided that each country has an interest in the realization of the proposed activities and projects. During the 4th Meeting of the Consultative Board, it is foreseen presentation of all projects and their subsequent discussion. Each country will be able to choose one, several or all projects to be launched and to be implemented in 2017 in their own country. Given the specificity of each country, the level of agricultural development and the policies of the respective Ministries of Agriculture of China and the CEE countries, it is necessary to be proposed a specific approach for each country for proper incorporation of the projects.

For this purpose in 2017 is foreseen consultations and bilateral meetings between APACCCEEC, interested investors, the respective members of the Consultative Board of the Association, experts from relevant ministries, agencies and other government structures.



Activity 1: The Association to operate as an information link between China and the CEE countries.

Proposal 1.1: Establishing of contacts and taking actions for conclusion of Memorandum of Cooperation with relevant institutions from China and CEEC.

The establishment of contacts and the partnership with relevant to APACCCEEC institutions from China and CEEC, shall make possible the synergy and cooperation in the field of investment, trade, tourism and others, which are crucial for the achievement of the aims of the Association for the Promotion of Agricultural Cooperation between China and the CEE Countries.

Deadline: unlimited

Activity 2: China and the CEE countries to benefit on a mutually beneficial basis through sharing ideas, exchange of good practices and research for innovative solutions.

Proposal 2.1: Conclusion of Memorandum for cooperation between APACCCEEC and the Foreign Economic Cooperation Center, by the Ministry of Agriculture of the People's Republic of China.

The conclusion of this Memorandum will deepen and strengthen the exchange of good practices and research for innovative solutions, by:

- enhancing the international cooperation in the field of developing the human resources by providing training activities and organization of other educational events that would enhance the professional skills of the labor force in the agricultural sector;
- transferring innovative approaches from the science to the practice and providing systematic “feedback” with the purpose of addressing the needs of the business to the scientific community;
- development of long term and short term training courses combining different types of expertise by involving representatives from a wide range of institutions from China and the CEE countries.

Officially signed: 05.11.2016

Duration of the activity: Unlimited

Proposal 2.2: Conclusion of Memorandum for cooperation between APACCCEEC and China National Hybrid Rice R&D Center by the Hunan Hybrid Rice Research Center.



The conclusion of this Memorandum will deepen and strengthen the exchange of good practices and research for innovative solutions.

The Center is located at Mapoling, Furong District, Changsha, Hunan Province and it was founded in 1984. Prof. Yuan Longping, “Father of Hybrid Rice”, has been director general of the Center since its foundation. The Center consists of 10 divisions such as Scientific Research, Industrial Development, Experimental base, International Cooperation and Administrative Office.

The Center is the first research institute specialized in hybrid rice development both at home and abroad. It is breeding-oriented and its main activities cover:

- Breeding new hybrid rice combinations with high yield, good quality and multiple resistance;
- Conducting basic and applied research on the mechanism of heterosis in rice, distant heterosis utilization, rice molecular technology and transgenic technology;
- Studying the technology for multiplication and purification of parental lines and production of hybrid seeds;
- Studying the technology for high-yielding cultivation of hybrid rice;
- Promoting the demonstration and commercialization of hybrid rice;
- Collecting and evaluating genetic resources of hybrid rice;
- Evaluating the seed purity of parental lines and rice hybrids;
- Testing and analyzing rice grain quality;
- Conducting international training and development of hybrid rice technology;
- Editing and publishing the journal – “HYBRID RICE”

Duration of the activity: Unlimited

Activity 3: Voluntary development and launch of projects in the field of agriculture for promotion of cooperation and investments in China and CEEC for 2017 (each country votes for the development and launch of the proposed Projects in the respective country, not for the development and launch of the Projects in general)

Proposal 3.1: Voluntary development and launch of Project “16+1 Modern Agricultural Demonstration Park” in China and the CEE countries, adapted to each county specific needs and stage of agricultural development.

