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China, Peoples Republic of

Grain and Feed

Annual Report

2000

Approved by:
Suzanne Hale
U.S. Embassy
Prepared by:
John Wade, Alexander Kameny, Zhang Jianping

Report Highlights:
Wheat, corn and rice prices have fallen sharply in the past year as the Government has reduced price supports in advance of entering the WTO. Production, as a result, should fall in MY 2000. Although currently large national grain stocks may slow the process, in the long run China will significantly increase wheat and corn imports and reduce corn exports.

Includes PSD changes: Yes
Includes Trade Matrix: No
Annual Report
Beijing[CH1], CH

Summary

China has greatly altered its grain policy over the past year. Whereas in previous years the government actively procured corn, wheat, and rice and held it in storage to maintain high prices paid to farmers, in MY 1999 China has aggressively sought to reduce large grain stocks by cutting grain procurement prices and volume, selling on the domestic market and, in the case of corn, greatly increasing exports. This change has helped bring prices down to near world levels, as China prepares to enter the WTO.

This policy change coupled with China's likely entry into the WTO will also significantly alter China's grain trade. Compared to its current situation, China should eventually increase wheat and rice imports significantly and go from a major net exporter to a major net importer of corn. U.S. wheat and barley exporters will also benefit from the U.S.-China Agricultural Cooperation Agreement which allows U.S. wheat and barley exports from the Pacific Northwest to resume as long as they meet newly established tolerance levels for TCK spores.

Farmers are responding to lower prices by cutting planted area. Winter wheat planting for the 2000 crop, according to Chinese government sources, is down more than 6 percent. Corn and rice planted area is also expected to fall. Over the long term, crops grown in the North China plain will likely face increased constraints on water (for more information see note on page33). Also, the Government is developing policies which will reduce planting on highly erodible land.

Demand for corn is expected in the short term to rebound as livestock demand begins to pick up with an improvement in the general economy. The long term trend for corn is for continued strong growth in demand as increasingly affluent Chinese consumers consume more livestock products. For wheat and rice, the long term trend is for modest growth, in-line with population growth.

Sorghum production is declining because hard liquor, which is made from sorghum, has become less popular among consumers. Barley production is declining because brewers are meeting more of their malting needs from imported barley. Edible bean production, however, is increasing sharply as a result of soaring exports to Asian neighbors.

Wheat

PSD Table						
Country	China, Peoples Republic of					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Area Harvested	29774	29774	29000	29000	0	27500
Beginning Stocks	33366	33598	27836	27562	26036	23762
Production	109730	109726	115000	113000	0	107000
TOTAL Mkt. Yr. Imports	1000	498	700	700	0	3000
Jul-Jun Imports	1000	498	700	700	0	3000
Jul-Jun Import U.S.	366	152	0	200	0	1500
TOTAL SUPPLY	144096	143822	143536	141262	26036	133762
TOTAL Mkt. Yr. Exports	260	260	500	500	0	500
Jul-Jun Exports	260	260	500	500	0	500
Feed Dom. Consumption	5000	5000	5000	5000	0	5000
TOTAL Dom. Consumption	116000	116000	117000	117000	0	118000
Ending Stocks	27836	27562	26036	23762	0	15262
TOTAL DISTRIBUTION	144096	143822	143536	141262	0	133762

In 1999, China's wholesale wheat prices dropped 20 to 30 percent, and since 1996, prices have dropped more than 40 percent. The price drop in 1999 is in sharp contrast with the government's efforts in 1997 and 1998 to maintain prices when they fell to official protected price levels. Provincial grain bureaus are procuring less new crop and instead appear intent on selling old crop reserves, despite incurring substantial losses. The Government seems convinced that prices will not improve soon, and that it is best to cut losses now rather than to incur additional storage costs and losses due to deterioration. The new policy is also bringing Chinese wheat prices closer to international levels in preparation for WTO accession.

Production

Weather conditions for the 1999 crop were favorable so that despite an estimated 2 percent drop in planted area, total production is expected to be up 3 percent as compared to 1998. The sharp drop in prices has prompted farmers to reduce planting for the 2000 crop. Official estimates put winter wheat planting, which accounts for over 85 percent of the crop, down over 6 percent. Farmers are reportedly switching to growing rapeseed and vegetables (including a large share in greenhouses) which have relatively more attractive prices.

Beyond 2000, domestic wheat prices should be closely tied to world prices after China's likely entry into the WTO

(see trade section). If world prices rise beyond current very low levels, they should prompt some increase in planted area. However, China is not producing the diversity of wheat needed for all of the new processed wheat products entering the market. If the market opens to allow free imports of any type of wheat, millers will probably replace a major part of the domestic medium protein wheat they use with imported low or high-protein wheat. This could push down Chinese production, or, conceivably, China could maintain domestic wheat production at its current level, but expand exports. It is also possible that producers will compensate for the lack of high and low-protein wheat by developing new Chinese wheat types. However, growing conditions may limit the success of producing new wheat types.

Also in the future, land use problems could constrain Chinese wheat production. The majority of wheat grown in China requires irrigation. In the North China plain, one of the key winter wheat production regions, both agricultural and non-agricultural users have put such pressure on available water resources over the past twenty years that they have sharply cut river flows and drawn down aquifer levels (for more info., see note p.33). In order to reduce irrigation use to a more sustainable level, farmers will need to change their farming practices, which could reduce the area of land used for wheat production. It will probably force farmers to look more closely at higher value crops like fruits and vegetables to get the most value out of available water, and it will likely reduce the currently high level of corn/wheat double cropping in the North China plain. The Government also has become increasingly concerned with farming on highly erodible land. This could lead to new erosion control measures which would take more land out of wheat production.

Consumption

Growth in Chinese wheat consumption currently approximates population growth. In traditionally wheat-consuming north China, per capita consumption of wheat products (steamed breads, noodles, and dumplings) is decreasing as consumers gain more access to vegetables, meats and high-quality rice. However, the reverse trend exists in south China, where rice is the traditional staple, and, as elsewhere in Asia, people are diversifying their diets to include more wheat-based products.

China's per capita wheat consumption is comparable with Western nations. For example, China's per capita wheat consumption is only15 percent less than that of the United States. Compared to other East Asian countries wheat consumption is already very large; it is nearly double that of Japan. So, since Chinese consumption rates are already relatively high, consumption in the medium to long term will likely continue to grow only modestly, at best only slightly outpacing population growth.

