



Assessment of the Synergy Between China's Food Security Strategy and Macroeconomic Policy Orientation

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How to cite this paper: Chao Wang, Xiaojing Liu. (2025). Assessment of the Synergy Between China's Food Security Strategy and Macroeconomic Policy Orientation. *International Journal of Food Science and Agriculture*, 9(4), 315-319. DOI: 10.26855/ijfsa.2025.12.007

Received: November 9, 2025

Accepted: December 7, 2025

Published: December 31, 2025

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Abstract

This paper scrutinizes the coherence and synergistic interactions between China's national food security strategy and its prevailing macroeconomic policy framework. Against the backdrop of evolving domestic demand and complex international trade dynamics, we assess how these two critical policy domains align and reinforce one another. Our analysis reveals substantial synergies: food security policies, which prioritize capacity building, farmer livelihood protection, and supply chain resilience, provide a fundamental bulwark for macroeconomic stability. In parallel, the proactive macroeconomic orientation—emphasizing expansionary fiscal measures and an accommodative monetary stance—facilitates crucial capital allocation, risk mitigation, and expectation anchoring within the agricultural sector. We identify three principal channels of synergy: stabilization of primary commodity markets, activation of rural demand, and enhancement of long-term agricultural productivity through technological modernization. Despite these synergies, persistent challenges related to resource constraints and external volatility necessitate deeper policy integration. The findings underscore that institutionalizing this coherence is not merely a sectoral adjustment but a strategic imperative for sustainable development. This study contributes to the literature by offering an integrated analytical framework and highlighting the empirical and theoretical implications of cross-policy coordination in achieving dual objectives of security and growth.

Keywords

China's Food Security Strategy; Macroeconomic Policies; Policy Synergy

1. Introduction

Food security has always been a fundamental and strategic issue underpinning national economic development, social stability, and self-reliance [1]. Although China's grain output has remained consistently above 650 million metric tons in recent years, rapid growth in domestic demand coexists with increasingly binding resource and environmental constraints [2]. The inherent vulnerability of agricultural production to climatic conditions remains a challenge, and a tight balance between grain supply and demand persists as a long-term norm [3]. This necessitates unwavering attention to food security and sustained intensity in grain production support policies.

Simultaneously, China's macroeconomic landscape faces complex challenges, including prominent imbalances between domestic supply and demand. Against this backdrop, the Central Economic Work Conference held in December 2025 outlined the economic policy direction for the coming year, explicitly advocating for the implementation of more proactive and forceful macroeconomic policies [4]. This includes maintaining a proactive fiscal policy

and a prudent monetary policy that is appropriately accommodative, aiming to strengthen counter-cyclical and cross-cycle adjustments and to enhance the effectiveness of macroeconomic governance [5].

Studies on China's food security have evolved significantly, particularly since the systematic introduction of the concept of the Big Food Perspective, which emphasizes building a diversified food supply system [6]. Notable scholarly works have systematically explored pathways to consolidating the foundations of food security, such as implementing strategies of storing grain in the land and storing grain in technology, improving support policies, and optimizing the use of international markets [7-9].

However, the literature suggests that research depth on certain critical issues, such as extending the food industry chain within the context of new quality productive forces, remains insufficient. Despite these parallel advances, a distinct research gap exists regarding the systematic assessment of coherence and synergy between these two critical policy domains. There is limited integrated analysis examining whether food security strategies—in their modern, expansive form—operate in harmony with the broader goals of proactive macroeconomic management. This paper seeks to fill this gap by evaluating their coherence across objectives, instruments, and mechanisms.

This paper aims to systematically assess the coherence between China's food security policies and the current macroeconomic policy orientation. It first outlines the core objectives and components of food security policies, then analyzes the framework of more proactive and forceful macroeconomic policies. Finally, it examines in depth the synergistic logic, practical effectiveness, and challenges between the two across three dimensions based on objectives, instruments, and mechanisms, concluding with considerations for future policy optimization.

2. Strategic Resolve and a Multidimensional Approach to Food Security Policy

Against the backdrop of price fluctuations for certain agricultural products, China's 2025 food security policies demonstrated firm strategic resolve. Their core objective transcends mere output growth, aiming to build a comprehensive safeguard system that integrates production capacity, farmer livelihoods, market stability, and sustainability.

