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China, Peoples Republic of

Livestock and Products

Annual

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Report Highlights:
A stronger economy is maintaining good demand for meat. Lower feed prices are helping margins particularly for swine producers. Long term prospects are good for continued growth in beef and lamb imports. For pork, China, long term, could become a significant muscle meat exporter, but the import market for pork offal should remain.

Includes PSD changes: Yes
Includes Trade Matrix: No
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Summary

Although prices are still well off their mid-1990 highs, the Chinese livestock industry is doing better this year than last. An improving economy is fueling increasing demand for meat. The swine industry in particular is also being helped by feed prices which have fallen sharply from 1999 levels. Inventories and meat production for swine, cattle, sheep, and goats should all grow through the next several years, with the rate of growth for swine accelerating. Growing dairy and wool production is playing a significant roll in the cattle and sheep growth.

Imports are also increasing, and this should continue for the next several years although overall imports still account for a very small proportion of total consumption. Pork imports are heavily dominated by offal. High-quality beef and lamb imports are making solid gains. In the long run the picture should remain the same, as China's swine industry seems to have the capacity to provide most muscle meat needs in China, but significant constraints exist on Chinese beef and lamb production. If animal disease problems can be addressed, China could foreseeably even become a competitor in the Asian chilled and frozen pork market.

Chinese officials appear to be having some success in controlling illegal indirect imports of meat through Hong Kong. China's upcoming entry into the WTO should help this effort by lowering tariffs particularly for beef. The WTO entry should also help insure that China stays open to meat imports, and WTO provisions on grain and oilseeds should keep Chinese feed prices at world levels.

Cattle and Beef

I: Situation and Outlook

In May, the Government revised its cattle inventory and slaughter series for the third time in 4 years, but the picture remains much the same. Growth in slaughter rates is consistently higher than growth in inventories as average age of the herd in declining because Chinese agriculture is moving away from using cattle as draft animals. The size of the difference is moderating however, and driving in the countryside it would appear that the transformation away from draft cattle is nearly complete.

Most growth that is occurring in the cattle inventory is primarily dairy. The government reports that the dairy herd is growing at 8-10 percent per annum as dairy products become more popular with rising Chinese incomes.

Prices for beef have fallen slightly over the past year. They are now the lowest they have been in over four years. The slaughter of draft animals plus the increase in dairy numbers is providing the market with plenty of beef to meet increased demand. Since cattle farmers rely so heavily on grazing and crop residue, they are not benefitting as much as pork and poultry farmers from lower feed prices. So it appears likely beef cattle inventories will remain stagnant, though dairy herd increases should continue.

Trade

Beef muscle meat imports have increased from nothing at the beginning of this decade to 7,000 tons in 1999. Preliminary data indicate another 30 percent increase for 2000. This is still a minuscule amount when looking at the size of the market. However, considering the short time the market has been open, the growth is significant. Consumer demand for high-quality beef should continue to grow strongly over the next several years in China’s resurgent economy, and since the domestic industry cannot currently meet the need it will continue to come from imports.

Beef offal imports have also increased steadily through the 1990's. They currently account for 80 percent of all beef imports. As with pork, the Chinese have an affinity for beef offal not found in most Western countries. Like muscle meat, offal imports are up strongly in 2000 and should continue to see good gains over the next 3-5 years

Although gains are not as pronounced as with pork, recent efforts to limit smuggling seem to be bearing fruit with beef imports. The ratio of indirect imports to direct imports is declining. The government efforts to limit indirect imports should also be helped by China’s entry into the WTO. This will eventually lower tariffs from the current 45 percent to 12 percent for frozen beef and to 25 percent for chilled beef.

II: Cattle and Beef Tables

PSD Table						
Country	China, Peoples Republic of					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Total Cattle Beg. Stks	124354	124354	126000	126983	128000	130000
Dairy Cows Beg. Stocks	3700	4000	4000	4200	0	4400
Beef Cows Beg. Stocks	56000	59000	58000	61000	0	63000
Production (Calf Crop)	28000	40646	30000	42517	0	43970
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	1	1	0	0
TOTAL Imports	0	0	1	1	0	0
TOTAL SUPPLY	152354	165000	156001	169501	128000	173970
Intra EC Exports	0	0	0	0	0	0
Other Exports	65	66	70	70	0	70
TOTAL Exports	65	66	70	70	0	70
Cow Slaughter	0	0	0	0	0	0
Calf Slaughter	0	0	0	0	0	0
Other Slaughter	26000	37662	27500	39000	0	40500
Total Slaughter	26000	37662	27500	39000	0	40500
Loss	289	289	431	431	0	400
Ending Inventories	126000	126983	128000	130000	0	133000
TOTAL DISTRIBUTION	152354	165000	156001	169501	0	173970
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meat, Beef and Veal				(1000 MT CWE)(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	26000	35872	27500	38000	0	40500
Beginning Stocks	0	0	0	0	0	0
Production	5100	5054	5400	5350	0	5700
Intra EC Imports	0	0	0	0	0	0
Other Imports	6	7	6	9	0	12
TOTAL Imports	6	7	6	9	0	12
TOTAL SUPPLY	5106	5061	5406	5359	0	5712
Intra EC Exports	0	0	0	0	0	0
Other Exports	36	36	30	40	0	40
TOTAL Exports	36	36	30	40	0	40
Human Dom. Consumption	5070	5025	5376	5319	0	5672
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	5070	5025	5376	5319	0	5672
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	5106	5061	5406	5359	0	5712
Calendar Yr. Imp. from U.S.	2	2	2	2	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

China's Live Cattle Imports by Origin (Number of Head)				
ORIGIN	1997	1998	1999	2000
				(Thru Qtr 2)
United States	212	3	6	148
Canada	1,344	67	100	0
Australia	0	1,411	0	0
New Zealand	20	173	0	0
Other	20	0	0	0
TOTAL	1,596	1,654	106	148

Source: China Customs
HS Codes: 0102.1000 and 0102.9000
(f:\shared\lotus\lvstk\cattlebe\cattlimp.wk4)

China's Live Cattle Exports by Destination (Number of Head)				
DESTINATION	1997	1998	1999	2000
				(Thru Qtr 2)
Hong Kong	59,266	65,582	59,410	30,180
Macau	5,547	5,980	5,639	2,861
Korea, DPR	851	1,997	524	0
Kazakstan	0	1,171	0	0
Saudi Arabia	0	0	0	0
Others	36	0	8	0
TOTAL	65,700	74,730	65,581	33,041

Source: China Customs
HS Codes: 0102.1000 and 0102.9000
(f:\shared\lotus\lvstk\cattlebf\cattlexp.wk4)

China's Fresh, Chilled and Frozen Beef Imports by Origin (Metric Tons)				
SOURCE	1997	1998	1999	2000
				(Thru Qtr 2)
Australia	2,165	2,616	2,703	1,188
United States	337	788	1,426	893
New Zealand	30	137	274	292
Japan	16	3	3	1
Hong Kong	1	0	1	0
Others	41	4	147	63
TOTAL	2,590	3,548	4,554	2,437

Source: China Customs
HS Codes: 0201.1000, 0201.2000, 0201.3000, 0202.1000, 0202.2000, 0202.3000
(f:\shared\lotus\lvstk\fcfbfim.wk4)

China's 2000 Total Imports Of Fresh, Chilled, Frozen and Canned Beef (Excluding HK Re-Exports) (1,000 MT)			
	Quantity	Conversion	Quantity
	(Thru Qtr 2)	Factor	Carcass Basis
Frsh, Chld, Frzn, carcass	0.568	1.00	0.568
Frsh, Chld, Frzn, boneless	1.869	1.40	2.617
Canned and Preserved	0.208	1.40	0.291
TOTAL			3.476

Source: China Customs
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CHINA'S DIRECT AND INDIRECT IMPORTS OF
BEEF MEAT AND OFFAL, 1999, 2000
(Metric Tons)

