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Report Highlights:
China's 2005 poultry production is forecast at 9.9 MMT –the same as post's September 2004 forecast. China banned imports of all U.S. poultry products, worth about $300 million annually, in February 2004 when a case of low pathogenic avian influenza (AI) occurred in Delaware. After months of negotiations, the Chinese Government re-opened the market to U.S. poultry products in December 2004; the first containers reportedly cleared Chinese customs in late January. As a result of China's tougher inspection requirements and a crackdown on smuggling in Hong Kong during 2004, more shipments are likely to go direct to Mainland ports rather than through Hong Kong.

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Summary

During 2005, China's poultry production is forecast at 9.9 MMT, the same as post's September 2004 forecast, because of strong demand.

China banned imports of all U.S. poultry products, worth about $300 million annually, in February 2004 when a case of low pathogenic avian influenza (AI) occurred in Delaware. After months of negotiations, on November 9, 2004, The Ministry of Agriculture (MOA) and the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) jointly announced lifting the ban on live poultry and poultry products from the United States, except Connecticut and the Rhode Island

Although lifting of the import ban was announced last November, actual trade could not resume until the Ministry of Commerce (MOFCOM) and the Provincial Commerce Departments resumed issuing Import Automatic Registration Certificates (IARC's). As a result, on December 27, 2004, MOFCOM, MOA and AQSIQ and China Customs Administration of jointly announced immediate resumption of imports of live poultry and poultry products from the United States. However, the import ban remains in place for poultry products from Connecticut and Rhode Island because of reported cases of the H7N2 strain of AI. Although H7N2 is a low-pathogenic AI, there are reports of this strain of AI turning into highly-pathogenic AI in North America. Chinese officials have claimed that China, as well as Asia, never have had H7N2 AI.

According to U.S. trade sources, the first direct shipments of U.S. poultry have began arriving at ports in late December. However, actual imports are not expected to cleared customs until late January or early February because the quarantine import permit (QIP) is only valid one month after issuance by China's officials. Post forecasts China's imports of U.S. poultry will recover to 125,000 MT during 2005, comprising about 50 percent of China's total imports.

Regarding poultry China's trade policy regime, the country's commitment to the WTO to reduce the poultry import tariff reduction ended during 2004, and the tariff for 2005 remains the same (see table on page 13). However, the Quarantine Import Permit (QIP), managed by AQSIQ, and the Automatic Registration Form (ARF, in the past called Automatic Registration Certificate), managed by MOFCOM, remain in place. Additionally, China continues to enforce a zero tolerance on detection of E. coli and Salmonella on imported raw meat, posing challenges for the U.S. industry.

More than half of poultry imports are transshipped through Hong Kong. Direct imports of poultry products to Mainland ports, however, are forecast to continue to increase during 2005 because last year China imposed tougher inspection requirements to cracked down on smuggling from Hong Kong. China requires livestock product imports through Hong Kong to be pre-inspected by Hong Kong China Inspection Company to avoid smuggling. The new quarantine measure and crackdown on smuggling will make transshipments through Hong Kong more difficult. Post believes this will eventually shift the bulk of U.S. exports from Hong Kong to Mainland ports.

Poultry Production

China's chicken meat production in 2004 still below the pre-AI level, but production in 2005 is forecast to grow 2.5 percent

Although China's broiler production fell during the first half of 2004 due to highly pathogenic avian influenza (HPAI) outbreaks in the country, broiler production recovered in response to the government's favorable policies to support poultry production. The production recovery is also in response to recovered consumer demand and China's success in re-opening cooked poultry exports to some countries. Unlike cattle or swine, poultry farmers can expand more rapidly broiler placements. As a result, China's total poultry meat production in 2004 ended up almost the same level of the previous year, and chicken meat production ended up with only a 0.3 percent decrease.

During 2004, the government began phasing out the agricultural tax over the next five years, and 25 provinces have already eliminated the tax entirely. The government also gave direct cash subsidies directly to grain farmers that resulted in grain production increases (in part due to favorable weather and increased yields). These measures helped stabilize feed grain prices for poultry farmers. The Shanghai local government even provided subsidies for all farmers' poultry insurance, according to media reports. In response to these measures, chicken meat production in 2005 appears likely to increase at least 2.5 percent--unless a new HPAI outbreak occurs.

Post corrected the slaughter reference number to include Chinese local yellow-feathered broilers (about half of the total). The average carcass weight for broiler is 1.35 kg.

Commercial-sized poultry operations on the rise in China

After the SARS outbreaks in 2003, coupled with the HPAI situation in early 2004, China imposed more stringent industry requirements on food safety, disease control and environmental protection covering meat processing, animal waist handling and drug usage. Larger commercial chicken farmers are able to bear the increased production costs needed to apply a more standardized operation. In Shandong Province, the largest Chinese chicken producing province, major processing plants increasingly sign contracts for chickens with farms that can provide 5,000 birds at a batch. The overall pressure to strengthen food safety and disease controls has speeded up this production pattern change.

