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China, Peoples Republic of

Livestock and Products

Annual Report

2005

Approved by:
Casey Bean
U.S. Embassy

Prepared by:
Casey Bean/Zhang Jianping

Report Highlights:
During July 2005, China announced that 52 U.S. facilities are approved to export bovine semen and embryos, though the December 2003 import suspension remains on U.S. beef, live cattle and other beef products. USDA is coordinating an October visit to the U.S. by a Chinese expert team to further study the BSE situation and beef safety. China's beef production in 2006 is forecast to increase 6.4 percent to 7.6 MMT, and pork production will increase 4 percent to 50.9 MMT. Effective on July 1, 2005, China will no longer issue import quarantine permits for processing meats, and export plants in all other countries, except the U.S., must be audited and registered. However, meat from approved plants in these other countries will now directly compete with U.S. products in China's retail meat market. The pre-inspection in Hong Kong for transshipped meat to China will also lead to a higher volume of direct shipments to China.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Beijing [CH1]
[CH]

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Executive Summary

In July 2005, China announced approval of 52 U.S. facilities to export bovine semen and embryos to China, though China agreed to lift the ban on these BSE low risk products at the technical bilateral meetings back in November 2004. The final step is U.S.-China agreement on language for the USDA health certificate. This marks the first market access for U.S. bovine products since China suspended all U.S. live cattle and beef products in December 2003. The Chinese Government and USDA officials are also coordinating a visit to the U.S. by Chinese experts to study the BSE situation in October 2005.

On July 11, 2005, USDA's Secretary Johanns and AQSIQ Minister Li initialed a bilateral Memorandum of Understanding (MOU) regarding food safety and animal and plant health cooperation. This agreement will also foster U.S.-China discussions on resolving meat trade issues.

Post forecasts China's beef production in 2006 at 7.6 million MT, a 6.4 percent increase from 2005. Strong demand and lagging production, combined with reduced imports due to BSE restrictions, will drive expansion of China's cattle and beef industry in 2006. Foot and mouth disease (FMD) will not significantly impact China's beef production due to the government's apparent efforts to stem any spread. Beef prices are forecast at high levels for the remainder of the year. Beef consumption for 2006 is forecast to increase over 6 percent to 7.6 MMT due to slaughter increases and the slower pace of export growth.

Post forecasts China's pork production during 2006 at 50.9 MMT, a 4-percent increase from 2005. Pork production will continue growing due to steady domestic consumption and export increases. The pork and beef production increases have offset the slower pace of broiler meat production because of avian influenza (AI) outbreaks in China. Pork prices are forecast from steady to weak due to lower feed grain prices. Pork consumption is forecast to increase 4 percent to 50.4 million MT mainly due to steady population growth.

Post forecasts China's beef imports will drop 40 percent to 6,000 MT in 2005, and during 2006 imports will remain flat because of continued BSE restrictions, domestic production increases, higher international prices and import policy changes. China's live cattle imports are forecast to decrease 20 percent to 80,000 head. Higher international prices and domestic import policy change reversed China's import picture.

Australia and New Zealand have captured almost all China's cattle and beef import market. The pace of growth in China's beef exports is forecast smaller, at 20 percent, to 90,000 MT in 2006. The slightly appreciated RMB will make China's exports less competitive.

Post forecasts China's pork imports to decrease 28.5 percent to 50,000 MT also due to domestic production increase, higher international prices and import policy change. China's pork exports in 2006 are forecast to increase 4.8 percent to 584,000 MT due to export market demand increase, especially Japan and Russia. China is a net live swine exporter to Hong Kong and Macao accounting for 99 percent of its total exports.

Cattle and Beef

Post forecasts China's beef and veal production increases to 6.4 percent to 7.6 MMT

China's cattle and beef industry will continue expanding in 2006 due to strong demand. Post forecasts China's end-of-year cattle inventory for 2006 to increase 1.3 percent to 142 million head from the estimated 140 million head in 2005. Slaughtered cattle for 2006 are forecast to increase 6.2 percent to 56.7 million head from the estimated 53.4 million head in 2005. Beef production is forecast at 7.6 MMT, a 6.4 percent increase from the estimated 7.1 MMT in 2005. Beef share is forecast to account for 9.6 percent of China's total meat production, one percent higher since 2001. Steady slaughter increases are partly due to increased dairy cow slaughter for the low-end beef market. High-end market beef demand is met by imports.

Strong domestic demand continues to drive beef production due to China's continued economic growth. GDP growth was 9.5 percent in the first half of 2005. Per capital farmer income increased 12.5 percent, and urban resident income increased 9.5 percent. This has resulted in greater consumption of meat, more out of home dining and access to ready-made beef in supermarkets.

Last year's tax exemption (or elimination, depending on the province) for grain farmers has given farmers incentives to increase grain plantation resulting in feed production up. Improved feed ingredients and feeding management have helped increase unit slaughter weight from 132.8 kg in 2002 to forecast 134.7 kg in 2006.

China's per capita beef is only about 5.5 kg, far below the Western countries, demonstrating the tremendous growth potential for China's cattle and beef industry. China is preparing the "11th Five-Year Economic Development Plan" (2006-2010). Cattle, beef and dairy industries are priorities on the agenda. Strong demand and lagging production, combined with reduced imports due to BSE-related restrictions, will drive China's beef prices at high levels and drive China's cattle and beef industries to expand in the next couple of years.

Realistically, China faces huge challenges to expand the cattle sector. China lacks grass and forage resources, breeding stock, water and energy resources as well as transportation facilities. Animal disease control is still a daunting task. New policies of tightening land use, tightening breeding animal imports and rising labor cost all constrain China's cattle and beef industry.

Foot and mouth disease (FMD) in China

During 2005 China's Ministry of Agriculture (MOA) notified to International Organization of Animal Health (OIE), for the first time, outbreaks of FMD – virus type Asia 1. Over 800 cases and about 5,000 head cattle were culled. The Government provided a RMB 4,000-5,000 ($500-600) subsidy to each culled animal. The FMD cases were spread over a distance of about 4,000 km from east China (Shandong, Jiangsu, Hebei, Beijing) to the center Gansu, Midwest (Qinghai) and the Northwest (Xinjiang). However, the FMD has not significantly impacted China's cattle production due to the scattered, small herd sizes. Most cattle are raised in small, family farms. Animal diseases have made it increasingly difficult for China to open or maintain bilateral meat export agreements.

Beef consumption in 2006 forecast to increase 6.3 percent to 7.6 MMT

Post forecasts China's beef consumption in 2006 at 7.6 MMT, a 6.3 percent increase from the estimated 7.1 MMT in 2005. The pace of growth in consumption in 2006 is forecast slightly higher than 2005 due to continued production increases and the smaller pace of export growth.

