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Prepared By: FAS China and Joshua Demoss

Approved By: Adam Branson

Report Highlights:

Feed demand in marketing year (MY) 2024/25 is expected to recover slightly, with a projected total volume of 286.5 million metric tons (MMT). Corn is expected to dominate feed composition due to low prices, replacing wheat and old stock rice. Corn production is forecast at 293 MMT in MY2024/25, slightly down from previous estimates due to floods but still higher than previous marketing years. Corn imports in MY2024/25 are forecast to drop to 20 MMT. Sorghum and barley imports will remain high in MY2024/25 but slightly lower than record levels, influenced by government pressure to reduce grain imports. Wheat production is expected to rise in MY2024/25, but consumption will decrease due to improved corn quality, limiting wheat substitution in feed. Rice production in MY2024/25 is estimated to decline slightly due to flooding, while rice consumption will decrease, driven by lower feed and food demand.

FEED OVERVIEW

MY2024/25

China's MY2024/25 total feed and residual use is forecast to increase slightly on anticipated demand recovery from a relatively low level in MY2023/24. The proportion of corn mixed into feed is also forecast to rise from MY2023/24, replacing wheat and old stock rice. The total forecast feed demand for MY2024/25 is 286.5 million metric tons (MMT).

Table 1. China: Grain Feed and Residual Demand Estimates and Forecast¹

(Unit: MMT)	MY2022/23	MY2023/24	MY2024/25	Change
Corn	220	223	235	12
Sorghum	4.8	7.7	7.5	-0.2
Barley	6.8	11	10	-1
Wheat	33	37	33	-4
Old Stock Rice (milled equivalent)	20	6	1	-5
Total	284.6	284.7	286.5	1.8

Note: The totals listed in the table represent the unprocessed amount of major feed grains used in feed production. Source: FAS China analysis.

MY2023/24

China Feed Industry Association (CFIA) data through July 2024 indicates total industrial feed production in the first ten months of MY2023/24 decreased by 1.6 percent, or a net fall of 4.2 MMT year-on-year. A reduction during the period of January through July 2024 offset larger output in October through December 2023. Total feed production in the first half of 2024 is down 4.1 percent compared to the previous year, with swine feed down 7.3 percent, feed for poultry layers down 4.4 percent, and feed for aquaculture down 2.4 percent.

Table 2. China: Industry Feed Production from January to June 2024

	Swine	Layers	Broilers	Aquaculture	Ruminants	Total
Production in the first half of 2024 (in MMT)	66.3	15.3	45	9.7	7.3	145.4
Year-on-Year change (percent)	-7.3	-4.4	+1.1	-2.4	-8.8	-4.1

Source: Industry Sources.

Based on a Ministry of Agricultural and Rural Affairs (MARA) survey, sow inventory numbers began increasing in May 2024. The survey showed that the total swine inventory at the end of the second quarter increased by 1.7 percent from the first quarter. Post forecasts 2025 pork production in the second half of 2025 to be higher than the first half of 2025, as the sow inventory continues recovering in late 2024, driven by swine producers and large companies' reaction to hog price increases. Additionally, Post estimates chicken meat production in 2024

¹ China's commodity marketing year for corn, sorghum, and barley is October 1-September 30, and July 1-June 30 for wheat and rice.

will increase 1.4 percent year-on-year and will increase another 2 percent in 2025. (For detailed analysis please see: [Livestock and Products Annual | CH2024-0107](#) and [Poultry and Products Annual | CH2024-0108](#)).

FEED GRAINS

Corn

Production

Post adjusted MY2024/25 corn production down by 2 MMT to 293 MMT from its June report due to floods in the southern areas of Northeast China and Mid-west Inner Mongolia. However, Post's forecast is still 1 MMT higher than USDA's September forecast, due to improved yields despite a slightly smaller planting area.

MARA's latest Agricultural Survey shows that most autumn grains are growing well despite flooding, with the nationwide autumn grain area surpassing last year's levels. Northeast corn is growing at a normal or better rate than last year, while North China Plain (NCP) corn is rated as normal, with only a small percentage of areas reported as weaker than last year. In contrast, Southwest corn is significantly better than last year. Chinese official reports indicated that, by mid-autumn, eight rivers in the provinces of Liaoning, Jilin, Heilongjiang, as well as regions such as Inner Mongolia and Xinjiang, experienced floods. Extreme rainfall in July drenched vast areas, including the Sichuan Basin, Yellow River, Huai River, and parts of the NCP, breaking precipitation records at 33 weather stations in Henan, Hunan, and Shandong provinces. The severe rainfall and subsequent summer floods caused the highest number of losses for July since 2021, affecting approximately 2.42 million hectares of crop area.

In early September, Post conducted a crop tour in Liaoning, three weeks before the corn harvest. About 10 percent of the corn 40 kilometers north of Shenyang was observed to be affected by flooding, with some crops destroyed. Corn farmers reported that summer precipitation in Shenyang was at least 50 percent higher than usual, resulting in corn yields in some areas being 50 to 70 percent lower than normal. Farmers expect to suffer significant losses this year due to the disaster. For MY2024/25, land rent in the Shenyang area is around RMB 1,300 per mu (\$615 per hectare), while agricultural input costs, including seeds, fertilizer, and herbicide, amount to RMB 500 (\$237 per hectare). Post estimates that corn production in northeast China will decrease by at least 3 percent, with quality also impacted.

An industry crop tour to Heilongjiang province, conducted in early September, revealed that the corn planting area is estimated to be down by 5 percent due to lower expected profits at the time of seeding from the previous year. Land rental costs have generally declined by 10-20 percent year-over-year, ranging from \$355 to \$380 per hectare. Labor and transportation costs are expected to remain relatively unchanged. Prices delivered to northern ports are projected to be around \$296-310 (RMB 2,100-2,200) per hectare, down by 20 percent year-over-year.