Modern agricultural park is an advanced Chinese production model, high efficient land utilization, regarded as the key to break through the bottleneck of the agricultural park resources to realize the transformation and upgrading of the agriculture and as an effective



way to promote agricultural modernization. The project includes longstanding and increasing producing and supplying capability of the food and other agricultural product, promoting the land utilization rate by intensive input of elements of technology and capital, realizing the comprehensive benefits optimization and resource sustainability. The principles follows the economical intensiveness, co-ordination of supply and demand, emphasis on quality and quantity, combination of use and protection, technological innovation and management, making overall plans and taking all factors into consideration. The approaches to realize the aim included:

- 1) optimizing park land use spatial pattern and mode to increase the productivity of food and other agricultural products;
- 2) constructing industrial chains scientifically to create advantage and special industry to optimize the comprehensive benefits of the park;
- 3) exploring land potential to strengthen intensive input to promote land utilization efficiency;
- 4) establishing supportive mechanism to guarantee the sustainability of the land utilization efficiency.

The system combined the ideas of resource economical intensive utilization, sustainability, circular economy, industrial economy, system engineering to build a theoretical of integrated design of “resource-industry-technology” and covered the designing thought, goal, principles and realizing approaches, which was the basic principle and technology instructional system to realize the high land utilization efficiency of the China’s agriculture.

First phase: CEE

Second phase: China

Deadline for submitting interest for development and launch of the Project in the respective country: 4th Meeting of the Consultative Board of APACCCEEC

Proposal 3.2: Voluntary development and launch of Project “16+1 Joint Venture Farming” in China and the CEE countries, adapted to each county specific needs and stage of agricultural development.

Joint Venture Farming is defined as “the bringing together of land, capital and skilled management in an agreement between two or more parties, each running their own business, rather than forming a new partnership”. JVF farmers run their own businesses; they do not share overall profits (as in a partnership) but bear their own risks and derive profit from their



own venture. However they work with another business (or more) jointly to provide all the resources needed for farm production.

The main types of JVF are as follows:

1. Contract Farming – An operator carries out farming operations on the land supplier's behalf for a fixed fee (money/ha) with an agreed division of any surplus.
2. Contract Rearing – A contractor (operator) rears animals for a livestock owner for a fixed fee per animal.
3. Share Farming – The outputs and some inputs are divided on a percentage basis based on the resources and costs each party contributes to the agreement.
4. Labor & Machinery Sharing – Two or more persons pool labor and machinery and coordinate administration and operation of these inputs.
5. Machinery Sharing – Two or more persons pool machinery and co-ordinate and administer machinery only.
6. Labor Sharing – Two or more people's pool labor and co-ordinate and administer labor only.
7. Other Agreements – A wide variety of other agreements including contract growing/processing (normally field vegetables).

The economic benefits of joint venture farming agreements are widely recognized. The benefits largely arise through making use of economies of scale. Joint venture agreements allow farms to reduce capital costs and improve profits.

JVF has been argued to act as both a route into and out of farming. It can allow older farmers to retire partially without completely losing control of their business and it can help young people to enter farming and provide labor and skills. This can be mutually beneficial to the parties involved. According to official data from CEEC the number of young people in farming is falling. This has been exacerbated by amalgamation of farm holdings and the high costs of entering the industry. The reluctance to retire completely and the high costs of land are major barriers to new entrants to farming. An owner-occupier may enter into a JV that enables them to keep a functioning business but hands the land to a younger farmer to utilize under an agreement. This may assist in overcoming barriers to new entrants.

Lobley et al stress that restructuring may lead to farmer isolation through reduced labor on individual farms and a decline in the ability of farmers to leave the farm, for example for attendance at livestock markets. JVF may reduce the work owner occupiers must do as potentially they could use operators or share farmers. JVF agreements such as labor and



machinery sharing could have the effect that neighboring farmers keep in contact and hence JVF may foster relationships.