	Direct Imports to China	Re-exports to China from HK	Direct Imports to China 1/	Re-exports to China from HK 2/
Country of Origin	1999	1999	2000 (thru qtr.2)	2000 (thru qtr.1)
MEAT				
Australia	2,703	317	1,188	61
U.S.	1,426	1,116	893	621
New Zealand	274	615	292	216
Brazil	0	176	0	108
Other	151	251	64	143
Total Beef Imports	4,554	2,475	2,437	1,149
OFFAL				
U.S.	10,505	7,743	5,280	2,414
New Zealand	2,168	1,200	3,916	384
Australia	2,410	5,094	3,834	884
Canada	2,154	746	388	542
Uruguay	195	1,185	199	327
Japan	178	0	27	0
Brazil	353	8,308	25	2,438
Argentina	565	5,939	0	1,738
Netherlands	0	330	0	57
Others	1,077	1,241	177	635
Total Beef Offal Imports	19,605	31,786	13,846	9,419
TOTAL BEEF & BEEF OFFAL	24,159	34,261	16,283	10,568

1/ Source: China Customs
2/ Source: Hong Kong Customs
(f:\shared\lotus\lvstk\cattlebf\ttlbfim0.wk4)

China's Fresh, Chilled and Frozen Beef Exports by Destination (Metric Tons)				
DESTINATION	1997	1998	1999	2000
				(Thru Qtr 2)
Hong Kong	6,868	7,845	8,571	4,810
Israel	370	1,865	1,436	1,014
Russia	21,291	26,691	6,124	686
Palestine	471	4,247	1,979	636
Korea, DPR	1,122	1,038	232	122
Japan	0	0	22	79
Macau	85	92	75	37
Singapore	63	0	0	0
Others	1,224	1,263	722	136
TOTAL	31,494	43,041	19,161	7,520

Source: China Customs
HS Codes: 0201.1000, 0201.2000, 0201.3000, 0202.1000, 0202.2000, 0202.3000
(f:\shared\lotus\lvstk\cattlebf\fcfbfex.wk4)

China's 2000 Exports of Fresh, Chilled, Frozen, and Canned Beef (1,000 MT)			
	Quantity	Conversion	Quantity
	(Thru Qtr 2)	Factor	Carcass Basis
Frsh, chl, frzn, carcass	0.041	1.00	0.041
Frsh, chl, frzn, boneless	7.479	1.40	10.471
Canned	7.351	1.40	10.291
TOTAL			20.803

Source: China Customs
(f:\shared\lotus\lvstk\cattlebf\bfcfcex0.wk4)

CHINA RETAIL BEEF PRICES (RMB/KG, US41=8.27)											
	1998				1999				2000		chng 99/00
Provinces	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Jun - June
NAT'L AVG 1/	13.87	13.31	13.24	13.01	13.47	12.72	12.61	12.76	12.90	12.50	-1.73%
Beijing	12.60	13.67	13.27	13.00	11.60	14.00	13.00	13.47	13.00	12.60	-10.00%
Tianjin	13.15	12.87	12.53	12.30	11.53	12.00	13.25	12.15	11.00	12.40	3.33%
Hebei	12.84	12.84	13.32	12.56	12.44	12.44	12.95	12.00	12.43	12.69	2.01%
Shanxi	15.18	15.42	15.55	13.63	13.89	12.73	12.73	13.61	14.25	13.31	4.56%
Inner Mongolia	12.29	12.15	n/a	11.60	13.33	12.00	12.10	12.41	13.00	11.88	-1.00%
Liaoning	13.58	13.41	13.30	13.05	13.91	13.68	13.82	13.27	13.15	12.82	-6.29%
Jilin	12.00	12.00	13.00	13.30	13.78	n/a	13.70	13.00	12.10	12.80	n/a
Heilongjiang	12.80	13.60	13.00	12.50	13.00	13.50	12.50	13.00	13.00	12.00	-11.11%
Shanghai	n/a	n/a	n/a	12.00	17.33	16.00	n/a	18.00	18.00	18.00	12.50%
Jiangsu	15.42	14.38	15.20	14.90	16.67	14.46	13.50	14.00	13.50	13.68	-5.39%
Zhejiang	17.21	16.25	16.60	16.31	16.08	16.67	15.06	15.97	16.54	16.21	-2.76%
Anhui	12.33	11.71	12.86	12.70	12.07	11.00	12.07	12.51	12.25	10.83	-1.55%
Fujian	13.50	12.00	n/a	15.00	15.29	13.13	14.13	15.63	15.67	15.66	19.27%
Jiangxi	13.77	12.00	13.00	12.85	14.71	11.00	12.00	12.77	13.16	12.34	12.18%
Shandong	12.33	11.90	12.29	12.31	12.37	11.52	12.34	11.91	11.56	12.29	6.68%
Henan	12.66	12.62	13.06	12.11	12.82	13.07	14.42	13.09	12.09	11.74	-10.18%
Hubei	12.68	11.93	11.87	11.57	12.11	10.91	11.44	11.91	11.22	11.24	3.02%
Hunan	13.92	12.17	13.08	13.05	13.48	11.71	12.13	12.67	13.24	12.43	6.15%
Guangdong	18.00	18.93	18.45	14.12	17.56	16.11	16.33	16.73	16.33	16.47	2.23%
Guangxi	13.56	13.20	12.47	12.38	12.08	11.38	11.33	11.57	12.00	11.35	-0.26%
Hainan	15.38	14.70	14.50	19.00	12.77	11.50	13.36	13.90	14.00	13.00	13.04%
Sichuan	12.95	11.49	11.38	11.29	11.45	11.13	10.47	10.57	11.03	10.24	-8.00%
Guizhou	13.67	14.00	11.88	n/a	14.00	11.00	10.89	11.54	9.00	10.16	-7.64%
Yunan	16.75	15.81	15.47	15.01	14.77	14.22	13.74	13.84	14.06	14.34	0.84%
Tibet	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shaanxi	12.50	13.38	14.70	13.14	13.20	13.29	13.00	11.75	12.39	12.33	-7.22%
Gansu	13.14	13.49	12.90	12.38	12.63	13.38	12.40	11.69	12.30	12.87	-3.81%
Qinghai	n/a	14.03	n/a	n/a	12.60	13.58	11.50	11.10	11.90	12.80	-5.74%
Ningxia	13.00	13.00	12.50	13.00	13.00	14.00	14.00	12.30	13.00	12.00	-14.29%
Xinjiang	n/a	16.50	13.00	12.00	14.00	13.50	13.25	13.25	13.00	13.20	-2.22%
Chongqing	12.00	n/a	n/a	n/a	12.14	11.57	10.71	11.37	11.29	9.71	-16.08%

Source: Ministry of Agriculture
1/ The national average price is based on the average price of all the counties slected for sampling survey
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III: Cattle and Beef Structural Issues and Long Term Prospects

Production

The typical beef cattle operation is very small usually with one or two head per farmer. Although some regions of China do have some pasture and hay, these are limited. Arable land is at such a premium in China, that land which might in other agricultural countries go to pasture or hay will almost always be used for crops in China. Therefore, the industry relies heavily on grazing cattle along the sides of fields, and feeding rice straw, wheat straw, corn stalks, and other crop residue. The raising of cattle is essentially in many cases a by-product of other agricultural activity. In this situation, the quality of fodder is necessarily low and improving genetics often prohibitively expensive. The result is a low-quality beef.

In contrast to swine and poultry, where the pace of development is rapid at least in some parts of the country, development in the beef cattle industry remains very limited. Some feeding lots exist, but they are small and unsophisticated by American standards. Apparently the Government is the only organization seriously trying to improve genetics through its veterinary services for small farmers. This effort has met with only limited success. Large, modern, and sophisticated breeding production operations are simply non-existent for beef cattle.