2.1 Upholding the Inflexible Bottom Line

The primary policy task is to continuously enhance the supply security capacity of grain and other vital agricultural products, operationalized through a dual focus on stabilizing acreage and increasing yield per unit area. As illustrated in Figure 1, the national grain-sown area continued its upward trend in 2025, maintaining steady growth since 2020 and remaining above 119 million hectares for the sixth consecutive year, reaching approximately 119.4 million hectares. Concurrently, through expanded yield-enhancement projects, the average grain yield per unit area increased by 1.1%. Notably, corn, a high-yield crop, registered significant gains in both area and yield, making it the primary contributor to the increase in total grain output.

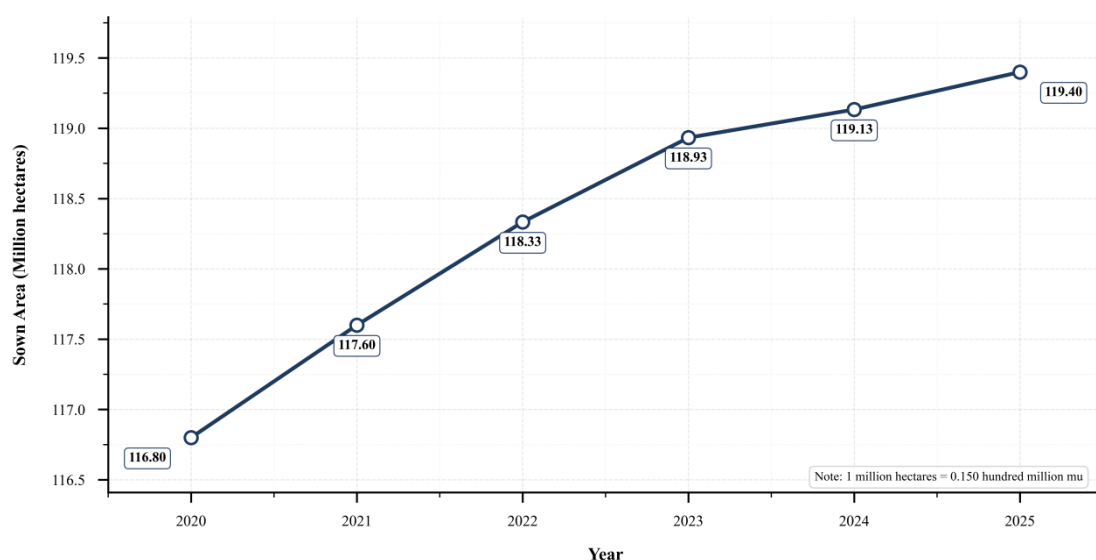


Figure 1. Trend in China's Grain-Sown Area from 2020 to 2025.

2.2 A Multi-Pronged Policy Approach

Its core logic involves stabilizing expectations through price support, mitigating risks through subsidies and insurance, and stimulating vitality through benefit compensation mechanisms. The core 2025 food security policy tools constitute a multi-layered support system. A significant institutional innovation is the pilot program for a centrally coordinated, inter-provincial horizontal benefit compensation mechanism between grain-producing and grain-consuming regions. This mechanism aims to ensure that major grain-producing areas are not economically disadvantaged, thereby systematically incentivizing local governments to prioritize grain production.

2.3 Integrating the Big Food Perspective with Loss Reduction

By fostering a diversified food supply system—including steady growth in the output of meat, poultry, eggs, dairy, and aquatic products—they enrich the national diet and diversify systemic risks. Simultaneously, saving grain and reducing loss is treated as functionally equivalent to increasing production, with efforts focused on establishing a long-term conservation mechanism across the entire supply chain. In trade, emphasis is placed on improving coordination between agricultural product imports and domestic production, managing the timing and volume of imports to stabilize domestic supply, demand, and prices, and to shield domestic industries from adverse international market fluctuations.

3. The Proactive Orientation and Strategic Focus of Macroeconomic Policies

Echoing the bottom-line logic of food security, the late-2025 Central Economic Work Conference set the overall 2026 macroeconomic policy tone as “more proactive and impactful.” This emphasizes precision, effectiveness, and coordinated implementation over mere aggregate stimulus, with core orientations intersecting significantly with the food security domain.

3.1 Policy Objectives Emphasizing Stability and Progress

The conference advocated adhering to the general principle of seeking progress while maintaining stability and improving quality and efficiency, and prominently positioned persisting in expanding domestic demand as the strategic foundation for building a strong domestic market. The vast rural market and steadily growing farmer income represent a component with significant potential within the domestic demand system. Therefore, ensuring stable grain production and income growth is inherently crucial for consolidating the domestic demand foundation and smoothing domestic circulation.