Trade

During MY 1998 and MY 1999, the Government has sharply restricted imports as it reduces stocks. In MY 2000 and beyond, the Government is expected to step-up imports as China begins meeting its WTO commitments and domestic stocks reach low levels. China is required to open a Tariff Rate Quota and to permit imports of 7.3 million MT of wheat rising to 9.6 million MT by 2004. The quota will be shared 90 percent by public entities and 10 percent by private entities. Specific market conditions will determine how much of each TRQ is actually utilized, but this is large enough an amount that it should keep Chinese wheat prices near world prices, which will hold down production.

In the short run imports will depend on how quickly China enters the WTO and implements the agreements associated with accession as well as the size of its existing stocks. In this report, imports of 3 million MT forecast for MY 2000 assume that China will enter the WTO well after the new marketing year begins, but that imports will have to occur anyway to replenish very low stocks.

In the medium to long term, China will continue to be a wheat deficient nation.. With domestic wheat prices near world prices, an annual production deficit of up to 10 million MT should develop over the next couple of years. Some improvement in world prices, which would lead to increased domestic production, can be expected over the next several years, but total imports in 3 to 5 years in the 7-9 million MT range of the WTO quotas seems reasonable.

In a recent agreement between China and the United States, China has agreed to lift its phytosanitary ban on grains from the Pacific Northwest. China had previously banned all grains produced or transported through the PNW out of fear that they might contain spores of Tilletia Controversa Kuhn (TCK). Under the new agreement, China will permit imports of grains from PNW if they do not exceed a specific TCK tolerance level (30,000 TCK spores/50 grams). Most, if not all U.S. wheat will meet this requirement. As a consequence, the U.S. market share of China's wheat imports should improve as U.S. Dark Northern Spring and Western White wheat shipped out of the PNW will be able to compete with similar wheats from Canada and Australia, which have not been subject to the TCK restriction.

CHINA'S WHEAT IMPORTS BY MONTH
(1,000 Metric Tons)

	1996	1997	1998	1999	
January	574	164	29	11	
February	567	110	27	5	
March	208	72	407	27	
April	519	209	240	43	
May	1,188	253	389	9	
June	1,702	30	42	47	
July	827	43	53	56	
August	350	68	16	17	
September	93	227	22	1	
October	246	271	82	28	
November	363	246	36	21	
December	136	168	147	74	
JAN-DEC TOTAL	6,773	1,861	1,490	339	
	(96/97)	(97/98)	(98/99)	(99/2000)	
JUL-JUN MY TOTAL	2,853	2,157	498	197	1/

1/ year to date
Source: PRC Customs
HS Code: 1001.1000, 1001.9010, 1001.9090
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CHINA'S WHEAT IMPORTS BY ORIGIN, MY 1999/2000
(1,000 Metric Tons)

	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	MY 99/2000	% Share
	1999	1999	2000	2000	Year to Date	of Total
United States	59	80			139	50.8%
Canada	40	39			79	28.9%
Australia	15	41			56	20.3%
Other	0	0			0	0.0%
TOTAL	114	160			274	100.0%

Source: PRC Customs
HS Code: 1001.1000, 1001.9010, 1001.9090
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CHINA'S WHEAT PRICE
(RMB/MT, USD=8.28)

			Chang %
White Wheat	Dec 98	Dec 99	Dec 98/99
Grade			
3 National	1465	1149	-21.57%
3 NC, Zhengzhou 1/	1434	1200	-16.32%
3 NC, Shandong	1480	1200	-18.92%
Mixed Wheat			
Grade			
2 CC, Hubei 2/	1350	1200	-11.11%

1/ NC: North China, including Hebei, Beijing, Tianjin, Shandong, Shanxi , Henan
2/ CC: Central China, including Anhui, Hubei, Hunan, Jiangxi
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Corn

PSD Table						
Country	China, Peoples Republic of					
Commodity	Corn	(1000 HA)(1000 MT)				
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Harvested	25239	25240	25800	24600	0	24000
Beginning Stocks	26000	26000	38616	37318	41916	31518
Production	132954	132954	128000	124000	0	121500
TOTAL Mkt. Yr. Imports	270	202	250	200	0	300
Oct-Sep Imports	270	202	250	200	0	300
Oct-Sep Import U.S.	262	158	0	150	0	250
TOTAL SUPPLY	159224	159156	166866	161518	41916	153318
TOTAL Mkt. Yr. Exports	3338	3338	5000	8000	0	3000
Oct-Sep Exports	3338	3338	5000	8000	0	3000
Feed Dom. Consumption	93020	94500	95000	97500	0	103000
TOTAL Dom. Consumption	117270	118500	119950	122000	0	127000
Ending Stocks	38616	37318	41916	31518	0	23318
TOTAL DISTRIBUTION	159224	159156	166866	161518	0	153318

Chinese corn prices have dropped dramatically over the past year. The national average fell 20 percent and in major production areas it plummeted up to 33 percent. The price decline is linked to a change in Government procurement practices. Through much of MY 1998, as world prices continued to drop, the Chinese Government actively procured and stored corn to support domestic prices. Provincial grain bureaus built temporary storage facilities which doubled or tripled existing capacity. By the middle of the 1998 crop year, provinces in northeast China, the largest grain surplus region, had stored nearly a year's crop. These large purchases strained government financial resources causing Government grain procurement to slow in the latter half of 1998, and at the same time caused wholesale prices to drift well below official procurement prices. Despite official policy, provincial grain bureaus were unable to procure all of the corn that farmers wanted to sell at official prices.

Prices have continued to fall in 1999. All provinces have announced official procurement prices 10 to 20 percent below last year's prices. However, in many areas market prices have already fallen below official prices. It appears that the provinces are intent on reducing stocks, at the expense of lower prices to farmers. Prices have fallen to a point where the Government could export newly procured corn without providing a subsidy. However since the corn exported in MY 1999 is mostly old crop, or at least is being swapped with old crop, the Government is having to write off a large chunk of past procurement and storage costs.

It is likely that in MY 2000 and beyond, the Government will not alter its current policy of reducing corn procurement and bringing corn prices in line with world prices in anticipation of entering the WTO. Although farmers can not be

happy with the falling prices, they have not expressed any great dissatisfaction. This is perhaps due to improvements in the general economy which have provided opportunities for younger farmers to find lucrative work in urban areas offsetting some of their lost farm income. Income from corn growing likely will not fall further since both world and domestic prices should improve due to falling world corn stocks and growing demand for corn, particularly in Asia.