There are indications that to the individual farm business there are benefits from entering JVF agreements, both economic and social.

First phase: CEE

Second phase: China

Deadline for submitting interest for development and launch of the Project in the respective country: 4th Meeting of the Consultative Board of APACCCEEC

Proposal 3.3: Voluntary development and launch of Project “Free Trade Zone & 16+1 Pavilion” in China and the CEE countries, adapted to each county specific needs and stage of agricultural development.

The project “Free Trade Zone & 16+1 Pavilion” in China and the CEE countries will launch the establishment and operation of Free Trade Zones in Format “16+1” in each country of CEE and in China. The operators of the Free Trade Zones will offer a wide range of services to Chinese and CEE companies such as:

- Legal Services and registration of companies;
- Banking and loans;
- Services related to the management of supply;
- Services related to e-commerce;
- Logistic, bounded and regular storage facilities, transportation, handling.

First phase: CEE

Second phase: China

Deadline for submitting interest for development and launch of the Project in the respective country: 4th Meeting of the Consultative Board of APACCCEEC

Proposal 3.4: Voluntary development and launch of Project “E-commerce Logistic Hub & 16+1 Pavilion” in China and the CEE countries, adapted to each county specific needs and stage of agricultural development.

The implementation of the Project will make possible the establishment and development of online and offline platforms for information display, exchange and cooperation. By providing large number of services, such as: Supply Chain Management, Logistic, Warehouse and Custom services and the implementation and development of the 16+1 e-commerce B2B



information platform for the integration of the B2B resources and G2B2B2C e-commerce trade platform, the Project have the aim to promote win-win and healthy development of e-commerce business among China and the CEE countries.

First phase: CEE

Second phase: China

Deadline for submitting interest for development and launch of the Project in the respective country: 4th Meeting of the Consultative Board of APACCCEEC

Activity 4: The Association to support the successful adaptation of the proposed in Activity 3 various Projects in China and CEEC, according to each county specific needs and stage of agricultural development. (each country votes for the development and launch of the proposed Projects in the respective country, not for the development and launch of the Projects in general)

Proposal 4.1: Support, coordination and participation of APACCCEEC at voluntary organized by the respective country - “16+1 Modern Agricultural Demonstration Park Project Presentation” Forum.

The purpose of the Forums shall be presentation, discussion and promotion of the opportunities that the “16+1 Modern Agricultural Demonstration Park” could provide to the government structures, associations, NGOs and other stakeholders.

During the visit shall be held bilateral meetings between APACCCEEC and the respective members of the Consultative Board of the Association, experts from the relevant ministries, agencies and other state structures for adaptation and possible launching the “16+1 Modern Agricultural Demonstration Park” Project in the respective country.

Countries, who want to organize this Forum:

NB!!! Each country cannot be visited more than once during the calendar year 2017. If any of the countries want to organize few or all Forums from Activity 4, they must be organized in 1 day or in 2 following days.

Deadline for confirmation and scheduling: Please propose at least 2 options for date and venue of the Forum before the 4th Meeting of CB.

NB!!! Each country must ensure suitable conference room and minimum 20 people audience from government structures, associations, NGOs and other stakeholders to present at the Forum. Informational support, coordination and participation, also transport costs, accommodation and meal for the representatives of APACCCEEC will be covered by APACCCEEC.



Deadline for the last Forum: December 2017

The period for submitting positions is 4th Meeting of the Consultative Board of APACCCEEC.

Proposal 4.2: Support, coordination and participation of APACCCEEC at voluntary organized by the respective country - “16+1 Joint Venture Farming Project Presentation” Forum.

The purpose of the Forums shall be presentation, discussion and promotion of the opportunities that the “16+1 Joint Venture Farming” could provide to the government structures, associations, NGOs and other stakeholders.

During the visit shall be held a bilateral meetings between APACCCEEC and the respective members of the Consultative Board of the Association, experts from the relevant ministries, agencies and other state structures for adaptation and possible launching the “16+1 Joint Venture Farming” Project in the respective country.