High quality imported beef cuts like fillets are used for fried dishes at hotels and restaurants for high-end consumers. Local beef cuts with more fat are used for making meatballs, dumplings or hot pot. Beef with more marble lines and beef tendon is used for cold dishes. The most popular imported beef cuts are chuck rolls and rib eye rolls for hot pot. Hotels and restaurants access to beef from wholesale markets or processing plants, while home-cooking consumers get beef from supermarkets or wet markets. For red meat, wealthier Chinese in urban areas increasingly prefer beef and goat meat for health reasons. Rural consumers prefer pork because of lower pricing and convenient cooking.

Beef prices are forecast at high levels in 2006

In the first half of 2005, average domestic wholesale beef prices increased 5.5 percent from $1.83 to 1.93 per kilogram over the same period of 2004, and average retail prices increased 8 percent. The average price for imported beef during January to June 2005 increased 129 percent to $6.47 per kilogram over the same period of 2004, partially reflecting the ban on U.S. beef and higher international beef prices. Domestic prices were pushed up by production costs for feed, energy, water and transportation. The prices in the second half of 2005 are forecast to remain high due to insufficient grass and forage supplies, which may continue into 2006. The higher pricing of imported beef has led to consumers' shifting more to domestic beef.

China resumed importation of U.S. bovine genetic materials

China announced approval of 52 U.S. facilities to export frozen bovine semen and embryos during the 16th meeting of the U.S.-China Joint Commission of Commerce and Trade (JCCT) held in Beijing on July 11, 2005. Earlier this year, the Chinese quarantine authorities, AQSIQ, audited and registered all of them. AQSIQ and USDA's APHIS are working to finalize the language of APHIS's export certificate before trade can actually resume. Prior to China's BSE-related trade suspension on U.S. cattle, beef and products, U.S. exports of semen and embryos exceeded $1 million. Further, China changed it policy to tighten control of breeding cow imports against misuse of tariff-free breeding cows for commercial purpose. Combined with China's critical shortage of genetic stocks to improve dairy industry, frozen bovine semen and embryos imports will increase steadily.

China's Beef and veal imports forecast to drop 40 percent in 2005 and remain flat in 2006

Beef imports are forecast to decrease 40 percent to 6,000 MT in 2005 and remain flat in 2006 because of continued BSE restrictions, domestic production increases, higher international prices and import policy changes. As mentioned above, the average price for imported beef increased 129 percent to $6.47 per kilogram over the same period of 2004. Although Chinese consumers prefer U.S. grain-fed beef for its tenderness, Chinese importers shifted beef trade from the U.S. to Australia and New Zealand due to BSE restrictions. As a result, Australia and New Zealand captured 66 and 33 percent respectively of China's imported beef market share during January-June 2005. Given the uncertainty of when China will lift its import suspension on U.S. and Canadian beef, this trade pattern will likely continue into 2006.

Chinese experts to conduct a second BSE study in October

At the 16th JCCT meeting in Beijing, China agreed to send a second technical group to study BSE in the U.S. in October 2005. The first group went to the U.S. in September 2004, and the resulting report led to China lifting the trade ban on U.S. bovine semen and embryos and non-protein bovine tallow. However, a year's time was still needed to lift the trade ban on even these non-risk BSE products. The length of time it will take for China to lift the ban on U.S. beef is uncertain.

Hong Kong and Macao lift ban on imported Canadian beef, but will not re-export to China

During 2005, Hong Kong and Macao lifted their ban on imported Canadian beef products, but they will not issue re-export health certificates for beef transshipments from Canada to China because the mainland still has a ban on Canadian beef. The small amount of Hong Kong re-exports of Canadian beef to China shown in Hong Kong trade data reflect an error in the tariff lines (HS Codes) or gray channel trade. The same reasons could explain why imports of U.S. beef to China through Hong Kong are shown in Hong Kong data. Hong Kong's re-opening to Canadian beef has impacted China's beef exports to Hong Kong, causing a 20 percent drop in exports from 7,914 MT to 6,320 MT during January to June 2005 compared with that of 2004.

Live cattle imports forecast 24 percent down to 100,000 head in 2005, and another 20 percent down to 80,000 head in 2006

FAS Beijing revised the previous live cattle forecast from the February 2005 semi-annual report (CH5010) due to import policy changes and higher international cow prices. China tightened its import approval for breeding cows to curb malpractice of using tariff-free breeding cows for commercial milking. This reduction in live cattle imports has stymied China's efforts to improve dairy genetics and management. China does not import U.S. and Canadian cattle due to BSE bans, and the short supplies have pushed prices up considerably. China's year-on-year average price for an imported cow increased 5.9 percent from $1,400 to $1,480 in the first half of 2005. Tightened import controls and higher prices will continue to constrain live cattle imports and lead to more imports of frozen bovine semen and embryos.

Beef and Veal Exports for 2006 forecast to increase 20 percent to 90,000 MT

China's beef and veal exports for 2006 are forecast at 90,000 MT, a 20 percent increase from the estimated 75,000 MT in 2005 mainly due to higher demand in export markets such as South Korea and Japan. Although Hong Kong is still China's largest export market, the market share in the first half of 2005 dropped 20 percent from 7,914 MT to 6,320 MT over the same period of 2004. Hong Kong's rising imports of Canadian beef--after it lifted its ban on Canadian beef in the latter half of 2004--has led to decreased of imports from the mainland. Part of the gap was replaced by Hong Kong's increase in live cattle imports.

China's beef exports to Russia decreased 86 percent in the first half of 2005 not only due to Russia's TRQ restrictions but also due to concerns about China's animal diseases such as FMD. However, increased beef exports to South Korea and Japan filled the gap left by Hong Kong and Russia. The pace of growth in China's beef exports for 2006 is forecast lower than 2005 due to continuing decreased exports to Hong Kong. Also, a stronger RMB will make China's exports less competitive in 2006.

Live cattle exports in 2006 forecast to increase 4.8 percent to 65,000 head

China's live cattle exports are forecast to increase 4.8 percent to 66,000 head from the estimated 62,000 head in 2005 because of demand in Hong Kong and Macao.