Compound feed development has improved chicken efficiency

Overall, China's chicken carcass weight has remained at 1.3 kg on average for the last few years. As a result, the chicken production increase is a primarily the result of a climb in the number of slaughtered. However, poultry feed development has also improved production efficiency, particularly on the larger-scale farms along the coastline. According to MOA, the conversion rate between feed and chicken meat has been improved from 2.5:1 ten years ago, to 1.8:1 currently. The feeding period has also shortened to 18 days.

China's long-term feed plans dependent on imported soybeans and products

During 2004, the Ministry of Agriculture revised the "Tenth-Five-Year Feed Plan" (2000-2005) to stipulate that by the end of 2005, China's feed production capacity should reach 120-140 million MT. Of this total figure, the target for compound feed is 80-100 million MT, for concentrated feed 15-18 million MT and for premix feed 2-5 million MT. MOA's long-term feed plan with estimated target is that by the end of 2015, compound feed production capacity with two shifts shall realize 160-180 million MT, and compound feed production shall realize 120 million MT, concentrated feed 20-50 million MT and premix feed 6-8 million MT.

MOA reported in 2004 that China's feed production was estimated at 93 million MT, up 6.8 percent from a year ago, evidence the feed production objective is not unrealistic. Compound feed production increased 6 percent, instead of the normal 1-2 percent, due to increased swine output and commercialized broiler and layer production.

China is dependent on imported soybeans. About 70 percent soybeans for soy meal and fishmeal derive from imported soybeans from the United States, Brazil and Argentina. The feed target plan will translate into growth of imported soybeans and soybean products for the foreseeable future.

Wholesale chicken meat prices up 18.8 percent during 2004

According to MOA data, China's wholesale chicken price in 2004 was $1.64 per kg on average, an 18 percent increase from the $1.38 per kg of a year ago. The wholesale live chicken price in 2004 was $1.15 per kg, up 15 percent from 2003. The increased price is because of reduced domestic supplies, higher domestic feed prices and higher international chicken prices. With the continued poultry production recovery and the market reopening to other countries, China's chicken prices are forecast to stabilize in the middle of 2005—assuming there are no other market shocks such as the reoccurrence of avian influenza.

Poultry consumption is estimated to decline about 3.7 percent in 2004 due to HPAI, but consumption in 2005 is expected to recover

China's chicken meat consumption in 2004 is estimated to have dropped 3.7 percent from 10.27 million MT from a year ago to 9.91 million MT due to consumer fears about avian influenza. But Post forecasts China's chicken meat consumption for 2005 will increase less than 1 percent to 9.99 million MT. Although some consumers switched to red meet during or after AI, China's per capita poultry consumption--in a long run--will increase steadily due to rising incomes and eating habits.

Poultry Product Trade

China's broiler imports for 2004 estimated to have declined 63 percent due to HPAI, imports in 2005 forecast to recover 52 percent

In response to more accurate trade data, Post revised China's broiler import number for 2003 to 763,000 MT.

China's total broiler meat imports in 2004 are estimated to have declined 63 percent from 2003, to 285,000 MT. Imports during 2005 are forecast to increase 52 percent to 500,000 MT due to resumed trade. However, the imports may still be lower than the 2003 level.

China's new import regulation (No. 49) results in more direct shipments

Lower-valued chicken feet, wingtips and offal from the United States and other countries (including Canada, Brazil and Thailand)—culinary delicacies in China—continue to enter China through gray channels. As evidence, U.S. Customs data indicates that the United States exported 155,410 MT chicken paws to Hong Kong in 2003, but HK data indicates it re-exported 155,788 MT of U.S. paws to the Mainland. During 2002 the gap was larger, e.g., U.S. exports of 144,320 MT to Hong Kong (DOC data) and Hong Kong re-exports of U.S. poultry to the Mainland of 168,859 MT. According to Chinese officials, during repacking in

Hong Kong, smugglers may use falsified USDA Food Safety Inspection Service (FSIS) export health certificates to bring in other countries' products under the U.S. name. As a result, CIQ port officials tend to suspect shipments that are even accompanied by authentic U.S. certificates. FAS China offices are often asked to assist in verifying the authenticity of FSIS export certificates—a procedure that ultimately slows down trade.

In order to reduce smuggling of imported poultry products, the Chinese Government imposed new regulations in 2004 to encourage direct shipments of poultry from supplying countries to the Mainland—in lieu of transshipment through Hong Kong. AQSIQ's No. 49 Announcement, effective November 1, 2004, requires that all meat and poultry shipments transited through Hong Kong be pre-inspected and sealed by the China Hong Kong Inspection Company (CHKIC) before entering the Mainland.

Under the new inspection system, according to the poultry industry, containers are transported from Hong Kong's Kwai Chung port terminal to the inspection facility within several hours. Then a brief inspection procedure occurs. CHKIC apparently refuses to inspect opened ocean containers. As a result, the objective of the pre-inspection program, according to Chinese officials, is to make it more difficult to repack and smuggle meat into the Mainland. The shift in poultry trade away from Hong Kong also occurred after China's inspection officials cleared more quickly "US pipeline poultry products" (i.e., products shipped before the China's ban was put in place in February 2004) in Shanghai ports than those stuck in Hong Kong ports.