3.2 Synergistic Fiscal and Monetary Policies

A more proactive fiscal policy entails maintaining necessary expenditure intensity while optimizing its structure, creating fiscal space for sustained investment in agricultural infrastructure, high-standard farmland, and R&D. An “appropriately accommodative” monetary policy, employing tools such as the reserve requirement ratio and interest rate adjustments “flexibly and efficiently,” aims to maintain reasonably ample liquidity and guide financial institutions to bolster support for key sectors. The conference explicitly listed “expanding domestic demand” as a key direction for financial support, wherein financing needs for agriculture, rural consumption, and agribusinesses are vital components.

3.3 Macroeconomic Governance Highlighting Balancing Development and Security

The conference included persisting in safeguarding the bottom line, actively and prudently resolving risks in key areas among its guiding principles. Among these imperative bottom lines, food security is paramount. The cross-cycle adjustment approach within macroeconomic policy aligns with the long-cycle nature of grain production and its associated natural and market risks, necessitating stable and forward-looking policy support to prevent short-term fluctuations from undermining this foundation.

4. Assessment of Coherence Between Food Security and Macroeconomic Policies

Based on the foregoing analysis, China’s food security policies and current macroeconomic policy orientation are not parallel tracks but interact and intertwine across multiple levels, exhibiting high coherence centered on balancing development and security.

4.1 Deep Alignment at the Objective Level

The pursuit of stability in macroeconomic policies and the safeguarding function of food security are intrinsically linked. Macroeconomic policies aim to prevent and resolve major economic risks, with food security representing the paramount risk to avert. Simultaneously, both domains aim for progress and quality. Macroeconomic policies seek improved quality and efficiency and new quality productive forces, while food security policies emphasize strengthening agricultural technology and equipment support and enhancing efficiency through conservation and green development. Steady growth in farmer income directly contributes to the strong domestic market objective, achieving unity between security assurance and developmental momentum.

4.2 Effective Complementarity at the Instrument Level

More proactive and impactful macroeconomic policies create highly favorable conditions for implementing specific food security policies. Maintaining necessary fiscal expenditure intensity enables sustained increases in agricultural investment. The horizontal benefit compensation mechanism is a major innovation in optimizing fiscal resource allocation, applying market-oriented principles to address the externalities of grain production—a concrete application of macro fiscal policy in the agricultural sector.

The appropriately accommodative monetary environment and guidance to intensify support for expanding domestic demand help channel financial resources toward the agricultural value chain, new agri-business entities, and rural consumption. Grain sector tools like minimum purchase prices are themselves important instruments for macro price regulation and expectation management. They help mitigate excessive volatility in the prices of bulk commodities, providing a stable primary product foundation for promoting a reasonable price recovery.

4.3 Systemic Integration at the Mechanism Level

Coherence is reflected not only in policy statements but also in innovations in governance mechanisms. The principle of Party and government shared responsibility elevates food security from sectoral management to a local political and economic responsibility of overall significance, making it a core task for local governments in implementing the macro mandate of seeking progress while maintaining stability. The Central Economic Work Conference's emphasis on leveraging the synergistic effect of existing and incremental policies necessitates the organic integration of existing pro-agriculture policies with new macro-adjustment tools. The goal is to create a synergy greater than the sum of its parts in enhancing national food security governance.

5. Strengthening Synergy in a Dynamic Context

Despite the high coherence within the current policy system, fully realizing synergistic effects faces practical challenges. First, long-term pressures from resource and environmental constraints and rising production costs require that macroeconomic policies, while supporting grain production, must also better guide its green, low-carbon transformation and technological innovation. Second, under the macroeconomic contradiction of strong production capacity versus weak demand, balancing agricultural supply and demand and stabilizing price expectations via tools like storage and import demand requires a higher level of cross-departmental policy coordination. Third, the increasing complexity and uncertainty of the international grain market and trade environment require a closer linkage between domestic food security policies and macro foreign economic policies (e.g., trade, investment) to construct a more resilient buffer against external shocks.

6. Conclusion

Food security policies, guided by the bottom-line principle of can only be strengthened, not relaxed, provide the most fundamental material assurance for the safe and stable operation of the macroeconomy. Conversely, the more proactive and impactful macroeconomic policy orientation, focused on expanding domestic demand, safeguarding bottom lines, and supporting key sectors, provides indispensable financial support, monetary vitality, and a stable, accommodative economic environment for consolidating food security. This synergistic, interdependent relationship reflects China's governance wisdom in balancing development and security, and short-term fluctuations with long-term strategy amidst complex domestic and international circumstances. More details can be seen in Figure 2. Continuously strengthening and institutionalizing this synergy will be pivotal for ensuring China's food bowl is held ever more steadily and firmly, and for advancing high-quality economic and social development.

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