



## ECONOMIC AND TRADE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE'S REPUBLIC OF CHINA FACT SHEET

### RICE

The Phase One economic and trade agreement signed by the United States and China on January 15, 2020, will provide U.S. rice producers with expanded access to the Chinese market.

**Market Overview:** Nearly 30 percent of the world's rice is produced in China, where it is a traditional staple food. As the top global importer and consumer, China is projected to again import 4 million metric tons (MT) of rice in 2019/2020. China's high internal prices, resulting from its domestic support program, have been a key driver in the sustained imports, primarily from neighboring countries. When joining the World Trade Organization (WTO), China agreed to establish a 5,320,000 MT tariff-rate quota (TRQ) for rice, equally divided into long-grain and other rice. With the completion of both the phytosanitary protocol and this Agreement, the U.S. rice industry will now have greater opportunities to export milled rice to China. The U.S. Department of Agriculture (USDA) estimates that U.S. rice exports to China could reach \$300 million on an annual basis in the future.

#### **Key Achievements:**

- **Rice Phytosanitary Protocol:** Each time the United States provides China with a list of rice facilities approved by USDA's Animal and Plant Health Inspection Service (APHIS) as compliant with the *Phytosanitary Protocol on the Import of Rice from the United States to China*, within 20 business days of receipt of the list, China will register the facilities, publish the list of facilities, and allow the importation of U.S. rice from each of the APHIS-approved rice facilities. China continues to have the right to conduct on-site phytosanitary audits of registered facilities. China has already registered 32 U.S. rice facilities as approved to export to China.

- **Tariff Rate Quotas for Rice:** Related to the WTO dispute brought and won by the United States, China has agreed to comply with its WTO obligations for the administration of TRQs for rice by December 31, 2019. In addition, in this Agreement, China has agreed to ensure that it administers its TRQ for rice with specific obligations to:
  - Allocate the full TRQ by January of each year;
  - Not discriminate between state trading enterprises and non-state trading enterprises;
  - Reallocate unused or returned TRQ amounts;
  - Ensure that allocations are made in commercially viable shipping amounts;
  - Enhance transparency of the eligibility criteria and allocation principles;
  - Ensure there is a sufficient number of state trading enterprises and non-state trading enterprises eligible to receive allocations and that full utilization of the TRQs is not inhibited;
  - Provide relevant allocation and reallocation information upon request of the United States; and
  - Make public on a public website existing laws, regulations, and announcements on the administration of the rice TRQ.
  
- **Domestic Support for Rice:** Regarding its domestic support, China confirms that it will respect its WTO obligations to publish in an official journal its domestic support laws, regulations and related measures. Separately, through dispute settlement proceedings at the WTO, China has already agreed to come into compliance with a panel report on domestic support for wheat and rice by March 31, 2020. The United States maintains its rights in those dispute proceedings should China not come into compliance.
  
- China has communicated to the United States that U.S. medium grain rice can be imported under China's "Rice, short and medium grain" category of its TRQ system.

**Additional Information for Exporters:**

- New to the China market? If your company is interested in exporting rice to China, please contact USDA's Foreign Agricultural Service at [ChinaAgreement@usda.gov](mailto:ChinaAgreement@usda.gov) for more information.
  
- If you are interested in opening new markets for U.S. commodities to China or would like more information about exporting plants or plant

products, please visit the USDA Animal and Plant Health Inspection Service's website on plant health export information:  
[https://www.aphis.usda.gov/aphis/ourfocus/planthealth/SA\\_Export.](https://www.aphis.usda.gov/aphis/ourfocus/planthealth/SA_Export)