Countries, who want to organize this Forum:

NB!!! Each country cannot be visited more than once during the calendar year 2017. If any of the countries want to organize few or all Forums from Activity 4, they must be organized in 1 day or in 2 following days.

Deadline for confirmation and scheduling: Please propose at least 2 options for date and venue of the Forum before the 4th Meeting of CB.

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Deadline for the last Forum: December 2017

The period for submitting positions is 4th Meeting of the Consultative Board of APACCCEEC.

Proposal 4.3: Support, coordination and participation of APACCCEEC at voluntary organized by the respective country - “Free Trade Zone & 16+1 Pavilion Project Presentation” Forum.



The purpose of the Forums shall be a presentation, discussion and promotion of the opportunities that the “Free Trade Zone & 16+1 Pavilion” could provide to the government structures, associations, NGOs and other stakeholders.

During the visit shall be held a bilateral meetings between APACCCEEC and the respective members of the Consultative Board of the Association, experts from the relevant ministries, agencies and other state structures for launching a “Free Trade Zone & 16+1 Pavilion” Project in each country of the CEE and China.

Countries, who want to organize this Forum:

NB!!! Each country cannot be visited more than once during the calendar year 2017. If any of the countries want to organize few or all Forums from Activity 4, they must be organized in 1 day or in 2 following days.

Deadline for confirmation and scheduling: Please propose at least 2 options for date and venue of the Forum before the 4th Meeting of CB.

NB!!! Each country must ensure suitable conference room and minimum 20 people audience from government structures, associations, NGOs and other stakeholders to present at the Forum. Informational support, coordination and participation, also transport costs, accommodation and meal for the representatives of APACCCEEC will be covered by APACCCEEC.

Deadline for the last Forum: December 2017

The period for submitting positions is 4th Meeting of the Consultative Board of APACCCEEC.

Proposal 4.4: Support, coordination and participation of APACCCEEC at voluntary organized by the respective country - “E-commerce Logistic Hub & 16+1 Pavilion Project Presentation” Forum.

The purpose of the Forums shall be a presentation, discussion and promotion of the opportunities that the “E-commerce Logistic Hub & 16+1 Pavilion” could provide to the government structures, associations, NGOs and other stakeholders.

During the visit shall be held a bilateral meetings between APACCCEEC and the respective members of the Consultative Board of the Association, experts from the relevant ministries, agencies and other state structures for launching a “E-commerce Logistic Hub & 16+1 Pavilion” Project in each country of the CEE and China.

Countries, who want to organize this Forum:



NB!!! Each country cannot be visited more than once during the calendar year 2017. If any of the countries want to organize few or all Forums from Activity 4, they must be organized in 1 day or in 2 following days.

Deadline for confirmation and scheduling: Please propose at least 2 options for date and venue of the Forum before the 4th Meeting of CB.

NB!!! Each country must ensure suitable conference room and minimum 20 people audience from government structures, associations, NGOs and other stakeholders to present at the Forum. Informational support, coordination and participation, also transport costs, accommodation and meal for the representatives of APACCCEEC will be covered by APACCCEEC.

Deadline for the last Forum: December 2017

The period for submitting positions is 4th Meeting of the Consultative Board of APACCCEEC.

Activity 5: Discussion and adoption of date and venue of important events related to the activities of the Association.

Proposal 5.1: Discussion and adoption of date and venue of the 12th Agro-Trade and Economic Forum for Cooperation between China and the CEE countries.

During the 2nd Meeting of the Consultative Board of the Association, *Bulgaria* expressed its interest to undertake the 12th Agro-Trade and Economic Forum for Cooperation between China and the CEE countries in 2017.

Slovenia would like to expressed their interest to organise the China - CEEC Agricultural Ministers' Meeting in 2017.

Lithuania expressed their interest to undertake the 13th Agro-Trade and Economic Forum for Cooperation between China and the CEE countries in 2018.