PSD—Cattle

PSD Table

Country	**China, Peoples Republic of**						
Commodity	**Animal Numbers, Cattle**			(1000 HEAD)			
	2004 USDA Official [Old]	Revised Post Estimate [New]	2005 USDA Official [Old]	Estimate Post Estimate [New]	2006 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Total Cattle Beg. Stks	134672	134672	138728	137818	142643	140383	(1000 HEAD)
Dairy Cows Beg. Stks	8932	8932	11500	11020	0	13224	(1000 HEAD)
Beef Cows Beg. Stocks	62830	62830	65340	65340	0	67950	(1000 HEAD)
Production (Calf Crop)	54649	54162	57381	56870	0	59500	(1000 HEAD)
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)
Total Imports	132	132	150	100	0	80	(1000 HEAD)
TOTAL Imports	132	132	150	100	0	80	(1000 HEAD)
TOTAL SUPPLY	189453	188966	196259	194788	142643	199963	(1000 HEAD)
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)
Total Exports	59	59	65	62	0	65	(1000 HEAD)
TOTAL Exports	59	59	65	62	0	65	(1000 HEAD)
Cow Slaughter	0	0	0	0	0	0	(1000 HEAD)
Calf Slaughter	0	0	0	0	0	0	(1000 HEAD)
Other Slaughter	49914	50189	53051	53400	0	56700	(1000 HEAD)
Total Slaughter	49914	50189	53051	53400	0	56700	(1000 HEAD)
Loss	752	900	500	950	0	955	(1000 HEAD)
Ending Inventories	138728	137818	142643	140383	0	142243	(1000 HEAD)
TOTAL DISTRIBUTION	189453	188966	196259	194795	0	199963	(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—Beef

PSD Table

Country China, Peoples Republic of

Commodity Meat, Beef and Veal

(1000 MT CWE)(1000 HEAD)

	2004 USDA Official [Old]	Revised Post Estimate [New]	2005 USDA Official [Old]	Estimate Post Estimate [New]	2006 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Slaughter (Reference)	49914	50189	53051	53400	0	56700	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	6683	6759	7110	7180	0	7640	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Imports	5	10	15	6	0	6	(1000 MT CWE)
TOTAL Imports	5	10	15	6	0	6	(1000 MT CWE)
TOTAL SUPPLY	6688	6769	7125	7186	0	7646	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Total Exports	61	61	72	75	0	90	(1000 MT CWE)
TOTAL Exports	61	61	72	75	0	90	(1000 MT CWE)
Human Dom. Consumption	6627	6708	7053	7111	0	7556	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	6627	6708	7053	7111	0	7556	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	6688	6769	7125	7186	0	7646	(1000 MT CWE)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

China Import Statistics UDG: Live Cattle, HS 0102 Year To Date: January - June								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2003	**2004**	**2005**	**2003**	**2004**	**2005**	**2005/2004**
World	NO	18,165	57,848	35,257	100	100	100	-39.05
Australia	NO	15,572	31,316	23,418	85.73	54.13	66.42	-25.22
New Zealand	NO	1,560	26,532	11,839	8.59	45.87	33.58	-55.38
United States	NO	1,022	-	-	5.63	0	0	0
Canada	NO	11	-	-	0.06	0	0	0

Source: Global Trade Atlas (GTA)

China Import Statistics UDG: Live Cattle, HS 0102 Year Ending: December								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	NO	11,432	50,007	132,446	100	100	100	164.85
Australia	NO	9,280	41,179	69,406	81.18	82.35	52.4	68.55
New Zealand	NO	-	7,795	63,032	0	15.59	47.59	708.62
Mexico	NO	-	-	8	0	0	0.01	0
United States	NO	256	1,022	-	2.24	2.04	0	-100
Canada	NO	1,896	11	-	16.59	0.02	0	-100

Source: Global Trade Atlas (GTA)

China Import Statistics UDG: Beef and Veal, Year To Date: January - June								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2003	**2004**	**2005**	**2003**	**2004**	**2005**	**2005/2004**
World	T	5,296	1,655	601	100	100	100	-63.66
Australia	T	1,281	1,063	579	24.2	64.21	96.29	-45.51
Uruguay	T	-	-	11	0	0	1.9	0
New Zealand	T	76	129	10	1.44	7.79	1.6	-92.54
China	T	-	1	-	0.01	0.03	0.08	-16.67
Japan	T	-	-	-	0	0	0.06	0
Thailand	T	5	-	-	0.09	0	0.05	0
Taiwan	T	-	-	-	0	0.01	0.02	-33.33
Korea South	T	-	-	-	0	0	0	1100
Germany	T	-	-	-	0	0	0	-100
Brazil	T	417	422	-	7.88	25.5	0	-100
Canada	T	39	-	-	0.74	0	0	0
United States	T	3,476	41	-	65.64	2.46	0	-100

Source: Global Trade Atlas (GTA)

China Import Statistics UDG: Beef and Veal, Year Ending: December								
Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	T	11,488	8,395	3,451	100	100	100	-58.89
Australia	T	2,139	2,231	2,159	18.62	26.58	62.57	-3.23
New Zealand	T	210	112	825	1.83	1.33	23.91	638.36
Brazil	T	24	467	422	0.21	5.57	12.23	-9.71
United States	T	8,761	5,533	41	76.26	65.91	1.2	-99.25
Uruguay	T	-	-	2	0	0	0.07	0
China	T	-	-	1	0	0	0.02	90.73
Taiwan	T	2	5	-	0.02	0.06	0.01	-96.43
Germany	T	-	-	-	0	0	0	0
Korea South	T	-	1	-	0	0.01	0	-98.03
Thailand	T	7	6	-	0.06	0.07	0	-100
Japan	T	-	-	-	0	0	0	-100
Singapore	T	-	-	-	0	0	0	0
South Africa	T	1	-	-	0.01	0	0	0
France	T	-	-	-	0	0	0	0
Canada	T	343	39	-	2.99	0.47	0	-100

Source: Global Trade Atlas (GTA)

World Trade Atlas
Product Group
Hong Kong Beef Re-Exports to China
Quantity
January - June

Rank	Origin	- KG - 2003	- KG - 2004	- KG - 2005	% Change - 05/04 -
0	-The World-	4,533,494	1,428,016	654,398	-54.17
1	New Zealand	310,542	181,501	168,145	-7.36
2	Australia	107,269	27,289	143,707	426.61
3	Brazil	302,842	294,885	125,386	-57.48
4	Argentina	303,825	24,000	108,677	352.82
5	Canada	48,696	74,046	69,526	-6.1
6	India	239,025	233,652	25,000	-89.3
7	Austria	-	-	13,908	0
8	United States	2,606,757	132,370	49	-99.96
9	Denmark	-	-	-	0
10	Germany, Fed Rep	56,585	53,813	-	-100
11	Netherlands	-	-	-	0
12	France	-	-	-	0
13	Italy	-	-	-	0
14	Swiss/Liechtenstein	-	-	-	0
15	Ireland	435,461	178,528	-	-100
16	Other	122,492	227,932	-	-100

Source of data: Hong Kong Census and Statistics Department

World Trade Atlas
Product Group
Hong Kong Beef Re-Exports to China
Quantity (Revised)
January - December

Rank	Origin	- KG - 2002	- KG - 2003	- KG - 2004	% Change - 04/03 -
0	-The World-	11,073,300	8,654,758	3,515,362	-59.38
1	Brazil	1,350,331	918,757	1,193,171	29.87
2	New Zealand	996,919	616,038	790,955	28.39
3	India	210,880	715,800	308,652	-56.88
4	Ireland	1,249,604	905,249	270,114	-70.16
5	United States	6,545,375	4,284,930	262,773	-93.87
6	Canada	77,647	123,201	194,300	57.71
7	Argentina	-	507,536	159,270	-68.62
8	Iran	-	107,713	103,042	-4.34
9	Other	642,544	475,534	233,085	-50.98

