Required Report: Required - Public Distribution **Date:** July 02, 2025

Report Number: CH2025-0132

Report Name: Grain and Feed Update

Country: China - People's Republic of

Post: Beijing

Report Category: Grain and Feed

Prepared By: FAS China Staff and Joshua DeMoss

Approved By: Eric Mullis

Report Highlights:

Post forecasts MY2025/26 China's corn production at 298 MMT, up 3 MMT from MY2024/25, while imports are projected at 8 MMT, up 1 MMT year-over-year but still well below historical levels. Wheat production is forecast at 141 MMT for MY2025/26, up 1 MMT from MY2024/25, with imports rising to 6 MMT from 4.5 MMT as feed demand increases. Rice production remains stable at 146 MMT for MY2025/26, unchanged from MY2024/25, while imports edge up to 2.6 MMT from 2.4 MMT. Sorghum imports are forecast to increase slightly to 5 MMT in MY2025/26 from 4.7 MMT in MY2024/25, while barley imports are expected flat at 10 MMT as Beijing continues policies to limit grain imports.

EXECUTIVE SUMMARY

FAS China provides this analysis and reporting as a service to the United States agricultural community, and to our farmers, ranchers, rural communities, and agribusiness operations in support of a worldwide agricultural information system and a level playing field for U.S. agriculture.

China’s grain and feed sector continues to navigate economic challenges while prioritizing domestic food security. Feed consumption is projected to grow modestly in marketing year (MY) 2025/26, driven primarily by increased demand from the poultry sector.

Corn production in MY2025/26 is forecast at 298 million metric tons (MMT), slightly higher than the previous year despite weather-related planting delays in key regions. The government's grain production capacity expansion plan aims to boost yields through improved farming techniques and high-standard farmland development. However, corn imports are expected to decline to 8 MMT as Beijing actively discourages grain imports through various administrative measures.

Wheat production for MY2025/26 is projected at 141 MMT, with government support and irrigation efforts partially offsetting drought conditions in major growing regions. Despite production concerns, wheat quality has generally improved with higher gluten content. The government activated its Minimum Support Price program in June to stabilize markets as wheat increasingly substitutes for corn in animal feed due to favorable pricing.

Rice production remains stable with slight increases expected from improved yields. The government may release aged rice stocks for feed and industrial use to supplement tight corn supplies, with rumors of 16 MMT potentially available for auction.

The Chinese Government continues to diversify its grain import sources away from the United States, accelerating purchases from Brazil, Argentina, and Australia. Following the May 2025 U.S.-China joint statement, some retaliatory tariffs were reduced, although substantial trade barriers remain in place. New customs regulations effective June 2025 further tighten control over grain imports through bonded zones.

Beijing's overarching strategy emphasizes grain self-sufficiency through domestic production improvements while maintaining strategic reserves. The government aims to reduce grain and oilseed use in animal feed to 60 percent by 2030 through alternative feed development, including microbial proteins and improved forage production.

FEED OVERVIEW

China’s MY2025/26 total feed and residual use is forecast to increase from MY2024/25 on anticipated higher feed demand from swine, broiler, and aquaculture sectors (see Table 1). The proportion of corn mixed into feed is forecast to rise and will replace sorghum and barley. Total forecast feed demand for MY2025/26 is 290 million metric tons (MMT).

Table 1. China: Grain Feed and Residual Demand Estimates and Forecast[1]

(Unit: MMT)	MY2023/24	MY2024/25	MY2025/26	Percentage Change
Corn	223	235	238	3
Sorghum	8	5	5	0
Barley	11.9	9.5	8	-1.5
Wheat	37	33	36	3
Old Stock Rice (milled equivalent)	6	1	3	2
Total	285.9	283.5	290	6.5

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

According to the Ministry of Agricultural and Rural Affairs (MARA), both the number of hog and sow inventory in the first quarter of 2025 showed a 1-2 percent increase year-on-year. However, a state-backed Chinese Academy of Agricultural Sciences (CAAS) analyst believes there is no more room for growth in Chinese pork production in the immediate future. The feed growth would mostly come from the poultry sector (see Table 2). Industry experts at the China Agricultural Outlook Conference estimated that total feed consumption for 2025 would increase by 2 percent year-on-year to 318 MMT. The figures in Table 2 differ from Table 1 as they are on a calendar year rather than a marketing year basis and include oilseed meal but excluding residual demand. Please see FAS China's recently published Semi-Annual 2025 Livestock and Poultry GAIN reports for additional information on these sectors, as well as the 2025 Oilseeds Annual.

Table 2. China: Industrial Feed Consumption

(Unit: 1,000 MT)	2024	2025 est.	Percentage Change from 2024	2029 F
Swine	142,000	146,000	2.9%	141,000
Broiler	95,670	97,180	1.6%	108,000
Layer	32,780	32,980	0.6%	34,780
Aquaculture	21,980	22,460	2.2%	25,160
Ruminants	15,450	15,380	-0.5%	17,840
Total Consumption	312,000	318,000	2%	330,000

Source: *2025 China Agricultural Outlook Conference.*

In the long term, the Chinese Government plans to reduce the overall grains and oilseed proportion in feed. On April 25, MARA issued an implementation plan to reduce grain and oilseed use in animal feed while ensuring stable and secure supply of grain and key agricultural products. Goals by 2030 include lowering the amount of feed needed per kilogram of animal product by more than 0.2 kg (a reduction of over 7 percent); creating over 10 MMT of non-grain/oilseed feed resources like microbial protein, food waste, insect protein, and animal-based

[1] China's commodity marketing year for corn, sorghum, and barley is October 1-September 30, and July 1-June30 for wheat and rice.

protein feed; growing 40 million more metric tons of high-quality forage compared to 2023 levels; and reducing grain and oilseed's share in total feed to about 60 percent and soybean meal to about 10 percent.

On May 12, the United States and the Chinese Government jointly announced a reduction of the Beijing's retaliatory tariffs related to a series of original tariff announcements dated April 4, April 9, and April 11 that had increased rates up to 125 percent in addition to existing retaliatory tariffs. The rates associated with these State Council Tariff Commission Announcements 4, 5, and 6 will now be 10 percent in addition to existing duties and retaliatory tariffs. The retaliatory tariffs of 10-15 percent on U.S. agricultural products that Beijing imposed on March 10 remain in place. (Please refer to GAIN Report CH2025-0111 for more details). This report only considers trade policies that are in effect at the time of this report's publication.