The No. 49 Announcement also stipulated a new inner box labeling requirement. In response to FAS Beijing's request, China's AQSIQ postponed implementation of this requirement by one month (i.e., from November 1 to December 1, 2004) to allow U.S. packers more time to adjust their production procedures. The inner label must state both the establishment numbers and product names. AQSIQ also accepted a loose label inside the inner plastic bags instead of a print-on label. Finally, AQSIQ agreed to allow U.S. packers to use either single lingual (English) or multi-lingual (including English) inner label. (Please see FSIS's export library for the exact certification requirements.)

China bans bonded trade for processing and re-export of certain poultry products

Chinese officials reported that some food processors (including poultry) imported bonded product tariff-free, under the auspices of "processing trade", then re-directed the product to the domestic market. The large volume of food products entering the country made it extremely difficult for Customs and other government officials to monitor products destined for re-export, or for direct domestic consumption.

In response, on November 1, 2004, China implemented a ban on bonded trade for processing and re-exports of certain poultry products, planting seeds and other agricultural and non-agricultural commodities (see GAIN report CH4056 for more details). FAS/China expects the ban to have limited impact on U.S. trade with China. In fact, documents cited in the announcement indicate a ban was already in place for several goods, and that this announcement serves as a reminder that products entering China duty-free cannot be re-directed to the domestic market. This policy will not affect U.S. exports because U.S. poultry does not have to go to Chinese processing plants like other countries. The U.S. is the only country that can directly sell meat products in China's retail sector. MOFCOM officials told post they did not notify the WTO of this regulation because similar rules were announced in 2000.

China also created a specific HS code for chicken paws in January 2005 instead of mixing paws with wingtips under the same code line. The objective of this regulatory change is also to discourage fraudulent activity. Chinese Customs created a specific HS Code line 0207.1422 for frozen chicken paws and a HS Code line 0207.1429 for frozen chicken wingtips and livers. The old HS Code line 0207.2900—a mix of the three products--is cancelled. However, FAS Beijing used the old method because trade numbers for January will not be announced until February.

Direct trade also favored by economics

Last year China met its commitment to reduce the import tariff under the WTO. No additional tariff reductions are scheduled in 2005. One result of the falling import tariff is that direct imports of poultry products into the Mainland is becoming as profitable for traders as transshipping via Hong Kong.

As evidence that China's import picture is changing as trade shifts away from Hong Kong to the Mainland, according to the U.S. poultry industry, during January to November 2004, Shanghai port handled 40 percent of China's total imported poultry products, Shenzhen port handled 21 percent and Guangzhou port handled 13 percent. Only several years ago, Guangdong Province imported 70 percent of China's total poultry imports.

According to traders, after China lifted its ban on U.S. poultry in December 2004, MOFCOM has only issued the IARC's for direct shipments from the U.S. to Yantian port and Shekou port in Guangdong Province. No certificates have been issued for indirect imports through Hong Kong—further evidence that the Chinese Government favors direct trade through the Mainland.

The Chinese Government responds to domestic food safety scandals

Over the past year, China has tightened its food safety regulations and cracked down on illegal foods in domestic markets—particularly after the infant deaths due to fake milk formula in 2004. Guilty manufacturers were severely punished. At the end of 2004, Chinese officials suddenly closed China's largest cold storage warehouses in Guangdong that store imported meat from HK. Imported meats without proper documents were all confistigated and auctioned.

Argentina, Brazil and Canada--emerging competitors for U.S. poultry products

Last year, during an exchange of visits between leaders of China, Brazil and Argentina, China signed meat quarantine protocols with both countries. According to traders, chicken paws from these countries can enter directly into China's retail sector after AQSIQ inspects and registers each exporting establishment. The U.S. is still the only country where China accepts the FSIS certificate for any registered export facility.

After China banned poultry imports from the US, Canada and Thailand due to AI in 2004, Brazil's poultry import share increased from 0.98 percent to 30 percent, while Argentina's share increased from 0.71 percent to 25.8 percent, respectively, during the first 11 months of 2004 for direct shipments.

According to the poultry trader, the quality of Brazilian poultry products continues to improve. As a result, Brazil displaced U.S. poultry products during 2004 as the trade became more familiar with Brazilian broiler products. Further, Brazil's willingness and flexibility to meet Chinese quarantine regulations and requirements will make Brazilian poultry competitive in the future. The Chinese media reported that Argentina's strategy is to bring Argentine poultry products into China's supermarkets.

On January 18 2005, MOA and AQSIQ jointly announced the resumption of imports of poultry products from Canada (see CH5005 for more information). In February 2004, Canada had announced the temporary import suspension of Canadian poultry products following the reports of an H7 avian influenza case in British Columbia. During CY2003, China's imports of Canadian poultry totaled 4,000 MT valued at $2.6 million, the number 4 supplier. Canada's market share fell considerably during CY2004 following the import suspension.

In the future, U.S. poultry will face tougher competition as China signs quarantine protocols and negotiate market access with other suppliers.