Over the next 3 or 5 years the big question is whether, after an anticipated rise in world corn prices and later a fall in prices, the Government will try again to maintain domestic prices by increasing corn procurement. Two factors support the argument that they would not increase procurement. First, the experience of the last several years has been financially traumatic for the Government. Second, China, after its likely entry into the WTO will be required to open a Tariff Rate Quota (TRQ) and to permit imports of 4.5 million MT of corn rising to 7.5 million MT by 2004. Initially 25 percent of the quota will be reserved for the private sector. This will rise to 40 percent by 2004 Specific market conditions will determine how much of the TRQ is actually utilized, however, with the potential for this volume of corn imports, it would be very costly for the Government to support procurement prices.

Production

Ministry of Agriculture analysts estimate that the 1999 harvested corn area was 3 percent less than in 1998, as farmers responded to lower prices. It also appears that weather conditions in 1999 were less favorable than in 1998. A period of particularly hot weather in July caused heat damage in southern parts of the Northeast growing region. In the North China Plain the same heat wave also caused plant stress and aggravated an emerging irrigation problem. After 20 years of heavy water use by both agricultural and commercial entities, it has become increasingly costly to obtain irrigation water in the North China Plain (for more info., see note p.33). Since water in the aquifer has been extracted more quickly than it has been replenished, wells have had to be dug deeper every year. The heat wave in 1999 caused severe water shortages in many areas and a significant number of fields were abandoned. An early frost also increased corn moisture content, however production was volume not greatly affected.

In 2000, farmers will probably again reduce planted area as a result of this year's sharp drop in corn prices. Corn growing will likely be replaced by soybeans and vegetables whose prices have become comparably attractive, even though they have also fallen. Beyond 2000, stability and improvement in world prices should maintain or slightly boost Chinese corn output.

In the longer term, Chinese corn producers will be more closely linked to the world corn market because of the new less interventionist procurement policy and China's likely entry into the WTO. It is likely that this will cause corn planted area to decrease because the Chinese industry will have to compete with other countries whose land is not as scarce. The irrigation problem mentioned above as well as the government program to retire highly erodible land from production will also put downward pressure on corn area. On the other hand, although great gains have been made over the last 20 years in improving corn yields, China's technology still lags behind that of other corn producers. China may be able to close its yield gap with other countries to a degree at least offsetting lost planted area.

Consumption

A slowdown in livestock industry growth caused corn consumption in MY 1998 to grow only 1 percent. In MY 1999, corn consumption improved because poultry and swine production grew due to a healthy economy and increased poultry exports to other Asian countries. This trend should continue in to MY 2000.

Because of improving prospects for the Chinese economy and Asia in general, during the next 3 to 5 years the livestock industry should experience strong growth, as should other corn-consuming industries--most notably alcohol and starch production. Although opportunities exist for increased use of feed-energy alternatives like barley, sorghum and wheat exist, corn will remain the primary feed source.

In the long term, two factors will drive significant increases in corn use. First, Chinese per capita consumption of livestock products remains relatively low, and as incomes increase in coming years, so will consumption of livestock products. Secondly, the use of corn in swine feed will increase as large, commercial production operations develop. Over 80 percent of the swine industry is presently small "backyard" operations, which rely on non-grain feed sources, (e.g. vegetable by-products, brewers waste, bakers waste, etc.). However, the Chinese-European crosses which can prosper on this type of feed do not produce the leaner meat which is growing more popular among affluent Chinese. To meet this new demand, the industry is slowing evolving towards large, commercial production farms which produce leaner, pure European-breed swine raised on grain-based feed. This new trend will cause the volume of corn used in each kilogram of pork production to grow.

Trade

China's corn exports through the first 3 months of MY 1999 topped 2 million MT. The Chinese contracted much of these exports last summer when world corn prices jumped. Exports could drop off some in the second quarter. However, following recent rises in futures prices, the Chinese are once again aggressively entering the corn export market for the remainder of MY1999. Primary destinations for exports are Malaysia and South Korea. However recent sales have been made to Japan, where in the past importer have been concerned about Chinese corn quality.

Increased corn consumption and exports in MY 1999, combined with a likely decrease in production, will cause China's corn stocks to fall. Consequently, exports in MY 2000 will likely be down from MY 1999.

Corn consumption and production presently are nearly equal. However, in 3 to 5 years it is likely that rapidly growing consumption will surpass production causing China to become a net importer of corn.

Another trend which could develop after China enters the WTO is a more rational trade flow. Currently, the costs of transporting corn from the Northeast to consuming regions in the South can be costly. Without import restrictions, in many cases it would be more economical for southern consumers to import foreign corn rather than buying it from northeast China. So, even though in the future China may become a net importer or corn, its volume of exports out of the Northeast to Korea, Japan and other Asian destinations may remain large.

CHINA'S CORN IMPORTS BY MONTH
(Metric Tons)

	1996	1997	1998	1999	
January	283,136	0	0	18	
February	85,666	0	99	17	
March	25,557	145	52,501	18	
April	207	14	4	1	
May	2,597	1	2,204	58	
June	39,978	0	20,052	20,012	
July	159	0	52	50,079	
August	8	34	7,500	0	
September	26	0	36,170	0	
October	2,504	61	20	0	
November	58	0	23,894	0	
December	252	180	108,125	41	
JAN-DEC MY TOTAL	440,148	435	250,621	70,244	
	(96/97)	(97/98)	(98/99)	(99/2000)	
OCT-SEP MY TOTAL	3,008	118,823	202,242	41	1/

1/ year to date
HS Code: 1005.1000, 1005.9000
Source: PRC Customs
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CHINA'S CORN QUARTERLY IMPORTS BY ORIGIN, MY 1998/99
(Metric Tons)

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	MY 1998/99	% Share of
	1998	1999	1999	1999	Year-to-Date	MY Imports
U.S.	108,078	0	0	50,079	158,157	78.2%
Netherlands	23,894	0	0	0	23,894	11.8%
Indonesia	0	0	20,012	0	20,012	9.9%
Other	68	53	61	0	182	0.1%
TOTAL	132,040	53	20,072	50,079	202,244	100.0%

Source: PRC Customs
HS Code: 1005.1000, 1005.9000
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CHINA'S CORN QUARTERLY IMPORTS BY ORIGIN, MY 1999/00
(Metric Tons)

