# SD Governor Says China Trade Mission Productive

Chet Brokaw, Associated Press

PIERRE, S.D. (AP) — Gov. Dennis Daugaard said Wednesday he believes this week's trade mission to China will give South Dakota businesses a chance to export more products to the world's most populous nation.

With 1.3 billion people, China has 20 percent of the world's population but only 7 percent of the world's farmable land, the governor said. South Dakota, with efficient, mechanized farms, can provide the food and other agricultural products China wants to buy, he said.

"We're in a very good position to provide food that they need," Daugaard said, speaking to South Dakota news organizations by phone from Shanghai.

South Dakota can provide soybeans, pork and other food products to China, Daugaard said. China also is interested in dried distiller's grain, a product of ethanol production that is used for livestock feed, he said.

Daugaard, state agriculture and economic development officials, and representatives of several South Dakota businesses have been in China since Friday and will return at the end of this week. The trip was organized with the help of the North Dakota Trade Office, which also had a trade mission to China at the same time.

The governor said at least one of the South Dakota companies is likely to sign a contract during the visit, but he declined to name the company.

State Agriculture Secretary Walt Bones said China's biggest demand seems to be soybeans, which are used to make food for both people and livestock.

"They just have a voracious appetite for soybeans. We will be able to supply them with soybeans as long as we can see," Bones said, adding that China's monthly population growth equals South Dakota's entire population of more than 800,000.

Daugaard said South Dakota next will decide whether to open a permanent trade office in China.

The trade mission, which was financed in part by a federal grant from the U.S. Small Business Administration, helped establish connections with Chinese government officials and business leaders that will pay off in the future, Daugaard said.

"It's not a junket. We did not want it to be a junket. We want it to be real business," the governor said. "I'm hoping it will end up being the first step toward a bigger and better export experience for all our businesses in South Dakota. Early indications are it will be."

Daugaard and the South Dakota group visited Beijing, Jinan, Zhuhai and Shanghai. They met with officials of the China National Cereal, Oils and Foodstuffs Corp., China's largest food-processing manufacturer and trader; local government officials; real estate business representatives; and U.S. trade officials. The group also attended a trade show on food ingredients.

The governor said Chinese government officials and business people have been invited to visit South Dakota. China is encouraging businesses to invest in other countries, and that could benefit South Dakota.

Accompanying Daugaard on the trip were Lloyd's Systems of Rapid City, which makes equipment to inspect and clean heating and ventilation ducts; mining equipment manufacturers MASABA of Vermillion and Kolberg-Pioneer of Yankton; and Daktronics, the Brookings-based manufacturer of scoreboards and video displays. Daktronics already has a branch in the region.

Eldon Nygaard, a state lawmaker who is head of Valiant Vineyards in Vermillion also attended. Nygaard already exports wine to China.

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