Table 3. China: Forecast MY 2024/25 Corn Area/Production by Leading Sources

Mha/MMT	CASDE	Industry Source 1	Industry Source 2	Industry Source 3	FAS China
MY2023/24 area	44.2		37	44.2	44.2
MY2024/25 area	44.9		36	43.8	44.2
MY2024/25 y-o-y area change in %	+1.6		-2.7	-1	0
MY2023/24 production	288.8	287.5	242	288.8	288.8
MY2024/25 production	297	289	234	289.1	293
MY2024/25 y-o-y production change in %	+2.8	+0.5	-3.3	0.1	+1.4

Source: MARA and industry sources.

Table 4. China: Estimated MY 2024/25 Corn Area and Cost Change in Heilongjiang

Area	Planting Area Change	Land Rental (\$/ha)	Land Rental Change
Central	-7%	358	-25%
East	+21%	357	-17%
North	-15%	400	-12%
West	-1.5%	338	-18%

Source: Industry Sources.

Images 1-4. China: Liaoning Province Corn Field in Early-September 2023

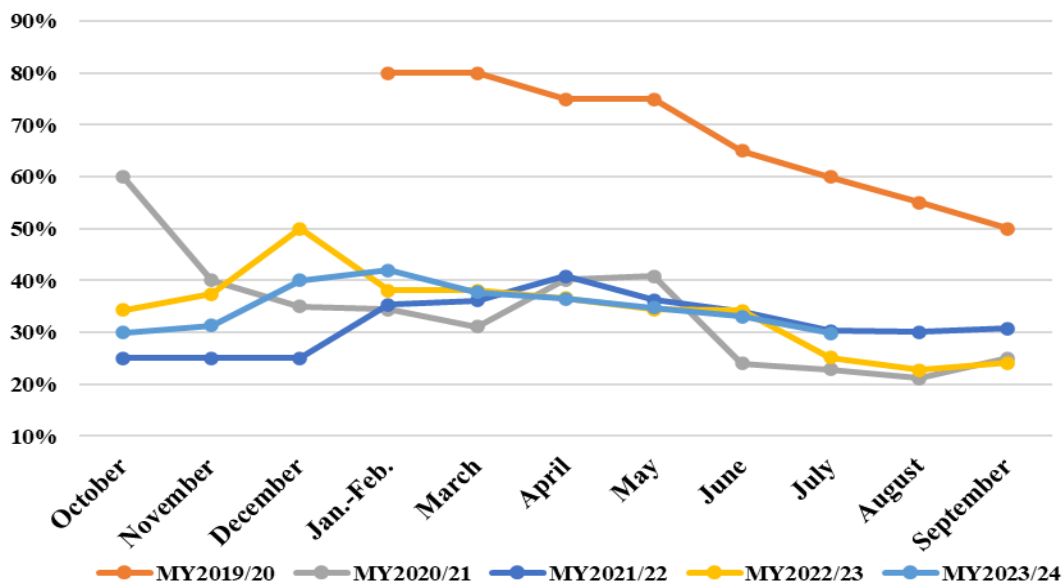


Consumption

Nationwide corn consumption in MY2024/25 is forecast at 318 MMT, 5 MMT higher than USDA’s September estimates. After two years of corn production increases, large (i.e., exceeding tariff rate quota, or TRQ) purchases of imported corn and substitutes, plus weak demand, China’s corn prices fell to a three-year record low in the first seven months of 2024, and are expected to stay low in MY2024/25. Feed producers, compared with last year, are increasing their use of corn in compound feed. Corn consumption in feed is forecast to increase by 5 percent in MY2024/25. In addition, old stock rice supplies have been reduced as feed producers substituted it for corn in feed rations over the last three years. Substituting wheat for corn in feed rations is expected to be much lower than last year as better quality corn became available.

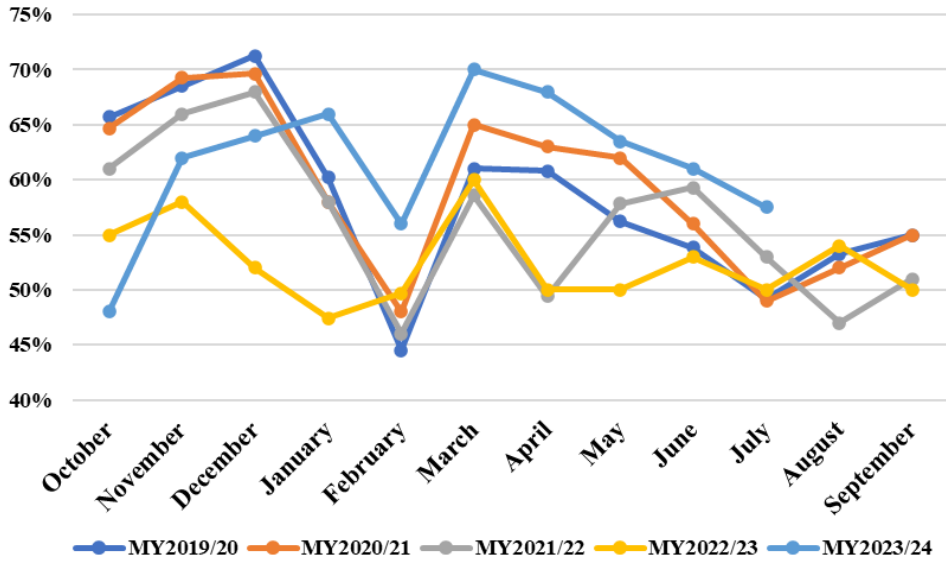
Lower corn prices will also encourage increased corn use in the processing sector compared to previous years. Increased export demand for processed corn products is also motivating consumption (please see chart 3). In the first seven months of 2024, industry sources report corn processing plants’ operating capacity rates have increased from 53 percent to 61 percent in comparison to the same period in 2023. Summertime is normally the off-peak time for corn deep processing production and generally rebounds in fall. Industry sources expect the corn processing industry will improve profitability as well in MY2024/25 benefiting from lower corn prices.