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	MY 1999/00	% Share of
	1999	2000	2000	2000	Year-to-Date	MY Imports
U.S.	40				40	97.6%
Netherlands	0				0	0.0%
Indonesia	0				0	0.0%
Other	1				1	2.4%
TOTAL	41	0	0	0	41	100.0%

Source: PRC Customs
HS Code: 1005.1000, 1005.9000
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CHINA'S CORN EXPORTS BY MONTH (Metric Tons)					
	1996	1997	1998	1999	
January	0	17,111	335,765	119,190	
February	0	57,106	428,867	83,508	
March	661	166,125	405,198	272,908	
April	372	291,204	580,188	53,149	
May	707	560,793	240,079	171,438	
June	15,000	919,882	401,390	304,349	
July	34,059	607,266	304,729	551,192	
August	72,463	711,398	334,601	212,649	
September	30,104	555,530	432,336	346,007	
October	5	734,155	351,911	305,648	
November	0	766,926	371,899	518,836	
December	5,284	1,209,076	499,614	1,365,144	
JAN-DEC TOTAL	158,655	6,596,572	4,686,577	4,304,018	
	(96/97)	(97/98)	(98/99)	(99/2000)	
OCT-SEP MY TOTAL	3,891,704	6,173,310	3,337,814	2,189,628	1/

1/ year to date
HS Code: 1005.1000, 1005.9000
Source: PRC Customs
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CHINA'S QUARTERLY CORN EXPORTS BY DESTINATION, MY 1998/99
(Metric Tons)

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	MY 1998/99	% Share of
	1998	1999	1999	1999		MY Exports
Malaysia	445,018	310,623	156,202	381,595	1,293,438	38.7%
South Korea	368,936	95,754	204,615	198,272	867,576	26.0%
Indonesia	0	0	73,328	226,233	299,561	9.0%
Iran	214,745	0	0	0	214,745	6.4%
Japan	91,626	26,943	23,673	18,197	160,438	4.8%
North Korea	40,128	8,560	9,801	96,434	154,923	4.6%
Vietnam	13,000	34,112	20,690	24,496	92,298	2.8%
India	0	0	0	69,866	69,866	2.1%
Thailand	0	0	12,343	49,702	62,045	1.9%
Sri Lanka	28,556	0	9,814	10,437	48,807	1.5%
Philippines	21,415	0	15,736	0	37,151	1.1%
Bangladesh	0	0	0	23,514	23,514	0.7%
Singapore	0	0	2,735	10,728	13,463	0.4%
Other	0	14	1	375	390	0.0%
TOTAL	1,223,424	476,006	528,936	1,109,848	3,338,214	100.0%

Source: PRC Customs
HS Codes: 1005.1000 and 1005.9000
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CHINA'S QUARTERLY CORN EXPORTS BY DESTINATION, MY 1999/2000
(Metric Tons)

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	MY 1999/00	% Share of
	1999	2000	2000	2000	Year-to-Date	MY Exports
South Korea	753,546				753,546	34.4%
Malaysia	596,045				596,045	27.2%
Indonesia	276,503				276,503	12.6%
Iran	103,175				103,175	4.7%
Bangladesh	99,395				99,395	4.5%
India	77,345				77,345	3.5%
Thailand	71,000				71,000	3.2%
Philippines	52,970				52,970	2.4%
North Korea	47,574				47,574	2.2%
Sri Lanka	44,299				44,299	2.0%
Japan	37,538				37,538	1.7%
Vietnam	30,046				30,046	1.4%
Other	193				193	0.0%
TOTAL	2,189,629				2,189,629	100.0%

Source: PRC Customs
HS Codes: 1005.1000 and 1005.9000
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CHINA'S CORN PRICES
(RMB/MT, USD=8.28)

Grade	Dec. 98	Dec 99	Dec 98/99 Change
2 National	1245	967	-22%
2 NC, Zhengzhou 1/	1200	950	-21%
3 NE, Heilongjiang 2/	1150	780	-32%
3 NE, Jilin	1100	734	-33%
2 NW, Xinjiang 3/	1090	850	-22%
2 NC, Shandong	1160	920	-21%
EC, Shanghai 4/	1400	1200	-14%
2 SC, Fuzhou 5/	1300	1013	-22%
2 CC, Hubei 6/	1310	1000	-24%

1/ NC: North China, including Hebei, Beijing, Tianjin, Shandong, Shanxi Henan
2/ NE: Northeast, including Heilongjiang, Jilin, Liaoning
3/ NW: Northwest, including Xinjiang, Gansu, Ningxia, Shaanxi
4/ EC: East China, including Shanghai, Jiangsu, Zhejiang (Hangzhou, Ningbo)
5/ SC: South China, including Guangdong, Fujian, Hainan, Guangxi
6/ CC: Central China, including Anhui, Hubei, Hunan, Jiangxi
7/ NW: Northwest, including Xinjiang, Gansu, Ningxia, Shaanxi
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Rice

PSD Table						
Country	China, Peoples Republic of					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Harvested	31214	31214	31300	31100	0	30700
Beginning Stocks	26723	26694	26473	27329	27023	27000
Milled Production	139100	139210	141000	139000	0	137500
Rough Production	198714	198871	201429	198571	ERR	196429
MILLING RATE (.9999)	7000	7000	7000	7000	0	7000
TOTAL Imports	200	168	400	200	0	250
Jan-Dec Imports	200	168	400	200	0	250
Jan-Dec Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	166023	166072	167873	166529	27023	164750
TOTAL Exports	2800	2705	2850	2600	0	2000
Jan-Dec Exports	2800	2705	2850	2600	0	2000
TOTAL Dom. Consumption	136750	136038	138000	136929	0	136750
Ending Stocks	26473	27329	27023	27000	0	26000
TOTAL DISTRIBUTION	166023	166072	167873	166529	0	164750

Production

Rice production in 1999 is estimated to be approximately the same as it was in 1998, on a slight reduction in planted area. Early rice planted area decreased due to falling government procurement prices for low quality early rice. Middle and late rice planted area increased slightly as higher quality middle and late varieties fetched relatively higher procurement prices. Early rice yields were poor in several provinces due to poor weather conditions, while middle and late rice yields were good. In 2000 rice planted area and production are forecast to fall, as lower rice prices and new grain policy, which emphasizes quality over quantity, is further implemented, leading farmers to cut back on production of low quality rice.

