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China, Peoples Republic of

Livestock and Products

Annual Livestock Report

2004

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Report Highlights:

Since December 25, 2003, China has banned imported US beef and products due to the single BSE case in the United States. It is still uncertain when China will reopen the market. China's demand for dairy and beef cattle, now supplied by only Australia and New Zealand, is due to the country's booming dairy sector driven by rising consumption of both dairy products and beef. China's consumption of beef and pork is forecast to continue climbing due to strong growth in per capita income.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Beijing [CH1]
[CH]

Cattle and Beef Market Summary

Since December 25, 2003, China has banned imported U.S. bovine and bovine products due to the one case of BSE in the United States. It still remains uncertain when China will lift the bans. During 2004, USDA provided Chinese officials with information about the US mitigation measures on BSE, and a Chinese BSE technical team visited the United States during September 2004. China is reviewing this information as part of its own risk assessment process.

If China's BSE concerns on US bovine products were alleviated, the Chinese Government would then revise its domestic law, a lengthy procedure involving the Ministry of Agriculture, the General Administration of Quality Supervision Inspection and Quarantine (AQSIQ), the Ministry of Health, the State Food and Drug Administration and ultimately the State Council.

As a result of these factors, the PSD table in this report reflects zero imports of US beef and products during 2004 and 2005. FAS Beijing forecasts that bovine serum, embryos and protein-free tallow—products deemed as non-risk under the OIE guidelines—will be the first products permitted entry. Live cattle imports during 2005 are forecast to increase sharply from 55,000 head to 60,000 head, an increase of 50 percent driven by the continued prosperous dairy sector. Australia and New Zealand are the dominant suppliers.

China's beef production for 2005 is forecast at 7.1 MMT, a 6 percent increase from this year due to continued strong beef demand and rising incomes. Live cattle imports for 2005 are forecast to increase 50 percent from 100,000 to 150,000 head driven by China's surging dairy industry and the need for better genetics by both the dairy and beef cattle sectors. Beef imports in 2005 are forecast at only 15,000 MT, a significant decline from the previous high of 27,000 MT in 2003, due to China's continued ban on US and Canadian beef coupled with higher international beef prices. China's beef exports are forecast to increase from 40,000 MT to 45,000 MT because of increased demand in Hong Kong.

Swine and Pork Market Summary

Pork production for 2005 is forecast to increase from 47 MMT to 49 MMT. Farmers continue to increase pork production due to strong consumer demand driven by China's rising incomes. Pork imports in 2005 are forecast at 88,000 MT, a decline from 2004 as the result of increased domestic supplies. Exports during 2005 are forecast to increase from 357,000 MT to 450,000 MT due to strong demand from Hong Kong, North Korea and Japan. China lost export share to Russia due to its quota import quota limit, but this loss will be compensated by export gains in the other markets.

During 2004 China announced a new import meat quarantine regulation (please refer to FAS Beijing's report CH4032). Effective November 1, 2004, all meat and poultry products re-exported through Hong Kong must be pre-inspected by the China Inspection Company based in Hong Kong before entering the mainland. The purpose of the new law is to reduce smuggling of products. The new regulation could potentially benefit US meat because non-US meat often enters China in US carton boxes accompanied by a false U.S. export certificate after repackaging in Hong Kong. The new inspection policy could also lead to more direct imports into Mainland China.

To derive trade figures, FAS Beijing uses the Global Trade Atlas (GTA) data provided by the USDA, and then we add Hong Kong re-exports to the mainland from World Trade Atlas (WTA) data. China's customs data no longer provides re-exports from Hong Kong. End summary.

PSD Cattle PSD Table

Country

China, Peoples
Republic of

Commodity

Animal Numbers,
Cattle

(1000 HEAD)

Market Year Begin	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	[New]
		01/2003		01/2004		01/2005	MM/YYYY
Total Cattle Beg. Stks	130848	130848	133023	134672	133875	138712	(1000 HEAD)
Dairy Cows Beg. Stks	6873	6873	8300	7587	0	8350	(1000 HEAD)
Beef Cows Beg. Stocks	58846	60501	59000	62830	0	65340	(1000 HEAD)
Production (Calf Crop)	48000	51654	48860	54649	0	54819	(1000 HEAD)
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)
Total Imports	50	50	50	100	0	150	(1000 HEAD)
TOTAL Imports	50	50	50	100	0	150	(1000 HEAD)
TOTAL SUPPLY	178898	182552	181933	189421	133875	193681	(1000 HEAD)
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)
Total Exports	50	50	48	55	0	60	(1000 HEAD)
TOTAL Exports	50	50	48	55	0	60	(1000 HEAD)
Cow Slaughter	0	0	0	0	0	0	(1000 HEAD)
Calf Slaughter	0	0	0	0	0	0	(1000 HEAD)
Other Slaughter	45015	47030	47260	49914	0	53051	(1000 HEAD)
Total Slaughter	45015	47030	47260	49914	0	53051	(1000 HEAD)
Loss	810	800	750	740	0	500	(1000 HEAD)
Ending Inventories	133023	134672	133875	138712	0	140070	(1000 HEAD)
TOTAL DISTRIBUTION	178898	182552	181933	189421	0	193681	(1000 HEAD)
Calendar Yr. Imp. from U.S.	2	2	0	0	0	0	(1000 HEAD)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 HEAD)