It would appear that investors are not eager to enter beef production. It is more difficult and time consuming to develop modern cattle operations producing high-quality beef than it is to develop modern swine or poultry operations. Also, as already noted, China's limited land resources make pasture and hay expensive. This makes it difficult to justify investing in beef-cattle operations, particularly when, after China enters the WTO, they will increasingly have to compete with beef imported from the United States and other countries which do not have the same constraints on land. Consequently, although expansion of the dairy herd will provide some growth in beef production, developing a large beef cattle industry, particularly one producing high-quality beef, is economically problematical.

Consumption and Trade

Most analysts believe that consumption of beef will increase as incomes increase. Now beef only accounts for a small proportion of all meat consumed. A desire for diversity with higher incomes will likely lead to more rapid increases in beef consumption at the expense of pork. Also the beef currently consumed is low quality and used in dishes where it is boiled or enhanced with heavy flavoring. If the experience of other Asian markets like Japan, Korea, Hong Kong and Singapore are any indication, increases in demand for quality will be as important, if not more important, than quantity increases.

The Government realizes the future potential of beef consumption and makes development of the industry a primary goal. Its most prominent current effort in this area is a $200 million project in east-central China, relying heavily on World Bank funding. The emphasis is on building quality beef production, however the project intends to maintain the small scale, crop-residue-dependent industry that currently predominates in China. Considering the constraints discussed in the production section, it would seem very unlikely that this sector can be developed to meet all of China's beef needs. Improvements in the beef cattle, as well as continued expansion of the dairy herd will help the industry produce more low and medium quality meat. However, it remains to be seen if the increase will be large enough to keep pace with demand, and it appears China will have very little if any high-quality beef production for the foreseeable future .

Pork

I: Situation and Outlook

Recently released figures showed 1999 slaughter rates and pork production modestly higher than previously expected. The increase in beginning-year inventory from 1999 to 2000 was also higher than expected, but still, by standards of recent years very weak at just over 1 percent. Live hog prices fell sharply through the first half of 1999 which appears to have prompted farmers to cut back on inventory increases at that time.

Live prices improved by about 20 percent in the last half of 1999. Although they have slipped they are still about 10 percent above the same period in 2000. Very importantly however, at the same time live prices have risen, feed prices have dropped more than 15 percent. So even though hog prices are still well below the peaks of 4 to 5 years ago, margins are good. An improving economy is helping demand for pork grow steadily, if not at the meteoric rates of the early and mid-nineties. Farmers confidence is improving and demand for piglets has pushed their prices to levels over 50 percent higher than they were a year ago. Hog inventories will certainly grow more quickly in 2000 than they did in 1999.

Although there has been some increase in domestic corn prices in recent months, large Chinese stocks of feed grain and depressed world markets for both feed grain and oilseeds should keep feed prices in check for the next year at least. The Chinese economy also appears in good shape which should further bolster demand. After the 1999 slowdown in growth, herd inventories should continue to grow at upwards of 2 percent per annum for several years.

The longer term prospects for pork are moderately bullish. Pork is by far the most important meat for Chinese. According to Chinese official statistics, Chinese pork consumption rivals that of developed countries. Consequently although continued growth of incomes will mean more meat consumption overall, analysts tend to believe the rate of growth for other meats, particularly chicken and beef will be greater than pork in the long term.

Trade

Pork and pork offal exports are up for 2000. If the trend continues, total direct imports for 2000 should be up by over 50 percent. As with domestic production, an improving economy is sustaining demand for imports.

Official Chinese trade figures for the first half of 2000 show a sharp rise in direct imports. The growth in indirect imports through Hong Kong is increasing at a much slower rate. Through the first quarter of 2000 they are only moderately above last year’s pace. In fact this year could well be the first year that direct pork imports are greater than indirect pork imports. This indicates that the Government’s much publicized drive against smuggling is showing some success.

Although government statistics for some reason indicate that a significant portion of the imports are muscle meat, the trade indicates nearly all are offal. As the economy is expected to stay strong for the next several years growth in imports should continue strong. The increase in the proportion of direct imports will also likely increase in coming years as the Government continues to tighten borders, and tariffs on most imports eventually drop from 20 to 12 percent following China's entry into the WTO.

II: Swine and Pork Tables

PSD Table						
Country	China, Peoples Republic of					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
TOTAL Beginning Stocks	422563	422563	427000	430198	434000	440000
Sow Beginning Stocks	32500	35000	32500	36000	0	37000
Production (Pig Crop)	515000	530470	540000	552800	0	573000
Intra EC Imports	0	0	0	0	0	0
Other Imports	2	2	2	2	0	0
TOTAL Imports	2	2	2	2	0	0
TOTAL SUPPLY	937565	953035	967002	983000	434000	1013000
Intra EC Exports	0	0	0	0	0	0
Other Exports	1961	1961	2000	2000	0	2000
TOTAL Exports	1961	1961	2000	2000	0	2000
Sow Slaughter	0	0	0	0	0	0
OTHER SLAUGHTER	507500	519772	530000	540000	0	560000
Total Slaughter	507500	519772	530000	540000	0	560000
Loss	1104	1104	1002	1000	0	1000
Ending Inventories	427000	430198	434000	440000	0	450000
TOTAL DISTRIBUTION	937565	953035	967002	983000	0	1013000
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meat, Swine				(1000 MT CWE)(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	507500	519772	1002	540000	0	560000
Beginning Stocks	0	0	0	0	0	0
Production	39250	40056	40500	41600	0	43300
Intra EC Imports	0	0	0	0	0	0
Other Imports	80	83	60	120	0	130
TOTAL Imports	80	83	60	120	0	130
TOTAL SUPPLY	39330	40139	40560	41720	0	43430
Intra EC Exports	0	0	0	0	0	0
Other Exports	119	119	100	110	0	110
TOTAL Exports	119	119	100	110	0	110
Human Dom. Consumption	39211	40020	40460	41610	0	43320
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	39211	40020	40460	41610	0	43320
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	39330	40139	40560	41720	0	43430
Calendar Yr. Imp. from U.S.	9	9	10	10	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

China's Live Swine Imports by Origin (Number of Head)				
ORIGIN	1997	1998	1999	2000
				(Thru Qtr 2)
United States	0	252	276	773
Canada	395	897	214	319
France	0	0	150	80
U.K.	669	0	614	0
Denmark	229	532	374	0
Vietnam	11,400	2,360	0	0
Other	49	86	187	0
TOTAL	12,742	4,127	1,815	1,172

Source: China Customs
HS Codes: 0103.1000, 0103.9110, 0103.9120 and 0103.9200
(f:\shared\lotus\lvstk\swinepk\swnimpog.wk4)

China's Live Swine Exports by Destination (Number of Head)				
DESTINATION	1997	1998	1999	2000
				(Thru Qtr 2)
Hong Kong	2,125,562	2,046,059	1,821,306	938,865
Macau	155,085	157,651	139,623	72,236
Others	0	405	321	26
TOTAL	2,280,647	2,204,115	1,961,250	1,011,127

Source: China Customs
Hs Codes: 0103.1000, 0103.9110, 0103.9120 and 0103.9200
(f:\shared\lotus\lvstk\swinepk\hogexpds.wk4)

China's Fresh, Chilled and Frozen Pork Imports by Origin (Metric Tons)				
Country	1997	1998	1999	2000
				(Thru Qtr 2)
Netherlands	0	0	12,152	16,426
Denmark	0	1,325	12,148	14,752
Canada	2,163	2,341	12,826	11,347
United Kingdom	0	1,652	9,158	8,532
United States	556	7,746	8,207	5,653
France	0	1,323	1,858	1,351
Others	39	1,402	2,072	873
TOTAL	2,758	15,789	58,421	58,934

Source: China Statistics
HS Codes: 0203.1110, 0203.1190, 0203.1200, 0203.1900, 0203.2110, 0203.2190, 0203.2200 and 0203.2900
(f:\shared\lotus\lvstk\swinepk\fcfpkimp.wk4)

China's 2000 Total Import Of Fresh, Chilled, Frozen and Canned Pork Imports (1,000 MT)			
	Quantity	Conversion	Quantity
	(Thru Qtr 2)	Factor	Carcass Basis
Frsh, Chld, Frzn	58.934	1.0	58.934
Canned	0.132	1.2	0.158
TOTAL			59.092

Source: China Customs
(f:\shared\lotus\lvstk\swinepk\fcfcpim0.wk4)

CHINA'S DIRECT AND INDIRECT OFFICIAL IMPORTS OF
PORK MEAT AND OFFAL, 1999, 2000
(Metric Tons)

Country of Origin	Direct Imports to China 1999	Re-exports to China from HK 1999	Direct Imports to China 1/ 2000 (thru qtr. 2)	Re-exports to China from HK 2/ 2000 (thru qtr. 1)
MEAT				
Netherlands	12,152	9,704	16,426	1,827
Denmark	12,148	2,065	14,752	653
Canada	12,826	4,433	11,347	497
United Kingdom	9,158	1,643	8,532	455
United States	8,207	1,263	5,653	519
France	1,858	469	1,351	264
Germany	0	3,648	82	796
Others	2,072	1,620	791	507
Total Pork Imports	58,421	24,845	58,934	5,518
OFFAL				
U.S.	36,109	32,641	21,745	7,494
Netherlands	7,026	29,385	8,849	9,284
Denmark	13,402	14,811	6,206	4,025
Canada	7,233	12,078	4,061	3,358
United Kingdom	3,981	10,586	2,633	2,458
France	2,346	5,569	2,208	2,351
Germany	303	6,802	25	2,048
Brazil	1,359	1,473	0	252
Others	1,942	6,261	420	1,919
Total Pork Offal Imports	73,701	119,606	46,147	33,189
TOTAL PORK & PORK OFFAL	132,122	144,451	105,081	38,707

1/ Source: China Customs, 2/ Source: Hong Kong Customs
(f:\shared\lotus\lvstk\swinepk\ttlpkim0.wk4)

China's Fresh, Chilled and Frozen Pork Export by Destination (Metric Tons)				
Destination	1997	1998	1999	2000
				(Thru Qtr 2)
Hong Kong	31,215	29,146	35,689	18,213
Singapore	3,726	2,450	2,746	2,251
Russia	60,844	68,618	11,306	1,202
Macau	2,728	2,463	1,986	1,059
Korea, DPR	1,118	649	635	626
Slovenia	260	120	0	0
Others	3,495	1,529	1,381	267
TOTAL	103,386	104,975	53,743	23,618

Source: China Customs
HS Codes: 0203.1110, 0203.1190, 0203.1200, 0203.1900, 0203.2110, 0203.2190, 0203.2200 and 0203.2900
(f:\shared\lotus\lvstk\swinepk\fcfpexds.wk4)

China's 2000 Exports of Fresh, Chilled, Frozen and Canned Pork (1,000 MT)			
	Quantity	Conversion	Quantity
	(Thru Qtr 2)	Factor	Carcass Basis
Frsh, Chld, Frzn	23.618	1.00	23.618
Canned and Preserved	24.986	1.20	29.983
TOTAL			53.601

Scource: China Customs
(f:\shared\lotus\lvstk\swinepk\fcfcpex0.wk4)

CHINA RETAIL HOG PRICES											
	1998				1999				2000		Chge99/00
PROVINCE	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Jun - Jun
											(Thru Qtr2)
AVERAGE 1/	7.53	5.99	6.78	6.63	5.53	4.89	6.20	6.12	5.67	5.45	11.45%
Beijing	8.16	6.00	7.53	7.25	4.60	6.80	7.73	6.40	5.87	6.40	-5.88%
Tianjin	7.58	6.40	7.80	7.30	5.27	4.70	7.13	5.83	5.55	5.88	25.11%
Hebei	6.94	5.18	6.90	6.00	3.85	4.11	6.08	5.17	4.86	5.25	27.74%
Shanxi	7.74	5.79	7.11	6.93	4.55	4.43	6.38	5.75	4.84	4.96	11.96%
Inner Mongolia	7.64	5.72	5.20	7.09	5.73	4.80	6.45	6.81	5.96	5.17	7.71%
Liaoning	7.08	5.33	7.30	6.54	3.93	3.84	6.15	5.15	4.74	5.04	31.25%
Jilin	7.80	5.60	7.47	6.77	4.56	n/a	8.06	5.20	4.60	4.80	n/a
Heilongjiang	7.67	6.20	7.52	7.25	4.50	4.60	6.40	4.90	4.20	4.20	-8.70%
Shanghai	7.50	6.95	7.70	6.20	6.43	5.70	7.35	7.73	6.80	6.98	22.46%
Jiangsu	6.75	5.16	6.47	5.75	4.77	4.09	5.87	5.65	5.28	4.88	19.32%
Zhejiang	8.04	6.25	7.61	6.80	5.98	5.41	6.93	6.91	6.15	5.76	6.47%
Anhui	7.98	5.79	6.74	6.52	5.79	4.48	6.56	6.57	6.03	5.65	26.12%
Fujian	9.35	7.60	7.73	8.36	7.00	6.20	7.14	7.68	7.11	7.23	16.61%
Jiangxi	7.77	6.19	6.41	6.37	6.01	4.63	6.18	6.63	6.14	6.13	32.40%
Shandong	6.98	5.53	6.74	6.01	4.30	4.13	5.69	5.45	5.28	5.28	27.85%
Henan	7.07	4.70	6.56	5.99	4.50	4.13	5.85	5.78	5.34	5.17	25.18%
Hubei	7.73	5.56	6.72	6.51	5.89	4.66	6.75	6.02	5.62	5.55	19.10%
Hunan	7.27	6.00	6.41	6.44	5.82	4.87	6.22	6.50	5.98	5.91	21.36%
Guangdong	9.38	7.47	7.57	7.71	7.35	6.37	7.33	7.46	7.33	7.08	11.15%
Guangxi	7.36	6.29	6.28	6.53	6.16	5.68	6.04	6.38	6.06	5.89	3.70%
Hainan	9.96	8.94	8.60	10.25	9.10	7.90	8.71	8.90	9.50	8.07	2.15%
Sichuan	7.04	5.25	5.75	5.66	5.45	4.05	5.05	5.27	5.15	4.40	8.64%
Guizhou	8.53	8.00	7.09	n/a	8.80	5.63	5.92	6.13	4.80	5.70	1.24%
Yunan	7.91	7.50	7.33	7.26	6.99	6.17	6.21	6.39	5.85	5.39	-12.64%
Tibet	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shaanxi	7.20	5.53	6.72	6.64	4.84	4.37	5.32	4.83	5.22	4.37	0.00%
Gansu	7.43	6.17	6.64	6.45	5.24	3.76	5.56	5.84	4.79	4.89	30.05%
Qinghai	n/a	8.40	n/a	n/a	7.43	6.57	7.90	7.77	5.92	5.67	-13.70%
Ningxia	7.60	6.37	6.73	7.13	4.00	4.40	5.07	5.10	4.00	5.00	13.64%
Xinjiang	n/a	11.00	8.50	9.50	6.30	5.05	5.10	5.40	6.50	6.00	18.81%
Chongqing	6.68	n/a	n/a	n/a	5.81	4.36	5.04	5.27	5.34	4.35	-0.23%

Source: MOA
1/ The national average price is based on the average price of all the counties selected for sampling survey. (f:\shared\lotus\lvstk\swinepk\hogprc.wk4)