Chart 1. China: Percentage of Corn used in Compound Feed



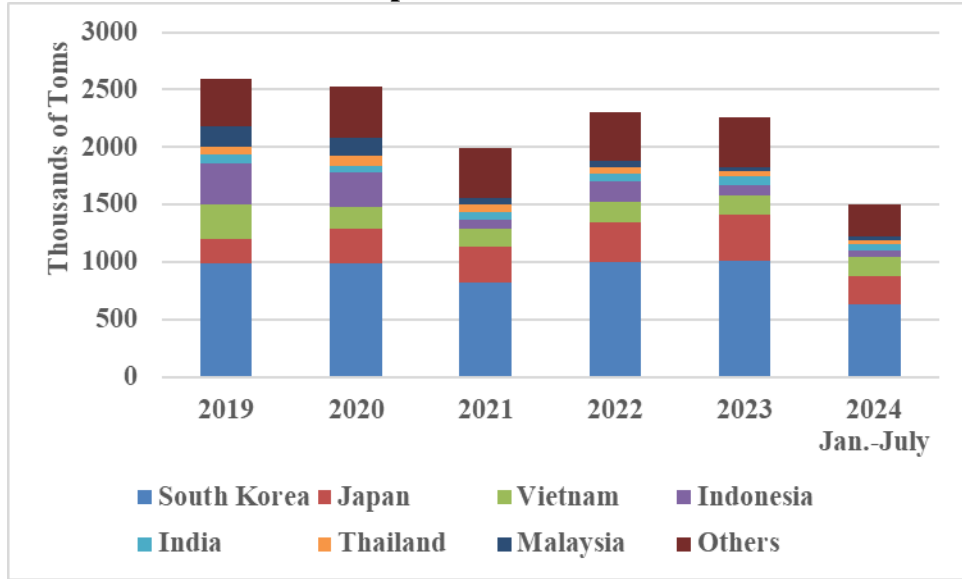
Source: Industry Sources.

Chart 2. China: National Average Corn Starch Operation Rates



Source: Industry Sources.

Chart 3. China: Exports of Processed Corn Products



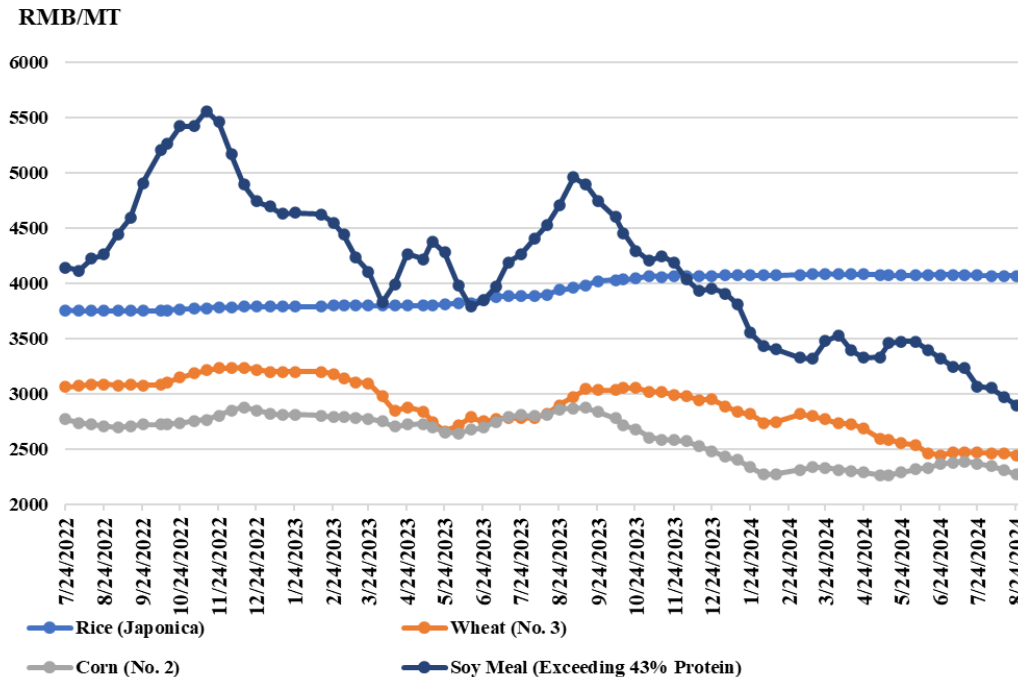
Source: Trade Data Monitor, LLC.

Note: Products include Maize (Corn) Starch, Gourmet Powder, Residues from Manufacture of Starch & Similar Residues, Pentaerythritol, Mannitol, D-Glucitol (Sorbitol), Lactic Acid, Its Salts & Esters, Gluconic Acid, Its Salts & Esters, Lysine, Undenatured Ethyl Alcohol, Of Alcohol V.≥80%.

Nationwide corn prices have remained low during the first half of 2024. Data from the National Bureau of Statistics (NBS) shows corn prices in August 2024 averaged \$326 (RMB 2,312)/MT nationwide, down 18 percent from \$398 (RMB 2,826)/MT in August 2023 and returning to 2020

prices. In mid-September, prices in Northeast ports remained around \$317 (RMB 2,250)/MT. Prices in the NCP stayed around \$334 (RMB 2,370)/MT, while prices in Southern ports were \$331 (RMB 2,350)/MT.

Chart 4. China: National Average Grain Prices 2022-2024



Source: Industry Sources.

Note: Exchange Rate as of early September 2024 U.S.\$1=RMB 7.1.

Imports

The PRC manages imports of corn, wheat, and rice under an annual TRQ system, there is no such quota for barley and sorghum.