Table 3. China: Schedule of Tariffs on U.S. Agricultural Products

HS Code	Product Description	MFN Rate	AD/CV Duties	Section 301	SCTC 2025 Ann. No. 2	MOFCOM May 12 Statement	Provisional Total Applied Tariff
	Implementation Date	**Jan 1, 2025**	**Sep 2016**	**Feb 14, 2020**	**Mar 10, 2025**	**Mar 14, 2025**	
10051000	Corn Seed, certified, excluding sweet corn	1%			15%	10%	26.0%
10051000	Corn Seed, certified, excluding sweet corn	20%			15%	10%	45.0%
10059000	Maize Excl. Seed, In-Quota	1%		25.0%	15%	10%	51.0%
10059000	Maize Excl. Seed, Out-of-Quota	65%		25.0%	15%	10%	95.0%
11022000	Maize (Corn) Flour, In-Quota	9%		25.0%	15%	10%	59.0%
11022000	Maize (Corn) Flour, Out-of-Quota	40%		25.0%	15%	10%	90.0%
11031300	Groats And Meal Of Corn (Maize), In-Quota	9%		5.0%	15%	10%	39.0%
11031300	Groats And Meal Of Corn (Maize), Out-Quota	65%		5.0%	15%	10%	95.0%
11042300	Grains, Worked (For Example, Hulled, Pearled, Sliced Or Kibbled), Of Corn (Maize), In-Quota	10%		5.0%	15%	10%	40.0%

11042300	Grains, Worked (For Example, Hulled, Pearled, Sliced Or Kibbled), Of Corn (Maize), Out-of-Quota	65%		5.0%	15%	10%	95.0%
10071000	Grain Sorghum Seed	0%		5.0%	10%	10%	25.0%
10079000	Grain Sorghum, Excl. Seed	2%		25.0%	10%	10%	47.0%
10011100	Durum Wheat Seed, in-quota	1%			15%	10%	26.0%
10011100	Durum Wheat Seed, out-of-quota	65%			15%	10%	90.0%
10011900	Durum Wheat, Excl. Seed, In-Quota	1%		25.0%	15%	10%	51.0%
10011900	Durum Wheat, Excl. Seed, Out-of-Quota	65%		25.0%	15%	10%	115.0%
10019100	Seed of other wheat and maslin, in-quota	1%			15%	10%	26.0%
10019100	Seed of other wheat and maslin, out of quota	65%			15%	10%	90.0%
10019900	Other Wheat And Maslin, Excl. Seed, In-Quota	1%		25.0%	15%	10%	51.0%
10019900	Other Wheat And Maslin, Excl. Seed, Out-of-Quota	65%		25.0%	15%	10%	115.0%
11010000	Wheat or Maslin Flour, In-Quota	6%		25.0%	15%	10%	56.0%
11010000	Wheat or Maslin Flour, Out-of-Quota	65%		25.0%	15%	10%	115.0%
11032010	Pellets Of Wheat, In-Quota	10%		5.0%	15%	10%	40.0%
11032010	Pellets Of Wheat, Out-of-Quota	65%		5.0%	15%	10%	95.0%
11071000/ 11072000	Malt, Whether Or Not Roasted	10%		25%		10%	45%
10039000	Other Barley	3%		5%		10%	18%
11041910	Rolled or Flake Barley	20%		5%		10%	35%
11042910	Other Worked Barley	65%		5%		10%	80%

2303300011	DDGS	5%	42.2% - 53.7% AD + 11.2% -12% CVD			10%	68.4%-80.7%
2303300019	Other DDGS	5%	42.2% - 53.7% AD + 11.2% - 12%	25%		10%	93.4% - 105.7%

Source: *China State Council Tariff Commission.*

FEED GRAINS

Corn

Production

Post adjusted MY2025/26 corn production down by 2 MMT to 298 MMT from its April report due to slightly lower planted area and delayed planting. However, Post predicts MY2025/26 corn production to be slightly higher than MY2024/25 due to planned improved yields in accordance with the action plan, initiated in 2024, to boost the China's grain production capacity by 50 MMT by 2030, with corn as a major contributor to the grain output increase.

According to a spring corn planting survey by a consulting firm of central and western Jilin, Northwest Liaoning, Eastern Inner Mongolia, and western Heilongjiang in late April, corn planting across the region is generally delayed compared to previous years due to lower temperatures and high soil moisture. Planting costs have slightly declined in general, mainly due to reduced land rent as corn prices have dropped (See Table 4). Farm input prices (e.g., fertilizers, seeds, and pesticides) remain mostly stable or slightly lower. In some areas, farmers are shifting from corn to soybeans or peanuts, influenced by last year's low corn prices and crop failure from flooding or drought. Planting intentions and crop choices are also shifting in some areas due to market prices and government subsidies. Jilin Provincial Department of Agriculture and Rural Affairs, for example, announced subsidy for planting soybeans varies from 410 to 540 yuan per mu (approximately $854 to $1,125 per hectare), depending on the locations and quality of the farmland, compared with the 310 to 440 yuan per mu (approximately $646 to $917 per hectare) last year. Subsidy for corn likely remains around 30 yuan per mu (approximately $62 per hectare). In general, corn planting area in the Northeast is estimated to go down by 1 percent.

Table 4. China: Average Northeast Land Rental Cost Estimates

Province	MY2023/24	MY2024/25	MY2025/26	Percentage Change
Heilongjiang	850 ($1,768)	750 ($1,560)	733 ($1,250)	-2%
Jilin	850 ($1,768)	730 ($1,518)	700 ($1,458)	-4%
Liaoning	790 ($1,643)	770 ($1,601)	733 ($1,527)	-5%
Inner Mongolia	860 ($1,789)	820 ($1,706)	800 ($1,666)	-3%
Northeast Average	840 ($1,747)	765 ($1,591)	742 ($1,475)	-3%

Note: *Unit in RMB/mu and ($/Ha). Exchange rate as of June 2025 U.S. $1= RMB 7.2.*
Source: *Industry Source.*

Northwest province Xinjiang has been increasing grain production by over 5 MMT each year for three consecutive years. The growth stems from continuous expansion in sown area, high-standard farmland development (now covering 56.7 percent of arable land), and widespread mechanization. No-till corn interplanting, boosted yield efficiency, especially in South Xinjiang's "two harvests a year" system. In some areas, planting density can reach up to 8,500 corn plants per mu (approximately 127,500 plants per hectare), demonstrating significant yield potential. The local high-yield corn production base has achieved an average yield of approximately 17.47 tons per hectare.

As of early June, according to the China Meteorological Administration, most spring corn in northern China is in the three to seven leaf stage. Compared to the same period last year, the administration reports that Heilongjiang and Jilin are ahead in growth, while Liaoning and Inner Mongolia are behind. However, field surveys still indicate that due to cold and dry weather during the sowing period, planting was delayed, and overall corn growth is slower than last year, highlighting a discrepancy with official data that requires further monitoring. Weather conditions in early June have generally been favorable for crop emergence and growth in most parts of North China, with sufficient light, heat, and soil moisture. However, drought signs are appearing in parts of Inner Mongolia and southwestern Liaoning due to poor soil moisture.