CHINA RETAIL PORK PRICES (RMB/KG, US$1=8.27)											
	1998				1999				2000		Chge 99/00
Provinces	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	June - June
											(Thru Qtr2)
NAT'L AVG 1/	12.76	10.42	11.64	11.34	9.90	8.65	10.63	10.54	9.89	9.56	10.52%
Beijing	12.34	8.90	10.50	10.50	8.50	9.00	11.33	9.33	8.07	8.30	-7.78%
Tianjin	13.13	9.33	11.50	11.00	7.67	6.00	10.25	9.78	7.50	9.63	60.50%
Hebei	12.48	9.35	12.09	10.61	7.38	7.34	10.51	9.57	8.57	9.31	26.84%
Shanxi	13.22	9.00	11.95	11.23	8.05	7.54	10.51	9.68	8.38	8.62	14.32%
Inner Mongolia	12.44	10.24	8.60	11.59	9.53	7.67	9.72	9.30	8.09	7.31	-4.69%
Liaoning	12.27	9.30	12.08	11.40	7.52	6.91	10.86	9.28	8.28	8.75	26.63%
Jilin	12.50	9.75	12.33	11.01	7.59	n/a	10.08	9.36	7.64	8.07	n/a
Heilongjiang	12.20	10.16	11.88	11.63	9.35	6.75	8.75	8.95	6.50	7.40	9.63%
Shanghai	17.75	14.80	15.65	14.00	12.95	12.25	14.25	14.53	13.90	13.75	12.24%
Jiangsu	12.86	10.10	12.20	10.94	9.71	8.37	11.36	12.50	9.88	9.63	15.05%
Zhejiang	13.80	10.97	13.05	11.59	9.26	8.28	11.15	11.44	10.17	9.80	18.36%
Anhui	13.53	10.24	11.85	11.54	10.50	7.75	11.53	11.31	10.95	10.34	33.42%
Fujian	13.50	13.00	14.00	13.26	12.20	10.69	11.68	11.75	11.70	11.61	8.61%
Jiangxi	12.43	10.82	11.49	11.37	10.80	8.83	11.21	11.41	10.85	10.66	20.72%
Shandong	12.29	9.22	11.58	10.97	8.13	7.31	10.56	10.28	9.47	9.00	23.12%
Henan	12.52	8.49	11.11	10.60	8.53	7.62	10.08	10.65	9.52	9.14	19.95%
Hubei	13.65	10.21	11.75	11.40	10.82	8.99	11.93	11.69	10.80	10.43	16.02%
Hunan	12.19	9.97	11.15	10.99	10.27	9.05	11.32	11.04	10.18	10.28	13.59%
Guangdong	13.74	13.46	13.38	13.58	13.65	11.26	11.29	12.59	12.59	12.13	7.73%
Guangxi	12.99	11.71	12.05	12.26	11.74	10.73	11.32	11.53	11.29	11.01	2.61%
Hainan	14.15	12.78	12.00	13.00	13.07	11.50	12.33	12.80	13.50	10.33	-10.17%
Sichuan	11.67	9.56	10.04	9.80	9.92	8.00	9.51	9.70	9.59	8.50	6.25%
Guizhou	13.00	14.00	10.86	n/a	13.00	9.36	9.80	9.34	10.00	9.48	1.28%
Yunan	12.42	11.94	11.81	12.00	11.84	10.31	10.31	10.74	10.10	9.07	-12.03%
Tibet	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shaanxi	11.13	9.78	11.24	11.15	8.90	7.29	10.00	8.80	10.41	7.70	5.62%
Gansu	12.60	11.02	11.94	11.33	9.09	7.09	10.26	10.23	8.18	8.48	19.61%
Qinghai	n/a	13.75	n/a	n/a	11.70	9.57	10.90	11.40	10.80	10.50	9.72%
Ningxia	12.50	8.33	8.47	10.40	8.00	6.75	7.87	9.50	8.00	6.07	-10.07%
Xinjiang	n/a	15.00	12.00	14.00	15.00	8.25	9.50	9.80	9.00	9.80	18.79%
Chongqing	11.37	n/a	n/a	n/a	10.57	7.93	9.97	9.61	9.57	9.04	14.00%
Source: MOA 1/ The national average price is based on the average price of all the counties selected for sampling survey. (f:\shared\lotus\lvstk\swinepk\porkprc.wk4)											

CHINA RETAIL PIGLET PRICES (RMB/KG, US$1=8.27)											
	1998				1999				2000		chge 99/00
PROVINCES	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Jun - Jun
											(Thru Qtr2)
AVERAGE 1/	12.84	8.09	8.20	8.50	6.42	4.84	6.82	7.11	7.52	7.66	58.26%
Beijing	14.50	8.00	8.20	10.13	7.60	5.00	5.60	5.80	6.37	6.70	34.00%
Tianjin	11.85	6.13	10.07	10.00	7.20	4.80	6.80	6.50	8.80	8.95	86.46%
Hebei	11.79	5.72	7.43	5.91	3.58	3.64	6.13	5.37	6.69	7.80	114.29%
Shanxi	20.83	13.20	12.34	13.00	6.81	4.48	7.39	6.81	7.25	9.17	104.69%
Inner Mongolia	19.43	12.88	n/a	10.64	10.00	5.60	7.93	7.25	9.50	10.62	89.64%
Liaoning	15.45	7.28	9.59	9.49	5.05	3.27	6.49	5.35	6.44	8.40	156.88%
Jilin	14.50	8.50	9.33	9.63	6.22	n/a	7.22	5.91	8.49	7.23	n/a
Heilongjiang	18.16	12.08	12.00	11.75	8.00	4.60	6.10	5.20	4.00	5.00	8.70%
Shanghai	7.60	6.00	7.60	7.00	6.48	5.70	7.70	8.25	7.58	8.20	43.86%
Jiangsu	8.31	5.17	6.08	5.24	3.89	2.82	5.86	4.70	5.90	5.83	106.74%
Zhejiang	8.29	6.45	7.70	6.43	5.21	3.96	6.65	6.97	6.73	7.03	77.53%
Anhui	13.32	6.76	6.96	7.45	6.03	4.20	6.53	7.47	8.57	7.53	79.29%
Fujian	12.00	6.70	6.90	13.22	7.11	6.29	8.45	8.74	8.29	8.95	42.29%
Jiangxi	10.87	7.07	6.71	6.62	6.37	4.40	7.25	8.11	7.94	9.35	112.50%
Shandong	8.56	5.52	6.73	6.24	4.11	3.14	5.29	5.61	6.01	6.29	100.32%
Henan	12.37	6.29	7.26	6.91	4.50	3.37	5.58	7.11	7.84	8.17	142.43%
Hubei	17.53	7.38	7.81	8.18	6.75	3.66	7.56	7.48	9.54	8.54	133.33%
Hunan	11.49	7.17	6.91	7.01	6.22	4.19	6.49	7.29	7.89	9.36	123.39%
Guangdong	9.84	7.04	6.92	6.95	7.30	6.09	7.82	7.97	8.31	8.86	45.48%
Guangxi	8.39	6.94	6.56	6.43	5.74	5.55	6.71	6.90	6.95	7.79	40.36%
Hainan	11.07	10.37	9.25	8.50	10.10	8.25	9.45	9.78	10.25	9.33	13.09%
Sichuan	11.00	7.61	7.37	7.78	7.30	4.09	5.20	6.02	6.82	5.44	33.01%
Guizhou	13.67	12.10	9.88	n/a	9.80	6.57	6.63	6.66	6.40	5.20	-20.85%
Yunan	14.02	11.89	10.92	11.47	11.08	8.25	7.66	8.07	8.65	7.45	-9.70%
Tibet	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shaanxi	19.13	9.71	10.29	10.93	8.38	3.55	4.86	5.20	6.01	6.53	83.94%
Gansu	18.01	13.44	12.42	12.39	9.88	4.86	6.61	7.93	8.36	8.28	70.37%
Qinghai	n/a	13.00	n/a	n/a	19.80	10.83	7.56	9.10	8.20	8.03	-25.85%
Ningxia	17.00	11.33	13.00	8.33	4.00	4.00	5.33	9.00	10.00	8.00	100.00%
Xinjiang	n/a	14.50	13.00	12.50	n/a	10.50	11.00	11.00	9.80	10.00	-4.76%
Chongqing	14.17	n/a	n/a	n/a	8.89	4.64	5.43	7.06	7.64	5.58	20.26%

