

## INCREASING THE PRODUCTION AND SALE OF NON-STAPLE FOODS

*November 28, 1953*

Non-staple foods are daily necessities for people living in the cities and in industrial and mining areas. Indeed, these people consume more non-staple foods than grain. Since non-staple foods are produced in scattered areas and sold only at certain times and in certain places, it is hard to maintain a steady supply at all seasons and in both town and country. So if we don't control the sale of these foods and regulate the market, the demand for them will exceed the supply and prices will rise, making it harder for people to manage.

Having submitted a report on cooking oil to the Central Committee, the Central Financial and Economic Commission<sup>7</sup> has also held special meetings to discuss the production and marketing of several other principal non-staple foods, such as pork, eggs, aquatic products, vegetables, dried foodstuffs and fruit. During the holidays—May Day, Mid-autumn Festival, National Day [October 1] and Spring Festival [Lunar New Year]—there is a shortage of these goods in the big cities and the industrial and mining areas. Moreover, the supply of pork and vegetables in some cities often falls short of demand at other times as well. State stores in those cities and areas should, therefore, try to stock more of these foods as soon as possible.

The present situation with regard to the production and sale of various non-staple foods is as follows.

1. *Pork.* By the end of 1953 China will have raised 90 million pigs, of which 50 million will be sold for pork: 22.5 million for the cities and towns, 500,000 for the military, 2 million for export and 25 million to be sold in the countryside. This amount, together with the 26 million head the peasants themselves will consume, will come to 51 million. A city dweller consumes about 10 kg. of pork a year, while a peasant consumes only about 5.5 kg., a

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<sup>7</sup> Report from the Financial and Economic Commission of the Government Administration Council to the Central Committee of the Chinese Communist Party, which approved it on December 1, 1953.

ratio of nearly two to one. But state stores and cooperatives sell only a small amount of pork (6.4 million head of pigs), 13 per cent of the total.

Comparing the amount of commodity pork available with the demand in the cities and in the industrial and mining areas, we can see that if we can organize the supply properly, there need be no shortages and no black market. Again, comparing the amount of commodity pork available with the amount exported, we can see that it would be possible to export more. As long as we can exchange one ton of pork for five tons of steel, it would be important for us to increase exports to promote economic development.

There are five reasons for the current shortage of pork.

First, pigs are bred in scattered areas throughout the country, and it is dangerous to transport them for sale in distant markets, because they may easily be injured or die in transit.

Second, our purchases are concentrated in a few areas. The number of pigs bought by the China National Foodstuffs Export Corporation in east China alone, especially in northern Jiangsu and eastern Shandong, accounts for 69 per cent of the total national figure. Companies trading in local specialty products and cooperatives do buy some pigs in other parts of the country, but only small numbers of them in remote areas far from railway lines or highways.

Third, many dealers buy pigs, and we cannot centralize control of this business. State companies trading in local specialties, companies exporting foodstuffs, cooperatives and even private merchants buy pigs mainly in places along railway lines or highways or in the major pig-raising areas. There is no overall plan. Dealers do not go to mountainous or other areas with poor transport facilities for fear of losing money. According to preliminary estimates, in the nation's major pig-raising areas—Hebei, Shandong, Jiangsu, Zhejiang, Anhui, Henan, Jiangxi and Hunan provinces—this year 3.5 million head will never reach the market.

Fourth, there are too few processing plants where pork can be frozen, and they are concentrated in just a few cities. So even when large numbers of pigs are put on the market, we cannot buy and slaughter them in quantity because we don't have the facilities to preserve the meat. Therefore, it is hard to supply pork all year round throughout the country.

Fifth, the supply of pigs is endangered by epidemics. In years past, swine pneumonia and swine fever have killed off as much as 10 per cent of the total stock. Swine erysipelas is a serious concern in Shandong, Jiangsu, Zhejiang, Hunan and Jiangxi provinces, as is swine measles in Hebei.<sup>144</sup>

In 1953 as a whole, the supply of pork was sufficient to meet the demand, but it was not evenly distributed all year round throughout the

country.

The solutions to these problems are to establish an organization that will centralize the purchase of pigs and buy them in more areas; to produce more refrigerating equipment; to promote the prevention and treatment of swine diseases; and to expand production to meet the growing demand.