Source of data: Hong Kong Census and Statistics Department

China Export Statistics
UDG: Live Cattle, HS 0102
Year To Date: January - June

Partner Country	Unit	Quantity			% Share			% Change
		2003	2004	2005	2003	2004	2005	2005/2004
World	NO	23,849	25,074	26,679	100	100	100	6.4
Hong Kong	NO	21,310	22,385	23,601	89.35	89.28	88.46	5.43
Macaw	NO	2,529	2,689	2,758	10.6	10.72	10.34	2.57
Korea North	NO	10	-	320	0.04	0	1.2	0

Source: Global Trade Atlas (GTA)

China Export Statistics
UDG: Live Cattle, HS 0102
Year Ending: December

Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	NO	58,280	50,645	59,009	100	100	100	16.51
Hong Kong	NO	49,163	44,929	47,377	84.36	88.71	80.29	5.45
Jordan	NO	-	-	6,000	0	0	10.17	0
Macaw	NO	5,335	5,169	5,278	9.15	10.21	8.94	2.11
Korea North	NO	17	449	330	0.03	0.89	0.56	-26.5
Myanmar	NO	674	-	24	1.16	0	0.04	0
Thailand	NO	-	98	-	0	0.19	0	-100
Malaysia	NO	3,091	-	-	5.3	0	0	0

Source: Global Trade Atlas (GTA)

China Export Statistics UDG: Beef and Veal, Year To Date: January - June								
Partner Country	Unit	Quantity			% Share			% Change
		2003	2004	2005	2003	2004	2005	2005/2004
World	T	10,755	14,180	22,741	100	100	100	60.37
Hong Kong	T	6,738	7,914	6,320	62.65	55.81	27.79	-20.14
Korea South	T	759	999	5,382	7.05	7.05	23.67	438.62
Japan	T	1,736	2,444	5,113	16.14	17.24	22.48	109.17
Jordan	T	-	20	1,947	0	0.14	8.56	9599.95
Kuwait	T	54	475	1,161	0.5	3.35	5.1	144.54
Korea North	T	47	59	765	0.44	0.41	3.36	1203.72
Indonesia	T	345	368	641	3.21	2.59	2.82	74.22
Malaysia	T	474	623	477	4.41	4.39	2.1	-23.31
United Arab Emirates	T	181	348	251	1.68	2.45	1.1	-27.94
Lebanon	T	-	30	188	0	0.21	0.82	516.32
Russia	T	270	550	77	2.51	3.88	0.34	-85.94
Macaw	T	27	68	66	0.25	0.48	0.29	-3.11
Angola	T	-	-	65	0	0	0.28	0
Singapore	T	55	76	58	0.51	0.54	0.26	-23.01
Other	T	69	206	230	0.64	1.45	1.01	-30.34

Source: Global Trade Atlas (GTA)

China Export Statistics UDG: Beef and Veal, Year Ending: December								
Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	T	26,764	25,797	37,171	100	100	100	44.09
Hong Kong	T	14,390	14,014	15,876	53.77	54.32	42.71	13.29
Japan	T	3,768	5,385	9,062	14.08	20.87	24.38	68.29
Korea South	T	1,903	1,704	3,638	7.11	6.61	9.79	113.43
Kuwait	T	509	363	1,657	1.9	1.41	4.46	355.87
Russia	T	1,812	1,169	1,435	6.77	4.53	3.86	22.77
Malaysia	T	1,154	1,014	1,293	4.31	3.93	3.48	27.43
Indonesia	T	947	1,098	943	3.54	4.26	2.54	-14.12
United Arab Emirates	T	632	509	783	2.36	1.97	2.11	53.91
Jordan	T	-	10	739	0	0.04	1.99	7235.52
Korea North	T	196	105	492	0.73	0.41	1.32	367.06
Lebanon	T	36	12	403	0.14	0.05	1.08	3311.63
Kazakhstan	T	422	48	192	1.58	0.19	0.52	300
Singapore	T	135	105	172	0.5	0.41	0.46	63.3
Macaw	T	71	79	124	0.26	0.31	0.33	57.59
Other	T	789	182	362	2.95	0.71	0.97	36.62

Source: Global Trade Atlas (GTA)

Swine and Pork

China's pork production during 2006 forecast to increase 4 percent to 50.9 MMT

China is the world's largest pork producer and consumer. Post forecasts China's end-of-year swine inventory in 2006 at 519 million head, a 3.7 percent increase from the estimated 500 million head in 2005. Slaughtered swine in 2006 are forecast at 692 million head, a 5.9 percent increase from the estimated 653 million head in 2005. Pork production for 2006 is forecast to increase 4 percent to 50.9 MMT from the estimated 48.9 MMT in 2005, due to slaughter increase driven by high prices.

China's swine production has benefited from efficiency gains due to improved breeds and feed. This is reflected by increased imports of breeding swine. Regarding China's feed improvements, please refer to the poultry annual report (CH5064). The sow ratio in 2006 is forecast at 8.8 percent of the total beginning swine stock, slightly higher than 2005. In main swine production areas like Hunan, Henan, Shandong and Hebei provinces, the sow ratio reached 10, 11.8, 11.6 and 11.4 percent respectively in the first quarter of 2005, far above the normal ratio of 8 percent. This will translate into a continued strong swine production in both 2005 and 2006.

The steady growth in pork production is driven by China's population growth and by slight average consumption increases due to continued urbanization and wealth. Also, pork is the cheapest meat among all red meats. It is still the first choice of many lower-income consumers for animal protein.

Improved processing has contributed to pork production and consumption as well. There were 2,232 meat-processing plants till the end of 2004, each with an annual sales' value above RMB 5 million. Most of them are pork-processing plants. Investment in slaughter and processing sector has increased considerably. Foreign investment through joint ventures using international health standards and HACCP management has helped improve pork quality. Commercial sales of domestic pork inside China in 2004 reached 20.8 MMT accounting for 44 percent of the total pork production, a 2.5 percent increase over the previous year.

Like the broiler industry, China's swine and pork production is mainly constrained by limited feed resources, water and energy (please refer to poultry annual report CH5064 for more details). Disease control is a huge challenge, but China is making huge efforts to strengthen its veterinary system—supported by significant USDA collaboration.

Pig-born disease, Streptococcus suis

During May to August, a pig-borne bacterial disease, Streptococcus suis, spread to 32 counties and 10 cities in Sichuan Province, killing 40 humans and sickening over 200 people. Over 600 pigs died of the disease. Streptococcus suis is not an unusual disease in swine, though the rapid infection of humans has surprised world health experts. Insufficient management of swine on small-scale, family farms in Sichuan would explain the spread of the bacterium in the swine population. The last outbreak of Streptococcus in swine occurred in China in 1998. This incident demonstrates the critical importance of timely, public information and education on destroying sick animals, in addition to the need for proper management of swine. Sichuan is the largest swine producing province and a swine and pork exporter to Hong Kong. Hong Kong market accounts for one-third of China's total pork export markets. Trade was suspended for a short period, but shipments started moving again after the disease is under control. As a result, China's pork exports will not significantly impacted.