Image 1&2. China: Corn Field in Hebei in late May

Source: *FAS China.*
Note: *The mulch film is used to retain temperature, conserve moisture, suppress weeds, and improve fertilizer efficiency.*

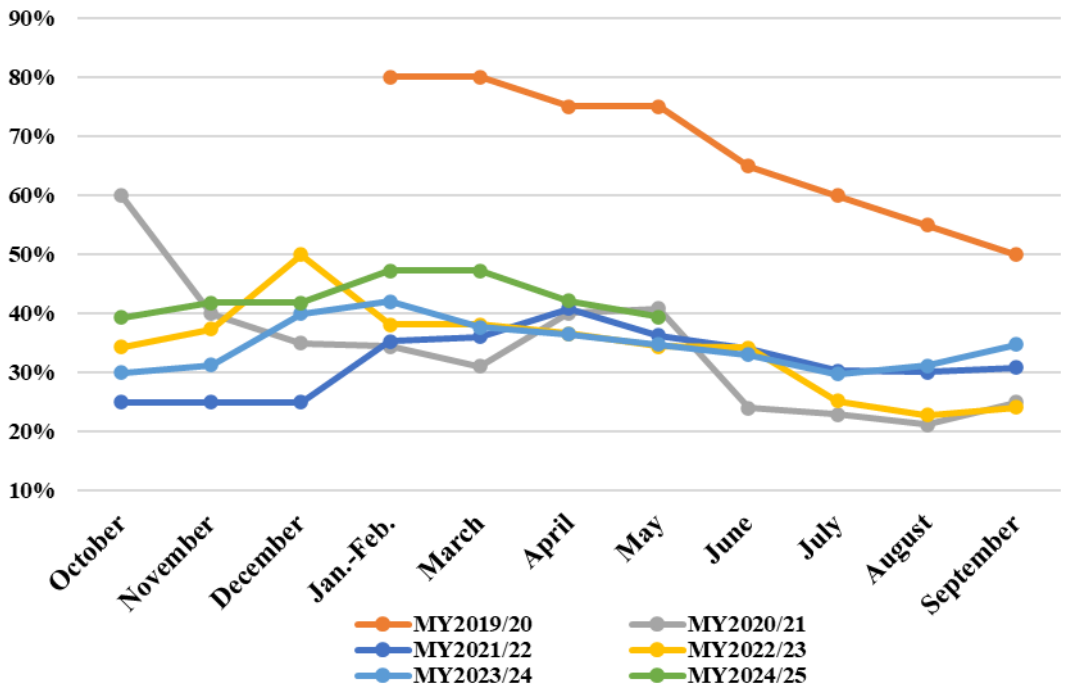
Consumption

Post's forecast for MY2025/26 corn consumptions remains the same from its April report at 321 MMT, a 1 percent increase from MY2024/25. A return to traditional corn usage in feed rations, low prices boosting processing output, and government policies limiting corn substitute imports is driving this growth.

Post forecasts MY2025/26 corn feed consumption will increase by about 1 percent, as corn remains to be the most cost-effective feed grain in the first six months of 2025. The ratio of corn in feed rations is expected to trend higher than in the previous year. CFIA estimates large feed mills nationwide used 8 percent more corn in feed rations in the first five months of 2025 than the average of the previous three years.

However, China's National Forestry and Grassland Administration (NFGA) announced a new plan to grow more of its own grass for animal feed. Currently, U.S. alfalfa exports are exempted from the China's increased tariffs despite strict inspections. This plan connects with MARA's initiative that aims to increase high-quality forage production by 40 MMT compared to 2023 levels, while reducing the amount of grain and soybean meal used in animal feed to about 60 percent and 10 percent, respectively.

Chart 1. China: Percentage of Corn in Compound Feed

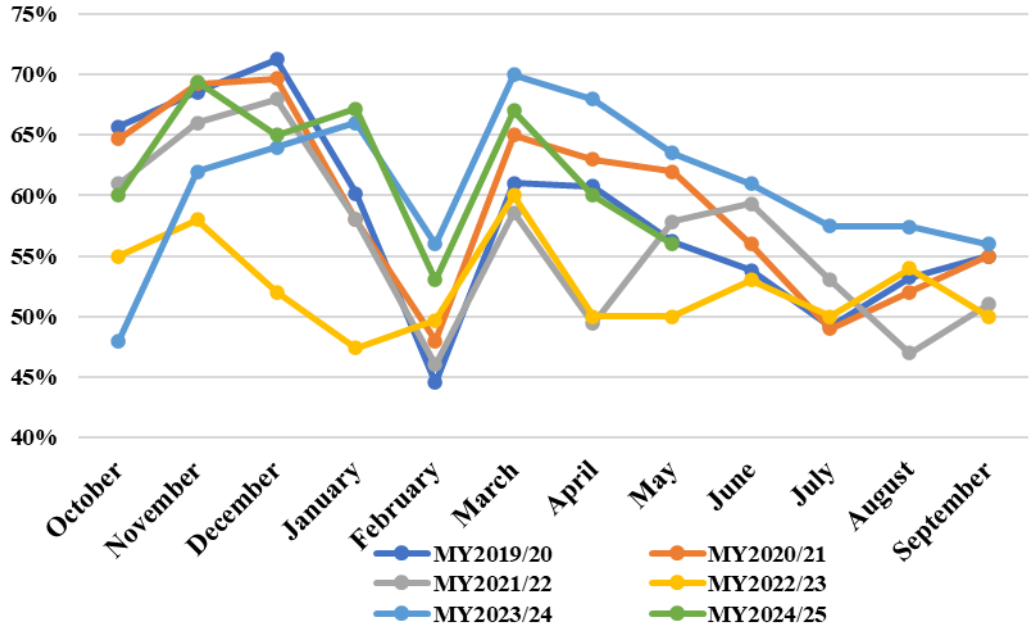


Source: *Industry Sources.*

Post forecasts MY2025/26 corn industrial consumption will be flat and in line with MY2024/25. Low corn prices will encourage the use of more corn in the processing sector. Although still low, corn prices have increased by 15 percent in the first half of 2025, leading to lower operational profits compared to same period last year. MY2024/25 is still estimated to be slightly higher than MY2023/24.

In early June, corn starch processing in Northeast provinces saw negative profits at around -$14/MT (-RMB 100/MT), while North China Plain (NCP) provinces faced about -$21/MT (-RMB 150/MT) losses. MY2024/25 exports of corn processing products to Southeast Asian countries saw more than 15 percent increase year-over-year.

Chart 2. China: National Average Corn Starch Operation Rates



Source: *Industry Sources.*

Imports

Post forecasts for MY2025/26 corn imports remain the same at 8 MMT, 2 MMT lower than USDA's June estimate. MY2024/25 corn imports remain at 7 MMT, down by 16 MMT from last year due to trade policy changes such as retaliatory tariffs and Beijing's discouragement of grain imports. The Chinese Government continues to promote higher local production via better yield on stable area and discourages grain imports reportedly to protect the interests of local farmers.

China's central and local governments have been limiting grain imports since April 2024 to protect farmers' interest from low domestic prices, by setting barriers on corn imports into bonded areas, summoning top traders to industry meetings and urging them to reduce imports, delaying custom clearance processes and document issuance, and postponing the issuance of tariff rate quota (TRQ) allocation. In late May, China's General Administration of Customs (GACC), along with five other ministries, issued Announcement No. 83 (2025) Joint Announcement On Adjusting Management Measures for Customs Special Supervision Zones, Bonded Supervision Premises, and Offsite Processing Trade, effective June 10, to tighten the management of certain imported goods—specifically those subject to TRQs, trade remedies, suspended tariff concessions, and retaliatory tariffs—within bonded areas, special customs zones, and offsite processing trade. The stated goal is to enforce trade policy measures more effectively and prevent misuse of bonded trade channels. The policy can be found here in Chinese. An interpretation of the policy can be found here in Chinese.