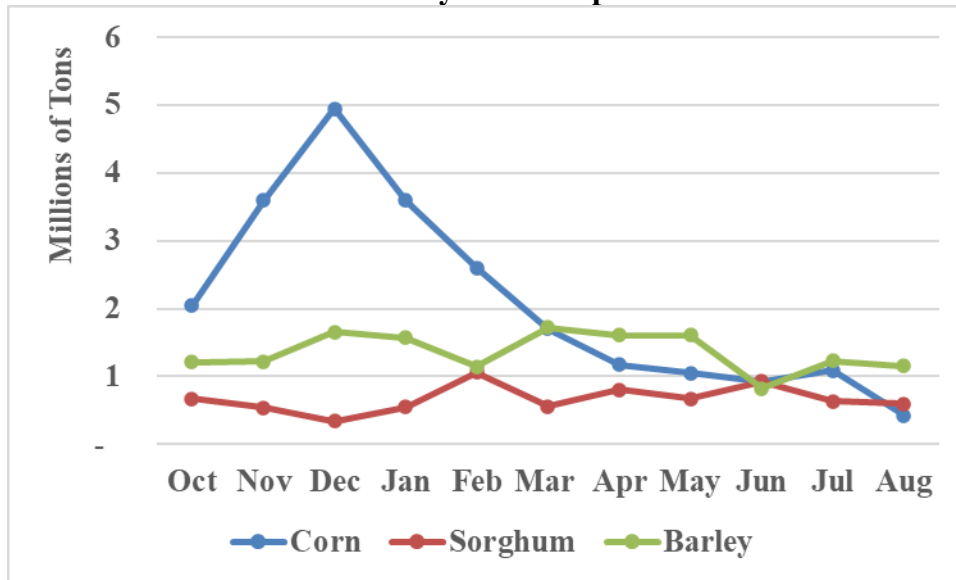
Post forecasts MY2024/25 corn imports at 20 MMT, 1 MMT lower than USDA’s September estimate, as the People’s Republic of China (PRC) continues to promote higher local production through improved yields on stable planting areas. In April, the PRC State Council issued an action plan launching a national campaign to boost China’s grain production capacity by 50 MMT by 2030, with corn and soybeans expected to be the major contributors, alongside tubers and coarse grains. Abundant domestic production and the availability of imported substitutes, particularly barley, continue to suppress corn import demand.

In late August, media reported that the PRC government has asked traders to pare back on imports of foreign grains amid ample domestic supplies and weaker-than-expected demand growth. Reportedly, top traders were summoned to Beijing and “suggested” to halt imports of barley and sorghum and reduce corn purchases. Prices for corn, barley, and sorghum are near three-year lows in China (see Table 6). Cheaper imported grains also give importers strong

motivations to buy. However, as demand is weak, corn stocks at southern ports are at their highest in two years.

As early as April, rumors suggested that PRC officials had asked some traders to limit or restrict corn imports into bonded areas. The reported effect would be to switch over to and then reduce domestic supplies and support local prices before spring planting. It was rumored that the government aimed to keep total grain imports this year no higher than last year. In early August, a report from Kazakhstan indicated that the General Administration of Customs of the People’s Republic of China (GACC) banned wheat imports for factories registered in bonded zones. Trade data shows that grain imports began slowing in April and May.

Chart 5. China: Monthly Grain Imports in MY2023/24



Source: Trade Data Monitor, LLC.

Chinese think tank experts predict that while imports will not stop or drop drastically, a gradual reduction in grain imports is likely. Experts emphasize that moderate grain imports are a crucial tool for balancing domestic surpluses and shortages and stabilizing prices. However, with weak domestic demand, low-priced grain imports will increase pressure on domestic grain supplies, depress prices, affect farmers' incomes, and potentially impact food security. This year, the PRC announced an increase in temporary reserves for corn and wheat for the first time in several years, though domestic prices for wheat, corn, sorghum, and barley remain at their lowest levels in more than three years. Experts state that grain imports must align with and serve the PRC’s national food security strategy and that the country must balance import needs with domestic supply to prevent large-scale imports of low-priced grain from undermining the domestic grain industry.

However, industry analysts argue that the PRC’s grain reserves are already high due to massive imports in previous years. Corn stocks at southern Chinese ports are near a two-year peak, and international corn and wheat prices are at historic lows. Despite government instructions, private traders may continue importing. Deep processing operation rates remain high despite weak feed

demand, and simply tightening imports may not help farmers. Industry analysts report that increasing domestic demand is the better solution.

As of August 29, PRC buyers hold contracts for 2.8 MMT of U.S.-origin corn (excluding unknown destinations) for delivery in MY2023/24, down by 63 percent year-on-year. Traders have yet to place orders for U.S. corn and have secured lower volumes of sorghum for MY2024/25. Imported corn volumes for the first seven months of 2024 were 12 MMT, down 11 percent year-over-year. Of the 12 MMT, 1.8 MMT is from the United States, 5.8 MMT is from Brazil, and another 4 MMT is from Ukraine. FAS China estimates that some imported corn will go directly into reserves.

Table 5. China: Corn Production, Supply, and Distribution

Corn Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
China						
Area Harvested (1000 HA)	43070	43070	44218	44218	44700	44200
Beginning Stocks (1000 MT)	209137	209137	206040	204028	211362	211850
Production (1000 MT)	277200	277200	288842	288842	292000	293000
MY Imports (1000 MT)	18711	18711	23500	24000	21000	20000
TY Imports (1000 MT)	18711	18711	23500	24000	21000	20000
TY Imp. from U.S. (1000 MT)	7490	7539	0	0	0	0
Total Supply (1000 MT)	505048	505048	518382	516870	524362	524850
MY Exports (1000 MT)	8	20	20	20	20	20
TY Exports (1000 MT)	8	20	20	20	20	20
Feed and Residual (1000 MT)	218000	220000	225000	223000	231000	235000
FSI Consumption (1000 MT)	81000	81000	82000	82000	82000	83000
Total Consumption (1000 MT)	299000	301000	307000	305000	313000	318000
Ending Stocks (1000 MT)	206040	204028	211362	211850	211342	206830
Total Distribution (1000 MT)	505048	505048	518382	516870	524362	524850
Yield (MT/HA)	6.436	6.436	6.5322	6.5322	6.5324	6.629

(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 2024/2025 = October 2024 - September 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Sorghum and Barley

Imports

MY2024/25 sorghum imports are forecast to drop slightly but remain higher than USDA’s September estimate. Most of the imported sorghum was used for FSI (Food, Seed, and Industrial) purposes instead of for feed, so the government’s discouragement of feed grain imports will have limited impact on sorghum trade.