During 2004, China's broiler exports estimated to have declined 36 percent due to HPAI, but exports expected to recover 24 percent in 2005

China's broiler exports were estimated to have declined 36 percent in 2004 from 388,000 MT a year ago to 250,000 MT due to importing countries' trade suspensions stemming from China's HPAI situation during January to March. Post forecasts China's broiler exports will increase from 250,000 MT in 2004 to 300,000 MT in 2005 due to broiler demand in export destinations. However, the forecast may not reach the export level of 2003 because stricter food safety requirements in export markets will make trade more difficult.

Japan is still the largest export market even though China's exports to Japan dropped 38 percent in the first 11 months of 2004. In order to guarantee export quality to Japan, China reduced the list of eligible poultry establishments to only 35 of which 11 are in Shandong Province. Hong Kong is the second largest export market for China. When combined with Japan, both countries account for over 80 percent of China's total exports to the world. China's exports to Russia dropped over 93 percent through November in 2004, not only due to the impact of HPAI in China, but also due to restrictions of Russia's import quota. According to the Chinese broiler industry, Russia only allocated China with about 10 percent of its import quota compared to the previous year.

Europe announced a reopening of its poultry market to China in the latter half of 2004, but implementation will be postponed until March 2005. Although most Chinese poultry export plants operate based on EU standards, EU-registered establishments are few. Chinese export plants must be inspected and approved on a one by one basis.

AQSIQ strengthened food safety standards and monitoring during 2004 in order to improve China's export competitiveness. For example, China announced a "black list" of processing plants that fell short of quality control standards. The ministry also reduced, verified and reregistered qualified export plants. As of the end of 2004, AQSIQ had approved 140 poultry meat-processing plants, over 1,000 attached poultry farms and 35 cooked poultry establishments.

USDA assessing China's poultry inspection system as "equivalent" for cooked poultry exports to the US

During 2003, China requested approval to export cooked poultry products to the US. During June 2004, FSIS officials visited China to conduct questionnaires in five areas including government oversight, disease control and slaughtering operation. The officials also undertook a preliminary audit of poultry establishments and CIQ (local quarantine offices) microbiology and chemical residue test labs. Then, in December 2004, FSIS completed the official audit in China. The FSIS team visited a number of establishments and labs, attempting to assess the government's ability to ensure cooked poultry safety. During the visit, AQSIQ was cooperative and took immediate corrective actions which it subsequently reported to FSIS. China's request for poultry inspection equivalency now enters the next regulatory phase including a draft rule for public comment. The rule will propose that China can be included on in the list of eligible countries that can export cooked poultry products to the US.

Poultry Egg Production

Poultry egg production forecast to increase 5 percent in 2005

China's poultry egg production in 2005 is forecast to increase 5 percent from 27 million MT to over 28 million MT. Although the production growth remains the same as in the previous poultry annual report, the forecast production number is revised higher based on MOA's preliminary information for 2004.

China's poultry egg production in 2004 increased about 3.8 percent from 26 million MT to 27 million MT. The pace of growth in 2004 was smaller compared to 5.9 percent a year ago due to the impact of HPAI. Egg production facilities continue to relocate to China's grain production areas. Eight provinces accounted for over 70 percent of China's total egg production: Hebei, Shandong, Henan, Jiangsu, Liaoning, Sichuan, Hubei and Anhui.

Poultry egg prices started to climb after China's HPAI outbreaks in January 2004 due to reduced supplies and strong demand. MOA data shows that China's average wholesale chicken egg price in 2004 was $0.92 per kilogram, up 41.5 percent from $0.71 per kilogram a year ago. The average duck egg price in 2004 was $0.99 per kilogram, a 29.6 percent increase from $0.71 per kilogram in 2003.

The Chinese Government's favorable policies to stimulate poultry and egg production, combined with limited replacements for eggs and the good prices, resulted in increased production and exports after the HPAI period. Farmers responded quickly to increase replacements. As a result, poultry egg production has recovered quicker than previously expected.

Poultry Egg Trade

China's egg exports estimated to decrease about 8 percent in 2004 due to AI, 2005 exports forecast to recover to pre-AI level

China's egg exports in 2004 decreased about 8 percent to 1.3 billion pieces due to the impact of HPAI. Post forecasts China's egg exports during 2005 to recover to the pre-HPAI level from 1.3 billion to 1.4 billion pieces due to China's aggressive efforts to control bird flu. China's egg export pattern and the destination markets in 2005 are forecast to remain the same as in the previous year, i.e. over 80 percent are fresh shelled eggs and the three most important export markets are Hong Kong, Macau and Japan.