China is expecting the first shipment of corn from Brazil in the second half of the year, with 66,000 MT set to be loaded in mid to late June and likely arriving by August, presumed to be under non-state trading enterprise (i.e., not COFCO) TRQ allocation. Corn imports from Russia

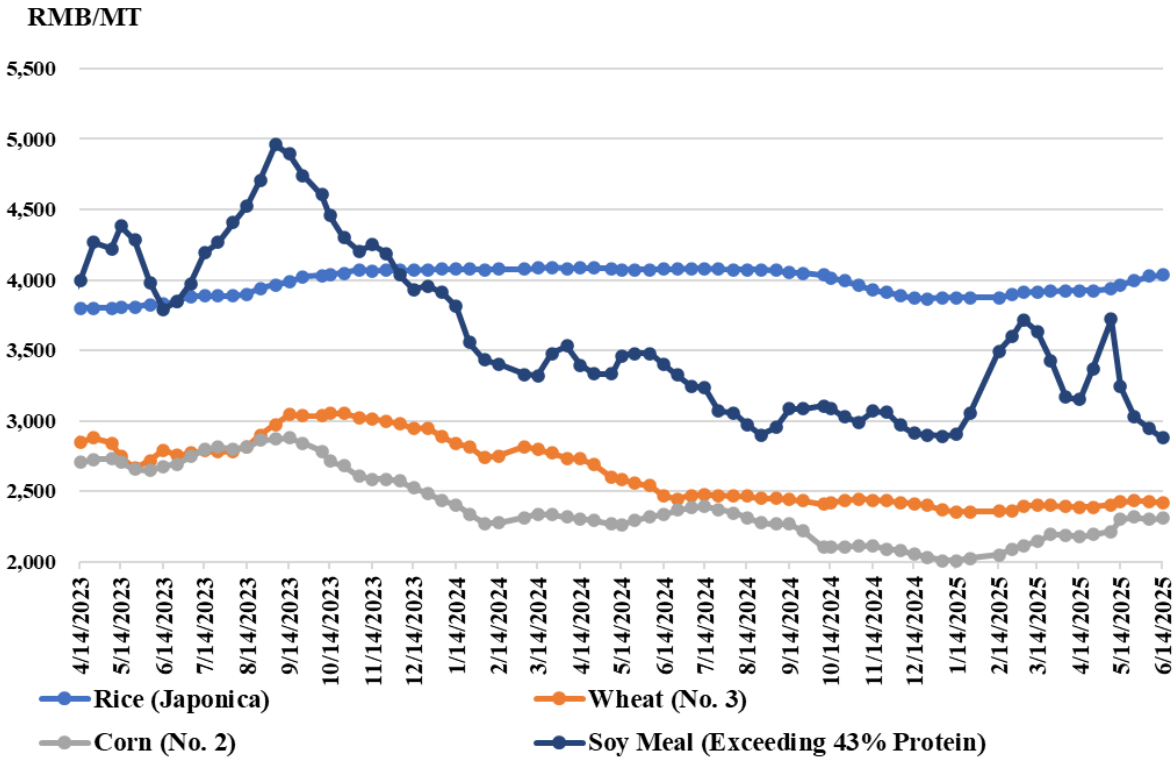
have reached up to 30,000 MT per month over the past year, a pace expected to continue with limited impact on overall grain supply. In contrast, corn imports from Ukraine have declined sharply, totaling only 50,000 MT in the first four months of this year compared to nearly 200,000 MT in the same period last year, with weak international competitiveness and falling prices casting doubt on a near-term rebound. U.S. corn exports to the China have also plummeted since October 2024, now below 10,000 MT monthly, with no significant shipments reported. Industry states that the United States remains the most uncertain source among all corn suppliers to China.

On May 27, 2025, GACC announced new phytosanitary requirements for the import of distillers dried grains with solubles (DDGS) from Brazil, officially opening the door for DDGS imports from Brazil. However, several steps remain before DDGS from Brazil can be sold in China, including registration of producers, obtaining phytosanitary certificates, and undergoing inspection upon arrival. Based on the timeline of China's first corn imports from Brazil, DDGS from Brazil are unlikely to arrive in significant quantities until late 2025 or 2026. Currently, low DDGS production in China due to reduced operation of ethanol plants, along with unfavorable protein cost compared with soybean meal, has led to stable-to-lower DDGS prices. As of June 4, the average DDGS market price China was $320 (RMB 2,305) per MT, with domestic DDGS showing weaker protein substitution value compared to soybean meal. U.S. DDGS are quoted at $496 (RMB 3,574) per MT with AD/CV duties, or $253 (RMB 1,825) per MT without AD/CV duties for June delivery landing in Guangdong port. The estimated landed cost of DDGS from Brazil is about $317 (RMB 2,280) per MT, with a profit margin of around $28 (RMB 200) per MT. However, despite its profitability, Brazilian DDGS still face procedural hurdles and limited export volumes.

The Chinese Government is increasingly accelerating efforts to diversify its agricultural import sources, including a non-binding $900 million agreement with Argentina for imports of soybeans, corn, and vegetable oil, signaling a move to reduce reliance on U.S. products and bypass related tariffs. Additionally, reports state that the China's National Cereals, Oils & Foodstuffs Corporation (COFCO) International and China Grain Reserves Corporation (Sinograin) plan to expand imports from Argentina and explore long-term partnerships, and companies in China have shown interest in investing in corn processing facilities in Argentina.

Post reported in the Grain and Feed Annual that industry sources estimate that with significantly fewer imports of both corn and corn substitutes, MY2024/25 local corn will be exhausted by May. Post predicts the government may first resume corn reserve auctions, then release old stock rice to replenish the market. Industry rumors spread in June that imported corn auctions will soon resume with 4 MMT corn to be offered and old stock rice auction will soon begin as well.

Chart 3. China: National Average Grain Prices 2023-2025



Source: *National Bureau of Statistics (NBS).*

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

Corn	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	44218	44218	44741	44741	44300	44740
Beginning Stocks (1000 MT)	206040	204040	211286	211286	197183	195183
Production (1000 MT)	288842	288842	294917	294917	295000	298000
MY Imports (1000 MT)	23407	23407	7000	7000	10000	8000
TY Imports (1000 MT)	23407	23407	7000	7000	10000	8000
TY Imp. From U.S. (1000 MT)	2286	2286	0	0	0	0
Total Supply (1000 MT)	518289	518289	513203	513203	502183	501183
MY Exports (1000 MT)	3	3	20	20	20	20
TY Exports (1000 MT)	3	3	20	20	20	20
Feed and Residual (1000 MT)	225000	223000	234000	235000	239000	238000
FSI Consumption (1000 MT)	82000	82000	82000	83000	82000	83000
Total Consumption (1000 MT)	307000	305000	316000	318000	321000	321000
Ending Stocks (1000 MT)	211286	211286	197183	195183	181163	180163
Total Distribution (1000 MT)	518289	516289	513203	513203	502183	501183
Yield (MT/HA)	6.5322	6.5322	6.5916	6.5916	6.6591	6.6607
(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 2025/2026 = October 2025 – September 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Sorghum and Barley

Sorghum

Production

Post forecasts both sorghum and barley production will remain stable in MY2025/26, as government policies continue to promote stable corn and soy planting, and higher yield for coarse grains with stable area.