Feed mills normally purchase the most cost-efficient options (see Table 6 for prices of alternative grains). In September 2024, South American corn and U.S. corn were the most price-competitive feed inputs, followed by imported barley and South American sorghum. As of late August 2024, China held 5.8 MMT of U.S. sorghum contracts for MY2023/24, 130 percent higher than at the same time in MY2022/23 but still 12 percent less than in MY2021/22. So far, traders have placed no new orders for U.S. corn and much less sorghum in MY2024/25. In addition, importers

reported tighter control at local Customs on the actual use and destination of imported sorghum, putting stress on sorghum imports. Even with the PRC government’s pressure on importers to lower purchases of barley and sorghum, shipping schedules still show at least 300,000-400,000 MT of U.S. sorghum arriving in China in September and October. Feed mills prefer imported sorghum over domestic corn in piglet and sow feed for lower moisture and toxin rates.

MY2024/25 barley imports are projected to remain high because of the low price, but lower than the record imports of MY2023/24 due to the PRC’s pressure to lower grain imports. China has been importing around 1 MMT of barley each month for the past eleven months. Close to 15 MMT of barley already entered China for MY2023/24. Australian barley accounts for close to half of the import amount, followed by Argentina and France.

Consumption

Post expects sorghum FSI use for Chinese potable alcohol (i.e., *baijiu*) production to grow in MY2024/25 and for barley use for malting and beer production to decrease. NBS data showed Chinese *baijiu* production has declined over the past six years. However, in the first seven months of 2024, production was up 1.4 percent year-on-year. NBS data reports that January to July beer production was down by 1.6 percent.

Table 6. China: Imported Coarse Grain and Substitute Prices in Major Ports

Commodity	Price in RMB	Price in U.S. \$
Local Corn (Guangdong - Spot)	¥2,420	\$340
Imported U.S. Corn Gulf (November Delivery - Within Quota)	¥2,151	\$303
Imported U.S. Corn West Coast (November Delivery - Within Quota)	¥2,049	\$288
Imported Brazilian Corn (November Delivery - Within Quota)	¥1,990	\$280
Imported Argentine Corn (November Delivery - Within Quota)	¥1,904	\$268
Imported Australian Barley (November Delivery)	¥2,124	\$299
Imported French Barley (November Delivery)	¥2,180	\$307
Imported Argentine Barley (November Delivery)	¥2,076	\$292
Imported Argentine Sorghum (October Delivery)	¥2,017	\$284
Imported Australian Sorghum (October Delivery)	¥2,312	\$325
Imported U.S. Sorghum (October Delivery)	¥2,456	\$345
Local Wheat (Guangdong - Spot)	¥2,585	\$364
Imported U.S. Soft Red Winter Wheat (November Delivery - Within Quota)	¥2,451	\$345
Imported U.S. Hard Red Winter Wheat (November Delivery - Within Quota)	¥2,515	\$354
Local DDGS (Spot)	¥2,380	\$335
Imported U.S. DDGs (November Delivery - without AD/CVD)	¥1,785	\$251

Unit: U.S. \$/MT and RMB/MT, exchange rate as of early September 2024 U.S.\$1=RMB 7.1.

Source: Industry sources.

Commercial stocks for both sorghum and barley remain high at major Chinese ports due to high imports and low demand.

Table 7. China: Sorghum and Barley Stocks at Chinese Major Ports in Early September

Ports	Sorghum Stocks in MT	Barley Stocks in MT
Jiangsu	210,000	450,000
Guangdong	700,000	620,000
Tianjin	220,000	30,000
Qingdao	2,000	10,000
Others	10,000	30,000
TOTAL	1,142,000	1,140,000

Source: Industry sources.

Table 8. China: Sorghum Production, Supply, and Distribution

Sorghum Market Year Begins China	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	675	675	630	630	630	650
Beginning Stocks (1000 MT)	332	332	387	387	382	382
Production (1000 MT)	3094	3094	3000	3000	3000	3200
MY Imports (1000 MT)	4863	4863	7700	7700	7200	7500
TY Imports (1000 MT)	4863	4863	7700	7700	7200	7500
TY Imp. from U.S. (1000 MT)	2435	2436	0	0	0	0
Total Supply (1000 MT)	8289	8289	11087	11087	10582	11082
MY Exports (1000 MT)	2	2	5	5	5	0
TY Exports (1000 MT)	2	2	5	5	5	0
Feed and Residual (1000 MT)	4800	4800	7700	7700	7200	7500
FSI Consumption (1000 MT)	3100	3100	3000	3000	3000	3100
Total Consumption (1000 MT)	7900	7900	10700	10700	10200	10600
Ending Stocks (1000 MT)	387	387	382	382	377	482
Total Distribution (1000 MT)	8289	8289	11087	11087	10582	11082
Yield (MT/HA)	4.5837	4.5837	4.7619	4.7619	4.7619	4.9231

(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 2024/2025 = October 2024 - September 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Table 9. China: Barley Production, Supply, and Distribution