PSD Table—Poultry Meat

PSD Table

Country China, Peoples Republic of

Commodity Poultry, Meat, Broiler

(1000 MT)(MIL HEAD)

	2003 USDA Official [Old]	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Inventory (Reference)	0	0	0	0	0	0	(MIL HEAD)
Slaughter (Reference)	733	7332	720	7304	733	7400	(MIL HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	9898	9898	9700	9860	9990	9990	(1000 MT)
Whole, Imports	0	0	0	0	0	0	(1000 MT)
Parts, Imports	453	763	220	285	300	500	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	453	763	220	285	300	500	(1000 MT)
TOTAL SUPPLY	10351	10661	9920	10145	10290	10490	(1000 MT)
Whole, Exports	0	0	0	0	0	0	(1000 MT)
Parts, Exports	388	388	250	250	300	300	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	388	388	250	250	300	300	(1000 MT)
Human Consumption	9963	10273	9670	9895	9990	10190	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	9963	10273	9670	9895	9990	10190	(1000 MT)
TOTAL Use	10351	10661	9920	10145	10290	10490	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	10351	10661	9920	10145	10290	10490	(1000 MT)
Calendar Yr. Imp. from U.S.	170	177	170	73	0	125	(1000 MT)

China Import Statistics
UDG: Broiler Meat,
Year To Date: January - November

Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	T	441,609	495,718	168,325	100	100	100	-66.04
United States	T	414,830	481,535	75,632	94	97	45	-84.29
Brazil	T	200	4,510	49,816	0	1	30	1004.47
Argentina	T	4,149	3,834	41,849	1	1	25	991.52
Canada	T	1,896	3,929	775	0	1	0	-80.27
Thailand	T	5,473	1,620	173	1	0	0	-89.34
Other	T	15,060	267	57	3	0	0	-

China Import Statistics
UDG: Broiler Meat,
Year To Date: January - November

Partner Country	United States Dollars			% Share			% Change
	2002	2003	2004	2002	2003	2004	2004/2003
World	335,885,194	357,679,186	140,093,724	100	100	100	-60.83
United States	314,305,713	347,522,142	59,448,361	93.58	97.16	42.43	-82.89
Brazil	132,392	3,508,953	43,532,552	0.04	0.98	31.07	1140.61
Argentina	2,989,310	2,543,614	36,149,783	0.89	0.71	25.8	1321.2
Canada	1,501,001	2,627,573	726,870	0.45	0.73	0.52	-72.34
Thailand	3,609,895	1,231,635	149,278	1.07	0.34	0.11	-87.88
Other	13,346,883	220,321	69,705	4	0	0	0.43

China Import Statistics
UDG: Broiler Meat,
Year Ending: December

Partner Country	Unit	Quantity			% Share			% Change
		2001	2002	2003	2001	2002	2003	2003/2002
World	T	644,909	498,897	565,531	100	100	100	13.36
United States	T	531,764	471,917	545,398	82.46	94.59	96.44	15.57
Brazil	T	9	200	8,397	0	0.04	1.48	4098.67
Canada	T	18,736	2,045	4,576	2.91	0.41	0.81	123.77
Argentina	T	11,670	4,149	4,236	1.81	0.83	0.75	2.11
Thailand	T	14,683	5,473	2,535	2.28	1.1	0.45	-53.67
Other		67,981	15,112	364	10.55	3.02	0.07	97.68

China Import Statistics UDG: Broiler Meat, Year Ending: December							
Partner Country	United States Dollars			% Share			% Change
	2001	2002	2003	2001	2002	2003	2003/2002
World	410,839,581	378,706,060	413,611,975	100	100	100	9.22
United States	336,026,701	356,939,045	398,218,690	81.79	94.25	96.28	11.56
Brazil	7,190	132,392	6,997,544	0	0.03	1.69	5185.47
Canada	12,713,360	1,628,989	3,191,168	3.09	0.43	0.77	95.9
Argentina	7,088,419	2,989,310	2,894,620	1.73	0.79	0.7	-3.17
Thailand	8,746,873	3,609,895	1,997,484	2.13	0.95	0.48	-44.67
Other	46,218,567	13,406,429	287,521	11.25	3.53	0.07	-0.93

World Trade Atlas
Product Group
HK Broiler Meat Re-Exports to China
Quantity
January - November

Rank	Origin	- KG - 2002	- KG - 2003	- KG - 2004	% Change - 04/03 -
0	-The World-	503,223,879	456,372,772	102,588,364	-77.52
1	United States	341,964,182	257,549,173	44,859,841	-82.58
2	Brazil	69,131,188	106,498,908	30,450,977	-71.41
3	Argentina	6,422,701	3,777,519	7,289,768	92.98
4	Turkey	9,148,102	13,515,993	3,759,918	-72.18
5	Chile	4,633,192	6,824,037	3,232,210	-52.63
6	France	4,479,867	7,427,325	2,066,606	-72.18
7	United Kingdom	11,636,629	10,250,096	2,434,781	-76.25
8	Canada	13,596,985	7,840,241	2,249,386	-71.31
9	Iran	6,575,167	8,887,340	2,234,079	-74.86
10	Thailand	8,518,890	17,951,543	957,385	-94.67
11	Denmark	2,042,474	1,022,339	848,191	-17.03
12	Spain	95,100	319,070	224,370	-29.68
13	Other	24,979,402	14,509,188	1,980,852	-86.35%

Source of data: Hong Kong Census and Statistics Department

World Trade Atlas
Product Group
HK Broiler Meat Re-Exports to China
Quantity
January - December