Imports

Post's forecast for MY2025/26 sorghum imports are adjusted down to 4.7 MMT. The key factors influencing sorghum trade since the annual report are domestic corn prices, international relations, exchange rates, quality and weather during the growing season. From January to April 2025, China only imported around 1.3 MMT of sorghum, down by 57 percent year-over-year. Retaliatory tariffs led to a sharp decrease in sorghum imports from the United States. In addition, tighter controls over sorghum imports from the United States and Australia have

contributed in reducing imports. Ongoing issues with customs clearance and import permits have further hindered domestic procurement.

Sorghum import volumes normally peak between May and June and bottom out between January and February. Peaks align with pig production and feed demand in China, as well as harvest seasons in South America. In May, a shipment of Argentine sorghum departed for China, marking the first expected arrival from Argentina in the second half of 2025, with six more vessels totaling 229,000 MT planned. Meanwhile, with U.S. sorghum exports to China nearly halted, Australia has emerged as a key supplier, shipping 230,000 MT in April and over 200,000 MT in May. Overall, the Southern Hemisphere has become a major source of China's current grain imports.

The Chinese industry considers sorghum from the United States and Australia similar in quality, while sorghum from Argentina, Brazil, and Uruguay tends to be darker and higher in tannins. Australia and Argentina are currently the most active exporters to China. However, due to reduced supplies in Australia (i.e., no more bulk shipments available) and minimal supplies from the United States, options are limited for Chinese importers. Although sorghum from Argentina quotes are inexpensive, traders warned importers of import quality issues from Argentina, where sorghum shipped had a color loss rate of 8 percent, despite being sold as premium grade.

Consumption

Sorghum feed, seed, and industrial (FSI) use for *baijiu* production is expected to remain weak in MY2025/26. China's *baijiu* production has plummeted by more than 70 percent since peaking in 2016, due to slowing economic growth, falling disposable income, reduced investment, fewer business banquets, declining marriage rates, aging population, rising health consciousness, reduced consumption by younger generations, and tighter restrictions on government spending on alcohol.

Stocks

Current sorghum inventories at major domestic ports are at historically lows, only around 500,000 MT, compared to previous years (e.g., over 800,000 MT in 2024 and 1 million MT in 2022). Import prices averaged around $270/MT between January and February, with slightly lower prices between March and April, compared with $388/MT to $425/MT for domestic sorghum. U.S. sorghum is still price-competitive for baijiu production even after Beijing's retaliatory tariff. Rising corn prices in China may help sorghum imports from the United States resume.

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

Commodity	RMB Price	U.S. Price
Grain products		
Local Corn (Guangdong - Spot)	¥2,450.00	$340
Imported U.S. Corn Gulf (July Delivery - % tariff Within Quota)	¥2,451.07	$340
Imported U.S. Corn West Coast (July Delivery - % tariff Within Quota)	¥2,368.42	$329
Imported Brazilian Corn (July Delivery - Within Quota)	¥1,991.13	$276
Imported Argentine Corn (July Delivery - Within Quota)	¥1,927.81	$268
Imported Argentine Barley (July Delivery)	¥2,172.89	$302
Imported Australian Barley （July Delivery)	¥2,221.28	$308
Imported French Barley (July Delivery)	¥2,148.70	$298
Imported U.S. Sorghum (July Delivery % tariff)	¥2,348.82	$326
Imported Australian Sorghum (July Delivery)	¥2,422.47	$336
Imported Argentine Sorghum (July Delivery)	¥2,066.20	$287
Local Wheat (Guangdong - Spot)	¥2,520.00	$350
Imported U.S. Soft Red Winter Wheat (July Delivery - % tariff within Quota)	¥2,682.89	$373
Imported U.S. Hard Red Winter Wheat (July Delivery - % tariff within Quota)	¥2,829.70	$393
Local DDGS (Spot)	¥2,520.00	$350
Imported U.S. DDGs (July Delivery)	¥3,168.21	$440

Unit: *RMB per metric ton, exchange rate as of early June 2025 U.S. $1= RMB 7.2.*
Source*: Industry Source.*

Barley

Production

China's barley planting area and production has been recovering since 2021 after years of decline. Malt barley (for beer) makes up 48 percent of production, with 98 percent grown in Jiangsu, Yunnan, Gansu, Sichuan, Inner Mongolia, and Xinjiang. Feed barley accounts for 52 percent of total production, mainly from Hubei, Yunnan, Jiangsu, Sichuan, Henan, and Anhui.

Consumption

MY2025/26 barley consumption is expected to decrease slightly as MY2024/25 experienced less imports and lower inventories than MY2023/24. Malt barley demand is estimated to remain steady as beer production stabilized after a previous decline. Animal protein consumption continues rising, driving up feed demand. Domestic supply remains insufficient to meet demand. With summer arriving, malt factories are increasing production for beer, boosting short term demand for barley. Domestic corn prices continue trending up, making barley a relatively cheaper feed alternative. The corn-barley price spread is over $28/MT, which supports barley demand in the short term.

Imports

MY2025/26 barley imports are likely to remain robust despite government controls on import scale since late 2024. In the first four months of 2025, top supplier was Australia which held a 70 percent share, followed by France, Canada, Argentina, and Ukraine. Small-scale imports from Central Asia (e.g., Kazakhstan, Russia) have emerged but remain marginal. Starting from May, reports note that there will be around 500,000 MT of barley from Australia coming into China each month. The price trend for barley from Australia at ports like Nantong shows a continued decline compared to last year. Prices are expected to remain low through the end of 2025.

Industry reports that Chinese importers have also secured substantial quantities of barley from France or Ukraine, with estimates ranging from 360,000 to 1 million MT for delivery this summer. The deals were reportedly made at prices between $250 and $254 per MT, reflecting competitive market conditions.

Stocks

Current barley stocks at ports are reportedly just 62-66 MMT, a multi-year low. Most is held by feed and malt factories, while traders have little stock. Tighter import restrictions, stricter inspection standards, and port requirements (e.g., warehousing capacity) have discouraged traders from large-scale imports.

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

Ports	Barley Stocks in MT	Sorghum Stocks in MT
Jiangsu and Shanghai	255,000	95,000
Guangdong	363,000	331,000
Tianjin	20,000	40,000
Manchuria	2,000	-
Qingdao	-	2,000
Others	10,000	35,000
TOTAL	650,000	503,000

Source: *Industry sources.*

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

Sorghum	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	630	630	630	650	650	650
Beginning Stocks (1000 MT)	387	387	426	426	421	221
Production (1000 MT)	3000	3000	3000	3100	3100	3100
MY Imports (1000 MT)	8341	8341	4200	4700	8500	5000
TY Imports (1000 MT)	8341	8341	4200	4700	8500	5000
TY Imp. from U.S. (1000 MT)	5599	5599	0	0	0	0
Total Supply (1000 MT)	11728	11728	7626	8226	12021	8321
MY Exports (1000 MT)	2	2	5	5	5	5
TY Exports (1000 MT)	2	2	5	5	5	5
Feed and Residual (1000 MT)	8000	8000	4200	5000	8700	5000
FSI Consumption (1000 MT)	3300	3300	3000	3000	3000	3000
Total Consumption (1000 MT)	11300	11300	7200	8000	11700	8000
Ending Stocks (1000 MT)	426	426	421	221	316	316
Total Distribution (1000 MT)	11728	11728	7626	8226	12021	8321
Yield (MT/HA)	4.7619	4.7619	4.7619	4.7692	4.7692	4.7692
(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 Sorghum begins in October for all countries. TY 2025/2026 = October 2025 - September 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

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

Barley	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	500	500	500	560	560	560
Beginning Stocks (1000 MT)	200	200	1698	1698	498	298
Production (1000 MT)	2000	2000	2000	2300	2300	2300
MY Imports (1000 MT)	15898	15898	9000	10000	9500	10000
TY Imports (1000 MT)	15898	15898	9000	10000	9500	10000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	18098	18098	12698	13998	12298	12598
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)	11900	11900	8000	9500	7700	8000
FSI Consumption (1000 MT)	4500	4500	4200	4200	4200	4200
Total Consumption (1000 MT)	16400	16400	12200	13700	11900	12200
Ending Stocks (1000 MT)	1698	1698	498	298	398	398
Total Distribution (1000 MT)	18098	18098	12698	13998	12298	12598
Yield (MT/HA)	4	4	4	4.1071	4.1071	4.1071
(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 2025/2026 = October 2025 - September 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

MAJOR FOOD GRAINS

Wheat

Production

MY2025/26 wheat production is adjusted 1 MMT lower than Post's Grain and Feed Annual but is still 1 MMT higher than MY2024/25 on improved yield and steady planted area. According to MARA's June survey, MY2025/26 winter wheat area is stable at 22.7 million hectares. About 75 percent of summer wheat had been harvested nationwide as of mid-June, totaling 260 million mu (about 17.3 million hectares). In Jiangsu, the harvest is nearly complete, while over 80 percent of the wheat has been harvested in Shaanxi, more than 60 percent in Shanxi, nearly 60 percent in Shandong, and over a quarter in Hebei. The efficiency of the harvest has been enhanced by recent upgrades in agricultural machinery, with subsidies supporting the purchase of new equipment and the update of old ones.

China suffered persistent drought in the NCP in April and May before wheat harvest. Severe meteorological drought conditions were present in Shaanxi, Henan, and Gansu, with parts of

southwestern Shaanxi, western Henan, and eastern Gansu experiencing extreme drought. Persistent drought and low rainfall heightened market concerns over wheat yield reductions, leading to rising wheat prices, especially as corn prices also increased after the Spring Festival. Industry contacts forecasted production to vary from 133-135 MMT, which would be about 5 percent lower than last year's record 140 MMT. However, they believe regional impacts are quite different - some areas in Henan and Shaanxi are seeing yield reductions up to 50 percent and Anhui about 10 percent, while provinces like Jiangsu and Shandong appear unaffected. The actual impact really depends on the severity of drought in each area, irrigation availability, and whether the cost and labor for mitigation are accessible. Some drought-affected regions received strong government support and good irrigation coordination, actually resulting in better yields than before. On the quality side, FAS contacts shared that test weight is reportedly 10-20g/l lower and wheat grades have generally decreased, although gluten content has increased by 3-5 points compared to last year.

Market analysts are forming a clearer consensus on the outlook for China’s 2025 wheat season in late May, when over 500 industry representatives attended the annual wheat market outlook forum hosted by the Nanjing National Grain Exchange Center. Overall production is believed to be better than expected. Improved technology and timely rains in plains and irrigated areas mitigated losses, but hilly regions and poorly irrigated fields saw more severe reductions. In southern regions such as Hubei and southern Anhui, early harvest data show that wheat yields are generally stable or have slightly increased compared to last year, with improved quality (notably higher test weight and better-than-expected gluten content). In major production areas that have not yet harvested, drought conditions have eased, further reducing concerns about significant yield losses. Low rainfall during flowering reduced disease risks.

Table 10. China: MY2025/26 Wheat Production Overview by Region

Regions	Production Overview
Hubei	Slightly increased planting area Significantly better-than-expected yield and quality Market supply is clearly up from average years Though Hubei's total production (about 4 MMT) is small, it sets the early tone for national wheat pricing.
Anhui	Planting area decreased in southern parts due to more oil crops Good irrigation and favorable flowering weather led to increased yield and better quality Overall production is slightly up compared to normal years
Jianghuai Region	Mixed performance—hilly areas saw major drought-induced losses, but plains did relatively well Rain during harvest caused minor losses but did not drastically affect overall output.
Northern Anhui & Along Huai River	Drought impact was more serious despite some irrigation capacity Yield declined and sowing area did not increase significantly, confirming a real risk of reduced output.
Henan	Output stability depends heavily on irrigation. Southern hilly areas show clear yield loss from drought, while irrigated plains are mostly stable.
Shandong, Hebei, and Northern Henan	Yet to be harvested but currently show signs of normal production, pending final weather outcomes.