Pork consumption for 2006 forecast to grow 4 percent to 50.4 MMT

China's pork consumption in 2006 is forecast at 50.4 MMT, a 4 percent increase from the estimated 48.4 MMT in 2005. The pace of growth in consumption for 2006 is forecast slightly higher compared with 2005 due to the above-mentioned reasons (see production). Pork is consumed widely in China, especially in northern and central China (such as Sichuan), while beef and sheep and goat meat is heavily consumed in West, Southwest and Northwest China due to religious and food cultures. Northern consumers like fresh or frozen pork, while southern consumers eat a lot of prepared pork, such as salted or smoked. Pork fillet is popular for making all kinds of fried dishes at home or in restaurants. Pork offal is popularly used for soup, hot pot or cold dishes. Pork ears and tongues and other offal are for cold dishes. Consumers particularly like pork feet, especially front feet, because front feet are shorter and more meaty, and feet tendons are not destroyed by hooking on trails like rear feet during slaughter.

Pork prices forecast from steady to weak in the second half of 2005

In the first half of 2005, China's average retail pork price was $1.63, a 7 percent increase over the same period of 2004. Average retail prices in the first quarter increased 13.5 percent. Overall production costs rose for feed grains, water, electricity, transportation and animal disease control, putting upwards pressure on prices. Seasonal demand for pork during the calendar New Year and the traditional Chinese Spring Festival contributed to higher prices. The prices started falling during the second quarter, and the average retail price in June almost dropped to the same level in June 2004. Increased domestic swine slaughter driven by high profit and increased poultry imports after China lifted its ban on U.S. poultry, combined with decreasing feed grain prices due to domestic grain production increase and large imports of soy bean for soy meal in feed, pushed prices downwards. Pork prices are forecast to remain steady to weak in the second half of 2005.

Pork imports in 2006 forecast to decrease 28.5 percent to 50,000 MT due to domestic production increases, higher international prices and import policy changes

China's pork imports for 2006 are forecast at 50,000 MT, a 28.5 percent decrease from the estimated 70,000 MT in 2005, and pork offal imports for 2006 are forecast to decrease 20 percent to 145,000 MT. Pork and pork offal imports in 2005 are estimated to decrease considerably as well. Imports are falling, instead of rising as forecast in the previous semi-annual report (CH5010), due to domestic production increases, higher international prices and import policy changes.

In the first half of 2005, China's average imported pork price increased 34 percent over the same period of 2004, while the price for most popular unboned hams and shoulders increased 48 percent from $0.71 to $1.04 per kilogram. The average price for China's imported popular pork offal from world went up 16 percent, while U.S. origin pork offal increased 23.5 percent from $0.81 to $1.00 per kilogram. U.S. direct pork shipments to China decreased 79.8 percent from 20,616 MT to 4,217 MT and indirect shipments through Hong Kong decreased 96 percent from 7,390 MT to 266 MT during the same period. U.S. direct pork offal shipments to China decreased 41.7 percent from 64,408 MT to 37,564 MT and indirect shipments decreased 82.9 percent from 20,343 MT to 3,482 MT during the same period.

When HK re-export numbers are available for 2004, post revised the import number in the PSD table for 2004 up to 155,000 MT. Boneless and prepared pork was multiplied by 1.3 to convert from product weight to carcass weight, and then added up carcass and bone-in pork.

Import policy change impact China's imports and challenge U.S. exports

Effective on July 1, 2005, China no longer issues import quarantine permit for imported meat used for processing. Exporting plants in origin countries must be audited and registered upon their application before July 1 in order to be eligible (except the U.S.). The already-issued permits for processing are valid until the end of the year. Once registered, plants in third countries will also be eligible to export meat to China's retail market, which was not allowed in the past when processing was permitted.

The U.S. is the only national meat safety system accepted by China. As long as U.S. plants comply with USDA's health requirements, they are eligible to export to China. Plants in other countries have to be audited and registered one by one (see list below). The new regulation permitting a plant-by-plant approval in these third countries will lead to less gray channel trade through Hong Kong. In the past, meat from other countries was often smuggled into China under forged USDA health certificates or mixed with U.S. products to enter China's retail market. The new policy will result in new competition for U.S. suppliers in China's retail meat sector.

As of May 2005, all meat transshipments to the mainland through Hong Kong are subject to pre-inspection in Hong Kong. The additional cost of pre-inspection, costing $300-500 per container, has made China's indirect imports less competitive. This will further encourage direct shipments to China in the future.

List of eligible exporting countries and products to China

Origin	Registered Plants	Approved Date and Products	Usage	Remarks
U.S.A.	Whole System	4/10/1999, Pork, Beef & Poultry (Beef banned due to BSE)	Retail	Poultry ban on Connecticut State & the Rhode Islands (AI)
Canada		7/1/2005, Pork, Beef Banned due to BSE	Retail	
Australia	35	2/07/2005, Beef & Sheep /Goat Meat	Retail	
New Zealand	26	3/14/2005, Beef & Sheep/Goat Meat	Retail	
Denmark	7	6/28/2005, Pork	Retail	
Italy	9	6/28/2005, Sausages	Retail	
France	9	6/28/2005 Pork and Poultry	Retail	Poultry suspended due to AI
Uruguay	13 & 2 (for Warehouses	6/282005, Beef and Sheep/Goat Meat	Retail	
Chile	1	6/28/2005, Poultry	Retail	
Brazil	5	6/30/2005 Beef & Poultry	Retail	
Note: The above-mentioned meat products do not include specific risk materials and inedible animal products				

China's pork exports during 2006 forecast at 584,000 MT, a 4.8 percent increase from 2005

Post forecasts China's pork exports for 2006 at 584,000 MT, a 4.8 percent increase from the estimated 557,000 MT in 2005, mainly due to export market demand increases, especially Japan and Russia. Exports are forecast to increase for 7 years' running from 73,000 NT in 2000 to 584,000 MT in 2006. Asian countries are China's main export markets. Most of the export increases lies in cooked or prepared pork. Frozen carcass or frozen carcass of sucking pigs decreased considerably due to Russia TRQ Regime. Russia's imports of processed pork are not subject to TRQ limit, and Russia's importers have shifted to more boneless meat from other countries to maximize the use of their import licenses for better profit.

Live swine exports in 2006 are forecast to increase 5 percent to 2.2 million head

Post forecast China's live swine exports for 2006 at 2.2 million head, a 5 percent increase from the estimated 2.1 million head, due to Hong Kong and Macao demand increases. Hong Kong and Macao account for 99 percent of China's total live swine exports. This trend will continue into the next couple of years, as long as China can control pig-born diseases.