Source: MOA
1/ The national average price is based on the average price of all the counties selected for sampling survey. (f:\shared\lotus\lvstk\swinepk\pgletprc.wk4)

III: Swine and Pork Structural Issues and Long-Term Prospects

China's swine industry is going through a significant change. Now the industry is dominated (approximately 80 percent) by backyard operations. A typical Chinese peasant hog farmer feeds largely by-products to 2 or 3 animals often in a room attached to his house. The animals are Chinese/European crosses keeping 25-50% Chinese genetics. This allows the animals to survive more easily on the irregular Chinese rations and they are easier for the farmer to breed. However the move is definitely towards larger operations using more European genetics and eating rations and using technology more typical of Western hog operations. These newer operations produce pigs that are leaner and come to market more quickly than the typical backyard pig.

The pace of this change, however, is uneven. In southern provinces, where live exports to Hong Kong create a demand for more Western-style hogs, industry officials say that operations that currently do not produce at least 2,000-3,000 slaughter hogs a year are not economically viable. The pace of change is much slower in the North which does not have the catalyst of demand from Hong Kong. Still no one would argue the industry is not moving towards more sophisticated hog operations.

Still it appears that the Chinese industry can expand enough to meet Chinese demand and perhaps even beyond this. Pork production is not land-intensive and in China it raises no particular environmental concern. Labor in China is cheap, and China's entry into the WTO should guarantee that feed prices remain at world levels.

Implications for Trade

With China's production potential and its location close to key Asian markets, Chinese officials have strong hopes for exports of pork. Currently China only exports significant quantities of unprocessed pork to Hong Kong and Russia. China's big problem is that its animal disease control is poor and no major market in Asia, outside of these two, will allow Chinese imports. The prospects for China in the near future convincing key markets, particularly Japan, that pork can be imported safely are dim. However, if the country focuses on declaring regions rather than the whole country disease-free and choose areas, as in the South, where disease-prone backyard operations are becoming rare, exports to Japan and other key Asian markets may in the longer-term be possible. However, no serious efforts are yet underway, and to envision any approval in less than five years would be unrealistic.

On a more positive note for American exporters, the ongoing development of the Chinese swine industry will continue to increase demand for U.S. feed grains, oilseeds and animal genetics.

As for pork imports, they currently account for less than one-quarter of 1 percent of China's total consumption and despite continuing increases in offal, it would seem, as discussed above, that China has the resources to expand pork production to keep pace with demand for muscle meat. So it seems likely in the future that, although Chinese imports will continue to expand, they will remain predominantly the offal trade driven by differences in Chinese and Western tastes.

Sheep and Goats

I: Situation and Outlook

National average prices for sheep and goat meat continue weak. They are now 20 percent lower than what they were in the mid-1990's. According to government figures, however, both sheep and goat inventories continue to rise. Generally in southern China, where goats predominate, meat prices are not depressed as in the north. Prices are not only rising in most southern provinces but are even approaching levels of the mid-1990's. This is prompting an increase in southern inventories as well as meat production. In the north, sheep predominates and apparently there a healthy Chinese wool market is prompting increases in inventories, even as declining northern meat prices are weighing down the national average.

Government analysts expect inventories and meat consumption to increase over the next couple of years. In the long term too, they expect continued increases in consumption as they see Chinese increasing their overall meat consumption and diversifying there diet away from pork. Interestingly enough, however, Chinese almost exclusively eat mutton and goat meat. Domestic production of lamb is nil. Generally in other countries mutton and goat meat are considered inferior to other meats and consumption would likely decrease with rising incomes. So much of the gain will probably be in lamb.

Trade

China has developed a small sheep and goat meat export industry over the last 15 years. Two-thirds of the exports are canned meat and 90 percent of the remaining are chilled and frozen exports that go to Hong Kong. In 2000, overall exports are down primarily because of fewer exports to Hong Kong. The higher goat-meat prices in southern China are making trade more difficult. The future for exports would seem likely to concentrate on canned meat and chilled and frozen meat for Hong Kong. Some growth can be expected but it is likely exports will stay relatively small, if for no other reason than the world market for the quality of meat offered by China is small.

Significant imports to China have only developed over the past 5 years. Muscle meat cuts, presumably mainly lamb, from New Zealand and Australia dominates this market. High-end hotel and restaurants as well as wealthier Chinese are apparently consuming more quality lamb, although lamb's proportion of total sheep and goat meat consumption remains minuscule. It would seem then that quality lamb imports will continue to grow. Increasing incomes should sustain demand and little prospect exist for China to develop its own domestic quality lamb production to supplant imports.

Policy

Genetics is the only area related to this industry where America has prospects for exports to China. Currently U.S. genetics are not allowed because of scrapie in the United States. However, discussions aimed at developing a protocol to allow U.S. exports are ongoing.

II: Sheep and Goat Tables

PSD Table						
Country	China, Peoples Republic of					
Commodity	Animal Numbers, Sheep				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
TOTAL Beginning Stocks	268143	269035	271130	279258	280420	290000
Ewes, Beginning Stocks	130000	130000	140000	130000	0	130000
Production (Lamb Crop)	196000	190758	210000	201737	0	192005
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	464143	459793	481130	480995	280420	482005
Intra EC Exports	0	0	0	0	0	0
Other Exports	13	13	10	5	0	5
TOTAL Exports	13	13	10	5	0	5
Ewe Slaughter	0	0	0	0	0	0
Lamb Slaughter	0	0	0	0	0	0
Other Slaughter	192500	180000	200000	184000	0	187000
TOTAL Slaughter	192500	180000	200000	184000	0	187000
Loss	500	522	700	6990	0	0
Ending Inventories	271130	279258	280420	290000	0	295000
TOTAL DISTRIBUTION	464143	459793	481130	480995	0	482005
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meat, Lamb, Mutton and Goat				(1000 MT CWE)(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	192500	180000	200000	184000	0	187000
Beginning Stocks	0	0	0	0	0	0
Production	2560	2513	2650	2570	0	2600
Intra EC Imports	0	0	0	0	0	0
Other Imports	11	10	10	11	0	12
TOTAL Imports	11	10	10	11	0	12
TOTAL SUPPLY	2571	2523	2660	2581	0	2612
Intra EC Exports	0	0	0	0	0	0
Other Exports	6	6	6	6	0	6
TOTAL Exports	6	6	6	6	0	6
Human Dom. Consumption	2565	2517	2654	2575	0	2606
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	2565	2517	2654	2575	0	2606
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	2571	2523	2660	2581	0	2612
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

China's Live Sheep and Goat Exports by Destination (Number of Head)				
DESTINATION	1997	1998	1999	2000
				(Thru Qtr 2)
Nepal	7,605	5,405	5,408	0
Hong Kong	6,754	6,184	4,349	1,865
Macau	0	173	2,797	350
Saudi Arabia	0	0	0	0
Others	107	480	898	0
TOTAL	14,466	12,242	13,452	2,215

Source: China Customs
HS Codes: 0104.1010, 0104.1090, 0104.2010 and 0104.2090
(f:\shared\lotus\lvstk\sheepmt\shpexdes.wk4)

China's Fresh, Chilled and Frozen Lamb, Lamb Mutton and Goat Meat Imports by Destination (Metric Tons)				
ORIGIN	1997	1998	1999	2000
				(Thru Qtr 2)
New Zealand	4,000	8,987	9,882	4681
Australia	43	175	543	430
United States	3	6	9	3
Others	5	26	8	98
TOTAL	4,051	9,194	10,442	5,212

Source: China Customs
HS Codes: 0204.1000, 0204.2100, 0204.2200, 0204.2300
0204.3000, 0204.4100, 0204.4200, 0204.4300, 0204.5000
(f:\shared\lotus\lvstk\sheepmt\fcfmtimp.wk4)

China's 2000 Total Import Of Fresh, Chilled, Frozen And Canned Lamb Mutton and Goat Meat by Origin (1,000 MT)			
	Quantity	Conversion	Quantity
	(Thru Qtr 2)	Factor	Carcass Basis
Frsh, Chld, Frzn, carcass	4.821	1.0	4.821
Frsh, Chld, Frzn, boneless 1/	0.391	1.2	0.469
Canned	0.004	1.2	0.005
TOTAL			5.295

1/ Conversion factor is the average factor of boneless sheep and goat
Source: China Customs
(f:\shared\lotus\lvstk\sheepmt\fcfcmim0.wk4)

China's Fresh, Chilled and Frozen Lamb Mutton and Goat Meat Exports by Destination (Metric Tons)				
DESTINATION	1997	1998	1999	2000
				(Thru Qtr 2)
Hong Kong	878	2,174	2,948	404
U.A.E.	132	102	34	48
Macau	185	237	221	46
Saudi Arabia	46	0	25	36
Others	66	326	231	86
TOTAL	1,307	2,839	3,459	620

Source: China Customs
HS Codes: 0204.1000, 0204.2100, 0204.2200, 0204.2300, 0204.3000, 0204.4100, 0204.4200, 0204.4300, 0204.5000
(f:\shared\lotus\lvstk\sheepmt\fcfmexds.wk4)

China's 2000 Total Export Of Fresh, Chilled, Frozen and Canned Lamb, Mutton, and Goat Meat by Destination (1,000 MT)			
	Quantity	Conversion	Quantity
	(Thru Qtr 2)	Factor	Carcass Basis
Frsh, Chld, Frzn, carcass	0.569	1.0	0.569
Frsh, Chld, Frzn, boneless	0.051	1.2	0.061
Canned and Preserved	3.571	1.2	4.285
TOTAL			4.915

Source: China Customs
(f:\shared\lotus\lvstk\sheepmt\fcfcmex0.wk4)

CHINA RETAIL MUTTON AND GOAT MEAT PRICES (RMB/KG, US$1=8.27)											
											Chge 99/00
	1998				1999				2000		Jun - Jun
Provinces	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	(Thru Qtr2)
AVERAGE 1/	15.45	14.75	15.01	14.74	15.29	14.40	14.61	14.69	14.96	14.29	-0.76%
Beijing	14.60	15.00	15.00	15.25	17.00	14.00	15.20	15.33	14.67	14.60	4.29%
Tianjin	13.98	15.10	15.83	13.75	13.50	12.00	13.50	13.38	12.50	14.13	17.75%
Hebei	14.23	14.86	14.40	14.50	14.07	13.65	14.21	13.66	15.00	13.54	-0.81%
Shanxi	12.71	14.85	14.98	14.00	12.84	12.38	12.80	12.82	13.94	11.68	-5.65%
Inner Mongolia	11.55	13.12	11.00	10.64	12.33	11.91	12.16	11.59	12.78	12.71	6.72%
Liaoning	16.27	16.00	15.49	14.92	15.65	15.78	15.62	15.18	14.98	15.24	-3.42%
Jilin	16.00	15.00	16.00	15.67	17.25	n/a	14.30	15.89	14.50	15.89	n/a
Heilongjiang	12.00	14.40	13.33	11.53	13.00	14.50	14.00	13.50	14.00	13.00	-10.34%
Shanghai	19.00	n/a	19.00	n/a	18.30	16.00	16.00	17.50	18.00	18.00	12.50%
Jiangsu	13.26	13.15	14.00	14.28	14.75	13.33	13.95	16.00	13.00	15.00	12.53%
Zhejiang	20.86	13.37	15.00	19.84	16.82	14.67	14.33	17.40	17.77	13.75	-6.27%
Anhui	12.50	14.50	13.50	13.30	13.25	14.00	13.50	13.40	12.50	13.00	-7.14%
Fujian	21.00	20.00	24.33	24.40	22.67	20.00	21.00	22.33	22.00	21.33	6.65%
Jiangxi	18.00	13.60	14.00	15.00	17.75	n/a	18.00	16.38	17.99	16.10	n/a
Shandong	14.54	14.33	14.72	14.86	15.10	14.22	14.58	15.30	14.39	14.90	4.78%
Henan	14.78	14.85	14.48	14.68	14.70	14.20	15.17	13.62	13.95	13.36	-5.92%
Hubei	12.75	12.50	13.00	n/a	12.34	13.00	12.00	11.84	12.24	13.00	0.00%
Hunan	15.39	13.47	14.06	n/a	14.86	13.77	14.27	15.25	15.10	16.25	18.01%
Guangdong	21.75	21.50	20.70	n/a	20.95	17.75	17.38	19.75	19.14	19.43	9.46%
Guangxi	20.69	18.50	17.50	n/a	17.65	16.31	16.15	17.71	18.50	16.75	2.70%
Hainan	25.45	25.51	26.25	n/a	26.07	22.00	26.25	24.92	25.50	22.33	1.50%
Sichuan	11.77	10.94	10.79	n/a	11.97	11.43	11.60	12.14	12.35	11.09	-2.97%
Guizhou	n/a	n/a	18.27	n/a	n/a	13.10	14.33	14.67	12.00	13.50	3.05%
Yunan	17.15	15.45	16.98	n/a	14.13	13.14	12.64	13.38	13.27	14.44	9.89%
Tibet	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shaanxi	13.00	13.57	14.30	n/a	13.50	14.14	13.58	13.33	14.87	13.83	-2.19%
Gansu	12.40	12.83	12.54	n/a	12.63	13.00	12.63	11.79	12.14	12.06	-7.23%
Qinghai	n/a	14.28	n/a	n/a	12.30	14.13	9.40	10.00	11.60	12.70	-10.12%
Ningxia	12.00	12.53	9.67	n/a	11.50	12.50	12.33	10.60	10.60	10.67	-14.64%
Xinjiang	n/a	18.00	10.50	n/a	16.00	13.00	15.00	13.50	14.00	14.00	7.69%
Chongqing	11.50	n/a	n/a	n/a	12.80	11.17	8.00	12.10	12.67	11.00	-1.52%

Source: MOA
1/ The national average price is based on the average price of all the counties selected for sampling survey.(f:\shared\lotus\lvstk\sheepmt\muttnprc.wk4)

Other Livestock Products Trade Tables

China's Tallow and Grease Imports by Origin (Metric Tons)				
				Market
Country	1998	1999	2000	Share
			(Thru Qtr 2)	2000
Australia	48,636	69,701	84,736	38.1%
New Zealand	61,517	79,905	56,360	25.4%
Canada	31,502	80,701	35,525	16.0%
United States	9,022	62,718	34,862	15.7%
Hong Kong	22,915	19,824	7,417	3.3%
Singapore	34	62	1,232	0.6%
South Korea	33	824	602	0.3%
Indonesia	2,465	436	177	0.1%
Taiwan	902	1,755	80	0.0%
Japan	105	97	37	0.0%
Macau	39	714	0	0.0%
Malaysia	412	0	0	0.0%
Others	1,448	369	1,193	0.5%
			0	0.0%
TOTAL	179,030	317,106	222,221	100.0%

Source: China Customs
HS Code: 1501.0000, 1502.0010, 1502.0090, 1503.0000
(f:\shared\lotus\lvstk\other\t&gimorg.wk4)