The new grain policy announced in 1999 aims to encourage farmers to grow higher quality rice varieties and reduce production of poor quality varieties. Beginning in 2000, certain low quality early indica rice varieties will no longer be procured by the government at protected prices. In the past, farmers produced low quality early rice for the purpose of meeting their household land tax responsibility. They could deliver rice in lieu of cash based on the value of the rice at current procurement prices. Under the new policy, these varieties will not be accepted as tax and likely will be unmarketable on the free market. Farmers will be induced to invest in higher quality japonica hybrid indica varieties with longer maturation periods, which they will likely plant in a longer late crop, or a single middle crop as is often done in northeast China. In some southern provinces which are corn deficient, early rice will be replaced with a corn crop.

In other areas, rice will be replaced with vegetables and other cash crops. As early rice planted area decreases, growing late rice area and especially middle rice area will partially offset the decrease. Rice production volume will likely stay the same or even fall slightly as farmers focus on producing lower yielding varieties which fetch high procurement prices from the government.

Consumption

Industry analysts estimate that 85 percent of China's polished rice is consumed by humans, 5 percent is used for seed and industrial use (beer production) and another 5 percent is used for animal feed. However, the amount of rice used for animal feed has been growing as rice procurement prices decline making it less rewarding to sell rice to government grain bureaus. Most of this rice, as well as the rice used to make beer and feed students, soldiers and other low-income consumers, is low quality early rice. Farmers who grow an early and a late rice crop typically sell their low quality early rice to the government and save their late rice for their own consumption

Rising incomes have developed quality conscious Chinese consumers who have begun focusing more attention on rice quality. Southern Chinese, who previously grew and preferred long grain indica rice, have begun consuming more flavorful, high quality short grain japonica rice. Northern Chinese also prefer japonica rice, which has been produced increasingly in northeast China. Growing incomes have also caused rice to become a shrinking share of the Chinese diet, as it is replaced by vegetables and meats.

Prices

Wholesale rice prices decreased approximately 20 percent during 1999. This was primarily due to falling government procurement prices for rice and the announcement of a new grain policy which will discontinue government procurement of low quality grains in 2000. In addition, prices were pressured downward by large national rice stocks and a strong harvest in 1999.

New grain standards for rationalizing rice procurement prices were announced in 1999 and implementation will likely begin in 2000. The new guidelines are intended to provide an incentive for farmers to produce higher quality rice. New procurement prices will be based on rice type, variety and quality, with higher quality types and varieties bringing better prices. In the past, provincial localities typically had three official prices for each growing season-one price for early indica rice, one price for hybrid indica rice, and one price for japonica rice. However, according to some sources, in practice better quality rice would bring higher prices.

Trade

China's rice imports fell further in 1999, but are forecast to grow slowly during the next two years. The rice import projection for MY 2000 assumes that local rice will continue to be attractively priced as grain bureaus work down surplus stocks. However, there is likely to be some increase in imports of specialty rice, such as fragrant Thai rice, when China accedes to the WTO. China is required to open a Tariff Rate Quota and to permit imports of 2.6 million MT of rice rising to 5.3 million MT by 2004. The quota will be shared 90 percent by public entities and 10 percent by private entities for longr grain rice and 50-50 for medium and short grain rice.

China's rice exports declined from MY 1998 levels, but remained far above levels in previous years. China's primary

rice importer was Indonesia, which purchased nearly 30 percent of China's exports. China appears to be following the same strategy regarding rice as that with corn, namely, exporting some of its surplus production in order to cut stocks, strengthen domestic prices, and earn foreign exchange. However, it is not clear if China is committed to an export subsidy policy for rice s. Post forecasts that rice export volume will remain the same in MY 2000 due to the strong harvest in 1999 and falling rice prices, but begin falling in MY 2001 as production decreases.

CHINA'S MONTHLY RICE IMPORTS
(Metric Tons, Milled Basis)

	1996	1997	1998	1999	
January	29,938	63,875	24,359	34,684	
February	32,742	23,630	20,940	19,346	
March	91,278	8,144	41,548	18,206	
April	92,024	12,379	39,333	13,651	
May	62,926	17,366	3,696	209	
June	46,296	14,360	1,262	276	
July	31,108	16,014	4,731	876	
August	42,819	16,381	22,062	12,642	
September	54,913	66,059	15,854	23,029	
October	53,163	28,831	28,421	12,025	
November	118,610	21,323	8,015	7,090	
December	105,588	37,984	33,755	26,088	
TOTAL	761,404	326,346	243,976	168,122	1/

1/ Year to date
HS Codes: 1006.1010, 1006.1090, 1006.2000, 1006.3000, 1006.4000
Source: PRC Customs
(f:\shared\lotus\grnfd\rice\ricmthim.wk4)

CHINA'S RICE IMPORTS BY ORIGIN, CY 1999
(Metric Tons, Milled Basis)

					CY Total	% Share of
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	To date	CY Imports
Thailand	72,200	13,940	36,371	44,930	167,441	99.6%
U.S.	18	196	132	272	618	0.4%
Other	18	0	44	0	62	0.0%
TOTAL	72,236	14,136	36,547	45,202	168,121	100.0%

Source: PRC Customs
Hs Codes: 1006.1010, 1006.1090, 1006.2000, 1006.3000 & 1006.4000
(f:shared\lotus\grnfd\rice\riceqi9.wk4)

CHINA'S MONTHLY RICE EXPORTS
(Metric Tons, Milled Basis)

	1996	1997	1998	1999	
January	709	15,675	49,699	276,026	
February	11,258	28,649	174,875	104,966	
March	21,962	36,779	139,919	181,847	
April	41,713	36,779	162,847	92,631	
May	822	109,943	289,397	136,522	
June	1,224	91,682	403,323	238,835	
July	0	0	421,783	255,738	
August	62,517	85,398	376,800	362,255	
September	59,617	138,870	484,433	279,023	
October	30,262	113,084	343,569	383,265	
November	7,100	38,325	322,352	149,414	
December	13,591	123,078	576,692	244,649	
TOTAL	250,774	818,261	3,745,689	2,705,171	1/

1/ Year to date
HS Codes: 1006.1010, 1006.1090, 1006.2000, 1006.3000, 1006.4000
Source: PRC Customs
(f:\shared\lotus\grnfd\rice\ricmthex.wk4

CHINA'S RICE EXPORTS BY DESTINATION , CY 1999
(Metric Tons, Milled Basis)