The Members of the Consultative Board of the Association adopted the resolution by the Meeting of the Ministers of Agriculture of China and CEE countries, which defined Slovenia as the host of the 12th Agro-Trade and Economic Forum for Cooperation between China and the CEE countries, the Meeting of the Ministers of Agriculture of China and CEE countries 2017 and the 5th Meeting of the Consultative Board of the Association.

Proposal 5.2: Discussion and adoption of date and venue of the 4th Meeting of the Consultative Board of the Association for the Promotion of Agricultural Cooperation between China and the CEE Countries.



Bulgaria, with the consent of Bosnia and Herzegovina, proposes the 4th Meeting of the Consultative Board of the Association to be held in April 2017 in Bosnia and Herzegovina during the China-CEEC Agricultural Products and Wine Fair which will be held during the Mostar International Trade Fair (mentioned in point 8. (3) in the Riga Guidelines for Cooperation between China and Central and Eastern European Countries, adopted on November 5, 2016).

Deadline for proposals: 31 December 2016

Voting: by remote participation meeting till **31 January 2017**

Activity 6: Promotion activities of the Association.

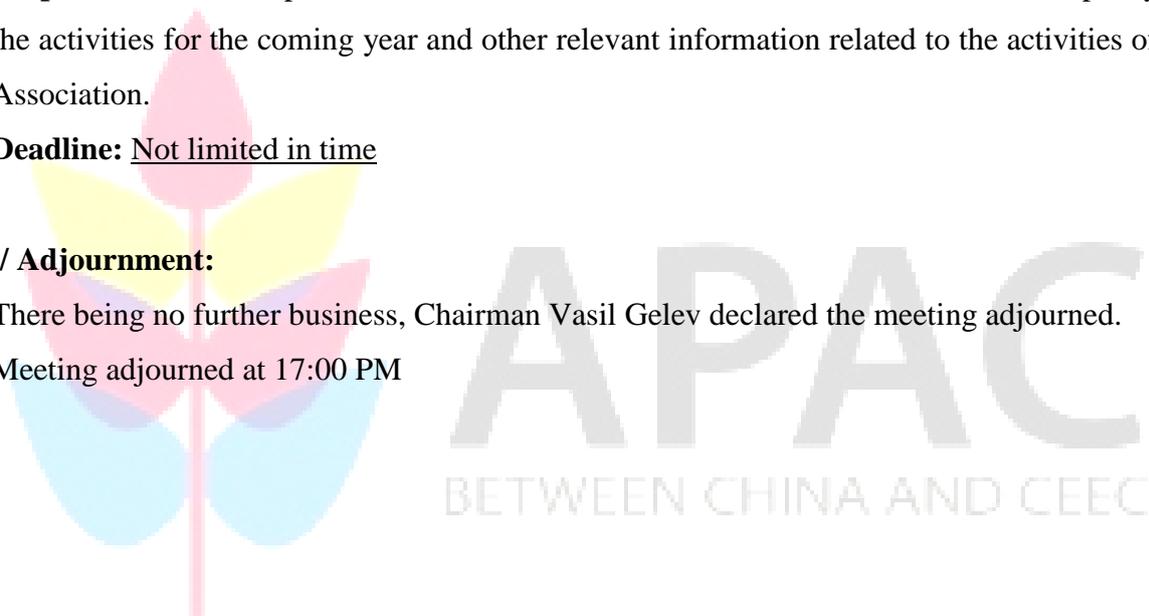
Proposal 6.1: Annual publication of an information booklet of the activities for the past year, the activities for the coming year and other relevant information related to the activities of the Association.

Deadline: Not limited in time

✓ Adjournment:

There being no further business, Chairman Vasil Gelev declared the meeting adjourned.

Meeting adjourned at 17:00 PM



Adopted by the Consultative Board Members
on the 3rd Consultative Board Meeting
on November 5, 2016.