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						
Barley Market Year Begins China	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	560	560	500	500	500	560
Beginning Stocks (1000 MT)	426	426	200	200	1600	2300
Production (1000 MT)	2192	2192	2000	2000	2000	2400
MY Imports (1000 MT)	8582	8582	15000	15500	10500	10000
TY Imports (1000 MT)	8582	8582	15000	15000	10500	10000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	11200	11200	17200	17700	14100	14700
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)	6800	6800	11200	11000	9300	10000
FSI Consumption (1000 MT)	4200	4200	4400	4400	4300	4300
Total Consumption (1000 MT)	11000	11000	15600	15400	13600	14300
Ending Stocks (1000 MT)	200	200	1600	2300	500	400
Total Distribution (1000 MT)	11200	11200	17200	17700	14100	14700
Yield (MT/HA)	3.9143	3.9143	4	4	4	4.2857
(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 2024/2025 = October 2024 - September 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

MAJOR FOOD GRAINS

Wheat

Production

Post forecasts MY2024/25 total wheat production at 140 MMT. MARA reported that China's summer grain production, predominantly wheat, increased by 2.5 percent year-over-year to reach a record of nearly 150 MMT this year despite several weather-related disasters. It marks the largest increase in the past nine years. MY2024/25 winter wheat acreage increased by 0.1 percent, yields increased by 1.3 percent, and production was up by 2.7 percent to 138.2 MMT. Henan, Shandong, and Anhui are the top wheat producing provinces with 38 MMT, 27 MMT, and 18 MMT output respectively.

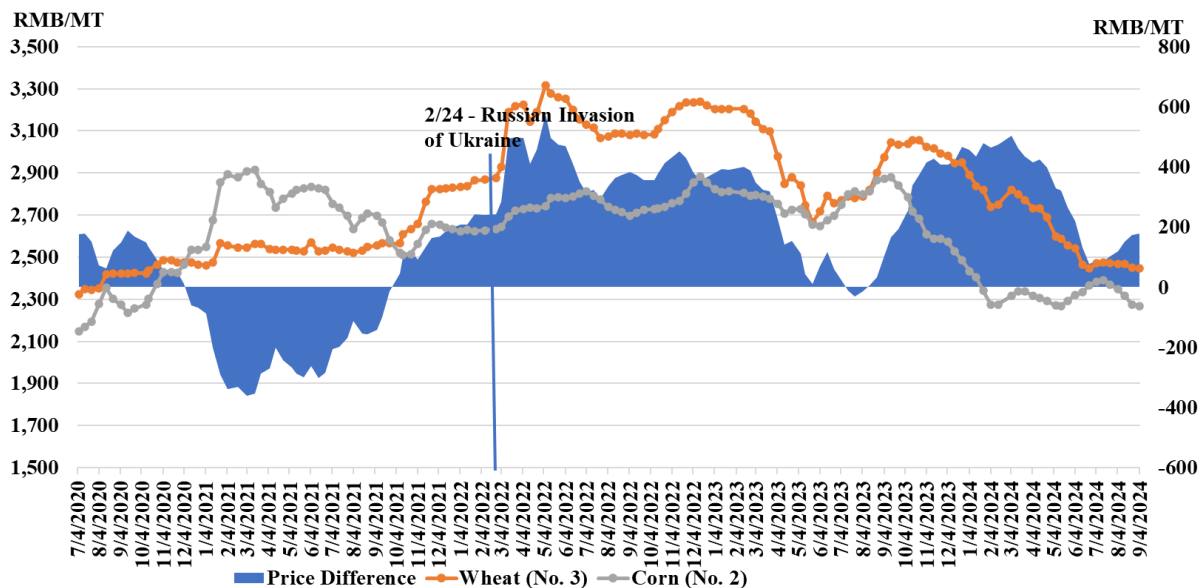
Consumption

Post forecasts MY2024/25 wheat consumption as fodder/feed will shrink and return to MY2022/23 levels as quality is reportedly better than MY2023/24. Wheat substitution for corn in feed rations used to be limited by industry practices as excess percentages was thought to lead to animal gastrointestinal issues. In recent years, wheat use in feed has already become a common practice by adding a particular enzyme. Wheat can replace as much as 20 percent of corn in piglet feed, 30 percent in sow feed, 100 percent in regular pig feed, 30 percent in layer feed, and 100 percent in duck and broiler feed. Aquaculture feed normally contains 20 percent wheat and no corn. Mills normally procure large quantities of feed-quality wheat directly from farms after

harvest in June when prices are lower. However, industry contacts report that mills in September have not yet cleared the wheat they procured in June, as lower-priced corn and barley squeezed wheat out of the formula.

Wheat prices have been declining by 20 percent in 2024 due to weak demand and a bumper harvest. The government adopted a series of measures to boost prices, including suspending wheat auctions since May and increasing procurement for reserves at \$352 (RMB 2,500) per MT since June. Wheat prices have thus been stabilizing at a little lower than \$352 per MT, leaving no price advantage over corn, soybean meal, or imported grains in feed.

Chart 6. China: Corn and Wheat Average Price Difference 2020-2023



Source: Industry sources.

Note: Exchange Rate as of early September 2024 U.S.\$1=RMB 7.1.

According to the China National Grain and Oils Information Center (CNGOIC), wheat inclusion in feed was about 5 percent before 2020. From MY2020/21 to MY2024/25, CNGOIC estimates the percentage varied between 5 to 20 percent. A market survey showed wheat accounted for 10-30 percent of power feed in large feed mills while small-to-medium sized mills used almost no wheat.

Table 10. China: Percentage of Wheat Inclusion in Feed

	MY2020/21	MY2021/22	MY2022/23	MY2023/24	MY2024/25
Percentage of Wheat Inclusion in Feed	17%	9%	10%	8%	8%

Source: National Grain and Oils Information Center.

