U.S. farmers helping China increase food production

By P.J. Huffstutter and Niu Shuping, Reuters

Inside a dimly lit barn in northeast Indiana, where the air smells faintly of corn and earth, the future of China's food supply is squealing for attention.

A farmhand shuffles through the crowd of pigs inside pen 7E3, patting their fleshy pink backs and checking their water trough. The animals here at the Whiteshire Hamroc farm have been bred for one purpose: to be flown halfway around the world, on a journey fueled by China's appetite for food independence.

In a country where pork is a culinary staple, the demand for a protein-rich diet is growing faster than Chinese farmers can keep up. While Americans cut back on meat consumption to the lowest levels seen in two decades, the Chinese now eat nearly 10 percent more meat than they did five years ago.

China's solution: to super-size its supply by snapping up millions of live animals raised by U.S. farmers as breeding stock — capitalizing on decades of cutting edge agricultural research in America.

By taking this step, say breeders and exporters, China will move from small-scale backyard farms, to the Westernized tradition of large consolidated operations to keep up with demand.

"I liken it to their telephone system," said Mike Lemmon, co-owner of the Whiteshire Hamroc farm, which specializes in exporting breeding swine to China. "Most of China's mainland went from having no landlines to everyone having a cell phone. They're doing the same thing with farming."

Focus on livestock genetics also represents an emerging economic bonanza for two of the United States' most powerful industries: technology and agriculture. Worldwide, the United States exported a record $664 million worth of breeding stock and genetic material such as semen in 2011.

But as fortune shines on breeders, concerns are being raised. While U.S. consumption of meat falls, the price of producing a pound of protein rises, meaning meat companies are seeing their margins shrink.

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