Rank	Origin	- KG - 2001	- KG - 2002	- KG - 2003	% Change - 03/02 -
0	-The World-	671,601,454	559,360,419	504,668,680	-9.78
1	United States	495,298,525	379,079,088	283,225,998	-25.29
2	Brazil	57,421,992	78,943,153	117,356,437	48.66
3	Thailand	12,281,113	9,401,983	19,649,285	108.99
4	Turkey	11,406,289	10,590,182	15,322,199	44.68
5	United Kingdom	18,248,822	12,685,946	11,287,859	-11.02
6	Iran	2,159,000	7,023,187	9,667,580	37.65
7	Canada	19,462,101	14,939,617	9,092,327	-39.14
8	France	4,073,665	5,246,052	8,505,770	62.14
9	Chile	6,810,155	4,945,208	7,497,042	51.6
10	Argentina	7,765,800	6,617,686	4,884,534	-26.19
11	Australia	4,039,270	3,787,278	2,620,393	-30.81
12	Germany, Fed Rep	2,473,208	4,340,845	2,573,869	-40.71
13	Other	30,161,514	21,760,194	12,985,387	-40.33%

Source of data: Hong Kong Census and Statistics Department

World Trade Atlas
Product Group
HK Rexports of Chicken Paws
Quantity
November

Rank	Origin	- KG - 2002	- KG - 2003	- KG - 2004	% Change - 04/03 -
0	-The World-	19,752,298	22,920,828	3,136,140	-86.32
1	Argentina	333,570	361,350	1,009,840	179.46
2	United States	12,987,798	13,951,707	1,079,207	-92.26
3	Brazil	3,412,202	3,814,190	800,994	-79
4	Other	3,018,728	4,793,581	246,099	-94.87%

Source of data: Hong Kong Census and Statistics Department

Product Group
HK Rexports of Chicken Paws
Quantity
January - December

Rank	Origin	- KG - 2001	- KG - 2002	- KG - 2003	% Change - 03/02 -
0	-The World-	354,267,203	268,048,299	260,845,402	-2.69
1	United States	283,768,420	189,701,914	170,186,998	-10.29
2	Brazil	24,735,343	34,572,702	42,484,331	22.88
3	Thailand	6,249,942	5,451,439	11,616,495	113.09
4	Turkey	10,725,501	9,598,206	11,500,961	19.82
5	Iran	2,159,000	6,996,500	9,640,580	37.79
6	Chile	4,596,534	3,139,355	4,560,212	45.26
7	Argentina	6,688,068	5,898,607	3,045,516	-48.37
8	Canada	5,550,765	5,804,520	2,117,823	-63.51
9	Malaysia	1,562,682	1,210,543	1,442,661	19.17
10	Australia	1,616,213	1,350,121	1,086,708	-19.51
11	United Kingdom	1,642,276	1,064,675	575,525	-45.94
12	Mexico	1,087,820	93,600	506,854	441.51
13	Other	3,884,639	3,166,117	2,080,738	-34.28%

Source of data: Hong Kong Census and Statistics Department

China Export Statistics
UDG: Broiler Meat,
Year To Date: January - November

Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	T	390,772	343,241	209,902	100	100	100	-38.85
Japan	T	237,717	190,698	117,194	60.83	55.56	55.83	-38.54
Hong Kong	T	34,377	41,172	54,143	8.8	12	25.79	31.51
Saudi Arabia	T	33,414	35,017	4,799	8.55	10.2	2.29	-86.3
Korea North	T	251	4,508	3,759	0.06	1.31	1.79	-16.61
Albania	T	660	223	3,213	0.17	0.06	1.53	1342.6
Somalia	T	-	-	2,978	0	0	1.42	0
Bahrain	T	2,449	2,200	2,695	0.63	0.64	1.28	22.52
Korea South	T	1,011	1,248	1,718	0.26	0.36	0.82	37.72
Russia	T	25,966	23,598	1,519	6.64	6.88	0.72	-93.56
Other	T	54,927	44,577	17,884	14	13	9	-34.33%

China Export Statistics UDG: Broiler Meat, Year To Date: January - November							
Partner Country	United States Dollars			% Share			% Change
	2002	2003	2004	2002	2003	2004	2004/2003
World	728,033,966	644,037,353	504,909,341	100	100	100	-21.6
Japan	555,004,388	467,008,728	377,846,489	76.23	72.51	74.83	-19.09
Hong Kong	40,514,332	55,609,072	68,659,099	5.56	8.63	13.6	23.47
Saudi Arabia	35,771,549	38,558,005	6,552,315	4.91	5.99	1.3	-83.01
Korea South	2,038,316	3,390,587	6,256,295	0.28	0.53	1.24	84.52
United States	275,915	796,111	6,162,489	0.04	0.12	1.22	674.07
Korea North	263,291	5,199,845	4,657,739	0.04	0.81	0.92	-10.43
Somalia	-	-	3,604,516	0	0	0.71	0
Albania	631,791	212,896	3,539,916	0.09	0.03	0.7	1562.74
Bahrain	2,668,901	2,325,470	3,434,960	0.37	0.36	0.68	47.71
Singapore	13,470,580	8,275,182	2,852,522	1.85	1.28	0.56	-65.53
Russia	24,447,701	22,720,989	1,930,258	3.36	3.53	0.38	-91.5
Other	52,947,202	39,940,468	19,412,743	7	6	4	-32.32%

China Export Statistics UDG: Broiler Meat, Year Ending: December								
Partner Country	Unit	Quantity			% Share			% Change
		2001	2002	2003	2001	2002	2003	2003/2002
World	T	488,636	438,442	387,909	100	100	100	-11.53
Japan	T	315,364	266,797	215,781	64.54	60.85	55.63	-19.12
Hong Kong	T	34,412	39,162	46,995	7.04	8.93	12.11	20
Saudi Arabia	T	33,534	34,913	42,008	6.86	7.96	10.83	20.32
Russia	T	10,967	32,027	25,337	2.24	7.3	6.53	-20.89
South Africa	T	5,947	1,795	10,060	1.22	0.41	2.59	460.54
Singapore	T	10,973	10,491	6,662	2.25	2.39	1.72	-36.49
Malaysia	T	13,267	15,238	6,021	2.72	3.48	1.55	-60.49
Korea North	T	972	251	5,715	0.2	0.06	1.47	2176.82
Macedonia	T	3,079	4,728	4,655	0.63	1.08	1.2	-1.53
Other	T	60,121	33,040	24,675	12	8	6	-15.52%

China Export Statistics UDG: Broiler Meat, Year Ending: December							
Partner Country	United States Dollars			% Share			% Change
	2001	2002	2003	2001	2002	2003	2003/2002
World	926,620,000	810,219,724	736,380,559	100	100	100	-9.11
Japan	685,906,148	616,887,147	532,909,593	74.02	76.14	72.37	-13.61
Hong Kong	50,969,966	46,789,328	63,472,453	5.5	5.77	8.62	35.66
Saudi Arabia	43,602,937	37,207,035	47,971,257	4.71	4.59	6.51	28.93
Russia	13,217,810	30,052,798	24,702,720	1.43	3.71	3.35	-17.8
South Africa	7,649,369	1,702,793	10,524,432	0.83	0.21	1.43	518.07
Singapore	16,684,653	14,460,095	8,944,848	1.8	1.78	1.21	-38.14
Korea North	994,665	263,291	6,796,442	0.11	0.03	0.92	2481.34
Malaysia	18,571,658	19,786,283	6,557,814	2	2.44	0.89	-66.86
Macedonia	3,716,153	4,485,499	4,602,820	0.4	0.55	0.63	2.62
Korea South	6,140,778	2,195,765	4,024,854	0.66	0.27	0.55	83.3
Other	79,165,863	36,389,690	25,873,326	9	5	4	

M.F.N. Tariff Rate of Chicken Products, 2001 - 2005 (Based on Weight) (Unit: RMB/KG)

People's Republic of China							Change
HS Code		2001	2002	2003	2004	2005	2005/04
2007.1200	Frozen whole broiler	1.6	1.6	1.3	1.3	1.3	0.00%
0207.1411	Frozen broiler cuts with bones	1.2	1.0	0.8	0.6	0.6	0.00%
0207.1419	Frozen broiler cuts, boneless	2.7	1.5	1.2	1.0	1.0	0.00%
0207.1421	Frozen broiler wings	2.3	1.2	1.0	0.9	0.9	0.00%
0207.1422	Frozen chicken paws	1	0.8	0.6	0.5	0.5	0.00%
0207.1429	Frozen chicken wingtips, livers					0.5	-
* 0207.2900	Frozen wingtips, paws, liver	1	0.8	0.6	0.5	n/a	-
0504.0021	Broiler gizzard	1.7	1.7	1.4	1.4	1.4	0.00%

Source: China Customs

* Note: Since January 1, 2005, China Customs created a separate HS Code (0207.1422) for chicken paws and a separate HS Code (0207.1429) for chicken wingtips and livers. The HS Code 0207.2900 that contains all the three types of products will no longer exist.

CHINA'S RETAIL BROILER MEAT PRICES ON AVERAGE (2002-2004)

(RMB/KG, US$ 1 = 8.27)

	2002	2003	2004	% Chang 2004/03
January	9.64	9.26	10.19	-2.27%
February	9.83	9.43	9.22	-2.23%
March	9.62	8.98	9.36	4.23%
April	9.22	8.93	9.85	10.30%
May	9.29	8.78	9.89	12.64%
June	9.12	8.77	10.66	21.55%
July	9.24	9.04	10.35	14.49%
August	9.26	9.34	10.89	16.60%
September	9.35	9.22	11.33	22.89%
October	9.17	9.52	11.32	18.91%
November	9.32	9.92	10.99	10.79%
December	9.28	9.84	10.98	11.59%
	112.34	111.03	125.03	12.61%

Source: The Ministry of Agriculture

CHINA'S RETAIL LIVE CHICKEN PRICES ON AVERAGE (2002-2004)

(RMB/KG, US$ 1 = 8.27)