Imports

MY2024/25 wheat imports are forecast to be 2.6 MMT lower than MY2023/24, which hit a record high. China's 2024 calendar year wheat imports have already exceeded the TRQ for the fourth year in a row. However, past practice shows that officials are capable of scaling back grain imports. As noted above, in early August, a Kazakhstan news outlet reported that the PRC tightened supervision on wheat imports to free trade zones (FTZs) and bonded trade zones. GACC reportedly banned wheat imports for factories registered in the bonded zones, citing that grain imports should be strictly based on the TRQ, which is 9.636 MMT for the calendar year. From January to July this year, China purchased 10 MMT of wheat with more than 33 percent originating from Australia, mainly for feed use. Traders said that grain shipments to China would slow down rapidly, as those who do not have a quota will only have the option of importing wheat by paying the 65 percent out-of-quota duty. Access to quota is always an issue with 90 percent of the wheat TRQ allocated to SOEs and 10 percent to private buyers. Traders project China may only import 2-3 MMT of wheat for the rest of calendar year 2024.

Customs data shows that wheat imports have been declining since June. August wheat imports dropped to 434,770 MT, roughly one-half the import volume of previous months. From January 2023 to August 2024, wheat imports by value into FTZs/bonded areas account for 6 percent of total wheat imports. China's CNGOIC projects MY2024/25 wheat imports to be around 7MMT.

The wheat minimum support price (MSP) was not triggered during the past three years, but industry members believe it may be triggered this year in some regions as wheat market prices are low. As a general practice, the PRC suspends MSP wheat auctions in April and resumes auctions in October. The floor price offered at the October auction will be a deciding factor for domestic wheat prices at that time.

Table 11. China: Wheat Production, Supply, and Distribution

Wheat Market Year Begins China	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	23519	23519	23627	23627	23700	23700
Beginning Stocks (1000 MT)	136759	136759	138818	138818	134503	134003
Production (1000 MT)	137723	137723	136590	136590	140000	140000
MY Imports (1000 MT)	13282	13282	13635	13635	12000	11000
TY Imports (1000 MT)	13282	13282	13635	13635	12000	11000
TY Imp. from U.S. (1000 MT)	1480	1480	2173	2173	0	0
Total Supply (1000 MT)	287764	287764	289043	289043	286503	285003
MY Exports (1000 MT)	946	946	1040	1040	1000	900
TY Exports (1000 MT)	946	946	1040	1040	1000	900
Feed and Residual (1000 MT)	33000	33000	37000	37000	33000	33000
FSI Consumption (1000 MT)	115000	115000	116500	117000	118000	118000
Total Consumption (1000 MT)	148000	148000	153500	154000	151000	151000
Ending Stocks (1000 MT)	138818	138818	134503	134003	134503	133103
Total Distribution (1000 MT)	287764	287764	289043	289043	286503	285003
Yield (MT/HA)	5.8558	5.8558	5.7811	5.7811	5.9072	5.9072

(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 2024/2025 = July 2024 - June 2025
OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Rice

Production

MY2024/25 milled rice production is forecast at 145 MMT, 1 MMT lower than USDA's September estimates. NBS data shows China's early rice production experienced a slight decline due to heavy rainfall, yet it has consistently exceeded 28 MMT for the fourth consecutive year, demonstrating overall stability. The total production of early rice stood at 28.2 MMT, marking a reduction of 163,000 MT, or a 0.6 percent decline year-on-year. At the same time, the national early rice planting area remained steady with a slight uptick, while the yield saw a marginal decrease due to unfavorable weather conditions. In the primary producing regions, early rice production in Hunan, Jiangxi, and Guangdong provinces decreased by 103,000 MT, 79,000 MT and 20,000 MT respectively, with year-on-year drops of 1.4 percent, 1.2 percent, and 0.4 percent. Conversely, Guangxi Zhuang Autonomous Region experienced an increase of 21,000 MT, reflecting a 0.4 percent year-on-year growth.

Flooding from June to September in South China, which produces more than 65 percent of total national production, badly hit the mid-to-late rice crop. Industry sources project a 4 MMT paddy rice output reduction, or a 3 percent loss year-on-year, the greatest in 20 years. Hainan reported that as of September 8, Typhoon Yagi has caused approximately \$1.7 billion (RMB 11.9 billion) in losses to the province's agriculture in total, including \$ 451 million (RMB 3.2 billion) for planting crops, \$338 million (RMB 2.4 billion) for livestock, and \$901 million (RMB 6.4 billion) for fisheries, respectively.

Based on a Post crop tour, flood did not affect rice crops in north Shenyang. However, rice crops in west Liaoning, where the flood was heavier this summer, were badly affected.