Source: *Industry Source.*

Image 3&4. China: Wheat Field in Hebei in late May

Source: *FAS China.*

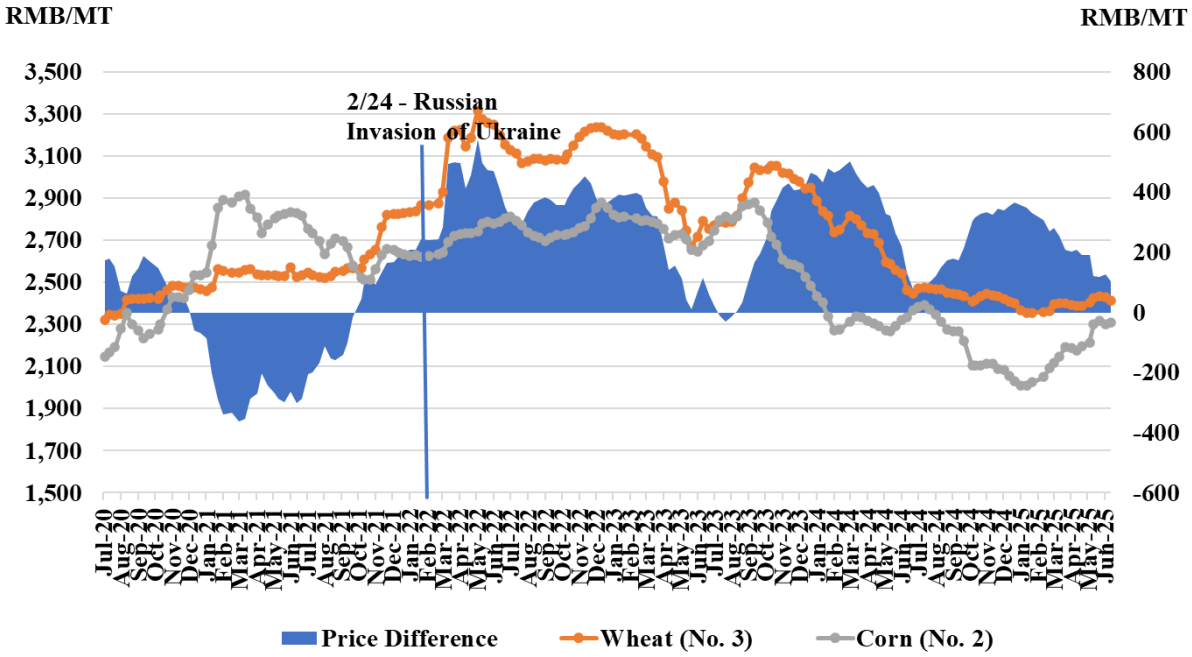
Consumption

Post forecasts MY2025/26 wheat consumption at 153 MMT, 3 MMT higher than MY2024/25. FSI consumption is forecast to be stable while feed use will go up. Flour mills kept inventories low due to pessimistic market expectations, which help control costs and avoid major losses. With wheat prices now competitive with or lower than corn in both selling and producing regions, wheat is increasingly being used as a substitute for corn in animal feed. Unless corn prices drop significantly, feed demand for wheat is expected to rise compared to last year.

Although the opening price of new-season wheat is higher than expected, many traders are wary of profitability due to past losses and uncertainty. As a result, most traders are reluctant to purchase. The Minimum Support Price (MSP for 2025-26 is $331 or RMB 2,380 per MT) has not been utilized since 2020 as wheat prices have stayed above the floor price. After initially opening at high prices, wheat procurement prices have declined following the arrival of the new harvest. As a result, in early June, Henan became the first province to launch the MSP policy, providing a floor price and helping stabilize the wheat market. As state reserves and grain depots enter the market, the pace of price declines has slowed, and market confidence is gradually recovering. Aggressive buying, however, has not reappeared. Upward price momentum remains limited in the short term, and further developments will depend on the scope of policy implementation and buying behavior from major market players. Current market prices for new

wheat are closely tied to the government's MSP, indicating continued strong policy support for the wheat market that is likely to persist for the foreseeable future.

Chart 4. China: Corn and Wheat Average Price Difference 2020-2025



***Source**: NBS.*

Imports

MY2025/26 wheat imports are forecast 1.5 MMT higher than MY2024/25, as speculative capital showed interest in agricultural commodities, official reserve facilities are actively replenishing stocks after years of heavy destocking, and wheat will continue to be substituted for corn in feed. MY2024/25 wheat imports are forecast 9 MMT lower than MY2023/24 due to higher domestic quality and policy controls. In addition, government still holds significant wheat reserves from 2017–2020, which could be released if prices rise too fast or feed grain shortage appears. There are close to 14 MMT of 2024 imports, most are believed still unconsumed in the market.

Buyers in early May acquired between 400,000 and 500,000 MT of wheat from Australia and Canada. This purchase came amid concerns over the potential impact of heat on crops in the China's key agricultural regions. The purchases include four or five shipments of 55,000 MT each from Australia and about 200,000 MT from Canada, intended for delivery in July or August. These are the first shipments from Australia purchased by China since last year. While the China's wheat imports have been subdued, current attractive pricing may have prompted a return to the international market. Industry also notes that the ongoing trade tensions with the United States also influence China's sourcing decisions, steering them away from U.S. wheat.

Russia used to account for less than 0.5 percent of the China's wheat import share. However, after Beijing lifted regional restrictions on wheat from Russia in early 2022, Russia has now overtaken the United States as the fourth largest wheat supplier to China for the first time. In

MY2024/25, China has imported 117,123 MT of wheat from Russia while only 11,427 MT from the United States. Despite this shift, Russia still trails behind Canada, Australia, and Kazakhstan in China's wheat market.

Stocks

MY2025/26 ending stocks are forecast at 121.1 MMT. Industry believes China's wheat reserves are still sufficient. The MSP was not launched in the past three years and there was no MSP wheat auction over the past one year either. There were some panic commercial buying amid crop concerns in April due to drought. As production outlook improved, sales volume and participation declined. The start of the MSP in Henan in May reignited market sentiment. As of mid-June, MARA estimates that various entities have purchased over 17 MMT new crop wheat from farmers, a faster pace than last year.

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

Wheat	**2023/2024**		**2024/2025**		**2025/2026**	
Market Year Begins	**Jul 2023**		**Jul 2024**		**Jul 2025**	
China	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	23627	23627	23587	23587	23600	23600
Beginning Stocks (1000 MT)	138818	138818	134503	134503	127602	128102
Production (1000 MT)	136590	136590	140099	140099	142000	141000
MY Imports (1000 MT)	13635	13635	4000	4500	6000	6000
TY Imports (1000 MT)	13635	13635	4000	4500	6000	6000
TY Imp. from U.S. (1000 MT)	2173	2173	0	0	0	0
Total Supply (1000 MT)	289043	289043	278602	279102	275602	275102
MY Exports (1000 MT)	1040	1040	1000	1000	1000	1000
TY Exports (1000 MT)	1040	1040	1000	1000	1000	1000
Feed and Residual (1000 MT)	37000	37000	33000	33000	33000	36000
FSI Consumption (1000 MT)	116500	116500	117000	117000	117000	117000
Total Consumption (1000 MT)	153500	153500	150000	150000	150000	153000
Ending Stocks (1000 MT)	134503	134503	127602	128102	124602	121102
Total Distribution (1000 MT)	289043	289043	278602	279102	275602	275102
Yield (MT/HA)	5.7811	5.7811	5.9397	5.9397	6.0169	5.9746
(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 2025/2026 = July 2025 - June 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Rice

Production

MY2025/26 rough rice production is forecast to increase slightly due to a stable area and higher yields than last year, as reported in Post's Grain and Feed Annual. Compared with MY2024/25 early rice (less than 15 percent of annual rice production) that were hit badly by floods, MY2025/26 saw widespread drought affecting several rice growing provinces such as Guangxi, Anhui, and Jiangsu. Approximately 97.5 percent of the Guangxi region was under meteorological drought conditions, including 68.7 percent suffering from extreme drought in May. Rainfall levels are the lowest for the same period since 1961. The drought has had a significant impact on the production of early rice transplanting.

Agricultural and rural authorities have reportedly acted swiftly, deploying equipment and resources, repairing irrigation infrastructure, initiating artificial rainfall, drilling wells for irrigation, deploying water pumping equipment, releasing reservoir water, diverting water across regions, and promoting water-saving irrigation techniques. Reports have also claimed that farmers are taking initiative by building small-scale irrigation systems, using plastic mulch, and spraying anti-drought agents to protect their crops.