					CY Total	% Share of
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec 99	CY Exports
Indonesia	102,619	178,758	242,341	210,518	734,236	27.1%
Cote d'Ivoire	40,950	64,700	258,054	57,350	421,054	15.6%
Cuba	68,183	25,625	67,500	65,625	226,933	8.4%
Philippines	100,654	78,268	60	121	179,102	6.6%
Russia	6,755	9,290	50,882	94,216	161,143	6.0%
Malaysia	35,402	33,900	22,018	34,477	125,798	4.7%
South Korea	69,814	0	0	46,000	115,814	4.3%
Iraq	40,000	0	31,933	31,488	103,421	3.8%
Guinea	0	13,280	34,700	51,515	99,495	3.7%
North Korea	2,355	7,348	35,234	41,311	86,248	3.2%
Libya	11,000	28,000	45,000	0	84,000	3.1%
Japan	33,860	1,188	10,959	29,541	75,548	2.8%
Romania	0	0	31,750	14,250	46,000	1.7%
Puerto Rico	0	12,240	0	24,478	36,718	1.4%
Mauritius	11,000	6,100	6,101	12,502	35,703	1.3%
Egypt	0	0	19,100	8,100	27,200	1.0%
Poland	14,000	0	5,250	4,900	24,150	0.9%
Turkey	0	3,150	17,900	0	21,050	0.8%
Tanzania	7,998	0	0	6,669	14,667	0.5%
Kuwait	13,650	0	20	62	13,732	0.5%
Hong Kong	2,533	2,368	2,460	2,907	10,268	0.4%
Guinea Bissau	0	0	8,200	0	8,200	0.3%
Gambia	0	0	0	6,092	6,092	0.2%
Sierra Leone	0	0	0	5,428	5,428	0.2%
Syria	0	0	300	5,000	5,300	0.2%
Mongolia	510	920	1,078	870	3,378	0.1%
United States	80	108	18	0	206	0.0%
Other	1,476	2,746	6,159	23,907	34,288	1.3%
TOTAL	562,839	467,988	897,016	777,327	2,705,170	100.0%

Source: PRC Customs
HS Codes: 1006.1010, 1006.1090, 1006.2000, 1006.3000 & 1006.4000
(f:\shared\lotus\grnfd\riceqe9.wk4)

Sorghum

PSD Table						
Country	China, Peoples Republic of					
Commodity	Sorghum				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Harvested	1100	969	1100	950	0	930
Beginning Stocks	285	335	635	405	635	490
Production	5000	4087	4500	3950	0	3850
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0
Oct-Sep Imports	0	0	0	0	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	5285	4422	5135	4355	635	4340
TOTAL Mkt. Yr. Exports	16	17	30	15	0	15
Oct-Sep Exports	16	17	30	15	0	15
Feed Dom. Consumption	1534	1000	1470	1000	0	1000
TOTAL Dom. Consumption	4634	4000	4470	3850	0	3600
Ending Stocks	635	405	635	490	0	725
TOTAL DISTRIBUTION	5285	4422	5135	4355	0	4340

The majority of sorghum grown in China is used to make spirits called “baijiu.” Baijiu is growing less popular with Chinese alcoholic beverage consumers and they are switching to beers, wines and western-style hard liquors. Consequently, sorghum production has been falling and is expected to continue falling.

Sorghum is seldom used in animal feed. However, it is possible that this could change because sorghum grows with relatively less water than corn. As noted in the corn and wheat sections of this report, because of water shortages in the North China plain, farmers will have to reduce their water use in the near future (for more information refer to note on page 33). Areas planted with corn in the North China Plain may be replaced with sorghum. Feed millers and livestock producers are unfamiliar with using sorghum as a feed, so it may take some time before any transition occurs. However, the Government has spoken of the need to switch to low water-use crops.

CHINA'S SORGHUM EXPORTS BY MONTH
(Metric Tons)

	1996	1997	1998	1999	
January	154	138	537	803	
February	367	200	2,165	301	
March	1,909	4,748	253	1,942	
April	552	32,396	44	3,922	
May	466	16,680	48	419	
June	0	19,933	2,036	255	
July	0	3,852	5,107	105	
August	0	6,851	89	3,024	
September	0	8,810	2,212	137	
October	0	15,431	893	2,478	
November	0	840	2,612	1,277	
December	0	2,106	2,611	1,956	
JAN-DEC TOTAL	3,448	111,985	18,608	16,619	
	(96/97)	(97/98)	(98/99)	(99/2000)	
OCT-SEP MY TOTAL	93,608	30,868	17,024	5,711	1/

1/ year to date
HS Code: 1007.0010, 1007.0090
Source: PRC Customs
(f:\shared\lotus\grnfd\others\sorghum\sgmmthex.wk4)

CHINA'S QUARTERLY SORGHUM EXPORTS BY DESTINATION, MY 1998/99
(Metric Tons)

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	MY 1998/99	% Share of
	1998	1999	1999	1999		MY Exports
Taiwan	4,544	1,670	3,166	2,617	11,997	70.5%
South Korea	1,302	1,244	1,394	540	4,480	26.3%
Japan	67	82	20	60	229	1.3%
United States	5	4	0	0	9	0.1%
Other	199	46	16	49	310	1.8%
TOTAL	6,117	3,046	4,596	3,265	17,024	100.0%

Source: PRC Customs
HS Codes: 1007.0010 and 1007.0090
(f:\shared\lotus\grnfd\others\sorghum\sgmqe8-9.wk4)

CHINA'S QUARTERLY SORGHUM EXPORTS BY DESTINATION, MY 1999/2000
(Metric Tons)

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	MY 1999/00	% Share of
	1999	2000	2000	2000	Year-to-Date	MY Exports
Taiwan	4,401				4,401	73.6%
South Korea	1,521				1,521	25.4%
Japan	41				41	0.7%
United States	0				0	0.0%
Other	18				18	0.3%
	0					
TOTAL	5,981				5,981	100.0%

Source: PRC Customs
HS Codes: 1007.0010 and 1007.0090
(f:\shared\lotus\grnfd\others\sorghum\sgmqe9.wk4)

Barley

PSD Table						
Country	China, Peoples Republic of					
Commodity	Barley				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Harvested	1200	1794	1000	1400	0	0
Beginning Stocks	766	107	766	459	266	954
Production	3500	2403	3000	2400	0	2200
TOTAL Mkt. Yr. Imports	2100	1955	2300	2500	0	2500
Oct-Sep Imports	2100	1955	2300	2500	0	2500
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	6366	4465	6066	5359	266	5654
TOTAL Mkt. Yr. Exports	0	6	0	5	0	0
Oct-Sep Exports	0	6	0	5	0	0
Feed Dom. Consumption	700	500	700	500	0	500
TOTAL Dom. Consumption	5600	4000	5800	4400	0	4750
Ending Stocks	766	459	266	954	0	904
TOTAL DISTRIBUTION	6366	4465	6066	5359	0	5654

China's barley production is used primarily for beer production. However, brewers are increasingly opting for imported barley which is pressuring domestic barley production. First quarter barely imports in MY 1999 were particularly strong indicating that China may for the first time ever meet more than half its barley needs from imports.

