

Required Report: Required - Public Distribution

Date: July 07, 2022

Report Number: CH2022-0074

Report Name: Grain and Feed Update

Country: China - People's Republic of

Post: Beijing

Report Category: Grain and Feed

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Report Highlights:

Post revises China's Marketing Year (MY) 2022/23 feed demand upward by 4.5 million metric tons (MMT) based on recovering demand for hog feed. Rice substitution for corn in feed rations may play a more significant role because of price advantages over corn and other corn substitutes. Post adjusts wheat production in MY2022/23 upward by 2 MMT to 135 MMT based on improved growing conditions.

TOTAL DEMAND of GRAIN as FEED and RESIDUAL

MY2022/23

China's MY2022/23 feed and residual use is forecast to increase 4.5 MMT from MY2021/22, on recovering demand for hog feed as hog production becomes more profitable. Poultry and ruminant feed demand are expected to increase slightly.

Table 1. Grain Feed and Residual Demand Estimates by Marketing Year (Volume: MMT)

Grain	2020/21	2021/22	2022/23	Absolute Change
Corn	196	210	216	6
Sorghum	8.7	9.5	9.5	0
Barley	8.7	7.5	8	0.5
Wheat	45	30	25	-5
Old Stock Rice (Milled Equivalent)	20	22	25	3
Total	278.4	279	283.5	4.5

Source: FAS China

Industry experts at the 2022 China Agricultural Outlook Conference estimated that total feed consumption for 2022 would increase by 2.9 percent year-on-year to 301.6 million tons. The figures in Table 2 are on a calendar year rather than a marketing year basis, including oilseed meal but excluding residual demand.

Table 2. China's Industrial Feed Consumption

	2021	2022 est.	% change
Swine	126,790	133,750	5.5%
Broiler	90,080	90,630	0.6%
Layer	31,420	31,940	1.6%
Aquaculture	24,010	24,110	0.4%
Ruminants	14,270	14,440	1.2%
Total Consumption	293,080	301,550	2.9%

Source: 2022 China Agricultural Outlook Conference; in 1,000 tons; in a calendar year

MY2021/22

China Feed Industry Association data through May 2022 indicates total industrial feed production for MY2021/22 was 0.6 percent higher than MY2020/21. In October through December 2021, larger output was offset by a reduction of total feed production of 3.2 percent in January through May 2022. More specifically, from January through May 2022, swine feed was down by 5.7 percent, layer feed down by 3.5 percent, and broiler feed down by 4.8 percent from the same period in 2021. Most noticeably, swine feed production in both April and May saw around 15 percent plunge compared to last year. Industry contacts believe the lower swine feed production in April was due to reduced pig slaughtering weight, lower pig inventory and COVID lockdowns.

	Swine	Layers	Broiler	Aquaculture	Ruminants	Total
Production (in MMT) January-May	50.86	12.98	34.13	7.94	6.08	113.21
Year-on-Year Increase (percent)	-5.7	-3.5	-4.8	24.9	2.7	-3.2
Production in May (in MMT)	9.86	2.58	7.13	2.52	1.16	23.52
Year-on-Year Increase (percent)	-14.6	-6.2	-15.6	11.0	-4.9	-11.5
Month-on-Month Increase (percent)	2.4	2.7	1.1	33.1	1.0	4.6
Source: China Feed Industry Association						

At the end of April 2022, MARA statistics placed the sow herd at 41.77 million, slightly larger than the 41- million-head government target. This represents a 10 percent reduction from 45.64 million head at the end of June 2021. If breeding profits continue to improve, restocking may begin in July, leading to hog slaughter increases starting in the first quarter 2023.