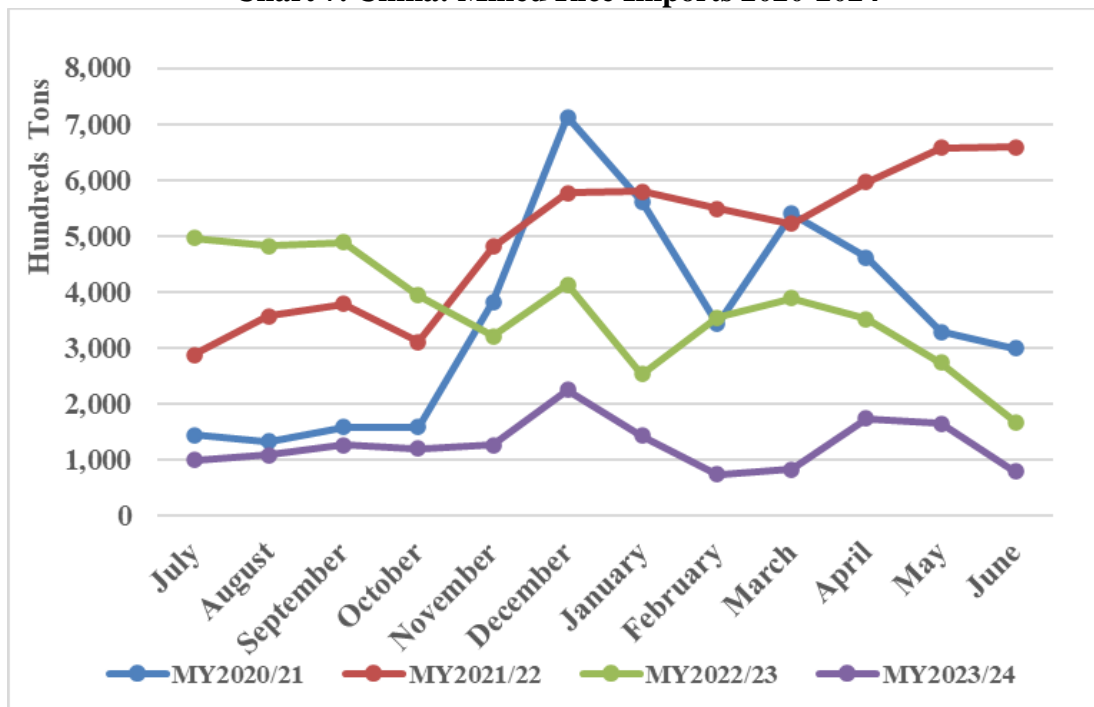
Consumption

MY2024/25 rice consumption is forecast at 140 MMT, 5 MMT lower than MY2023/24 based on weaker demand for both feed and food use. China’s rice consumption for food is expected to decline, along with its population. Young consumers eat less rice but consider freshness, nutrition and quality as key factors when choosing rice products. As “eating alone” becomes more popular among young people, the 500g to 25kg small pack rice, more personalized brands, sales via social media, and environmentally friendly concepts start to lead the rice market. The mid-to-high end market reportedly enjoys a 7 percent compound growth rate.

Imports

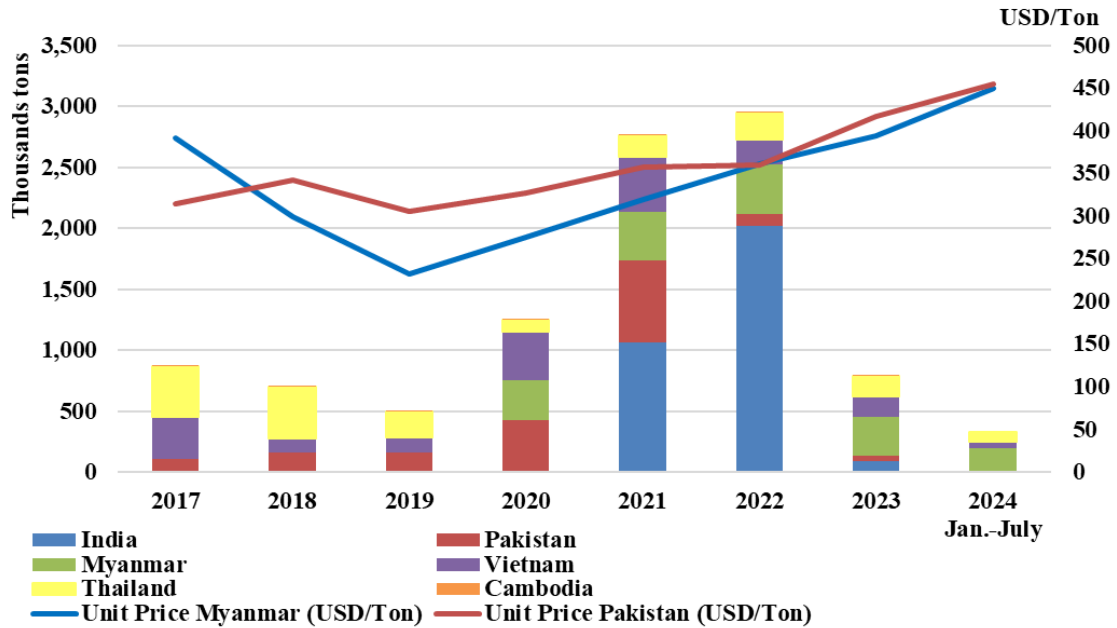
Industry contacts predict that China may have to import some rice this year to maintain its reserve at the level deemed safe for food security. The government rice reserve is believed to be kept at around eight to nine months of total consumption in normal years, while during the COVID period, the level was more than 10 months of consumption. Traders expect China to increase imports in the September-December period, when Thai rice enters the harvest season.

Chart 7. China: Milled Rice Imports 2020-2024



Source: Trade Data Monitor, LLC.

Chart 8. China: Broken Rice Imports by Country 2020-2024



Source: Trade Data Monitor, LLC.

In the second half of MY2023/24, China imported 720,497 MT of rice, down 60 percent from the previous year. The average price was \$590/MT, reflecting a 13 percent increase from last year. Notably, after over a year of declining broken rice imports, China’s imports began to rise in May 2024, with Myanmar supplying 50 percent of the total broken rice volume, primarily for the food processing and feed industries.

Table 12. China: Rice Production, Supply, and Distribution

Rice, Milled Market Year Begins China	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	29450	29450	28949	28949	29000	29000
Beginning Stocks (1000 MT)	113000	113000	106600	106600	103000	106115
Milled Production (1000 MT)	145946	145946	144620	144620	146000	145000
Rough Production (1000 MT)	208494	208494	206600	206600	208571	207143
Milling Rate (.9999) (1000 MT)	7000	7000	7000	7000	7000	7000
MY Imports (1000 MT)	4384	4384	1527	1527	1500	1500
TY Imports (1000 MT)	2597	2700	1500	1500	1500	1500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	263330	263330	252747	252747	250500	252615
MY Exports (1000 MT)	1736	1736	1632	1632	1400	1500
TY Exports (1000 MT)	1602	1600	1350	1350	1400	1500
Consumption and Residual (1000 MT)	154994	154994	148115	145000	145100	140000
Ending Stocks (1000 MT)	106600	106600	103000	106115	104000	111120
Total Distribution (1000 MT)	263330	263330	252747	252747	250500	252620
Yield (Rough) (MT/HA)	7.0796	7.0796	7.1367	7.1367	7.1921	7.1429
(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 2024/2025 = January 2025 - December 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments