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China, Peoples Republic of

Grain and Feed

Grain and Feed Update

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U.S. Embassy-Beijing

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Report Highlights:

The Ministry of Agriculture has estimated lower winter wheat plantings, while wheat imports continue weak. Corn planting could very well decrease as well, as prices stay low. Corn exports have increased recently, but ending year stocks are still projected to be very large.

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

Wheat

The Ministry of Agriculture recently reported that winter wheat planted area for the 2000 crop declined roughly 7 percent from last year. The Ministry estimated planted area at 23.7 million hectares, down 1.8 million hectares. Since most of the land taken out of wheat was put into rapeseed and vegetables, total area for autumn planting remained largely unchanged. The decrease in winter wheat area shows that farmers have responded to lower wheat prices in 1999. This is consistent with what industry sources have reported, but the magnitude of the drop is surprising and could be subject to some revision.

Wheat imports remain weak, as marketing year imports through November only reached 123,000 metric, with reports of only a little more brought in December. The Government appears to be hesitating on issuing new import permits before China enters the WTO, at which time they will liberalize wheat imports to a degree. Projected imports have accordingly been lowered for MY99 from 1,000,000 to 800,000 tons. However, even though harvests have been good for the last several years, because of weak imports and some increase in demand, stocks are leaner than they have been in at least 3 years. With lower planted area indicating a smaller harvest in 2000, some increase in imports may be necessary--if not in the last half of MY99, then early in the first part of MY00.

Corn

Corn prices have changed little over the past month. They remain \$30-40 a ton cheaper than prices last year. So, winter farmers' response to lower wheat prices is encouraging to Government officials worried about China's large corn stocks. Corn farmers will likely plant less corn in 2000. The Government is encouraging farmers to plant more soybeans, particularly in the Northeast, and current soybean prices could very well prompt switching from corn. Prices for peanuts and vegetables also are relatively good, so switching to these crops is also possible. Furthermore, the lower return to corn should lead to less intensive use of marginal land, particularly in mountainous areas, and where farmers recently have had difficulty gaining access to adequate irrigation.

Exports in November topped 500,000 metric tons. This marks an increase over previous months, but it is still well within the country's export capacity. Demand among China's primary Asian customers should continue to strengthen in line with improvements in their economies. Indications that the South American corn crop may be below normal could also help China's exports.

Even with corn exports projected at 7 million metric tons, Chinese stocks at the end of MY99 will be well above historic levels. If international corn prices improve significantly, the capacity for greater exports exists. On the other hand, if prices deteriorate, it is difficult to say to what degree China would pull out of the market. The Government would like to minimize the losses they incur when exporting their stocks, but costs of storage, and deterioration of corn quality over time put them in a difficult position. Over the last several months, Government trading companies have already allowed the export price to slip \$5. Whereas the F.O.B Dalian export floor price was \$100 in September, it now is \$95.

PSD Table						
Country	China, Peoples Republic of					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Harvested	30057	30057	29774	29774	29000	29000
Beginning Stocks	24166	24166	33366	33598	27836	27562
Production	123300	123289	109730	109726	115000	113000
TOTAL Mkt. Yr. Imports	1914	2157	1000	498	1000	800
Jul-Jun Imports	1914	2157	1000	498	1000	800
Jul-Jun Import U.S.	323	325	366	152	0	200
TOTAL SUPPLY	149380	149612	144096	143822	143836	141362
TOTAL Mkt. Yr. Exports	1139	1139	260	260	500	500
Jul-Jun Exports	1139	1139	260	260	500	500
Feed Dom. Consumption	5000	5000	5000	5000	5000	5000
TOTAL Dom. Consumption	114875	114875	116000	116000	117000	117500
Ending Stocks	33366	33598	27836	27562	26336	23362
TOTAL DISTRIBUTION	149380	149612	144096	143822	143836	141362