2. *Eggs*. It is estimated that for 1953 the total national production of eggs will come to 14.4 billion (assuming that each of the 100 million peasant households raises two hens, and that each hen lays 70 eggs a year). Of course, the peasants themselves will have consumed 8 billion, and 6.4 billion will have been sold (1 billion on the export market, 300 million to the military and 5.1 billion to city dwellers). One-third of these commodity eggs will have been sold by state stores and cooperatives.

The major egg-producing areas are Hebei, Suiyuan, Henan, Hubei, Hunan, Jiangxi, Shandong, Jiangsu, Zhejiang and Anhui.<sup>145</sup> The eggs from these provinces account for 60 per cent of the national total. Since eggs are produced in extremely scattered areas, it is not possible to collect and transport large quantities to distant markets, because so many will be broken en route.

Fresh eggs are seasonal products. Seventy per cent of the annual total is produced during the peak period, from March to early July. The problem is that it is not easy to preserve eggs, so we cannot supply them all year round. Moreover, cold-storage facilities and the processing plants that make dried egg powder are concentrated in a few large and medium-sized cities, and urban bakeries would rather use fresh eggs than ones from cold storage or dried powder. That also makes it hard for us to meet the off-season demand. During the peak season, the peasants compete to sell their eggs, while during the off-season there is usually a shortage in the cities.

In addition to meeting domestic demand, we should increase production of eggs for export. In 1930, before the War of Resistance Against Japan, China exported 3.1 billion eggs, but in 1953 only 1 billion. Since 20,000 eggs can be exchanged for 5 tons of steel, we should try to export more eggs.

What we must do to solve these problems in the production and sale of eggs is to keep more eggs in cold storage and convert more of them into dried powder during the peak season. Then, during the off season, we should try to persuade city dwellers to accept these products as substitutes for fresh eggs.

3. *Aquatic products*. In 1952 the supply of these products exceeded the demand. It is estimated that for 1953 the volume sold will be 1,750,000 tons. (1,200,000 tons of seafood and 550,000 tons of freshwater products). For the year as a whole, supply and demand have been balanced. State stores and cooperatives sell only a small amount of aquatic products, less than 20 per



cent of the total.

These foods too are distinctly seasonal. In fishing season, because we don't have adequate equipment and transportation we cannot freeze or salt large quantities and transport them to distant markets. As a result, these products are often left to rot and the price falls. A city dweller in the north can buy an average of only 2 kg. of fish each year, while one in the south can get two to four times that amount.

China abounds in aquatic resources, and its annual output is estimated at 4 to 8 million tons. If we can increase refrigerating facilities in the fish-producing areas and preserve more products in salt, thus selling more of them, it will be possible to reduce the domestic consumption of pork and earmark more for export. That will benefit both fishermen and consumers.

4. *Vegetables.* At present the state stores and cooperatives sell about 20 per cent of the total vegetable output in the cities. Usually the supply is sufficient in large cities, but during holidays there is a slight shortage. In the new industrial and mining areas and in places where army units are stationed, supply often falls short of demand.

As the urban population increases, more and more buildings go up in the suburbs, occupying much land formerly used for growing vegetables. In constructing the new projects, we usually neglect to retain plots for cultivation, and there is a steady decrease in arable land. In addition, we cannot expect to increase output simply by applying fertilizer for a year; we have to master new techniques. Consequently, there is only a small supply of vegetables, while demand is steadily increasing, and the gap between the two is growing wider every day.

To solve the problems in the production and marketing of vegetables, we should do the following. First, organize production. Since vegetables can be supplied only to areas near the places where they are grown, and since state stores cannot handle large quantities, cooperatives for producing vegetables should be established in the suburbs, under the leadership of local Party committees and governments. Second, keep the area devoted to vegetables in proportion to the population. According to rough estimates, each city dweller needs 125 kg. of vegetables a year, and one *mu* of land [1 *mu* = 1/15 hectare] can produce 3,500 to 4,000 kg. Thus, for every thirty people we need one *mu* of cultivated land. Third, urban consumers' cooperatives should establish vegetable markets, buy more from producers and store more vegetables in cellars. Fourth, state stores should transport certain vegetables, including cabbages, radishes, onions and garlic, to other places to meet the needs of city dwellers during holidays.

5. *Dried food products.* In 1953 the total production of bean-starch

vermicelli, hot pickled mustard tubers, edible fungus, dried day-lily flowers and black mushrooms will come to about 150 million kg., most of which will have been offered for sale. State stores and cooperatives now sell more than half of this total. However, so far they have not handled any coarse grain [corn, sorghum, millet, etc.] or bean products, such as bean curd, bean sprouts and thick broad-bean sauce. Because dried food products are easy to store, they can be sold throughout the country. As the urban demand for them grows, state stores and cooperatives should sell more of them to help alleviate the shortage of non-staple foods.