PSD Beef PSD Table

Country

China, Peoples
Republic of
Meat, Beef
and Veal

(1000 MT CWE)(1000 HEAD)

Commodity

Market Year Begin	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New] 01/2003	USDA Official [Old]	Post Estimate [New] 01/2004	USDA Official [Old]	Post Estimate 01/2005	[New] MM/YYYY
Slaughter (Reference)	45015	45000	47260	45900	0	0	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	6130	6305	6500	6683	0	7110	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Imports	29	27	29	10	0	15	(1000 MT CWE)
TOTAL Imports	29	27	29	10	0	15	(1000 MT CWE)
TOTAL SUPPLY	6159	6332	6529	6693	0	7125	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Total Exports	43	40	45	45	0	50	(1000 MT CWE)
TOTAL Exports	43	40	45	45	0	50	(1000 MT CWE)
Human Dom. Consumption	6116	6292	6484	6648	0	7075	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	6116	6292	6484	6648	0	7075	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	6159	6332	6529	6693	0	7125	(1000 MT CWE)
Calendar Yr. Imp. from U.S.	23	19	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

PSD Swine PSD Table

Country

China, Peoples
Republic of

Commodity

Animal Numbers,
Swine

(1000 HEAD)

Market Year Begin	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	[New]
		01/2003		01/2004		01/2005	MM/YYYY
TOTAL Beginning Stocks	462915	462915	467327	466017	470410	470410	(1000 HEAD)
Sow Beginning Stocks	37800	43748	38367	44271	0	44688	(1000 HEAD)
Production (Pig Crop)	575300	597814	580000	608500	0	619480	(1000 HEAD)
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)
Total Imports	2	2	2	2	0	2	(1000 HEAD)
TOTAL Imports	2	2	2	2	0	2	(1000 HEAD)
TOTAL SUPPLY	1038217	1060731	1047329	1074519	470410	1089892	(1000 HEAD)
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)
Total Exports	1887	1887	1886	1800	0	1800	(1000 HEAD)
TOTAL Exports	1887	1887	1886	1800	0	1800	(1000 HEAD)
Sow Slaughter	0	0	0	0	0	0	(1000 HEAD)
OTHER SLAUGHTER	568003	592005	574033	601395	0	609215	(1000 HEAD)
Total Slaughter	568003	592005	574033	601395	0	609215	(1000 HEAD)
Loss	1000	1000	1000	914	0	0	(1000 HEAD)
Ending Inventories	467327	466017	470410	470410	0	478877	(1000 HEAD)
TOTAL DISTRIBUTION	1038217	1060909	1047329	1074519	0	1089892	(1000 HEAD)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 HEAD)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 HEAD)

PSD Pork
PSD Table

Country

China, Peoples
Republic of
Meat, Swine

Commodity

(1000 MT CWE)(1000 HEAD)

Market Year Begin	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New] 01/2003	USDA Official [Old]	Post Estimate [New] 01/2004	USDA Official [Old]	Post Estimate [New] 01/2005	[New] MM/YYYY
Slaughter (Reference)	568003	567466	574033	574693	0	0	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	44600	45186	45940	47170	0	49293	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Imports	149	149	155	88	0	88	(1000 MT CWE)
TOTAL Imports	149	149	155	88	0	88	(1000 MT CWE)
TOTAL SUPPLY	44749	45335	46095	47258	0	49381	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Total Exports	282	305	370	357	0	540	(1000 MT CWE)
TOTAL Exports	282	305	370	357	0	540	(1000 MT CWE)
Human Dom. Consumption	44467	45030	45725	46901	0	48841	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	44467	45030	45725	46901	0	48841	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	44749	45335	46095	47258	0	49381	(1000 MT CWE)
Calendar Yr. Imp. from U.S.	78	78	81	45	0	45	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)