CHINA'S IMPORTS OF BREEDING ANIMALS AND ANIMAL GENETIC MATERIALS										
			Number (heads)					Value ($1,000)		
1/			1997	1998	1999	2000		1997	1998	1999	2000
BREEDING CATTLE (0102.1000)											
	DIRECT IMPORTS										
		Australia	0	1,411	0	0		0	956	0	0
		Canada	103	67	95	148		511	295	544	680
		New Zealand	20	173	0	0		167	578	0	0
		Japan	0	0	0	0		0	0	0	0
		U.S.	212	3	6	0		934	128	51	0
		Subtotal	335	1,654	101	148		1,612	1,957	595	680
BREEDING SWINE (0103.1000)											
	DIRECT IMPORTS										
		Denmark	229	532	374	0		451	1088	649	0
		France	0	86	150	80		0	167	252	65
		Taiwan	0	0	0	0		0	0	0	0
		U.S.	0	252	276	773		0	426	293	716
		Canada	395	897	214	319		539	1308	362	443
		U.K.	669	0	614	0		893	0	2094	0
		Sweden	0	0	187	0		0	0	251	0
		Other	49	0	0	0		84	0	0	0
		Subtotal	1,342	1,767	1,815	1,172		1,967	2,989	3,901	1,224

1/ China Customs data is reported only through the second quarter of 2000
2/ HK Re-Export data is reported only through the first quarter of 2000

IMPORTS OF BREEDING ANIMALS AND ANIMAL GENETIC MATERIALS, CON'T											
			Volume (kg)					Value ($1,000)			
			1997	1998	1999	2000		1997	1998	1999	2000
SEMEN (0511.1000)											
	DIRECT IMPORTS										
		Canada	17	1	1	0		31	11	14	0
		U.S.	0	44	15	0		0	72	25	0
		Australia	0	0	0	0		0	0	0	0
		India	0	0	0	0		0	0	0	0
		Netherlands	0	0	0	0		0	0	0	0
		New Zealand	9	50	0	0		16	35	0	0
		Subtotal	26	95	16	0		47	118	39	0
2/	HK RE-EXPORTS										
		U.S.	44	0	0	0		n/a	0	0	0
		TOTAL	70	95	16	0		47	118	39	0
EMBRYOS (0511.9920)											
	DIRECT IMPORTS										
		Japan	0	1	0	8		0	5	0	37
		Taiwan	0	7	0	0		0	1	0	0
		Canada	13	1	24	27		24	18	169	57
		U.S.	24	10	92	0		143	124	115	0
		New Zealand	0	5	77	16		0	32	383	35
		Russia	0	0	n/a	81		0	0	n/a	177
		Denmark	0	0	n/a	30		0	0	n/a	13
		Other	0	0	22	0		0	0	47	0
		Subtotal	37	24	215	162		167	180	714	319
2/	HK RE-EXPORTS										
		U.S.	0	0	0	0		0	0	0	0
		TOTAL	37	24	215	162		167	180	714	319
TOTAL IMPORTS (Value only)								3,793	5,244	5,249	2,223
	DIRECT IMPORTS							3,793	5,244	5,249	2,223
	HK RE-EXPORTS							0	0	0	0
f:\shared\lotus\lvstk\genetics\anlgeim2.w4											

Livestock Tariffs

Tariffs on Cattle and Beef, Effective January 1, 2000					
					Effective
		General	MFN	V.A.T.	Rate
					(mfn+vat)
Cattle, Breeding	0102.1000	0%	0%	13%	13.0%
Cattle, Other	0102.9000	30%	10%	13%	24.3%
Beef, Fresh	0201.1000.1	70%	45%	13%	63.8%
	0201.2000.1				
	0201.3000.1				
Beef, Chilled, Frzn	0201.1000.9	70%	45%	17%	69.6%
	0201.2000.9				
	0201.3000.9				
	0202.1000				
	0202.2000				
	0202.3000				
Source: China Customs					

Tariffs on Hogs and Pork, Effective January 1, 2000					
					Effective
		General	MFN	V.A.T.	Rate
					(mfn+vat)
Swine, Breeding	0103.1	0%	0%	13%	13.0%
Swine, Other	0103.911	50%	10%	13%	24.3%
	103.9120				
	103.9200				
Pork, Fresh	0203.1110	70%	20%	13%	35.6%
	0203.1190				
Pork, Chilled, Frzn	0203.1200.9	70%	20%	17%	40.4%
	0203.1900.9				
	0203.2110				
	0203.2190				
	0203.2200				
	0203.2900				
Source: China Customs					

Tariffs on Sheep/Goats and Mutton, Effective January 1, 2000					
					Effective
		General	MFN	V.A.T.	Rate
					(mfn+vat)
Sheep, Breeding	104.1010	0%	0%	13%	13.0%
Sheep, Other	104.1090	50%	10%	13%	24.3%
	104.2010				
	104.2090				
Mutton, Fresh	0204.1000.1	70%	23%	13%	39.0%
	0204.2100.1				
	0204.2200.1				
	0204.2300.1				
	0204.5000.1				
Mutton, Chilled, Frzn	0204.1000.9	70%	23%	17%	43.9%
	0204.2100.9				
	0204.2200.9				
	0204.2300.9				
	0204.3000				
	0204.4100				
	0204.4200				
	0204.4300				
	0204.5000.9				
Source: China Customs					

Tariffs on Hides and Skins, Effective January 1, 2000					
					Effective
		General	MFN	V.A.T.	Rate
					(mfn+vat)
	Raw Hides				
-Whole hides&skins of bovine animals, of a	4101.1000	17%	5%	17%	22.8%
weight per skin not exceeding 8 kg when simply					
dried, 10 kg when dry-salted, or 14 kg when					
fresh, wet-salted or otherwise preserved					
-Other hides and skins of bovine animals					
fresh or wet-salted:					
-Whole	4101.2100	17%	5%	17%	22.8%
-Butts and bends	4101.2200	17%	5%	17%	22.8%
-Other	4101.2900	17%	5%	17%	22.8%
-Other hides&skins of bovine animals, otherwise	4101.3000	17%	5%	17%	22.8%
preserved					
	Wet Blues				
-Whole bovine skin leather, of a unit surface	4104.1000	35%	9%	17%	27.5%
are not exceeding 28 square feet (2.6m2)					
-Other bovine leather and equine leather,					
tanned or retanned but not further prepared,					
whether or not split:					
-Bovine leather, vegetable pre-tanned	4104.2100	35%	9%	17%	27.5%
-Bovine leather, otherwise pre-tanned					
-Chrome-tanned bovine leather	4104.2210	17%	7%	17%	25.2%
(Wet blue skin leather)					
-Other	4104.2290	35%	9%	17%	27.5%
Source: China Customs					

Tariffs on Tallow and Grease, Effective January 1, 2000					
					Effective

		General	MFN	V.A.T.	Rate
					(mfn+vat)
Lard and Poultry Fat, Raw	1501.0000	35%	12%	17%	31.0%
Bovine & Sheep/Goat, Raw	1502.0010	70%	8%	17%	26.4%
Bovine & Sheep/Goat, Other	1502.0090	30%	8%	17%	26.4%
Lard, Stearin, Oil, Oleostearin,	1503.0000	30%	15%	17%	34.6%
Oleooil and Tallow Oil					
Margarine of Animal or Vegetable	1517.1000 1/	80%	40%	17%	63.8%
Fats or Oil, Edible Mixture					
Other Margarine of Animal Fats	1517.9000.1 1/	70%	40%	17%	63.8%
Edible Mixture					
Other Margarine of Vegetable	1517.9000.9 1/	70%	40%	13%	58.2%
Oil, Edible Mixture					
Animal or Vegetable Fats and	1518.0000 1/	70%	40%	17%	63.8%
Fractions, Inedible Mixture					

Source: China Customs
1/ these items are not included in the trade tables in this report
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