	2002	2003	2004	% Chang 2004/03
January	9.64	9.26	10.25	10.69%
February	9.83	9.43	9.33	-1.06%
March	9.62	8.98	9.29	3.45%
April	9.22	8.93	9.64	7.95%
May	9.29	8.78	9.79	11.50%
June	9.12	8.77	10.2	16.31%
July	9.24	9.04	10.4	15.04%
August	9.26	9.34	10.96	17.34%
September	9.35	9.22	11.45	24.19%
October	9.17	9.52	11.3	18.70%
November	9.32	9.92	10.86	9.48%
December	9.28	9.84	10.78	9.55%
	112.34	2114.03	2128.25	0.67%

Source: The Ministry of Agriculture

CHINA'S RETAIL CHICKEN BREEDS PRICES ON AVERAGE (2002 - 2004)
(RMB/KG, US$ 1 = 8.27)

Layer Breed	2002	2003	2004	% Chang 2004/03
January	1.97	2.14	2.02	-19.63%
February	2.07	2.06	1.64	-20.39%
March	2.17	2.02	1.90	-5.94%
April	2.28	1.90	1.94	2.11%
May	2.17	1.78	1.95	9.55%
June	2.13	1.90	1.91	0.53%
July	2.15	1.82	1.92	5.49%
August	2.18	1.90	2.05	7.89%
September	2.22	2.05	2.26	10.24%
October	2.20	1.98	2.23	12.63%
November	2.14	2.03	2.06	1.48%
December	2.20	1.95	2.09	0.04
	25.88	23.53	23.97	0.08

Source: The Ministry of Agriculture

CHINA'S RETAIL CHICKEN BREED PRICES ON AVERAGE (2002-2004)
(RMB/KG, US$ 1 = 8.27)

Broiler Breed	2002	2003	2004	% Chang 2004/03
January	1.98	1.84	1.93	4.89%
February	2.16	1.92	1.55	-19.27%
March	2.21	1.85	1.84	-0.54%
April	2.21	1.72	1.75	1.74%
May	2.17	1.58	1.79	13.29%
June	2.04	1.79	1.72	-3.91%
July	1.96	1.88	1.91	1.60%
August	2.06	1.88	2.08	10.64%
September	2.06	1.86	2.33	25.27%
October	2	1.88	2.26	20.21%
November	1.94	1.97	2.17	10.15%
December	1.91	1.89	2.07	9.52%
	24.7	22.06	23.4	6.07%

Source: The Ministry of Agriculture

CHINA'S RETAIL EGG PRICES ON AVERAGE (2002-2004)

(RMB/KG, US$ 1 = 8.27)

	2002	2003	2004	% Chang 2004/03
January	5.58	5.49	6.27	9.65%
February	5.63	5.42	5.95	9.78%
March	5.31	5.14	5.94	15.56%
April	5.39	5.05	5.99	18.61%
May	5.41	4.97	6.00	20.72%
June	5.48	5.01	6.42	28.14%
July	5.37	4.94	6.43	30.16%
August	5.6	5.33	6.99	31.14%
September	5.73	4.63	7.42	60.26%
October	5.61	5.73	7.23	26.18%
November	5.5	6.23	6.85	9.95%
December	5.49	6.13	6.95	13.38%
	66.1	64.07	78.44	22.43%

Source: The Ministry of Agriculture

CHINA'S RETAIL CHICKEN FEED PRICES ON AVERAGE (2002-2004)

(RMB/KG, US$ 1 = 8.27)

Layer Feed	2002	2003	2004	% Chang 04/03
January	1.5	1.7	1.86	10.00%
February	1.5	1.65	1.82	10.30%
March	1.69	1.63	1.87	14.72%
April	1.65	1.66	1.94	16.87%
May	1.64	1.65	1.95	18.18%
June	1.66	1.64	1.95	18.90%
July	1.67	1.72	1.95	13.37%
August	1.66	1.64	1.98	20.73%
September	1.65	1.44	2.03	40.97%
October	1.64	1.73	2.00	15.61%
November	1.63	1.84	1.96	6.52%
December	1.63	1.84	1.95	5.98%
	19.52	20.14	23.26	15.49%

Source: The Ministry of Agriculture

CHINA'S RETAIL CHICKEN FEED PRICES ON AVERAGE (2002-2004)

(RMB/KG, US$ 1 = 8.27)

Broiler Feed	2002	2003	2004	% Chang 04/03
January	1.81	1.81	2.04	12.71%
February	1.81	1.83	2	9.29%
March	1.89	1.8	2.07	15.00%
April	1.83	1.8	2.15	19.44%
May	1.83	1.79	2.18	21.79%
June	1.84	1.81	2.18	20.44%
July	1.82	1.82	2.16	18.68%
August	1.81	1.81	2.19	20.99%
September	1.8	1.82	2.21	21.43%
October	1.81	1.9	2.21	16.32%
November	1.8	2.02	2.18	7.92%
December	1.79	2.04	2.16	5.88%
	21.84	22.25	25.73	15.64%

Source: The Ministry of Agriculture