6. *Fruit.* At the National Conference on Local Specialty Products, held by the Ministry of Commerce not long ago, the annual national output of fruit was estimated to be about 2.95 million tons. State stores and cooperatives deal only in such fruits as apples, oranges and bananas, which can be transported to market over long distances and exported. In areas that produce those fruits, they purchase more than 60 per cent of the crop; other fruits, including pears and persimmons, are handled mostly by local private merchants. At present there is an adequate supply of fruit for sale. But as the domestic and foreign demand will grow, state stores and cooperatives should begin putting more on the market.

To increase the production and sale of non-staple foods, we should do the following.

1. Recognize the need to supply these foods. Until now, state stores have concentrated on grain, cotton yarn and cloth and other important everyday necessities, to the neglect of non-staple foods. They had no choice but to do so, because they had limited financial resources. However, as the economy develops and the people's standard of living rises, in the cities they should begin to handle non-staple foods as well, in a planned way. Again, people living in the cities and in industrial and mining areas consume more non-staple foods than grain. The availability of such foods is very important to the working people, so state stores should make a point of supplying them. They should work closely with the cooperatives and gradually expand their wholesale and retail business, carrying a greater variety of non-staple foods to meet the demand. At the same time, we should make sure that there will be a certain amount of such foods available for us to export in exchange for the industrial equipment we need for economic development.

2. Establish a national foodstuffs corporation under the Ministry of Commerce to be responsible for purchasing, marketing and exporting non-staple foods.

3. Purchase non-staple foods in more areas and build more refrigeration facilities. Most non-staple foods are seasonal and perishable. We don't have

enough cold-storage facilities, freezing facilities and refrigerator trucks to be able to stock large quantities or transport them over long distances. This makes it difficult for us to buy, sell and export such foods and to regulate the supply. Taking into account the amount to be purchased and sold in the next few years, the Ministry of Commerce should propose a plan for building more cold-storage facilities, freezing facilities and refrigerator trucks each year.

4. Through state stores and cooperatives, ensure the supply of non-staple foods to the 40 million people in the 99 big and medium-sized cities and industrial and mining areas (14 municipalities directly under the central government, 11 industrial and mining areas, 26 provincial capitals and 48 other medium-sized cities).<sup>146</sup> According to initial estimates, in 1954 people in these places will consume 17.2 trillion yuan's worth<sup>2</sup> of non-staple foods (an average of 430,000 yuan's worth per person). State stores and cooperatives should handle 8.4 trillion yuan's worth, or 48 per cent of the total. But we should not distribute these foods equally. We should first increase the quantity sold by state stores and cooperatives in large cities and in industrial and mining areas, letting them handle 60 per cent of the pork supply and 20 to 40 per cent of vegetables. In medium-sized cities and in southwest and northwest China, the percentages can be smaller, but in the Northeast they should be greater.

5. Provide more effective leadership and carry out a division of labour and responsibility. The Ministry of Commerce will be in charge of regulating the non-staple foods business throughout the country. At the same time, under the leadership of local Party committees and financial and economic commissions, various local authorities should determine the proper proportion of business for state stores, cooperatives and private merchants in their localities. They should draw up plans for buying and selling non-staple foods, taking into consideration the demands in both the cities and the countryside as well as on the domestic and world markets.

State stores and cooperatives should make the following division of labour: State stores should handle the wholesale purchase and export of meat, eggs and fruit. Urban consumers' cooperatives should establish the necessary vegetable markets and sign contracts with producers' cooperatives in the suburbs for the purchase of vegetables. State stores and cooperatives should continue to sell aquatic products until a foodstuffs corporation is established. Both state stores and cooperatives should undertake the wholesale of dried food products. The Ministry of Grain will be responsible for purchasing coarse grain from the peasants, while the Ministry of Commerce will supply it to city dwellers.

6. Increase production. Now that the economy is growing, people's living standards are steadily rising and exports are increasing, we have to produce more non-staple foods. While increasing the output of grain, we should raise more livestock and grow more fruit and vegetables. We should also do more to prevent and treat swine diseases. The Ministry of Agriculture should make a special study of these matters and take the appropriate action.