PSD—Swine

Country	**China, Peoples Republic of**						
Commodity	**Animal Numbers, Swine**			(1000 HEAD)			
	2004 USDA Official [Old]	Revised Post Estimate [New]	2005 USDA Official [Old]	Estimate Post Estimate [New]	2006 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
TOTAL Beginning Stocks	466017	466017	469279	481891	472564	500324	(1000 HEAD)
Sow Beginning Stocks	40250	40250	41750	42200	0	44220	(1000 HEAD)
Production (Pig Crop)	624181	636742	651384	675000	0	715000	(1000 HEAD)
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)
Total Imports	2	2	3	3	0	3	(1000 HEAD)
TOTAL Imports	2	2	3	3	0	3	(1000 HEAD)
TOTAL SUPPLY	1090200	1102761	1120666	1156894	472564	1215327	(1000 HEAD)
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)
Total Exports	1973	1973	1975	2070	0	2175	(1000 HEAD)
TOTAL Exports	1973	1973	1975	2070	0	2175	(1000 HEAD)
Sow Slaughter	0	0	0	0	0	0	(1000 HEAD)
OTHER SLAUGHTER	618058	618007	645252	653400	0	692600	(1000 HEAD)
Total Slaughter	618058	618007	645252	653400	0	692600	(1000 HEAD)
Loss	890	890	875	1100	0	1500	(1000 HEAD)
Ending Inventories	469279	481891	472564	500324	0	519052	(1000 HEAD)
TOTAL DISTRIBUTION	1090200	1102761	1120666	1156894	0	1215327	(1000 HEAD)
Calendar Yr. Imp. from U.S.	0	0	1	2		2	(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

Commodity Meat, Swine

(1000 MT CWE)(1000 HEAD)

	2004 USDA Official [Old]	Revised Post Estimate [New]	2005 USDA Official [Old]	Estimate Post Estimate [New]	2006 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Slaughter (Reference)	618058	618007	645252	653400	0	692600	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	47350	47016	49675	48900	0	50900	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Imports	71	155	100	70	0	50	(1000 MT CWE)
TOTAL Imports	71	155	100	70	0	50	(1000 MT CWE)
TOTAL SUPPLY	47421	47171	49775	48970	0	50950	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Total Exports	383	533	450	557	0	584	(1000 MT CWE)
TOTAL Exports	383	533	450	557	0	584	(1000 MT CWE)
Human Dom. Consumption	47038	46638	49325	48413	0	50366	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	47038	46638	49325	48413	0	50366	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	47421	47171	49775	48970	0	50950	(1000 MT CWE)
Calendar Yr. Imp. from U.S.	45	88	45	50	0	38	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

China Import Statistics UDG: Live Cattle, HS 0102 Year To Date: January - June								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2003	**2004**	**2005**	**2003**	**2004**	**2005**	**2005/2004**
World	NO	18,165	57,848	35,257	100	100	100	-39.05
Australia	NO	15,572	31,316	23,418	85.73	54.13	66.42	-25.22
New Zealand	NO	1,560	26,532	11,839	8.59	45.87	33.58	-55.38
United States	NO	1,022	-	-	5.63	0	0	0
Canada	NO	11	-	-	0.06	0	0	0

Source: Global Trade Atlas (GTA)

China Import Statistics UDG: Live Cattle, HS 0102 Year Ending: December								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	NO	11,432	50,007	132,446	100	100	100	164.85
Australia	NO	9,280	41,179	69,406	81.18	82.35	52.4	68.55
New Zealand	NO	-	7,795	63,032	0	15.59	47.59	708.62
Mexico	NO	-	-	8	0	0	0.01	0
United States	NO	256	1,022	-	2.24	2.04	0	-100
Canada	NO	1,896	11	-	16.59	0.02	0	-100

Source: Global Trade Atlas (GTA)

China Import Statistics UDG: Beef and Veal, Year To Date: January - June								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2003	**2004**	**2005**	**2003**	**2004**	**2005**	**2005/2004**
World	T	5,296	1,655	601	100	100	100	-63.66
Australia	T	1,281	1,063	579	24.2	64.21	96.29	-45.51
Uruguay	T	-	-	11	0	0	1.9	0
New Zealand	T	76	129	10	1.44	7.79	1.6	-92.54
China	T	-	1	-	0.01	0.03	0.08	-16.67
Japan	T	-	-	-	0	0	0.06	0
Thailand	T	5	-	-	0.09	0	0.05	0
Taiwan	T	-	-	-	0	0.01	0.02	-33.33
Korea South	T	-	-	-	0	0	0	1100
Germany	T	-	-	-	0	0	0	-100
Brazil	T	417	422	-	7.88	25.5	0	-100
Canada	T	39	-	-	0.74	0	0	0
United States	T	3,476	41	-	65.64	2.46	0	-100

Source: Global Trade Atlas (GTA)

China Import Statistics UDG: Beef and Veal, Year Ending: December								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	T	11,488	8,395	3,451	100	100	100	-58.89
Australia	T	2,139	2,231	2,159	18.62	26.58	62.57	-3.23
New Zealand	T	210	112	825	1.83	1.33	23.91	638.36
Brazil	T	24	467	422	0.21	5.57	12.23	-9.71
United States	T	8,761	5,533	41	76.26	65.91	1.2	-99.25
Uruguay	T	-	-	2	0	0	0.07	0
China	T	-	-	1	0	0	0.02	90.73
Taiwan	T	2	5	-	0.02	0.06	0.01	-96.43
Germany	T	-	-	-	0	0	0	0
Korea South	T	-	1	-	0	0.01	0	-98.03
Thailand	T	7	6	-	0.06	0.07	0	-100
Japan	T	-	-	-	0	0	0	-100
Singapore	T	-	-	-	0	0	0	0
South Africa	T	1	-	-	0.01	0	0	0
France	T	-	-	-	0	0	0	0
Canada	T	343	39	-	2.99	0.47	0	-100

Source: Global Trade Atlas (GTA)

World Trade Atlas
Product Group
Hong Kong Beef Re-Exports to China
Quantity
January - June

Rank	**Origin**	**- KG - 2003**	**- KG - 2004**	**- KG - 2005**	**% Change - 05/04 -**
0	-The World-	4,533,494	1,428,016	654,398	-54.17
1	New Zealand	310,542	181,501	168,145	-7.36
2	Australia	107,269	27,289	143,707	426.61
3	Brazil	302,842	294,885	125,386	-57.48
4	Argentina	303,825	24,000	108,677	352.82
5	Canada	48,696	74,046	69,526	-6.1
6	India	239,025	233,652	25,000	-89.3
7	Austria	-	-	13,908	0
8	United States	2,606,757	132,370	49	-99.96
9	Denmark	-	-	-	0
10	Germany, Fed Rep	56,585	53,813	-	-100
11	Netherlands	-	-	-	0
12	France	-	-	-	0
13	Italy	-	-	-	0
14	Swiss/Liechtenstein	-	-	-	0
15	Ireland	435,461	178,528	-	-100
16	Other	122,492	227,932	-	-100