PSD Table						
Country	China, Peoples Republic of					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Harvested	23775	23775	25239	25240	25800	25300
Beginning Stocks	45000	45000	26000	26000	38616	38568
Production	104300	104300	132954	132954	128000	124000
TOTAL Mkt. Yr. Imports	287	287	270	202	250	200
Oct-Sep Imports	287	287	270	202	250	200
Oct-Sep Import U.S.	212	212	262	158	0	150
TOTAL SUPPLY	149587	149587	159224	159156	166866	162768
TOTAL Mkt. Yr. Exports	6173	6173	3338	3338	5000	7000
Oct-Sep Exports	6173	6173	3338	3338	5000	7000
Feed Dom. Consumption	91000	91000	93020	93000	95000	96000
TOTAL Dom. Consumption	117414	117414	117270	117250	119950	121000
Ending Stocks	26000	26000	38616	38568	41916	34768
TOTAL DISTRIBUTION	149587	149587	159224	159156	166866	162768

Table 1. China's Wheat Imports by Month

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		
JAN-DEC TOTAL	6,773	1,860	1,490	265	
	(96/97)	(97/98)	(98/99)	(99/2000)	
JUL-JUN MY TOTAL	2,853	2,156	498	123	1/
1/ year to date Source: PRC Customs HS Code: 1001.1000, 1001.9010, 1001.9090 (f:\shared\lotus\grmfd\wheat\whmthim.wk4)					

Table 2. China's Corn Imports by Month

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	
JAN-DEC MY TOTAL	440,148	435	250,621	70,203
	(96/97)	(97/98)	(98/99)	(99/2000)
OCT-SEP MY TOTAL	3,008	118,823	202,242	0 1/
1/ year to date HS Code: 1005.1000, 1005.9000 Source: PRC Customs f:\shared\lotus\gmfd\com\cnmmthim.wk4				

Table 3. China's Corn Exports by Month

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	53,148	
May	707	560,793	240,079	171,438	
June	15,000	919,882	401,390	304,348	
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		
JAN-DEC TOTAL	158,655	6,596,572	4,686,577	2,938,873	
	(96/97)	(97/98)	(98/99)	(99/2000)	
OCT-SEP MY TOTAL	3,891,704	6,173,310	3,337,813	824,484	1/
1/ year to date HS Code: 1005.1000, 1005.9000 Source: PRC Customs (f:\shared\lotus\gmfd\com\cmmthex.wk4)					

Table 4. China's Rice Imports by Month

CHINA'S RICE IMPORTS by MONTH (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		
TOTAL	761,404	326,346	243,976	142,034	1/
1/ Year to date HS Codes: 1006.1010, 1006.1090, 1006.2000, 1006.3000, 1006.4000 Source: PRC Customs (f:\shared\lotus\gmfd\rice\ricmthim.wk4)					

Table 5. China's Rice Exports by Monthly

CHINA'S RICE EXPORTS by MONTH (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		
TOTAL	250,774	818,261	3,745,689	2,460,522	1/
1/ Year to date HS Codes: 1006.1010, 1006.1090, 1006.2000, 1006.3000, 1006.4000 Source: PRC Customs (f:\shared\lotus\gmfd\rice\ricmthex.wk4)					

Table 6. China's Sorghum Exports by Month

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		
JAN-DEC TOTAL	3,448	111,985	18,608	14,663	
	(96/97)	(97/98)	(98/99)	(99/2000)	
OCT-SEP MY TOTAL	93,608	30,868	17,024	3,755	1/
1/ year to date HS Code: 1007.0010, 1007.0090 Source: PRC Customs (f:\shared\lotus\gmfd\others\sorghum\sgmmthex.wk4)					

Table 7. China's Barley Imports by Month

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		
JAN-DEC MY TOTAL	1,307,870	1,874,181	1,519,139	2,006,018	
	(96/97)	(97/98)	(98/99)	(99/2000)	
OCT-SEP MY TOTAL	1,833,657	1,459,219	1,955,198	500,996	1/
1/ year to date HS Code: 1003.0010, 1003.0090 Source: PRC Customs (f:\shared\lotus\grnfd\others\barely\blymthim.wk4)					