In mid-June, varying degrees of rainfall were observed across major rice-producing regions in Southern China, slightly impacting the outlook for the new rice crop. Market sources report that persistent cool and rainy weather in key early rice-producing regions in the South has delayed rice growth and development. As a result, the early rice harvest is expected to be delayed until early July. The excessive rainfall may also negatively affect grain quality.

Consumption

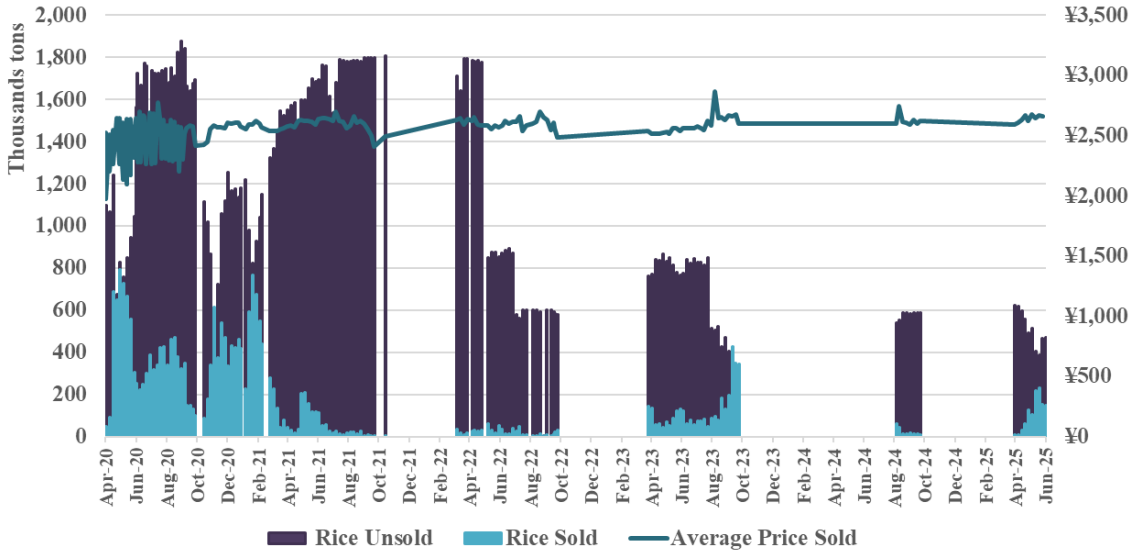
MY2025/26 rice consumption is forecast at 148 MMT, 3 MMT higher than MY2024/25 based on anticipated greater old stock rice supply for feed and industrial use. National reserve grain auctions serve as a key macroeconomic tool. If corn and its substitutes remain abundant, the need for an old stock rice auction decreases. However, if a supply gap emerges before the new corn harvest, reserve rice auctions could be initiated. With significantly fewer imports of both corn and corn substitutes, rising corn prices, and taking into consideration cost efficiency, the government may have to release old stock rice to replenish the market.

In March, it's reported that Heilongjiang launched small-scale targeted invitation bidding auctions. The first auction included 1,520 MT of 2019 Grade 4 rice and 800 MT of 2015 Grade 3 rice. The rice is strictly for beverage production or fuel ethanol processing. Bidders must be qualified for feed grain or ethanol raw material processing. The rice cannot be resold, stored, processed by other companies, or turned into finished grain products for sale. Notably, this is a trade grain auction, not part of the national reserve. While similar targeted auctions have taken place before with minimal market impact, this raises speculation about potential national reserve old stock rice auctions in 2025. There were no such auctions in 2024, as corn prices were low.

It's rumored that Sinograin plans to initiate the over-aged and deteriorated rice auctions with a starting price of $194-250 (RMB1,400-1,800) in late-June. Participation restrictions have been eased. Volume is estimated at 16 MMT, with Heilongjiang Province accounting for 13 MMT, and inland regions (excluding Heilongjiang) contributing around 3 MMT. Additionally, there are local plans indicating that Heilongjiang had proposed a phased sale of 6 MMT for targeted auctions, although it is unclear whether this is part of the overall total.

In early April 2025, the National Grain Trade Center resumed MSP rice auctions, four months earlier than 2024. Historically, the Chinese Government typically begins auctions of early indica rice in October, mid-to-late indica rice in February, and japonica rice between April and May. Since 2020, the government has largely stopped purchasing early indica rice at minimum support prices. The majority of MSP rice reserve is japonica rice. From April 1 to June 10, a total of 6.8 MMT of MSP rice was offered for auction, with actual sales reaching only 1.1 MMT, resulting in a low transaction rate of 16.8 percent. The average transaction price was $369 (RMB 2,656) per MT. Among the sales, japonica rice accounted for 1.1 MMT, mid-to-late indica rice for 34,000 MT, while all early indica rice auctions failed to attract any buyers.

Chart 5. China: MSP Rice Auctions 2020-2025



***Source**: China Grain Trade Center.*
***Note**: Price spike that occur yearly in August are likely the result of japonica rice auctions instead of indica rice.*

Imports

Post adjusted up rice imports for both MY2025/26 and MY2024/25 due to weak global rice demand and high inventories in importing countries. International rice prices continue to decrease slightly, compared with stable domestic rice prices. As of June 15, India's 5 percent broken rice FOB price was $383/MT, down $3 from the previous week. Thailand's 5 percent broken rice was priced at $425/MT, down $220 year-on-year, while Vietnam's was $390/MT, down $185 year-on-year.

Table 11. China: Prices of Imported Rice in Mid-June

Region	Landed Price after Tax/MT	Price Difference
Thailand 5% Broken	$489 (RMB 3,521)	$81 (RMB 580) per MT less expensive than good quality Late Indica Wholesale price in Guangdong
Vietnam 5% broken	$447 (RMB 3,221)	$93 (RMB 669) per MT less expensive than Late Indica Wholesale price in Guangdong

Source: *Industry sources.*

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

Rice, Milled	**2023/2024**		**2024/2025**		**2025/2026**	
Market Year Begins	**Jul 2023**		**Jul 2024**		**Jul 2025**	
China	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	28949	28949	29007	29007	29000	29000
Beginning Stocks (1000 MT)	106600	106600	103000	103000	103500	104675
Milled Production (1000 MT)	144620	144620	145275	145275	146000	146000
Rough Production (1000 MT)	206600	206600	207536	207536	208571	208571
Milling Rate (.9999) (1000 MT)	7000	7000	7000	7000	7000	7000
MY Imports (1000 MT)	1527	1527	2250	2400	2450	2600
TY Imports (1000 MT)	1625	1625	2400	2600	2450	2600
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	252747	252747	250525	250675	251950	253275
MY Exports (1000 MT)	1632	1632	1000	1000	900	900
TY Exports (1000 MT)	1115	1115	850	850	900	900
Consumption and Residual (1000 MT)	148115	148115	146025	145000	146050	148000
Ending Stocks (1000 MT)	103000	103000	103500	104675	105000	104375
Total Distribution (1000 MT)	252747	252747	250525	250675	251950	253275
Yield (Rough) (MT/HA)	7.1367	7.1367	7.1547	7.1547	7.1921	7.1921
(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 2025/2026 = January 2026 - December 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments