

**Voluntary Report** – Voluntary - Public Distribution

**Date:** November 04,2020

**Report Number:** CH2020-0145

**Report Name:** China's Corn Imports Estimated to Hit 22 Million Metric Tons

**Country:** China - Peoples Republic of

**Post:** Beijing

**Report Category:** Grain and Feed

**Prepared By:** Chase McGrath

**Approved By:** Adam Branson

**Report Highlights:**

The forecast for China's corn imports for Marketing Year (MY) 2020/2021 is increased from 7 million metric tons (MMT) to 22 MMT. The jump is attributed to depleted stocks and high domestic prices.

The forecast for China's corn imports for MY 2020/201 is increased from 7 MMT to 22 MMT. The jump is attributed to depleted stocks to meet current demand. Continually rising domestic corn prices will also drive demand for additional imports in MY 20/21.

## Supply Deficits

China's Ministry of Agriculture and Rural Affairs (MARA)'s October China Agricultural Supply and Demand Estimates (CASDE) indicated the country has had a corn supply gap for the last several years which has been met with auctions from reserves. From May to September this year, MARA already auctioned off 57 MMT of reserves. The final auction was held September 13 with no further auctions planned until Spring. With tight reserves, sources indicate that substantial corn imports will be necessary to meet demand while also controlling further price increases and maintain stocks throughout 2021. Already in 2020, China has used temporary reserves of wheat and rice and imports of feed quality wheat in substitution for high priced, domestic corn.

## Purchases Swell

As of October 22, China has contracted for over 10 MMT of U.S. corn for delivery in MY 20/21, with only about 2.0 MMT shipped to date. In addition, Ukraine, after making significant exports to China in 2019/20, has the potential to meet a sizable share of Chinese demand in the coming months.

## Additional TRQs Remain Opaque

Several sources report that the WTO 7.2 MMT corn TRQ has already been filled for CY 2020, and that China has quietly issued an additional 5 MMT TRQ to be used through December. Beyond the WTO corn quota, credible sources have substantiated that Chinese industry, both State Owned Enterprises and the private sector, is recommending to Chinese decisionmakers to allocate significant additional TRQ for CY 2021.

Corn Market Year Begins China	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	42130	42129	41280	41280	42000	41200
Beginning Stocks (1000 MT)	222525	222525	210163	217319	200922	213069
Production (1000 MT)	257174	257330	260779	260770	260000	250000
MY Imports (1000 MT)	4483	4483	7000	7000	7000	22000
TY Imports (1000 MT)	4483	4483	7000	7000	7000	22000
TY Imp. from U.S. (1000 MT)	319	319	0	0	0	0
Total Supply (1000 MT)	484182	484338	477942	485089	467922	485069
MY Exports (1000 MT)	19	19	20	20	20	20
TY Exports (1000 MT)	19	19	20	20	20	20
Feed and Residual (1000 MT)	191000	184000	192000	187000	192000	193000
FSI Consumption (1000 MT)	83000	83000	85000	85000	87000	88000
Total Consumption (1000 MT)	274000	267000	277000	272000	279000	281000
Ending Stocks (1000 MT)	210163	217319	200922	213069	188902	204049
Total Distribution (1000 MT)	484182	484338	477942	485089	467922	485069
Yield (MT/HA)	6.1043	6.1081	6.3173	6.3171	6.1905	6.068
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Corn begins in October for all countries.TY 2020/2021 = October 2020 - September 2021						

**Attachments:**

No Attachments.