U.S. barely from the northwest had been restricted from entering China due to concerns about TCK (see Wheat Trade section). However, since China has agreed to lift this restriction, U.S. barely should be better able to compete with that of Australia and Canada, who currently dominate the barley import market.

CHINA'S BARLEY IMPORTS BY MONTH
(Metric Tons)

	1996	1997	1998	1999	
January	27,100	176,489	39,900	152,551	
February	0	60,850	108,730	197,501	
March	90,802	228,266	186,945	226,176	
April	79,132	307,960	55,875	174,692	
May	301,044	248,311	141,060	210,360	
June	103,359	176,891	287,396	111,767	
July	55,607	125,669	40,505	156,203	
August	263,826	32,727	52,702	120,747	
September	37,268	126,762	155,850	155,025	
October	114,217	13,601	124,564	272,156	
November	80,335	131,908	85,167	228,840	
December	155,180	244,747	240,445	262,757	
JAN-DEC MY TOTAL	1,307,870	1,874,181	1,519,139	2,268,775	
	(96/97)	(97/98)	(98/99)	(99/2000)	
OCT-SEP MY TOTAL	1,833,657	1,459,219	1,955,198	763,753	1/

1/ year to date
HS Code: 1003.0010, 1003.0090
Source: PRC Customs
(f:\shared\lotus\grnfd\others\barely\blymthim.wk4)

CHINA'S QUARTERLY BARLEY IMPORTS BY ORIGIN, MY 1998/99
(Metric Tons)

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	MY1998/99	% Share of
	1998	1999	1999	1999		MY Imports
Australia	291,420	345,641	407,180	195,768	1,240,008	63.4%
Canada	51,382	126,435	33,000	89,271	300,088	15.3%
United Kingdom	31,534	71,413	0	99,072	202,019	10.3%
France	48,495	32,697	20,800	25,276	127,268	6.5%
Denmark	27,345	0	23,336	19,911	70,592	3.6%
Spain	0	0	12,504	0	12,504	0.6%
United States	0	0	0	2,676	2,676	0.1%
Other	1	42	0	0	43	0.0%
TOTAL	450,177	576,228	496,819	431,975	1,955,199	100.0%

Source: PRC Customs
HS Codes: 1003.0010 and 1003.0090
(f:\shared\lotus\grnfd\others\barley\blyqi8-9.wk4)

CHINA'S QUARTERLY BARLEY IMPORTS BY ORIGIN, MY 1999/2000
(Metric Tons)

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	MY1999/00	% Share of
	1999	2000	2000	2000	Year-to-Date	MY Imports
Australia	458,539				458,539	60.0%
Canada	128,755				128,755	16.9%
France	93,123				93,123	12.2%
Denmark	51,151				51,151	6.7%
United Kingdom	32,145				32,145	4.2%
Spain	0				0	0.0%
United States	0				0	0.0%
Other	40				40	0.0%
TOTAL	763,753				763,753	100.0%

Source: PRC Customs
HS Codes: 1003.0010 and 1003.0090
(f:\shared\lotus\grnfd\others\barley\blyqi9.wk4)

CHINA'S QUARTERLY BARLEY EXPORTS BY DESTINATIONS, MY 1998/1999
(Metric Tons)

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	MY 1998/99	% Share of
	1998	1999	1999	1999	Year-to-Date	Imports
North Korea	27	4,547	974	73	5,621	99.8%
United States	0	0	2	0	2	0.0%
Other	0	0	0	12	12	0.2%
TOTAL	27	4,547	976	85	5,635	100.0%

Source: PRC Customs
HS Codes: 1003.0010 and 1003.0090
(f:\shared\lotus\grnfd\others\barley\blyqe8-9.wk4)

CHINA'S QUARTERLY BARLEY EXPORTS BY DESTINATIONS, MY 1999/2000
(Metric Tons)

	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	MY 1999/00	% Share of
	1999	2000	2000	2000	Year-to-Date	Imports
North Korea	190				190	100.0%
United States	0				0	0.0%
Other	0				0	0.0%
TOTAL	190				190	100.0%

Source: PRC Customs
HS Codes: 1003.0010 and 1003.0090
(f:\shared\lotus\grnfd\others\barley\blyqe9.wk4)

Edible Beans

PSD Table						
Country	China, Peoples Republic of					
Commodity	Beans				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Area Harvested	0	3171	0	3900	0	4400
Beginning Stocks	0	0	0	0	0	0
Production	0	4859	0	6000	0	6800
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0
Jul-Jun Imports	0	0	0	0	0	0
Jul-Jun Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	0	4859	0	6000	0	6800
TOTAL Mkt. Yr. Exports	0	671	0	2000	0	2800
Jul-Jun Exports	0	671	0	2000	0	2800
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	0	4188	0	4000	0	4000
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	0	4859	0	6000	0	6800

Chinese edible bean exports are exploding according to China Customs data. Calendar year 1999 exports more than tripled those in 1998, and exports during the first half of MY 1999 were nearly double those in all of MY 1998. Exports have been focused on markets in Asia and the Middle East. Bean production is expanding in less developed regions, most notably Inner Mongolia. Boosting the bean export industry fits well with the Government's agricultural export strategy of focusing on high-value exports. Bean exports are forecast to increase over the next 3-5 years if not necessarily at current extreme rates.