Source of data: Hong Kong Census and Statistics Department

World Trade Atlas
Product Group
Hong Kong Beef Re-Exports to China
Quantity (Revised)
January - December

Rank	Origin	- KG - 2002	- KG - 2003	- KG - 2004	% Change - 04/03 -
0	-The World-	11,073,300	8,654,758	3,515,362	-59.38
1	Brazil	1,350,331	918,757	1,193,171	29.87
2	New Zealand	996,919	616,038	790,955	28.39
3	India	210,880	715,800	308,652	-56.88
4	Ireland	1,249,604	905,249	270,114	-70.16
5	United States	6,545,375	4,284,930	262,773	-93.87
6	Canada	77,647	123,201	194,300	57.71
7	Argentina	-	507,536	159,270	-68.62
8	Iran	-	107,713	103,042	-4.34
9	Other	642,544	475,534	233,085	-50.98

Source of data: Hong Kong Census and Statistics Department

China Export Statistics
UDG: Live Cattle, HS 0102
Year To Date: January - June

Partner Country	Unit	Quantity			% Share			% Change
		2003	2004	2005	2003	2004	2005	2005/2004
World	NO	23,849	25,074	26,679	100	100	100	6.4
Hong Kong	NO	21,310	22,385	23,601	89.35	89.28	88.46	5.43
Macaw	NO	2,529	2,689	2,758	10.6	10.72	10.34	2.57
Korea North	NO	10	-	320	0.04	0	1.2	0

Source: Global Trade Atlas (GTA)

China Export Statistics
UDG: Live Cattle, HS 0102
Year Ending: December

Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	NO	58,280	50,645	59,009	100	100	100	16.51
Hong Kong	NO	49,163	44,929	47,377	84.36	88.71	80.29	5.45
Jordan	NO	-	-	6,000	0	0	10.17	0
Macaw	NO	5,335	5,169	5,278	9.15	10.21	8.94	2.11
Korea North	NO	17	449	330	0.03	0.89	0.56	-26.5
Myanmar	NO	674	-	24	1.16	0	0.04	0
Thailand	NO	-	98	-	0	0.19	0	-100
Malaysia	NO	3,091	-	-	5.3	0	0	0

Source: Global Trade Atlas (GTA)

China Export Statistics UDG: Beef and Veal, Year To Date: January - June								
Partner Country	Unit	Quantity			% Share			% Change
		2003	2004	2005	2003	2004	2005	2005/2004
World	T	10,755	14,180	22,741	100	100	100	60.37
Hong Kong	T	6,738	7,914	6,320	62.65	55.81	27.79	-20.14
Korea South	T	759	999	5,382	7.05	7.05	23.67	438.62
Japan	T	1,736	2,444	5,113	16.14	17.24	22.48	109.17
Jordan	T	-	20	1,947	0	0.14	8.56	9599.95
Kuwait	T	54	475	1,161	0.5	3.35	5.1	144.54
Korea North	T	47	59	765	0.44	0.41	3.36	1203.72
Indonesia	T	345	368	641	3.21	2.59	2.82	74.22
Malaysia	T	474	623	477	4.41	4.39	2.1	-23.31
United Arab Emirates	T	181	348	251	1.68	2.45	1.1	-27.94
Lebanon	T	-	30	188	0	0.21	0.82	516.32
Russia	T	270	550	77	2.51	3.88	0.34	-85.94
Macaw	T	27	68	66	0.25	0.48	0.29	-3.11
Angola	T	-	-	65	0	0	0.28	0
Singapore	T	55	76	58	0.51	0.54	0.26	-23.01
Other	T	69	206	230	0.64	1.45	1.01	-30.34

Source: Global Trade Atlas (GTA)

China Export Statistics UDG: Beef and Veal, Year Ending: December								
Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	T	26,764	25,797	37,171	100	100	100	44.09
Hong Kong	T	14,390	14,014	15,876	53.77	54.32	42.71	13.29
Japan	T	3,768	5,385	9,062	14.08	20.87	24.38	68.29
Korea South	T	1,903	1,704	3,638	7.11	6.61	9.79	113.43
Kuwait	T	509	363	1,657	1.9	1.41	4.46	355.87
Russia	T	1,812	1,169	1,435	6.77	4.53	3.86	22.77
Malaysia	T	1,154	1,014	1,293	4.31	3.93	3.48	27.43
Indonesia	T	947	1,098	943	3.54	4.26	2.54	-14.12
United Arab Emirates	T	632	509	783	2.36	1.97	2.11	53.91
Jordan	T	-	10	739	0	0.04	1.99	7235.52
Korea North	T	196	105	492	0.73	0.41	1.32	367.06
Lebanon	T	36	12	403	0.14	0.05	1.08	3311.63
Kazakhstan	T	422	48	192	1.58	0.19	0.52	300
Singapore	T	135	105	172	0.5	0.41	0.46	63.3
Macaw	T	71	79	124	0.26	0.31	0.33	57.59
Other	T	789	182	362	2.95	0.71	0.97	36.62

Source: Global Trade Atlas (GTA)

China Import Statistics UDG: Swine, Year To Date: January - June								
Partner Country	Unit	Quantity			% Share			% Change
		2003	2004	2005	2003	2004	2005	2005/2004
World	NO	772	870	1,303	100	100	100	49.77
United States	NO	-	390	741	0	44.83	56.87	90
Canada	NO	500	480	562	64.77	55.17	43.13	17.08
Denmark	NO	272	-	-	35.23	0	0	0

Source: Global Trade Atlas (GTA)

China Import Statistics UDG: Swine, Year Ending: December								
Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	NO	1,163	1,797	1,898	100	100	100	5.62
United States	NO	231	442	840	19.86	24.6	44.26	90.05
Denmark	NO	644	272	578	55.37	15.14	30.45	112.5
Canada	NO	-	1,083	480	0	60.27	25.29	-55.68
France	NO	288	-	-	24.76	0	0	0

Source: Global Trade Atlas (GTA)

China Import Statistics UDG: Pork, Year To Date: January - June								
Partner Country	Unit	Quantity			% Share			% Change
		2003	2004	2005	2003	2004	2005	2005/2004
World	T	50,625	43,964	17,728	100	100	100	-59.68
Canada	T	13,635	10,607	11,049	26.93	24.13	62.33	4.17
United States	T	24,449	20,616	4,217	48.29	46.89	23.79	-79.55
Denmark	T	12,510	12,702	2,298	24.71	28.89	12.96	-81.91
Other	T	31	39	164	0.06	0.09	0.93	942.84

Source: Global Trade Atlas (GTA)

China Import Statistics UDG: Pork, Year Ending: December								
Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	T	144,967	149,117	70,683	100	100	100	-52.6
United States	T	108,220	77,642	29,585	74.65	52.07	41.86	-61.9
Canada	T	35,002	33,897	23,968	24.14	22.73	33.91	-29.29
Denmark	T	1,471	37,505	17,000	1.01	25.15	24.05	-54.67
Other	T	274	73	130	0.19	0.05	0.18	260

Source: Global Trade Atlas (GTA)

World Trade Atlas
Product Group
Hong Kong Pork Re-Exports to China
Quantity
January - June

Rank	Origin	- KG - 2003	- KG - 2004	- KG - 2005	% Change - 05/04 -
0	-The World-	20,604,786	34,852,992	3,018,404	-91.34
1	Canada	4,097,614	6,060,614	799,341	-86.81
2	Denmark	1,884,013	6,087,675	572,225	-90.6
3	Germany, Fed Rep	7,930,793	4,361,232	449,046	-89.7
4	Spain	1,570,350	1,853,659	295,253	-84.07
5	United States	931,710	7,390,150	265,721	-96.4
6	Brazil	1,715,265	2,109,290	192,722	-90.86
7	Netherlands	551,123	2,654,790	160,538	-93.95
8	France	480,168	1,341,701	119,320	-91.11
9	Ireland	120,749	383,228	49,942	-86.97
10	Other	1,323,001	2,610,653	114,296	-95.62

Source of data: Hong Kong Census and Statistics Department

World Trade Atlas
Product Group
Hong Kong Pork Re-Exports to China
Quantity (Revised)
January - December

Rank	Origin	- KG - 2002	- KG - 2003	- KG - 2004	% Change - 04/03 -
0	-The World-	34,587,292	54,356,097	53,029,426	-2.44
1	Denmark	3,161,838	8,917,643	10,981,256	23.14
2	Canada	6,340,206	8,701,804	9,797,982	12.6
3	Germany, Fed Rep	11,431,307	15,510,196	8,020,180	-48.29
4	Netherlands	1,657,761	3,035,825	5,276,071	73.79
5	Spain	964,794	4,262,814	4,260,908	-0.04
6	Brazil	3,067,793	3,608,435	3,396,156	-5.88
7	United States	2,372,977	3,012,330	2,856,381	-5.18
8	France	1,712,079	2,078,837	2,622,861	26.17
9	Other	3,878,537	5,228,213	5,817,631	11.27

Source of data: Hong Kong Census and Statistics Department

China Export Statistics
UDG: Swine,
Year To Date: January - June

Partner Country	Unit	Quantity			% Share			% Change
		2003	2004	2005	2003	2004	2005	2005/2004
World	NO	921,550	940,612	872,650	100	100	100	-7.23
Hong Kong	NO	861,766	879,056	815,028	93.51	93.46	93.4	-7.28
Macau	NO	59,457	61,451	57,522	6.45	6.53	6.59	-6.39
Laos	NO	-	-	100	0	0	0.01	0
Myanmar	NO	327	50	-	0.04	0.01	0	-100
Korea North	NO	-	55	-	0	0.01	0	-100

Source: Global Trade Atlas (GTA)

China Export Statistics UDG: Swine, Year Ending: December								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	NO	1,888,606	1,887,295	1,972,911	100	100	100	4.54
Hong Kong	NO	1,766,326	1,764,935	1,853,771	93.53	93.52	93.96	5.03
Macau	NO	120,489	121,600	118,899	6.38	6.44	6.03	-2.22
Myanmar	NO	833	681	106	0.04	0.04	0.01	-84.43
Korea North	NO	958	55	75	0.05	0	0	36.36
Mongolia	NO	-	4	60	0	0	0	1400
Kyrgyzstan	NO	-	20	-	0	0	0	-100

Source: Global Trade Atlas (GTA)

China Export Statistics UDG: Pork, Year To Date: January - June								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2003	**2004**	**2005**	**2003**	**2004**	**2005**	**2005/2004**
World	T	127,979	178,727	193,065	100	100	100	8.02
Hong Kong	T	48,069	61,088	54,186	37.56	34.18	28.07	-11.3
Korea North	T	10,494	39,512	37,189	8.2	22.11	19.26	-5.88
Russia	T	38,191	25,576	30,229	29.84	14.31	15.66	18.19
Japan	T	9,082	19,945	27,983	7.1	11.16	14.49	40.3
Singapore	T	6,721	10,054	9,256	5.25	5.63	4.79	-7.94
Malaysia	T	6,012	6,632	6,561	4.7	3.71	3.4	-1.08
Philippines	T	2,589	4,113	4,065	2.02	2.3	2.11	-1.16
Ukraine	T	25	-	4,062	0.02	0	2.1	0
Albania	T	408	1,078	3,491	0.32	0.6	1.81	223.8
Moldova	T	175	2,875	3,431	0.14	1.61	1.78	19.35
Macau	T	1,807	2,166	2,488	1.41	1.21	1.29	14.85
Korea South	T	751	1,214	2,154	0.59	0.68	1.12	77.36
Kazakhstan	T	-	100	1,326	0	0.06	0.69	1226
Indonesia	T	1,057	1,399	1,286	0.83	0.78	0.67	-8.06
United Arab Emirates	T	169	232	960	0.13	0.13	0.5	313.37
Other	T	2,429	2,743	4,398	1.9	1.53	2.28	48.43

Source: Global Trade Atlas (GTA)

China Export Statistics UDG: Pork, Year Ending: December								
Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	T	236,213	305,137	413,321	100	100	100	35.45
Hong Kong	T	85,748	105,010	116,810	36.3	34.41	28.26	11.24
Korea North	T	9,012	46,883	87,031	3.82	15.36	21.06	85.63
Russia	T	75,588	70,959	70,526	32	23.25	17.06	-0.61
Japan	T	14,197	25,593	53,139	6.01	8.39	12.86	107.63
Singapore	T	16,345	16,489	21,319	6.92	5.4	5.16	29.29
Malaysia	T	10,983	14,225	14,656	4.65	4.66	3.55	3.03
Moldova	T	-	2,451	11,048	0	0.8	2.67	350.85
Philippines	T	10,983	7,003	8,197	4.65	2.3	1.98	17.05
Ukraine	T	25	25	7,992	0.01	0.01	1.93	8
Macau	T	3,257	4,157	4,403	1.38	1.36	1.07	5.91
Albania	T	1,832	2,266	3,571	0.78	0.74	0.86	57.58
Indonesia	T	1,950	2,027	2,877	0.83	0.66	0.7	41.91
Korea South	T	372	1,246	1,887	0.16	0.41	0.46	51.42
Uzbekistan	T	-	-	1,773	0	0	0.43	0
United Arab Emirates	T	421	379	1,120	0.18	0.12	0.27	195.57
Other	T	5,500	6,424	6,972	2.33	2.11	1.69	-19.91

Source: Global Trade Atlas (GTA)