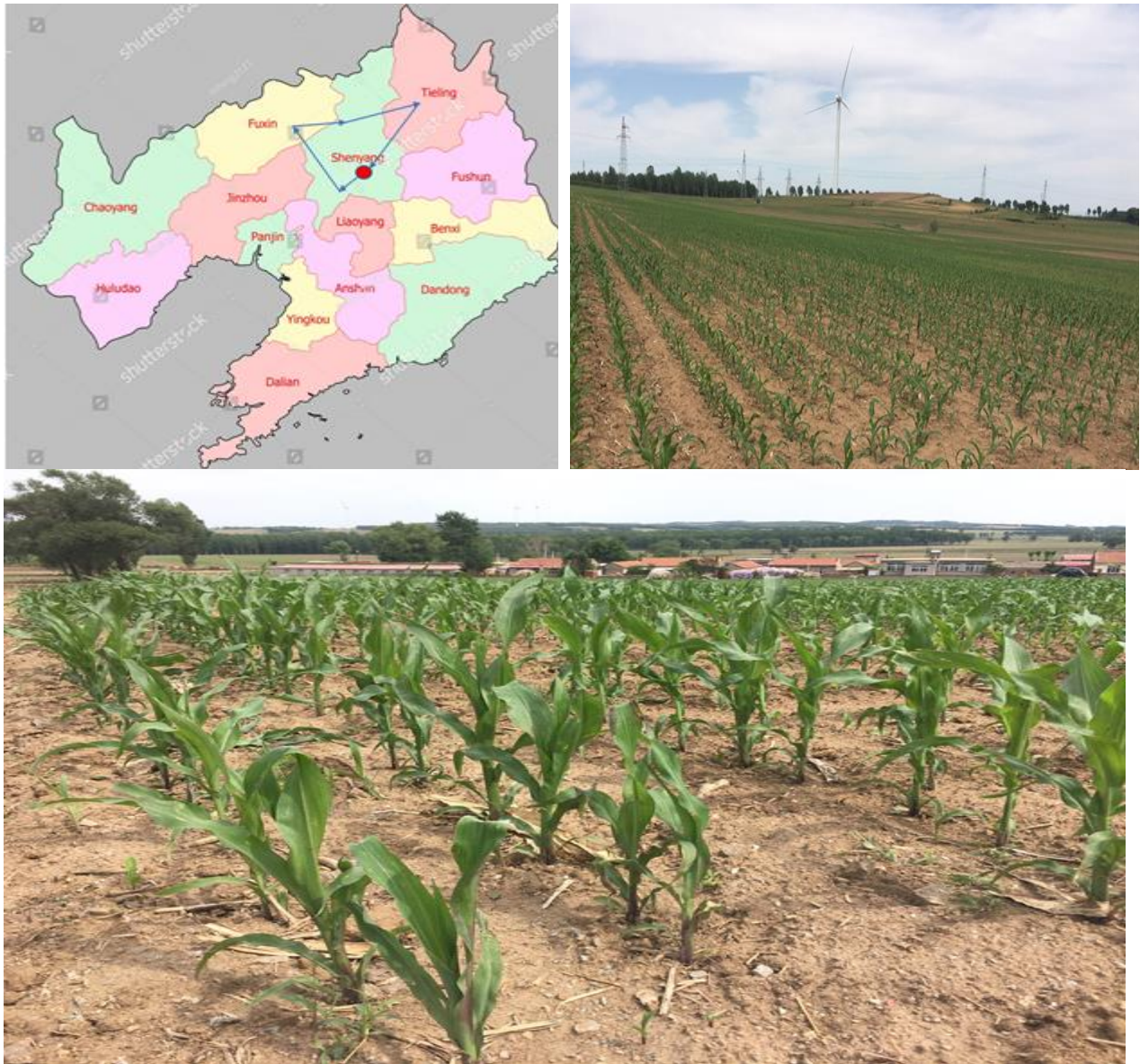
On poultry, after declining in 2021, chicken meat production is forecast to rebound by 2 percent to 14.3 MMT in 2022 as large-scale white feather ("broiler") producers utilize expanded production facilities.

CORN

Production in MY2022/23 is forecast at 270 MMT, 1 percent less than last year, due to lower planted area. The lower area for corn is the result of farmers reacting to the higher soybean subsidies vis-à-vis corn, which increases corn-soybean intercropping. Specifically for 2022, the soybean subsidy was 3 times the corn subsidy. MARA also predicts a reduction of MY2022/23 corn planting area at 42.5 million hectares, down 800,000 hectares or 1.8 percent. However, MARA forecasts an increase of 1.9 percent in corn production over MY 2021/22 due to favorable weather, better seed, and advanced technology. Industry forecasts MY 2022/23 production will decline 8-10 MMT, or 3 percent, from last year's levels.

MARA's nationwide spring planting survey showed that more than 92.5 percent of corn planting was completed by the end of May, 2.4 percent faster than last year. Industry sources report early June corn progress in northern Liaoning province, a major corn growing area, at various stages of growth from approximately 4cm to 20cm. A farmer noted that some planting in the area began as early as April 20, when the soil was a bit on the dry side, but rainfall has since made the growing conditions normal. Corn planting was near universal on available cropland with noticeable pockets of rice cultivation.

Image 1. China: Corn Growing Status in Liaoning Province



Source: Industry Field Trip

Industry estimates corn planting costs have increased by as much as 20 percent this season due to higher fertilizer, pesticide, seed, land rental, labor, equipment, diesel, transportation prices, and COVID controls. The central government allocated \$3.15 billion (RMB20 billion) in April and \$1.49 billion (RMB 10 billion) in May to alleviate rising costs and incentivize the farmers to plant grain.

Table 4: China: Northeast Corn Planting Cost Increase	
Land rental	20-25%
Fertilizer	30-40%
Seed	Regional increase
Labor and mechanics	Slight increase
Source: Industry source	

Total corn **consumption** in MY2022/23 is forecast at 297 MMT, up 5 MMT from MY2021/22, as corn usage in feed rations increases to more normal levels and feed demand recovers.

Feed Consumption

The forecast for MY 2022/23 feed and residual use is 216 MMT, 2 MMT more than USDA's June estimate, as feed mills switch back to corn rations. The nationwide sow herd reduction was close to ending. With breeding profits improving, restocking is projected to begin in July. The corn-wheat price differential has returned to traditional levels, with corn prices \$75.8 (500 RMB) per ton cheaper than wheat in May, compared with \$45.5 (300 RMB) per ton more expensive than wheat in May last year. Many feed mills have reportedly stopped substituting wheat for corn. According to the China Feed Industry Association, corn usage in compound feed increased from 35.3 to 40.8 percent during the first four months of this year.

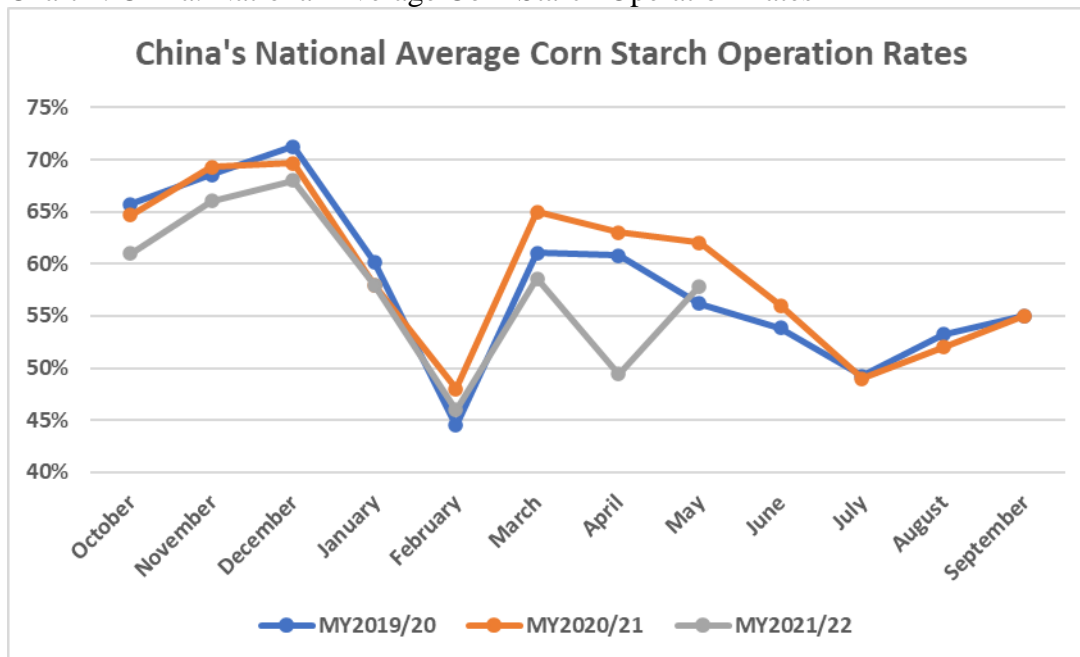
Since the beginning of the calendar year 2022, corn prices have remained stable but at high levels. The industry consensus is that the gap between China's corn demand and supply will persist for the foreseeable future. The availability of substitutes and imports is an important determinant of corn feed consumption.

Table 5: China: Major Grain Wholesale Prices in RMB/ton					
	May 2021	January 2022	May 2022	Year-on-Year Increase	Five Month Increase
Rice	4,021	3,805	3,766	-6.3	-1.0
Wheat	2,530	2,837	3,276	29.5	15.5
Corn	2,818	2,628	2,780	-1.4	5.8
Source: Industry source					

FSI (Food, Seed, and Industrial)

The processing sector (which includes ethanol, corn gluten meal, corn gluten feed, starch, and other processed products) is expected to remain stable in MY2022/23. China's total corn processing capacity in the Northeast provinces is approximately 65 MMT per year, but operation rates have averaged 60 to 70 percent over the past year. Starch industry operation rates continue to decline, and the operation rate in April 2022 was down by 14.5 percent from April 2021 and 9.3 percent from March 2022. Industry sources said that grain processors in Shandong, Jilin, and Heilongjiang chose to lower or suspend production because of high corn prices, low demand, hindered logistics, and increased inventory.

Chart 2. China: National Average Corn Starch Operation Rates



Source: Industry source

Note: Operations are halted each year during the February Lunar New Year holiday

Post forecasts MY 2022/23 corn **imports** at 18 MMT, 2 MMT lower than our prior estimate and the same as USDA's official estimate. MY2021/22 corn imports are estimated at 24 MMT, 1 MMT higher than USDA's official forecast.

China has turned to the United States to close its 2-4 MMT corn supply gap in MY2021/22 due to the war in Ukraine. In April alone, China purchased 4.5 MMT of U.S. corn with more than 2.6 MMT for MY2021/22 and close to 2 MMT for MY2022/23. There were no big purchases in May mainly due to the depreciation of the RMB against the U.S. Dollar. However in recent weeks, the exchange rate has become more favorable. The after-tax landed prices of U.S. corn to southern Chinese ports returned to around RMB 3,000 per ton in June from RMB 3,200 per ton in May. It's projected over 1.3 MMT of U.S. corn will arrive in China in June, mainly in Zhejiang, Guangdong, and Shandong provinces.

In April, China and Brazil signed an updated Protocol on Phytosanitary Requirements for exporting Brazilian corn to China. Industry sources speculate that China might have already purchased between 250,000 to 400,000 tons of corn from Brazil. Brazilian corn's after-tariff price is RMB 200 per ton lower than U.S. corn. It will take two to three months for corn from Brazil to reach ports in China, and it might go into the national reserves instead of being distributed to the market. In the past, most Chinese enterprises moved away from Brazilian corn due to the extended shipping times and high freight costs. The lack of relevant government approvals for genetically modified corn also added to the difficulty of importing from Brazil.

Customs data shows China imported 11.4 MMT of corn over January-May, similar to 2021. The industry hopes the government will increase the corn TRQ to help control inflation and stabilize domestic prices along with other measures such as suspending AD/CV measures on U.S. DDGs.

Ending **Stocks** in MY2022/23 are forecast at 208.2 MMT, down 9 MMT from MY2021/22, with higher feed use and lower imports. With food security as a policy priority, the government has shown its willingness to utilize multiple tools to stabilize grain prices and increase stock levels.

Corn	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
China						
Area Harvested (1000 HA)	41264	41264	43324	43324	43000	42700
Beginning Stocks (1000 MT)	200526	200526	205704	212704	210236	217236
Production (1000 MT)	260670	260670	272552	272552	271000	270000
MY Imports (1000 MT)	29512	29512	23000	24000	18000	18000
TY Imports (1000 MT)	29512	29512	23000	24000	18000	18000
TY Imp. from U.S. (1000 MT)	20863	20863	0	0	0	0
Total Supply (1000 MT)	490708	490708	501256	509256	499236	505236
MY Exports (1000 MT)	4	4	20	20	20	20
TY Exports (1000 MT)	4	4	20	20	20	20
Feed and Residual (1000 MT)	203000	196000	209000	210000	214000	216000
FSI Consumption (1000 MT)	82000	82000	82000	82000	81000	81000
Total Consumption (1000 MT)	285000	278000	291000	292000	295000	297000
Ending Stocks (1000 MT)	205704	212704	210236	217236	204216	208216
Total Distribution (1000 MT)	490708	490708	501256	509256	499236	505236
Yield (MT/HA)	6.3171	6.3171	6.291	6.291	6.3023	6.3232

(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 2022/2023 = October 2022 - September 2023

Sorghum

Sorghum feed and residual use is forecast at 9.5 MMT in MY 2022/23 and 9.5 MMT in MY2021/22. This is a reduction of 1 MMT as current sorghum prices at Chinese ports are quoted at more than \$451 (RMB 3,000) per ton. At this level, imported sorghum does not have a price advantage over corn. The latest June USDA Export Sales report showed only 412,825 tons of outstanding U.S. sorghum sales to China with very few new sales in June. FSI sorghum

consumption for MY2022/23 is estimated at 3.0 MMT, unchanged from MY2021/22. The China Liquor Industry Association reported liquor production by scaled producers in the first five months increased by 3.4 percent year-over-year. This was despite a 4 percent decline in April because of several city-wide COVID lockdowns. May has seen liquor production return to normal levels.

Table 6. China: Imported Coarse Grain and Substitute Prices in Guangdong (Unit: RMB / Ton)

Grains	Prices
Local Corn (spot at ports)	3,000
Imported U.S. Corn	3,000
Imported U.S. Sorghum (Spot at ports)	3,000
Imported U.S. Sorghum (July/August delivery)	3,500
Imported Australian and Argentine Sorghum	2,990 3,020
Imported French and Argentina Barley (July/August delivery)	3,760 3,530
Imported U.S. DDGs (without AD/CVD)	2,700
Indian Broken Rice (Out-of-quota)	2,950
Imported Australian Wheat	2,950

Exchange Rate as of June 10, 2022- \$1=6.65 RMB

Sorghum imports for MY2021/22 are estimated at 9.5 MMT, 1 MMT lower than USDA's official estimate due to disadvantageous prices. U.S. sorghum's quotes have increased from \$417 (RMB 2,770) per ton in February to \$459 (RMB 3,050) per ton in June. Argentina's sorghum quotes have also jumped from \$391 (RMB 2,600) per ton in February to \$ 436 (RMB 2,900) per ton in June. It is anticipated only about 500,000 tons of U.S. sorghum will arrive in China in June. Although Argentine and Australian sorghum prices are more competitive, their export potential to China is limited. Only 150,000 tons of Argentine sorghum are currently in transit to China.

Sorghum Market Year Begins China	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	635	635	630	630	630	630
Beginning Stocks (1000 MT)	34	34	269	269	239	239
Production (1000 MT)	2970	2970	3000	3000	3000	3000
MY Imports (1000 MT)	8669	8669	10500	9500	9500	9500
TY Imports (1000 MT)	8669	8669	10500	9500	9500	9500
TY Imp. from U.S. (1000 MT)	6511	6511	0	0	0	0
Total Supply (1000 MT)	11673	11673	13769	12769	12739	12739
MY Exports (1000 MT)	4	4	30	30	30	30
TY Exports (1000 MT)	4	4	30	30	30	30
Feed and Residual (1000 MT)	8700	8700	10500	9500	9500	9500
FSI Consumption (1000 MT)	2700	2700	3000	3000	3000	3000
Total Consumption (1000 MT)	11400	11400	13500	12500	12500	12500
Ending Stocks (1000 MT)	269	269	239	239	209	209
Total Distribution (1000 MT)	11673	11673	13769	12769	12739	12739
Yield (MT/HA)	4.6772	4.6772	4.7619	4.7619	4.7619	4.7619

(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 Sorghum begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

BARLEY

Barley feed and residual use for MY 2022/23 is adjusted to 7.5 MMT, about 1.6 MMT lower than Post's April estimate, as current barley prices at ports are quoted at \$436 (RMB 2,900) per ton, losing its previous price advantage over corn. Barley is a good substitute for corn for its low toxin and rich fiber. But barley has only 85-90 percent of the nutrition value of corn, so mills will only use barley in hog feed when its price is 10-15 percent lower than corn.

FSI barley consumption is adjusted down slightly. China Liquor Industry Association reported China's beer production in the first five months of this year tumbled by 5.2 percent compared to last year's period. April alone saw an 18.3 percent plunge due to COVID restrictions. The industry believes the significant drop is temporary as beer consumption will increase slightly over the year. May has seen production return to normal levels. Imports of malting barley are

changing from quantity to quality as consumers go for a higher-end beer as living standards improve.

Barley imports for MY 2022/23 and MY2021/22 are reduced to be in line with USDA's June estimate due to price disadvantages. China's January to May barley imports contracted by 28 percent to 3.3 MMT year-over-year. Argentina, Canada, and France are the leading barley suppliers, accounting for 85 percent of the import market. Guangdong, Shandong, Fujian, and Liaoning were the top importing provinces, accounting for 74 percent of the total imports. Barley prices at Nantong ports are \$10.5 (RMB 70 yuan) per ton higher than corn. Malting barley end users are very conservative in making orders and generally maintain a small inventory. Industry sources report that the price quote for Argentine barley has increased more than 60 percent over the past three months. Industry sources also said less than 100,000 tons of Argentine barley are booked for June/July delivery.

Barley Market Year Begins	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
China						
Area Harvested (1000 HA)	509	509	510	510	510	510
Beginning Stocks (1000 MT)	289	289	1374	1374	274	274
Production (1000 MT)	2036	2036	2000	2000	2000	2000
MY Imports (1000 MT)	12049	12049	8500	8500	10000	10000
TY Imports (1000 MT)	12049	12049	8500	8500	10000	10000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	14374	14374	11874	11874	12274	12274
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	8700	8700	7500	7500	8000	8000
FSI Consumption (1000 MT)	4300	4300	4100	4100	4100	4100
Total Consumption (1000 MT)	13000	13000	11600	11600	12100	12100
Ending Stocks (1000 MT)	1374	1374	274	274	174	174
Total Distribution (1000 MT)	14374	14374	11874	11874	12274	12274
Yield (MT/HA)	4	4	3.9216	3.9216	3.9216	3.9216

(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 Barley begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Major Food Grains

Wheat

Wheat **production** in 2022/23 is forecast at 135 MMT. Based on an industry field trip to the six major production provinces in mid-May, Henan's wheat growing conditions and quality are similar to last year. However, area, yield, and production in Anhui are expected to be higher than last year. Industry commented that Jiangsu, Hebei, and Shandong's overall planted area is less than last year, and quality appeared inferior. The field trip concluded that the total national wheat growing area was stable, and the overall quality was better than MY2021/22.

The country harvested more than 84 percent of its winter wheat by mid-June. Specifically, the wheat harvest in central China's Henan Province and east China's Jiangsu Province has concluded, while that in Shaanxi Province has almost come to a close. Traditionally, the summer harvest spans from May to late June. Because of favorable weather conditions at the grain filling stage in May, China National Grain and Oilseed Information Center (CNGOIC) reported that the wheat yield and quality are better than average in most key producing provinces.

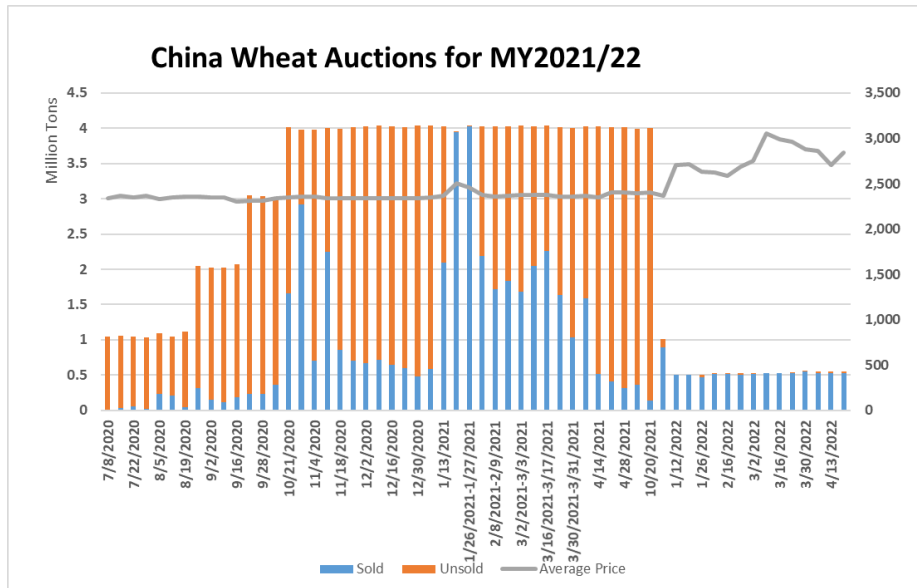
MY2022/23 and MY2021/22 wheat **consumption** for fodder is 5 MMT lower than USDA's June estimates. The concept of grain security in China has shifted from "feeding people" to "feeding people and livestock/poultry when needed" over the past two years. But skyrocketing wheat prices have prevented feed mills from replacing corn with wheat this year. Please see "Table 5: China: Major Grain Wholesale Prices in RMB/ton" for wheat/corn price differences under the corn section.

In mid-May, the market welcomed Hubei's new wheat crop, which recorded similar quality to normal years with a 14-17 percent moisture rate and was priced above \$451 (RMB 3,000) per ton. Flour mills offered \$490-502 (RMB 3,260-3,340) per ton to procure new crop wheat, but there weren't many qualified arrivals, so mills had to lower standards to buy. Traders typically bought low-quality and low-price wheat from Hubei and blended it with local wheat for profits. But this year, the traders reportedly returned home disappointed due to the high prices.

Chinese wheat prices soared 15 percent in the first half of 2022. Industry sources believe the rising prices were attributed to international factors such as the Ukraine war and the COVID pandemic. At home, planting costs increased significantly, and farmers are reluctant to sell because of continuing price increases. At the same time, wheat end users have concerns over the future wheat supply and want to build stocks, causing speculation in the market. While large flour mills are struggling to maintain their dominant market positions, all flour mills face higher costs, poor sales, overcapacity, and industry consolidation.

On April 13, China suspended wheat auctions one month earlier than last year. The Minimum Support Program (MSP) was not launched last year and is not expected to be launched this year. Last year saw more than 27 million tons of MSP wheat sold from January until sales were halted before the new harvest in mid-May. But this year, the country released only around 500,000 tons of wheat from the reserves in weekly auctions, compared with 4 million tons per week offered in 2021. Industry sources believe MSP stocks are no longer plentiful and demand is not as strong.

Chart 4. China: Wheat Auctions for MY2021/22



Source: National Grain Trade Center

MY2022/23 wheat **imports** are forecast at 9 MMT, 500,000 tons lower than USDA's June estimates due to high prices. International wheat prices have soared by over 40 percent in the past four months. Because of the COVID pandemic, the war in Ukraine, export bans, higher freight and insurance costs, inflation, and speculation, international wheat prices are expected to remain high. In the first five months of 2022, wheat imports were down by 4.1 percent year-over-year. Imported prices of wheat landed in May were lower than domestic corn prices. But most of the imported wheat is destined for flour production, and only a small percentage goes to feed mills.

MY2022/23 ending stocks are forecast at 145.8 MMT. The industry believes China only has about 40 MMT MSP wheat reserves, but overall, government reserves held by various entities are sufficient. Please see Table 7 for China's temporary reserve estimates from specific years. Hubei, Shandong, and Hebei almost exhausted MSP wheat reserves, while Henan, Anhui, and Jiangsu each have more than 10 MMT reserves, and Henan province holds about 18 MMT.

2020 wheat	6 MMT
2019 wheat	16 MMT
2017 wheat	8.5 MMT
2016 wheat	6 MMT
2015 wheat	2.2 MMT
2014 wheat	1.5 MMT
Total	40.2 MMT
Source: Industry Source	

Wheat Market Year Begins China	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	23380	23380	23568	23568	23400	23400
Beginning Stocks (1000 MT)	150015	150015	144120	139120	141916	141716
Production (1000 MT)	134250	134250	136946	136946	135000	135000
MY Imports (1000 MT)	10618	10618	9700	9500	9500	9000
TY Imports (1000 MT)	10618	10618	9700	9500	9500	9000
TY Imp. from U.S. (1000 MT)	3367	3367	0	0	0	0
Total Supply (1000 MT)	294883	294883	290766	285566	286416	285716
MY Exports (1000 MT)	763	763	850	850	900	900
TY Exports (1000 MT)	763	763	850	850	900	900
Feed and Residual (1000 MT)	40000	45000	35000	30000	30000	25000
FSI Consumption (1000 MT)	110000	110000	113000	113000	114000	114000
Total Consumption (1000 MT)	150000	155000	148000	143000	144000	139000
Ending Stocks (1000 MT)	144120	139120	141916	141716	141516	145816
Total Distribution (1000 MT)	294883	294883	290766	285566	286416	285716
Yield (MT/HA)	5.7421	5.7421	5.8107	5.8107	5.7692	5.7692
(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 Wheat begins in July for all countries. TY 2022/2023 = July 2022 - June 2023						

RICE

MY2022/23 and MY 2021/22 rice **consumption** estimates are both 5-6 MMT higher than MY2020/21 as price advantages give rice more opportunities for feed use.

As illustrated in Table 5, in the first five months of 2022, grain prices except for rice increased significantly, as both international and domestic rice supplies were adequate.

This year, old stock rice will be a price-competitive corn substitute. Old stock rice auctions are rumored to have resumed in May and will last until September. More than 25 MMT of old stock rice is expected to be offered. The auctioned rice, plus transportation and milling fees, will be around 2,500 yuan per ton landed in central China and 2,400 yuan per ton landed in North East China, much lower than corn prices. The first auction, rumored in May, saw 100 percent of the 2

MMT offered rice sold. Heilongjiang accounted for 1.2 MMT, Jinlin 200,000 tons, Anhui 190,000 tons, Jiangsu 70,000 tons, Jiangxi 170,000 tons, Hunan 60,000 tons, Hubei 100,000 tons, and Sichuan 20,000 tons.

	Northeast China	Central China
Auction bottom price	1,600	1,700
Auction profits	50	50
Brown rice cost (75% milling rate)	2,200	2,333
Processing fee	100	100
Transportation cost	50	50
Brown rice price arriving at feed mills	2,350	2,483
Local corn prices	2,650	3,000
85% brown rice + 15% corn mixture	2,395	2,561

Source: industry source; Exchange Rate as of June 10, 2022- \$1=6.65 RMB

Auction Period	Amount Sold	Notes
March 31-October 14, 2021	15 MMT	The bottom price increased from RMB1,300 to 1,500 per ton; Rice mixed with wheat to be used in feed; 2 MMT rice was offered each week
March 17 to April 7, 2022	4.5 MMT	500,000—1 MMT rice offered each week
May 19-September 2022 (projected)	20 MMT (projected)	The bottom price increased from RMB1,500 to RMB1,600—1,700 per ton; 2 MMT rice was offered every other week

Source: industry source

Post's rice **import** estimate for MY 2022/23 is 6.0 MMT due to animal feed demand. From January to May 2022, rice imports increased by 30 percent to 2.9 MMT, of which 1.6 MMT was broken rice. Imports of Indian broken rice jumped by 300 percent in 2021. The robust trend continued in the first five months of 2022, with a 148 percent increase over the same period in 2021. The country's imports of Indian broken rice almost tripled in 2021. The first five months of 2022 also witnessed Pakistani broken rice imports increase by 125 percent over the same period in 2021. Most imported rice went to Guangdong, Fujian, and Jiangsu provinces.

The United States will ship 18 tons of rice to China in 2021/22. These are the first sales since the week ended September 23, 2021, when 10 tons were sold and shipped that week. China purchased 20 tons of U.S. rice during the 2020/21 marketing year.

Post's rice **export** forecast for MY 2022/23 is 2.4 MMT. It was reported that six batches of rice had been scheduled to arrive in Sri Lanka under a Chinese 500 million RMB grant (500 million RMB rice = approximately 20,000 tons of rice). The Chinese Embassy stated that the first and the second batch arrived at the Colombo Port on 25th and 30th June. Previous reports in January

said China would donate 1 MMT of rice to Sri Lanka soon to mark the 71st anniversary of the Sino-Sri Lankan Rice-Rubber Pact.

Rice, Milled Market Year Begins China	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	30076	30076	29921	29921	30000	30000
Beginning Stocks (1000 MT)	116500	116500	116500	116500	113000	113000
Milled Production (1000 MT)	148300	148300	148990	148990	149000	149000
Rough Production (1000 MT)	211857	211857	212843	212843	212857	212857
Milling Rate (.9999) (1000 MT)	7000	7000	7000	7000	7000	7000
MY Imports (1000 MT)	4215	4215	5600	5600	6000	6000
TY Imports (1000 MT)	4921	4921	5600	5600	6000	6000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	269015	269015	271090	271090	268000	268000
MY Exports (1000 MT)	2222	2222	2250	2250	2400	2400
TY Exports (1000 MT)	2407	2407	2250	2250	2400	2400
Consumption and Residual (1000 MT)	150293	150293	155840	155840	156600	156600
Ending Stocks (1000 MT)	116500	116500	113000	113000	109000	109000
Total Distribution (1000 MT)	269015	269015	271090	271090	268000	268000
Yield (Rough) (MT/HA)	7.0441	7.0441	7.1135	7.1135	7.0952	7.0952

(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 Rice, Milled begins in January for all countries. TY 2022/2023 =
 January 2023 - December 2023

Attachments:

No Attachments