CHINA'S QUARTERLY BEANS EXPORTS, MY 1999/2000
(Metric Tons)

	Jul-Sep 1999	Oct-Dec 1999	Jan-Mar 2000	Apr-Jun 2000	MY 1999/2000 To Date	% Share of MY Exports
Mung Bean	234,826	289,038			523,864	40.7%
Kidney	155,053	214,859			369,912	28.7%
Broad Bean	92,026	164,636			256,662	19.9%
Adzuki Bean	45,138	61,593			106,731	8.3%
Other	12,810	17,582			30,392	2.4%
TOTAL	539,853	747,708			1,287,561	100.0%

SOURCE: PRC Customs
(f:\shared\loutus\grnfd\other\beans\bnsqe9)

CHINA'S ADZUKI BEAN EXPORTS BY DESTINATION
(Metric tons)

	1996	1997	1998	1999
Japan	24,450	16,990	21,655	27,351
South Korea	20,675	6,851	16,730	21,221
Taiwan	1,468	337	2,586	3,524
Malaysia	1,808	3,537	3,334	2,475
Hong Kong	3,997	1,611	2,848	2,421
Philippines	3,537	4,015	3,043	2,053
Singapore	2,630	2,288	1,549	869
United States	1,036	583	635	784
U.K.	222	100	220	293
Canada	174	75	98	153
Pakistan	0	0	60	0
Others	3207	376	680	449
TOTAL	63,204	36,763	53,438	61,593

SOURCE: PRC Customs
HS Code: 0713.3210, 0713.3290
(f:\shared\lotus\grnfd\others\beans\bnazkexp.wk4)

CHINA'S MUNG BEAN EXPORTS BY DESTINATION
(Metric Tons)

	1996	1997	1998	1999
India	0	0	25,098	136,398
Japan	38,849	43,193	39,122	46,968
Philippines	1,737	1,100	3,251	14,930
Indonesia	35	240	3,347	14,428
Vietnam	4,114	965	4,076	12,895
United States	7,352	7,801	8,982	9,916
Pakistan	0	0	4,154	7,234
Malaysia	463	240	2,861	7,091
Taiwan	4,942	4,645	3,664	6,921
South Korea	8,607	3,064	2,987	6,606
Netherlands	3,576	4,031	4,486	4,546
Hong Kong	4,031	0	3,342	4,045
U.A.E.	0	0	324	3,271
Singapore	112	2	415	2,967
Canada	1,493	1,971	2,396	2,411
United Kingdom	2,660	3,445	1,825	2,027
Bangladesh	0	0	0	1,227
France	927	878	1,010	913
Belgium	993	902	873	526
Germany	179	88	189	341
South Africa	0	19	35	192
Others	1,005	922	1,842	3,185
TOTAL	81,075	73,506	114,279	289,038

SOURCE: PRC Customs
HS Code: 0713.3110, 0713.3190
(f:\shared\lotus\grnfd\bnmngexp.wk4)

CHINA'S KIDNEY BEAN EXPORTS BY DESTINATION (Metric Tons)				
	1996	1997	1998	1999
Pakistan	24,206	17,460	17,640	30,791
South Africa	35,797	45,046	42,462	29,418
India	13,503	12,746	11,829	22,971
Italy	20,965	16,036	18,431	18,684
Japan	12,306	12,799	11,654	11,313
Brazil	0	7,512	17,708	10,236
Yemen	6,945	4,437	5,527	10,168
Belgium	7,974	11,525	8,492	7,352
Portugal	7,709	5,244	5,770	7,332
South Korea	5,210	4,170	2,725	7,203
Egypt	5,901	947	2,249	6,915
Colombia	5,149	14,759	5,270	5,473
Taiwan	3,812	3,727	4,423	5,304
United Kingdom	1,239	1,028	1,813	4,886
Turkey	160	30,450	6,292	4,298
Spain	3,335	3,777	2,487	3,795
Angola	8,112	10,139	1,852	3,413
Iraq	0	15,780	28,806	3,000
Philippines	1,235	1,649	566	2,664
Netherlands	4,120	2,243	3,031	2,513
Venezuela	0	0	10,532	2,299
France	1,820	2,622	1,150	1,688
Lebanon	932	1,069	1,121	974
Hong Kong	2,597	2,039	937	795
United States	309	305	263	636
Israel	601	1,235	319	398
Other	96,264	129,853	7,649	10,340
TOTAL	270,201	358,597	220,999	214,859

SOURCE: PRC Customs
HS Code: 0713.3310, 0713.3390
(f:\shared\lotus\gmfd\bnkidexp.wk4)

CHINA'S BROAD BEAN EXPORTS BY DESTINATION
(Metric Tons)

	1996	1997	1998	1999
Egypt	53,271	19,765	2,713	130,655
Japan	9,394	7,673	6,428	8,122
Italy	19,200	28,216	2	7,586
Canada	360	21	1	5,149
U.A.E.	120	0	0	2,899
Saudi Arabia	701	207	248	1,812
Indonesia	1,968	2,992	619	1,621
Mexico	0	0	0	1,618
Yemen	3,974	3,596	3,046	1,353
Thailand	1,017	1,086	1,073	1,121
Jordan	490	591	424	613
Singapore	140	240	60	281
Kuwait	515	458	426	159
Lebanon	0	199	40	40
Malaysia	919	471	88	31
Hong Kong	220	332	1,156	4
Other	1,068	3,314	1,250	1,572
TOTAL	93,356	69,161	17,574	164,636

SOURCE: PRC Customs
HS Code: 0713.5010, 0713.5090
(f:\shared\lotus\gmfd\others\beans\bnbrdexp.wk4)

CHINA'S OTHER DRY BEANS EXPORTS BY DESTINATION
(Metric Tons)

	1996	1997	1998	1999
South Korea	2,460	1,327	1,908	3,544
Japan	2,570	3,005	4,075	3,275
Indonesia	273	540	0	2,468
Brazil	0	0	84	1,991
Pakistan	0	342	145	1,263
S. Africa	0	249	619	785
India	0	0	740	776
Malaysia	12	94	198	617
Taiwan	1,372	1,035	1,315	610
Belgium	0	0	790	523
Italy	40	2	472	442
Hong Kong	1,165	453	719	137
Singapore	196	176	275	92
United States	67	26	100	43
Netherlands	17	64	99	9
Yemen	0	0	700	0
Philippines	760	264	255	0
Others	490	119	700	1,006
TOTAL	9,422	7,696	13,194	17,581

SOURCE: PRC Customs
HS Code: 0713.3900
(f:\shared\lotus\gmfd\others\beans\bnothexp.wk4)

Note: For more information on the water problems discussed in this report, see "Water Pressure in China: Growth Strains Resources" by Fred Crook and Xinshen Diao in the January-February issue of the USDA/Economic Research Service periodical Outlook. The article can also be found on the internet in an adobe document at www.econ.ag.gov/epubs/pdf/agout/jan2000/ao268.pdf.