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Prepared By: FAS Staff

Approved By: Adam Branson

Report Highlights:

China's soybean imports are forecast to reach a record 100 million metric tons (MMT) in marketing year (MY) 21/22 and an estimated 99 MMT in MY20/21 to meet feed demand from the livestock and poultry sectors. MY21/22 soybean production is forecast essentially flat at 18.6 MMT based on stable acreage and minimal yield growth. Demand for oilseeds, meal, and oil is projected to maintain a moderate growth trend on robust consumer demand for animal protein, vegetable oil, and soy-based foods.

Executive Summary

China's soybean imports are forecast to reach a record 100 MMT in MY 21/22 and an estimated 99 MMT in MY20/21, reflecting a steady recovery in feed demand from the livestock and poultry sectors.

Total oilseed production will be stable in MY21/22, with soybean production forecast essentially unchanged from the previous year at 18.6 MMT on stable acreage and minimal yield growth. A downward trend in the soybean subsidy rate in recent years is likely to discourage soybean acreage growth in the coming marketing year. Likewise, acreage for rapeseed, peanuts, and cottonseed is expected to be flat in MY21/22 on stable demand.

In contrast to stable domestic production, China's oilseeds demand continues to exhibit moderate growth. Recovering feed demand is anticipated to push up soybean crush volume to 99 MMT in MY21/22, compared to an estimated 97.5 MMT in MY20/21. Total MY21/22 protein meal feed use is forecast to increase about one percent year on year to 98 MMT. Increased soybean crush will also bolster total vegetable oil production, which is forecast at about 29 MMT in MY21/22.

Along with the food service and food processing sectors, feed manufacturing will continue to figure into China's growing demand for vegetable oils, mainly soybean oil. Vegetable oil feed use is forecast at 1 MMT in MY21/22. The vegetable oil inclusion rate in feed is increasing due to greater enforcement of a 2013 government ban on waste oil in feed along with a reduced supply of pig lard for feed.

MY21/22 total oil imports are forecast at 10.9 MMT, down slightly from an estimated 11 MMT in MY20/21, based on increased soybean crush in MY20/21 and MY21/22. Palm oil remains China's number one vegetable oil import due to stable demand, the lack of domestic production, and a price advantage.

I. Oilseeds Situation and Outlook

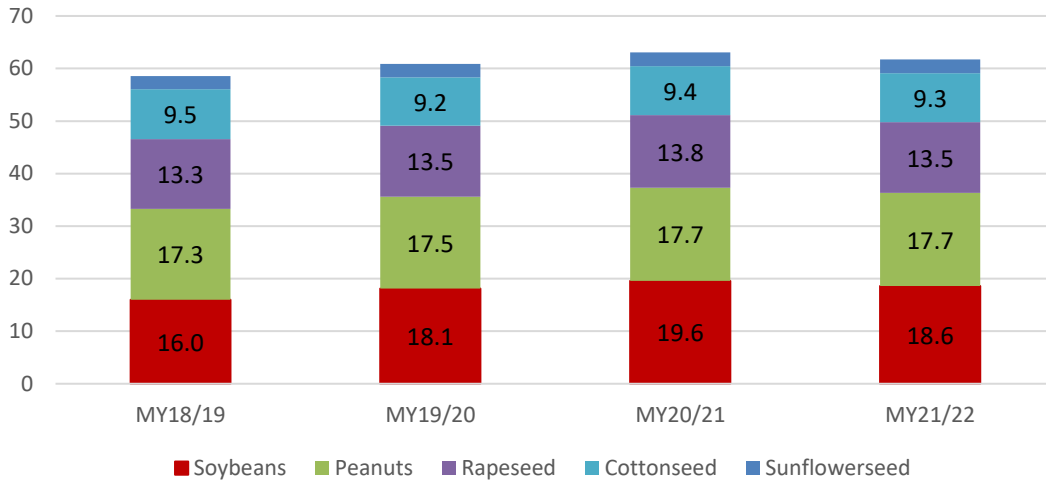
China's domestic oilseed production will remain stable in MY 2021/22, while domestic demand for oilseed products will grow due to livestock feed demand and economic recovery from the impact of COVID-19. China will continue to rely on oilseed imports from Brazil, the United States, Argentina, and Canada to meet demand.

MY21/22 total oilseed production is forecast at 61.7 MMT, up slightly from an estimated 61.5 MMT in MY20/21. Domestic oilseed production growth is constrained by limited arable land, competing crops, and inadequate access to improved inputs—including new seed varieties—and other technology. Meanwhile, government crop subsidies continue to play a role in production trends, albeit with minimal effectiveness. Reduced corn subsidies resulted in a moderate expansion of total oilseed planted area in MY20/21 to 24.97 million hectares (MHa), up 2.9 percent compared to the previous marketing year. Given increased profits for both corn and soybeans in MY20/21 together with likely unchanged subsidy rates for soybeans and other crops, soybean area in MY21/22 is effectively unchanged from the previous year. The acreage for rapeseed, peanuts, and cottonseed is expected to be stable in MY21/22 on stable demand. Without explanation, the National Bureau of Statistics (NBS) reduced its estimate of 2018 sunflower seed production in its 2019 China Rural Statistics Yearbook, putting annual production at about 2.5 MMT for both 2018 and 2019 compared to more than 3 MMT in 2016 through 2017. Industry sources report that domestic sunflower seed producers have faced increased competition from large volumes of sunflower seed product imports in recent years.

In contrast to sluggish production growth, China's demand for oilseed products continues to exhibit moderate growth. China's larger, richer, and more urban population consumes ever greater quantities of animal protein, vegetable oils, and soy-based food products.

MY21/22 oilseed demand is forecast at 164.3 MMT, up from 162.1 MMT in MY20/21. Total oilseed imports are forecast at 104.3 MMT in MY21/22 compared to an estimated 103.2 MMT the previous marketing year.

Chart 1 – China’s Major Oilseed Production
(MY18/19 to MY21/22 – MMT)



Source: MY18/19 to MY20/21 – NBS and China National Grain and Oilseeds Center (CNGOIC); Cottonseed production – FAS/Beijing estimates; MY21/22 – FAS/Beijing forecasts

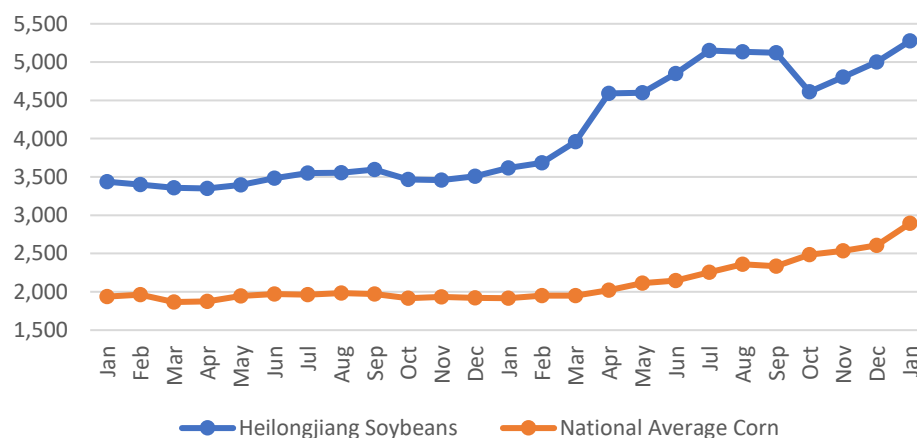
Soybeans

Production

MY21/22 soybean production is forecast at 18.6 MMT, basically flat in comparison to Post’s revised estimate of 18.5 MMT in MY20/21 based on stable acreage and minimal yield growth. Chinese government and industry sources put forth varying estimates for MY20/21 soybean production, ranging from 17.6 MMT to the NBS/Ministry of Agriculture and Rural Affairs (MARA) figure of 19.6 MMT.

The prevailing crop rotation plan in Heilongjiang Province supports stable rather than expanded soybean planted area in the coming marketing year. Moreover, limited arable land and a sharp increase in corn prices—which are currently at a six-year high—are expected to limit MY21/22 acreage gains for soybeans. Chinese industry sources reported that the average marketing price in Heilongjiang for both corn and soybeans surged during the first four months of MY20/21, up 37 and 40 percent respectively compared to the previous year, and prices remain high for both crops. However, reports from traders indicate that the current high soybean price is partly driven by speculation rather than strong demand growth.

Chart 2 – Corn and Soybean Prices Surged in the First Months of MY20/21
(Jan 2019 to Jan 2021; RMB/Ton)



Source: China JCI Consulting

The government subsidy rate for soybeans is expected to remain unchanged in MY21/22. The downward trend in the soybean subsidy rate in recent years is likely to discourage soybean acreage growth in MY21/22. While area-based subsidy rates are not publicly available, industry sources indicate decreasing soybean subsidy rates and increasing corn subsidy rates in recent years in Heilongjiang province, China’s primary soybean production area. Based on these factors, farmers are unlikely to make significant changes to soybean planted area in in MY21/22.

Table 1 – Soybean Subsidy Rate for Heilongjiang (in RMB/Ha; 2018-2020)

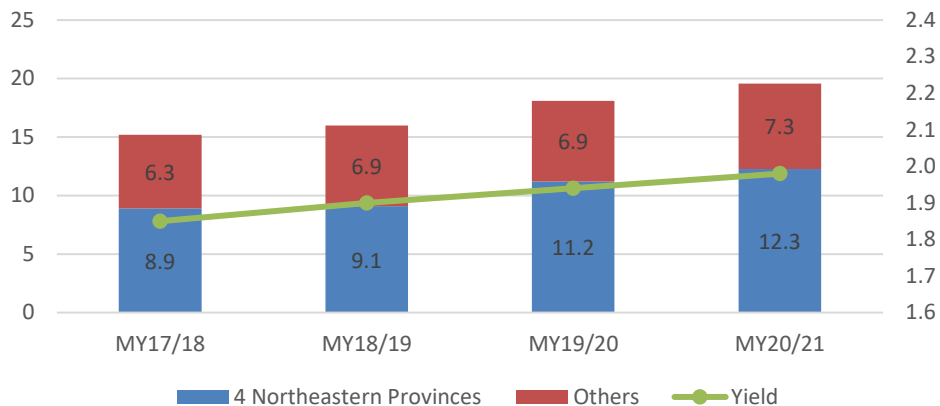
Crop	2018		2019		2020	
	Corn	Soybeans	Corn	Soybeans	Corn	Soybeans
Subsidy RMB/Ha	375	4,800	450	3,825	570	3,570
Planted area (1,000 Ha)	6,318	3,568	5,800	4,279	5,500	4,658

Source: Subsidy data - Industry contacts; Area - CNGOIC

Neither industry reports nor field observations support the relatively high MY20/21 production estimate put forth by MARA. According to MARA, soybean planted area reached 9.87 MHa (148 million mu) in MY20/21, an increase of 0.55 MHa (8.25 million mu) or 5.9 percent over the previous year. MARA attributes the acreage expansion to higher soybean prices before the spring planting season and government efforts to bolster planted area through the Soybean Revitalization Plan, which includes subsidies, the provision of new seed varieties, and agricultural extension services. MARA estimates that soybean yield hit 1,980 kg/Ha (132 kg/mu) in MY20/21, a 2.3 percent increase over the previous year, due to a combination of favorable weather conditions during the growing season and decreased incidence of pests and diseases. MARA put soybean production at a record 19.6 MMT in MY20/21, an increase of 1.5 MMT or 8.3 percent over the previous year. However, this account is not supported by industry sources or field visits, which indicate that soybean yield was impacted by excessive rainfall from three typhoons that struck the Northeast soybean belt in early September 2020. In addition, acreage expansion appeared to be less than reported, and much of the expansion that was

observed was on marginal, less productive land. Furthermore, the jump in soybean prices following the harvest and continued high prices through February do not support a high estimate for soybean production growth in MY20/21.

Chart 3 - Soybean Production Increased Steadily since MY18/19
(Left: production in MMT; Right: nation average yield in MT/Ha)



Source: NBS and CNGOIC

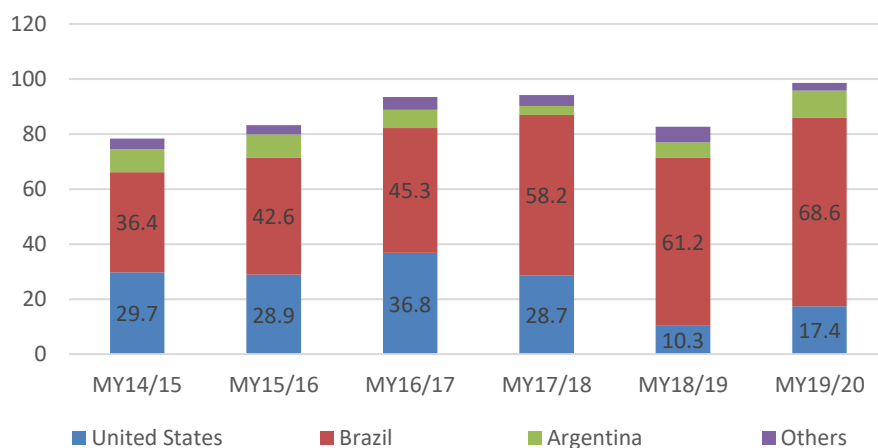
Trade

China's soybean imports are forecast to reach a record 100 MMT in MY21/22, a steady increase from an estimated 99 MMT in MY20/21 and 98.5 MMT in MY19/20. Imports continue to recover from the impact of the 2018 African Swine Fever (ASF) outbreak, with rebuilding of the swine herd and increased production of beef and poultry. The trend is forecast to continue into MY21/22, but at a lower rate.

China continues to diversify its basket of soybean suppliers. The addition of Bolivia and Tanzania to the list of countries with market access to export soybeans to China brought the number up to twelve. It also includes Argentina, Benin, Brazil, Canada, Ethiopia, Kazakhstan, Russia, Ukraine, the United States, and Uruguay. In September 2019, the Russian government announced plans to increase Russian soybean exports to China from 0.73 MMT in 2019 to 3.7 MMT by 2025. However, in 2021 Russia imposed a 30 percent duty on soybean exports, effective through June 20, 2021, in response to surging food prices. China's ability to add soybean imports from new suppliers faces market and policy uncertainties and its growth potential is limited in the short term.

U.S. soybean exports to China are expected to recover further in MY20/21 with China's implementation of a tariff exclusion process for the Section 301 retaliatory tariff on U.S. products beginning on March 2, 2020 (see [GAIN report CH2020-0024](#)). Sources indicate the U.S. share of China's total soybean imports declined significantly in MY18/19 through MY19/20 due to bilateral trade friction.

Chart 4 – Chinese Soybean Imports by Origin
(MY14/15 to MY19/20 – MMT)



Source: Trade Data Monitor

China's MY21/22 soybean exports, which are primarily for food use, are forecast unchanged from the previous marketing year at 100,000 tons. Given relatively high prices and flat production growth, China's soybean exports are not expected to grow for the foreseeable future.

Crush Sector

China's soybean crush volume is forecast at 99 MMT in MY21/22, up from an estimated 97.5 MMT in MY20/21 based on recovering feed demand. Even with the increased crush volume, China's yearly crush capacity, estimated at over 140 MMT, remains underutilized.

Food Use

China's food use of soybeans is forecast up slightly in MY21/22 to 14.2 MMT, compared to 14.1 MMT the previous year, based on a moderate growth trend, with consumption of soy-based foods growing in response to higher prices for pork and other meats.

Stocks

Soybean ending stocks for MY21/22 are forecast at 27.9 MMT compared to an estimated 27.2 MMT the previous marketing year. The volume of China's state-managed soybean reserve, composed of both imported and domestic product, is not publicly available. Chinese industry sources estimate that the central government set aside about 7 MMT of imported soybeans for the state reserve in 2019, likely adding more in 2020. According to industry reports about 2020 sales from the state reserve, an estimated 1.2 MMT of imported soybeans were sold for crush, while 1.1 MMT of domestically produced soybeans were sold for food processing. Based on its approach to managing the reserve in the recent past, China is likely to continue periodic sales from the reserve to offset domestic supply contractions and price surges, while adding to the reserve through imports.

Policy

According to MARA, the total soybean subsidy for the four provinces of the Northeast soybean belt reached RMB17 billion (about \$2.4 billion) in 2019. Although no official updates are

available, industry reports indicate that the subsidy rates for corn and soybeans will remain basically unchanged in MY21/22. Subsidy payments are made directly to individual farmers.

The General Administration of China Customs (GACC) continues to enforce two main regulations governing the oilseeds trade, the Administrative Measures regarding the Inspection and Quarantine for the Entry and Exit of Grain and Oilseeds, also referred to as AQSIQ Decree 177 (see [GAIN report CH16003](#)), and the Supervision and Management Measures for the Inspection and Quarantine of Import and Export Feed and Feed Additives, also referred to as AQSIQ Decree 118 (see [GAIN report CH9071](#)). Imports of genetically engineered soybeans require a biosafety certificate from MARA (see [GAIN Report 2020 Agricultural Biotechnology Annual](#)).

Rapeseed

Production

Rapeseed production is forecast unchanged at 13.5 MMT in MY21/22, based on the historical yield growth trend and a small acreage increase supported by reports from government and industry sources in rapeseed production areas. Sichuan province announced that its rapeseed production hit a record 3.17 MMT in MY20/21 on a seven percent expansion of acreage and good yield. According to CNGOIC, there will be an increase in the crop rotation subsidy to encourage rapeseed production. MY21/22 rapeseed planting will also be bolstered by rising rapeseed prices and profits. An industry source indicated that rapeseed oil prices were strong throughout 2020, with the December 2020 price more than 60 percent higher than that of January 2020. According to Hubei provincial data, rapeseed prices exhibited a rising trend in 2020, with the December 2020 price 18 percent higher year on year. The Hubei Agricultural Authority reported that it provided free rapeseed seed to encourage farmers to use more idle winter land for rapeseed farming, and that planted area is up seven percent in MY21/22 over the previous year.

According to CNGOIC, rapeseed growth in the Yangtze River region is rated as good. CNGOIC put MY21/22 rapeseed production at about 14 MMT, compared to an estimated 13.8 MMT in MY20/21.

Trade

China's MY21/22 rapeseed imports are forecast to be basically unchanged at 3 MMT compared to an estimated 2.9 MMT in MY20/21. Rapeseed imports hit 994,000 tons in the first quarter of MY20/21 with increased imports from both Canada and Russia. Since MY18/19, rapeseed imports have been lower than the recent historical average of about 4.5 MMT due to China's trade tensions with Canada, its main rapeseed supplier. As a result, imports of rapeseed oil and meal have been rising to fill the supply gap.

Despite the bilateral friction, Canada has so far maintained its place as China's number one rapeseed supplier in MY20/21 and is expected to do so in MY21/22. Likewise, due to trade tensions, imports from Australia plummeted to zero in the first quarter of MY20/21 and are likely to be small throughout 2021. China's imports of rapeseed from Russia are also expected

to fall in 2021 following the Russian government’s imposition of a 30 percent export duty in response to higher food prices.

Policy

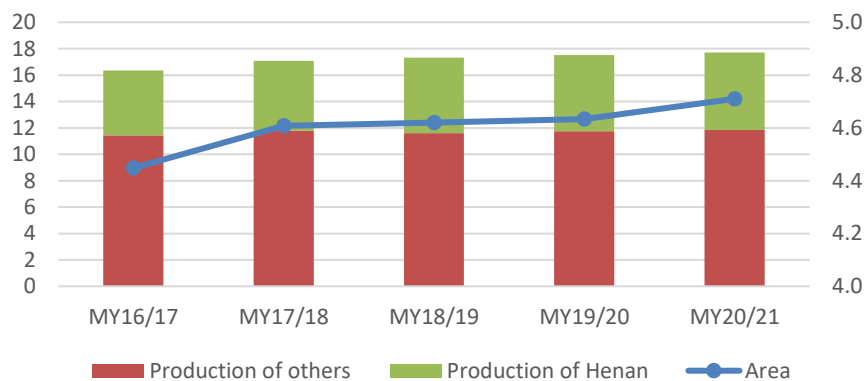
The Chinese government provides a planting seed subsidy of RBM150/Ha (\$22/Ha), while some of the provincial governments provide limited, additional subsidies to encourage rapeseed production.

Peanuts

Production

Peanut production is forecast at 17.7 MMT in MY21/22 over an estimated 17.6 MMT in MY20/21, reflecting average yield and a moderate acreage increase to 4.75 MHa. Estimated MY20/21 production is higher than the previous year based on expanded acreage and favorable weather conditions in Shandong, Henan, and other peanut producing provinces. A Chinese industry source estimated MY20/21 peanut acreage is up 7 to 8 percent and production is up 5 percent from the previous year.

Chart 5 - Peanut Production Shows Steady Yearly Growth
(Left: production in MMT; Right: area in MHa)



Source: NBS and MY20/21 data is based on CNGOIC

MY20/21 peanut profits are expected to be up from the previous year. Industry sources reported that peanut prices during the first part of the marketing year (October 2020-January 2021) were 8.8 percent higher than the same period in the previous year, and prices maintained a growing trend in February 2021. Despite price fluctuations in recent years, peanut profits continue to be better than that of other crops such as cotton, corn, and soybeans in most peanut-producing regions. Peanut production in Henan Province has increased steadily to the detriment of less profitable crops. However, limited arable land constrains any significant increase in acreage. According to industry and media sources, peanuts might be added to China’s futures market, which industry insiders expect would facilitate market balance.

Trade

China’s peanut imports are forecast at 1 MMT in MY21/22, unchanged from the previous year. Imports are driven by China’s growing demand, which surpasses domestic production growth,

and the preferential duty for African peanut exports. MY21/22 peanut oil imports are forecast at 220,000 tons (equivalent to about 0.6 MMT of in-shell peanuts), up from an estimated 200,000 tons the previous marketing year. China's peanut and peanut oil imports are price sensitive.

Domestically produced peanuts dominate the food and snack food sectors and provide a large share of the crush volume. Nonetheless, imports for crush remain essential to filling demand, as do peanut oil imports.

Peanuts from Senegal and Sudan benefited from their price competitiveness and duty-free status, accounting for 87 percent (0.7 MMT) of China's imports of shelled peanuts in MY19/20 (the latest available data). On the other hand, the United States had a 94 percent share (0.3 MMT) of in-shell peanut imports that year. The trend is likely to continue as importing U.S. in-shell peanuts for processing in China remains cost effective.

Peanut imports are subject to a combined 15 percent import duty and a 10 percent value-added tax. China's implementation of a tariff exclusion process for the Section 301 retaliatory tariff on U.S. products on March 2, 2020 facilitated U.S. peanuts exports to China in MY19/20.

China's MY21/22 peanut exports are forecast at 0.55 MMT, up slightly from the estimate for the previous marketing year based on market trends. Exports are limited by stable domestic demand, particularly for food use.

Policy

Peanut farmers continue to receive a RMB150/Ha (\$22/Ha) planting seed subsidy from the central government.

Cottonseed

Production

Based on forecast stable acreage and average yield, China's MY21/22 cottonseed production is forecast at 9.3 MMT, down slightly from the previous year. Cotton planting area is expected to remain unchanged compared to the previous year based on a recovered seed cotton purchase price in MY20/21 and a stable government subsidy rate. MY20/21 cottonseed production is estimated at 9.4 MMT based on an estimated 5.95 MMT of cotton production, with higher yield offsetting an estimated 3.1 percent area decline.

The Chinese government's price subsidy for Xinjiang is expected to remain the same in MY21/22, ensuring stable acreage in Xinjiang. The target price was set at RMB18,600/ton (\$2,695/ton) for three years starting from MY20/21. Based on an industry survey, MY20/21 cotton production costs in Xinjiang were up slightly over the previous year. However, official statistics show the seed cotton selling price in Xinjiang was up more than 20 percent in MY20/21, indicating higher profits for cotton.

According to a survey conducted by the Xinjiang provincial government in January 2021, the MY21/22 cotton planting intention in Xinjiang (excluding the Xinjiang Production and Construction Corp) is up 1.45 percent over the previous year. The survey findings attribute

higher planting intention to the stable subsidy, higher yield in MY20/21, and increased farmer interest in large-scale farming with standardized agricultural inputs and practices. In contrast to the official Xinjiang survey, an earlier survey carried out by the China Cotton Association (CCA) puts MY21/22 cotton planting intention down 2.2 percent nationwide and down 0.8 percent in Xinjiang. CCA ascribes the reduced planting intention to “pending subsidy payments for MY20/21” and low profits in the Yangtze river and Yellow River regions for MY20/21.

Based on past practices, the government is expected to clarify the subsidy rate at the current level, resulting in a stabilized planting intention in time for the sowing season, particularly in Xinjiang where cotton remains the main source of income for farmers.

Trade

China’s cottonseed imports are forecast at 15,000 tons in MY21/22, an insignificant volume in the context of the total oilseed complex. Given that the majority domestic cottonseed is produced in Xinjiang, relatively far from the primary consumption areas, sporadic imports of cottonseed are expected to continue in MY21/22 and beyond.

Other oilseeds

Camellia production continues in China’s southern provinces, with the government providing technical support to promote expanded area in Hunan, Jiangxi, and Guangxi provinces. However, due to persistent low yields, production has grown slowly, with oil production basically flat at about 0.6 MMT in 2020 compared to the government production targets of 1 MMT in 2020 and 2 MMT by 2025. Camellia oil is mainly used as a high-end food product.

II. Oilseed Meal Situation and Outlook

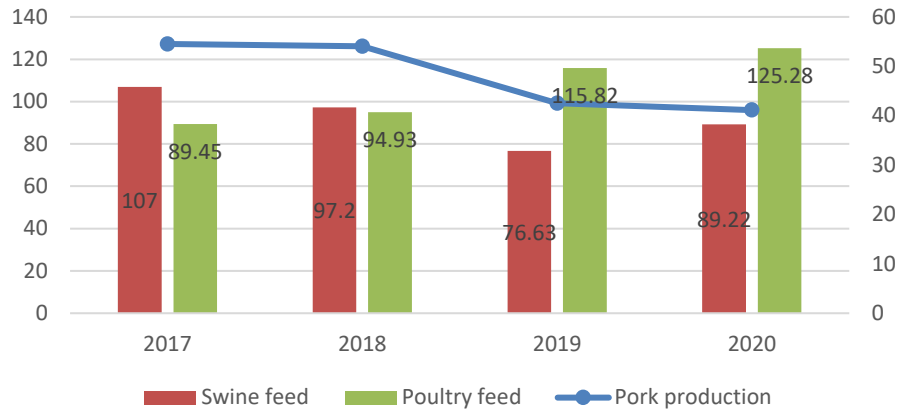
Consumption

China’s recovering GDP growth (up 2.3 percent in 2020) and continued population growth is expected to bolster demand for animal protein, which in turn will drive steady oilseed meal use in 2021 and beyond. MY21/22 total protein meal feed use is forecast at 98 MMT, an increase of 1.2 MMT or 1.3 percent compared to the previous year. Protein meal feed use is estimated at 96.8 MMT in MY20/21, up 5 percent over MY19/20.

Efforts to rebuild the swine herd following ASF spurred a recovery in protein meal consumption beginning in MY19/20 that has continued during the first half of MY20/21. Growth in the sow and hog inventories, together with increased meal demand for poultry and bovine production, have boosted feed demand. In addition, meal demand continues to be bolstered by the shift towards more large-scale swine production, with increased use of commercial feed versus swill feed, as well as a higher protein meal inclusion rate, which was facilitated in 2020 by soaring profits from swine production. An industry source estimated the share of large-scale swine farming surpassed 55 percent by the end of 2020.

Chart 6 – Poultry Feed Gain Offset Swine Feed Fall

(Left axis feed in MMT; Right axis pork in MMT)

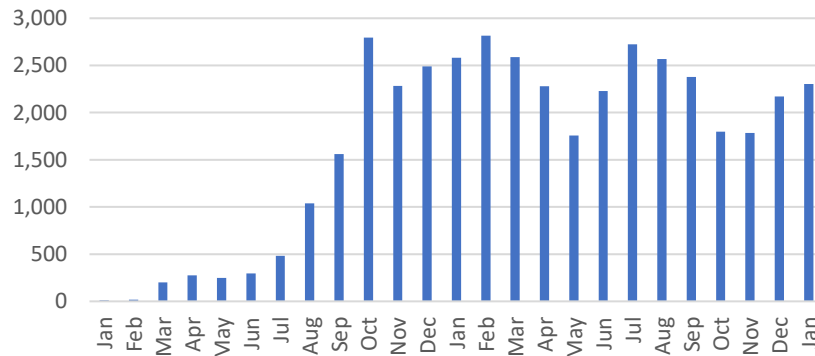


Source: MARA

The forecast for a lower year-on-year growth rate of protein meal feed use in MY21/22 as compared to MY20/21 (1.8 percent vs. 5 percent) is based on a slowing pace of the gradual swine restocking. Protein meal feed use will also be constrained by lower sow productivity and increased occurrence of animal diseases in breeding sows and piglets. In addition, the forecast slowdown in the growth of protein meal feed use reflects expectations for declining swine profits due to high input costs, with profits expected to decrease from the current, relatively high level of about RMB 2,300/head (\$330/head). Likewise, an excessive buildup in poultry production capacity has already resulted in losses for broiler farmers, dampening meal demand by the poultry sector, which is likely to be stable or even decline in 2021. For more information on the livestock and poultry sectors, see the [Poultry](#) and [Livestock](#) GAIN reports.

Chart 7 - Record Swine Farming Profits Expected to Fall in 2021

(RMB/Head; Jan 2019 to Jan 2021)



Source: China JCI Consulting Co.

Strong meal use was echoed by robust feed production in 2020. According to MARA, total feed production was 252.8 MMT in 2020, up 10.4 percent from the previous year. Specifically, feed for swine increased by 16.4 percent, for layers by 7.5 percent, for broilers by 8.4 percent, and for

ruminants by 18.9 percent. The only sectoral exception to the 2020 feed production growth was aquaculture, which decreased by 3.6 percent.

Soybean meal (SBM) feed use continues to dominate the protein complex, accounting for more than 77 percent of feed meal use in MY21/22, up from the 75.6 percent in MY19/20. Total SBM feed use is forecast to increase to 76.1 MMT in MY21/22 from an estimated 75 MMT the previous marketing year, while use of other meals for feed remains generally stable.

Trade

Total protein meal imports are forecast at 4.58 MMT in MY21/22, down slightly from 4.68 MMT the previous year, while exports are forecast unchanged at about 1 MMT of mainly SBM. Lower protein meal imports reflect high domestic production of SBM in MY21/22.

In January 2019, China eliminated the import tariff for several protein meals, which had previously stood at 5 percent. This included coconut or copra meal, cottonseed meal, linseed meal, palm kernel meal, peanut meal, rapeseed meal, and sunflower seed meal. China approved market access for SBM from Argentina and Russia in 2019 and media reports indicate that Brazil is seeking SBM market access to China.

Rapeseed meal import growth, which jumped in MY19/20 to fill the gap from reduced rapeseed imports, is expected to be flat in MY20/21 and MY21/22 due to increased domestic soybean crush. Likewise, the skyrocketing sunflower seed meal imports seen in MY19/20 are expected to slow down in MY20/21 and MY21/22 due to increased domestic production of soybean meal. Imported rapeseed meal mainly serves demand by the aquaculture sector, while sunflower seed meal is popular due to its price advantage.

Fish meal imports for MY21/22 are forecast at 1.45 MMT, unchanged from the estimate for MY20/21 based on declining demand for aquaculture feed offset by increased use for swine feed enabled by record swine sector profits. The fall in fish meal feed use for aquaculture is due to reduced consumption of aquatic products linked to Coronavirus-related consumer health concerns about seafood. According to the Marine Ingredients Organization, global fish meal production is up by 11 percent in 2020 compared to the previous year. In 2020, Peru maintained its place as China's number one fish meal supplier with exports of 654,000 tons, although with a smaller market share of 46 percent compared to 54 percent in 2019. U.S. fish meal exports to China climbed slightly from the 67,000 tons in 2019 to 73,000 tons in 2020.

III. Vegetable Oil Situation and Outlook

Production

Total vegetable oil production for MY21/22 is forecast at 28.8 MMT, up from the 28.4 MMT in MY20/21 mainly on increased soybean crush. Soybean oil will continue to be China's primary domestically produced vegetable oil, projected to account for about 60 percent of total oil production in MY21/22, followed by rapeseed oil and peanut oil, at about 20 percent and 10 percent, respectively. China's production of specialty oils also continues to grow, taking market share from traditional oils. The top specialty oils are camellia oil, sesame oil, olive oil, corn oil, and rice oil.

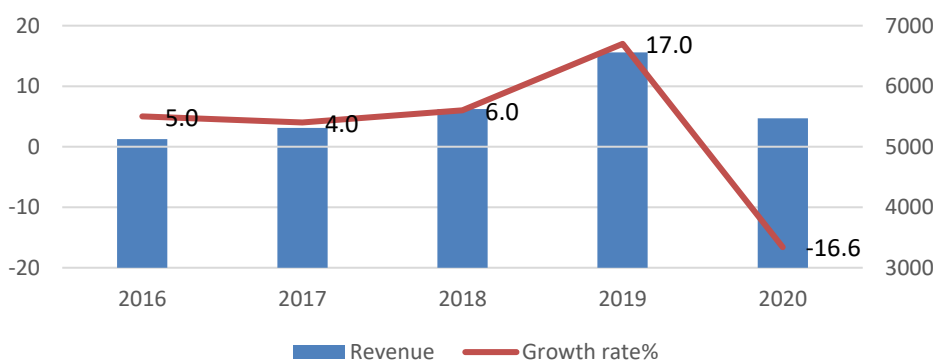
Consumption

MY21/22 food consumption of vegetable oil is forecast at 36 MMT, up 1.4 percent compared to the previous year. Steady GDP and population growth, rapid urbanization, and increasing rural consumption have pushed up demand for vegetable oil over the last decade. Based on robust vegetable oil imports along with soybean imports for crush, China's per capita vegetable oil consumption is expected to surpass 25 kg in MY20/21, higher than comparable markets such as Taiwan and Korea due to consumer dietary preferences. In addition, the Chinese government is expected to maintain its strategic vegetable oil reserve, although information about the volume of the reserve is not publicly available.

Vegetable oil use is mainly driven by a growing food service sector. Restaurant closures during the COVID-19 outbreak resulted in a significant fall in food service revenue for 2020. However, official data indicate that by the last quarter of 2020, revenue had begun to show moderate growth as compared to the same period of 2019. This growing trend is expected to continue in 2021 and beyond.

Chart 8 - China's Food Service Industry Revenue Plummeted in 2020

(Right: 2016 to 2020 – RMB billion; Left: YOY change%)



Source: NSB; 2020 data is calculated based on NBS YoY growth rate at -16.6%

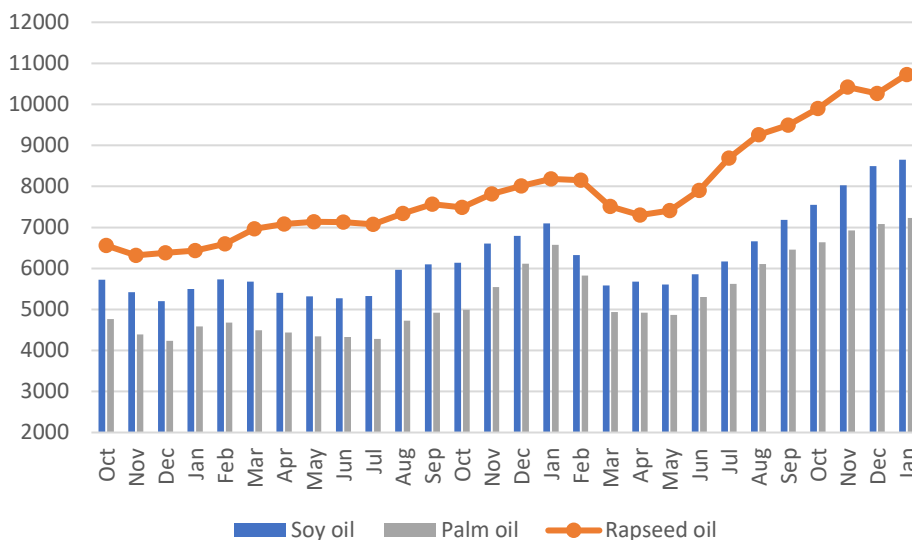
China's food processing industry will also be a driving force for vegetable oil consumption in the coming years. Far below the world average, China's per capita consumption of baked food has room to grow. Bakery revenue continued double digit growth in 2020 and exceeded RMB260 billion in 2020, up 12 percent from 2019. Industry sources believe that this will be a sustained trend over the next several years while consumer demand reaches its potential. Additionally, along with diversified and upgraded products, a steady recovery of instant noodle production continues to use palm oil. Due to a price advantage, palm oil is also widely blended with other oils for retail and restaurant use.

Vegetable oil for feed use is a significant part of overall vegetable oil demand, including some palm oil, but mainly soybean oil due its ready availability in feed manufacturing areas. Feed use vegetable oil is forecast to account for 1 MMT in MY21/22, although the figure could be even higher. The inclusion rate of vegetable oil in feed has been bolstered by heightened enforcement since about 2016 of a government ban on the use of waste oil in feed, as well as a decline in the supply of pig lard for feed use due to plummeting pork production from ASF. While industry sources report an increase in the use of soybean, palm, and other vegetable oils for feed

production, the volume is difficult to quantify because the inclusion rate varies widely among feed mills and feed varieties and is impacted by the fluctuating prices of oil and other feed ingredients. One feed industry analyst estimated 2 MMT of vegetable oil was added to feed in 2019 and up to 2.7 MMT was used for feed in 2020.

Prices for major vegetable oils increased rapidly in 2020 (see Tables 25-27), which may impact consumption growth in the short term.

Chart 9 – Wholesale Prices for Major Vegetable Oils Increased in 2020
(MY18/19 to Jan of MY20/21 – Monthly Average: RMB/ton)



Source: China JCI Consulting Co.

Trade

MY21/22 total oil imports are forecast at 10.9 MMT, down slightly from an estimated 11 MMT in MY20/21, based on increased soybean crush in MY20/21 and MY21/22.

Palm oil remains China’s number one vegetable oil import due to stable demand, the lack of domestic production, and a price advantage. Imports of palm oil are forecast at 6.6 MMT in MY21/22, a slight increase over Post’s revised estimate of 6.55 MMT in MY20/21 based on recovering demand following the COVID-related restaurant closures offset by robust domestic vegetable oil production. Local industry sources expect palm oil production in both Malaysia and Indonesia to be higher in 2021 than the year before, for a combined gain of about 1.3 MMT.

In general, China produces sufficient soybean oil, rapeseed oil, and peanut oil to meet demand. Rapeseed oil imports have grown over the past two years, exceeding 1.9 MMT in MY19/20 when imports of Canadian rapeseed were down due to trade frictions. Imports of sunflower seed oil, mainly from Ukraine and Russia, and peanut oil are also rising due to consumer demand for more diversified basket of vegetable oils.

Due to strong sunflower seed oil imports offsetting an 11 percent fall of palm oil imports, total vegetable oil imports in the first 3 months of MY20/21 remain basically unchanged from the previous year.

Total Oilseeds, Total Meal, and Total Oil Production, Supply, and Distribution (PSD) Tables

Table 1. Total Oilseeds

PSD Table						
Country	China, Peoples Republic of					
Commodity	Total Oilseeds (1000 tons; 1000Ha)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Area Planted		24,268		24,974		25,040
Area Harvested	25,216	24,268	25,616	24,974		25,040
Beginning Stocks	20,743	20,743	28,170	27,005		28,561
Production	63,034	59,784	64,965	61,550		61,720
MY Imports	102,712	102,712	104,300	103,165		104,275
TOTAL SUPPLY	186,489	183,239	197,435	191,720		194,556
MY Exports	1,143	1,143	1,050	1,050		1,100
Crush Dom. Cons.	128,079	125,594	135,300	132,364		134,245
Food Use Dom. Cons.	21,585	22,100	22,625	22,285		22,440
Feed,Seed,Waste Dom.Cons.	7,512	7,392	8,315	7,460		7,570
TOTAL Dom. Consumption	157,176	155,086	166,240	162,109		164,255
Ending Stocks	28,170	27,005	30,145	28,561		29,201
TOTAL DISTRIBUTION	186,489	183,234	197,435	191,720		194,556

Table 2. Total Meal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Total Meal (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	129,179	126,594	136,400	133,364		135,245
Extr. Rate, 999.9999						
Beginning Stocks	0	0	0	0		
Production	90,976	89,656	96,824	94,957		96,376
MY Imports	5,595	5,595	4,590	4,680		4,580
TOTAL SUPPLY	96,571	95,251	101,414	99,637		100,956
MY Exports	1,040	1,040	1,030	1,025		1,020
Industrial Dom. Cons.	1,915	1,845	1,937	1,850		1,928
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	93,616	92,366	98,447	96,762		98,008
TOTAL Dom. Consumption	95,531	94,211	100,384	98,612		99,936
Ending Stocks	0	0	0	0		0
TOTAL DISTRIBUTION	96,571	95,251	101,414	99,637		100,956

Table 3. Total Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Total Oils (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	128,079	125,594	135,300	132,364		134,245
Extr. Rate, 999.9999						
Beginning Stocks	2,019	2,019	2,250	2,513		2,584
Production	27,632	27,117	28,859	28,356		28,783
MY Imports	11,782	11,782	11,630	10,960		10,880
TOTAL SUPPLY	41,433	40,918	42,739	41,829		42,252
MY Exports	209	209	199	249		237
Industrial Dom. Cons.	2,350	2,350	2,400	2,450		2,500
Food Use Dom. Cons.	36,624	34,946	37,900	35,546		36,046
Feed Waste Dom. Cons.	0	900	0	1,000		1,000
TOTAL Dom. Consumption	38,974	38,196	40,300	38,996		39,546
Ending Stocks	2,250	2,513	2,240	2,584		2,469
TOTAL DISTRIBUTION	41,433	40,918	42,739	41,829		42,252

Oilseeds PSD Tables

Table 4. Soybeans

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oilseed, Soybean (1000 tons; 1000 Ha)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Area Planted		9,000		9,500		9,500
Area Harvested	9,300	9,000	9,866	9,500		9,500
Beginning Stocks	19,455	19,455	26,798	25,898		27,198
Production	18,100	17,300	19,600	18,500		18,600
MY Imports	98,533	98,533	100,000	99,000		100,000
Total Supply	136,088	135,288	146,398	143,398		145,798
MY Exports	90	90	100	100		100
Crush	91,500	91,000	99,000	97,500		99,000
Food Use Dom. Cons.	13,400	13,900	14,200	14,100		14,200
Feed Waste Dom. Cons.	4,300	4,400	4,500	4,500		4,600
Total Dom. Cons.	109,200	109,300	117,700	116,100		117,800
Ending Stocks	26,798	25,898	28,598	27,198		27,898
Total Distribution	136,088	135,288	146,398	143,398		145,798

Table 5. Rapeseed

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oilseed, Rapeseed (1000 tons;1000 Ha)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Area Planted		6,500		6,680		6,700
Area Harvested	6,583	6,500	6,650	6,680		6,700
Beginning Stocks	1,195	1,195	1,253	1,003		1,253
Production	13,485	13,100	13,200	13,500		13,500
MY Imports	2,558	2,558	3,000	2,900		3,000
Total Supply	17,238	16,853	17,453	17,403		17,753
MY Exports	0	0	0	0		0
Crush	15,485	15,300	15,500	15,600		16,000
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	500	550	550	550		560
Total Dom. Cons.	15,985	15,850	16,050	16,150		16,560
Ending Stocks	1,253	1,003	1,403	1,253		1,193
Total Distribution	17,238	16,853	17,453	17,403		17,753

Table 6. Peanuts

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oilseed, Peanut (1000 tons; 1000 Ha)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Area Planted	4,633	4,633	4,600	4,710		4,750
Area Harvested	4,633	4,633	4,600	4,710		4,750
Beginning Stocks	0	0	0	0		0
Production	17,520	17,520	17,500	17,600		17,700
MY Imports	1,350	1,350	1,000	1,000		1,000
Total Supply	18,870	18,870	18,500	18,600		18,700
MY Exports	553	553	500	500		550
Crush	9,900	9,950	9,350	9,800		9,800
Food Use Dom. Cons.	7,220	7,270	7,450	7,250		7,300
Feed Waste Dom. Cons.	1,197	1,097	1,200	1,050		1,050
Total Dom. Cons.	18,317	18,317	18,000	18,100		18,150
Ending Stocks	0	0	0	0		0
Total Distribution	18,870	18,870	18,500	18,600		18,700

Table 7. Sunflower Seed

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oilseed, Sunflower seed (1000 tons; 1000 Ha)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Area Planted	1,250	915	1,250	964		970
Area Harvested	1,250	915	1,250	964		970
Beginning Stocks	93	93	119	104		110
Production	3,250	2,664	3,300	2,600		2,620
MY Imports	266	266	250	250		260
Total Supply	3,609	3,023	3,669	2,954		2,990
MY Exports	500	500	450	450		450
Crush	1,875	1,389	1,950	1,349		1,380
Food Use Dom. Cons.	965	930	975	935		940
Feed Waste Dom. Cons.	150	100	150	110		110
Total Dom. Cons.	2,990	2,419	3,075	2,394		2,430
Ending Stocks	119	104	144	110		110
Total Distribution	3,609	3,023	3,669	2,954		2,990

Table 8. Cottonseed

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oilseed, Cottonseed (1000 tons; 1000 Ha)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Area Planted (Cotton)	3,450	3,220	3,350	3,120		3,120
Area Harvested (Cotton)	3,450	3,220	3,250	3,120		3,120
Seed to Lint Ratio	0	0	0	0		0
Beginning Stocks	0	0	0	0		0
Production	10,679	9,200	11,365	9,350		9,300
MY Imports	5	5	50	15		15
Total Supply	10,684	9,205	11,415	9,365		9,315
MY Exports	0	0	0	0		0
Crush	9,319	7,955	9,500	8,115		8,065
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	1365	1245	1915	1250		1,250
Total Dom. Cons.	10684	9200	11415	9365		9,315
Ending Stocks	0	0	0	0		0
Total Distribution	10684	9200	11415	9365		9,315

Meal PSD Tables

Table 9. Soybean Meal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meal, Soybean (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	91,500	91,000	99,000	97,500		99,000
Extr. Rate, 999.9999	0.792	0.792	0.792	0.792		0.792
Beginning Stocks	0	0	0	0		0
Production	72,468	72,080	78,408	77,220		78,408
MY Imports	51	51	15	20		20
Total Supply	72,519	72,131	78,423	77,240		78,428
MY Exports	1,012	1,012	1,000	1,000		1,000
Industrial Dom. Cons.	1,240	1,250	1,250	1,250		1,328
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	70,267	69,869	76,173	74,990		76,100
Total Dom. Cons.	71,507	71,119	77,423	76,240		77,428
Ending Stocks	0	0	0	0		0
Total Distribution	72,519	72,131	78,423	77,240		78,428

Table 10. Rapeseed Meal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meal, Rapeseed (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	15,485	15,300	15,500	15,600		16,000
Extr. Rate, 999.9999	0.590	0.590	0.590	0.590		0.590
Beginning Stocks	0	0	0	0		0
Production	9,138	9,028	9,147	9,204		9,440
MY Imports	1,910	1,910	1,600	1,600		1,500
Total Supply	11,048	10,938	10,747	10,804		10,940
MY Exports	14	14	15	10		10
Industrial Dom. Cons.	473	450	475	450		450
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	10,561	10,474	10,257	10,344		10,480
Total Dom. Cons.	11,034	10,924	10,732	10,794		10,930
Ending Stocks	0	0	0	0		0
Total Distribution	11,048	10,938	10,747	10,804		10,940

Table 11. Peanut Meal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meal, Peanut (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	9,900	9,950	9,350	9,800		9,800
Extr. Rate, 999.9999	0.40	0.40	0.40	0.40		0.40
Beginning Stocks	0	0	0	0		0
Production	3,960	3,980	3,740	3,920		3,920
MY Imports	123	123	100	90		90
Total Supply	4,083	4,103	3,840	4,010		4,010
MY Exports	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	4,083	4,103	3,840	4,010		4,010
Total Dom. Cons.	4,083	4,103	3,840	4,010		4,010
Ending Stocks	0	0	0	0		0
Total Distribution	4,083	4,103	3,840	4,010		4,010

Table 12. Sunflower Seed Meal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meal, Sunflower seed (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	1,875	1,389	1,950	1,349		1,380
Extr. Rate, 999.9999	0.545	0.545	0.545	0.545		0.545
Beginning Stocks	0	0	0	0		0
Production	1,022	757	1,063	735		752
MY Imports	2,052	2,052	1,400	1,500		1,500
Total Supply	3,074	2,809	2,463	2,235		2,252
MY Exports	14	14	15	15		10
Industrial Dom. Cons.	62	0	62	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	2,998	2,795	2,386	2,220		2,242
Total Dom. Cons.	3,060	2,795	2,448	2,220		2,242
Ending Stocks	0	0	0	0		0
Total Distribution	3,074	2,809	2,463	2,235		2,252

Table 13. Cottonseed Meal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meal, Cottonseed (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	9,319	7,955	9,500	8,115		8,065
Extr. Rate, 999.9999	0.433	0.433	0.433	0.433		0.433
Beginning Stocks	0	0	0	0		0
Production	4,038	3,447	4,116	3,514		3,492
MY Imports	29	29	25	20		20
Total Supply	4,067	3,476	4,141	3,534		3,512
MY Exports	0	0	0	0		0
Industrial Dom. Cons.	140	145	150	150		150
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	3,927	3,331	3,991	3,384		3,362
Total Dom. Cons.	4,067	3,476	4,141	3,534		3,512
Ending Stocks	0	0	0	0		0
Total Distribution	4,067	3,476	4,141	3,534		3,512

Table 14. Fish Meal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meal, Fish (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		1/2019		1/2020		1/2021
Catch for Reduction	1,100	1,000	1,100	1,000	0	1,000
Extr. Rate, 999.9999	0.318	0.364	0.318	0.364	0	0.364
Beginning Stocks	0	0	0	0	0	0
Production	350	364	350	364	0	364
MY Imports	1,430	1,430	1,450	1,450	0	1,450
Total Supply	1,780	1,794	1,800	1,814	0	1,814
MY Exports	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,780	1,794	1,800	1,814	0	1,814
Total Dom. Cons.	1,780	1,794	1,800	1,814	0	1,814
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,780	1,794	1,800	1,814	0	1,814

Oil PSD Tables

Table 15. Soybean Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Soybean (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	91,500	91,000	99,000	97,500		99,000
Extr. Rate, 999.9999	0.179	0.179	0.179	0.179		0.179
Beginning Stocks	501	501	650	556		828
Production	16,397	16,310	17,741	17,472		17,740
MY Imports	1,000	1,000	1,100	900		700
Total Supply	17,898	17,811	19,491	18,928		19,268
MY Exports	155	155	150	200		200
Industrial Dom. Cons.	0	0	0	0		
Food Use Dom. Cons.	17,093	16,200	18,691	16,900		17,250
Feed Waste Dom. Cons.	0	900	0	1,000		1,000
Total Dom. Cons.	17,093	17,100	18,691	17,900		18,250
Ending Stocks	650	556	650	828		818
Total Distribution	17,898	17,811	19,491	18,928		19,268

Table 16. Rapeseed Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Rapeseed (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	15,485	15,300	15,500	15,600		16,000
Extr. Rate, 999.9999	0.390	0.390	0.390	0.390		0.390
Beginning Stocks	1,271	1,271	1,100	1,274		1,053
Production	6,039	5,967	6,045	6,084		6,240
MY Imports	1,940	1,940	1,700	1,600		1,600
Total Supply	9,250	9,178	8,845	8,958		8,893
MY Exports	4	4	5	5		5
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	8,146	7,900	7,700	7,900		7,900
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	8,146	7,900	7,700	7,900		7,900
Ending Stocks	1,100	1,274	1,140	1,053		988
Total Distribution	9,250	9,178	8,845	8,958		8,893

Table 17. Peanut Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Peanut (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	9,900	9,950	9,350	9,800		9,800
Extr. Rate, 999.9999	0.320	0.320	0.320	0.320		0.320
Beginning Stocks	0	0	0	0		0
Production	3,168	3,184	2,992	3,136		3,136
MY Imports	226	226	250	200		220
Total Supply	3,394	3,410	3,242	3,336		3,356
MY Exports	12	12	10	10		10
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	3,382	3,398	3,232	3,326		3,346
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	3,382	3,398	3,232	3,326		3,346
Ending Stocks	0	0	0	0		0
Total Distribution	3,394	3,410	3,242	3,336		3,356

Table 18. Cotton Seed Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Cottonseed (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	9,319	7,955	9,500	8,115		8,065
Extr. Rate, 999.9999	0.146	0.146	0.146	0.146		0.145
Beginning Stocks	0	0	0	0		0
Production	1,356	1,158	1,382	1,181		1,173
MY Imports	0	0	0	0		0
Total Supply	1,356	1,158	1,382	1,181		1,173
MY Exports	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	1,354	1,156	1,380	1,179		1,171
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	1,354	1,156	1,380	1,179		1,171
Ending Stocks	0	0	0	0		0
Total Distribution	1,356	1,158	1,382	1,181		1,173

Table 19. Sunflower Seed Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Sunflower Seed (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	1,875	1,389	1,950	1,349		1,380
Extr. Rate, 999.9999	0.358	0.359	0.359	0.358		0.358
Beginning Stocks	0	0	0	0		0
Production	672	498	699	483		494
MY Imports	1,749	1,749	1,500	1,550		1,600
Total Supply	2,421	2,247	2,199	2,033		2,094
MY Exports	3	3	2	2		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	2,418	2,244	2,197	2,031		2,094
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	2,418	2,244	2,197	2,031		2,094
Ending Stocks	0	0	0	0		0
Total Distribution	2,421	2,247	2,199	2,033		2,094

Table 20. Palm Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Palm (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Area Planted	0	0	0	0		0
Area Harvested	0	0	0	0		0
Trees	0	0	0	0		0
Beginning Stocks	247	247	500	683		703
Production	0	0	0	0		0
MY Imports	6,719	6,719	6,900	6,550		6,600
Total Supply	6,966	6,966	7,400	7,233		7,303
MY Exports	33	33	30	30		20
Industrial Dom. Cons.	2,350	2,350	2,400	2,450		2,500
Food Use Dom. Cons.	4,083	3,900	4,520	4,050		4,120
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	6,433	6,250	6,920	6,500		6,620
Ending Stocks	500	683	450	703		663
Total Distribution	6,966	6,966	7,400	7,233		7,303

Table 21. Coconut Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Coconut (1000 tons)					
	2019/20		2020/21		2021/22	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2019		10/2020		10/2021
Crush	0	0	0	0		0
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	0	0	0	0		0
Production	0	0	0	0		0
MY Imports	148	148	180	160		165
Total Supply	148	148	180	160		165
MY Exports	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	148	148	180	160		165
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	148	148	180	160		165
Ending Stocks	0	0	0	0		0
Total Distribution	148	148	180	160		165

Soybean Product & Palm Oil Wholesale Price Tables

Table 22. Nation Average Soybean Wholesale Prices CY2017 to CY2020

Year/Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change %
2017	3,739	3,738	3,730	3,670	3,629	3,643	3,646	3,629	3,625	3,626	3,604	3,608	-3.5%
2018	3,525	3,512	3,472	3,509	3,520	3,521	3,512	3,511	3,540	3,573	3,578	3,573	+1.4%
2019	3,535	3,497	3,381	3,364	3,384	3,421	3,446	3,490	3,535	3,504	3,512	3,512	-0.7%
2020	3,495	3,522	3,653	3,950	3,929	4,021	4,291	4,361	4,390	4,225	4,332	4,417	+26.4%

Table 23. Heilongjiang/Harbin Soybean Wholesale Prices CY2017 to CY2020

Year/	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2017	3,760	3,750	3,686	3,625	3,625	3,630	3,645	3,620	3,620	3,600	3,600	3,600	-4.3%
2018	3,520	3,520	3,420	3,420	3,410	3,420	3,428	3,433	3,502	3,533	3,550	3,540	+0.6%
2019	3,436	3,400	3,360	3,350	3,398	3,482	3,550	3,555	3,596	3,468	3,460	3,510	+2.2%
2020	3,619	3,685	3,959	4,591	4,600	4,850	5,150	5,133	5,120	4,612	4,805	5,000	+38.2%

Table 24. Wholesale Soybean Meal Prices in CY2017 and CY2020

Year/ Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change %
2017	3,376	3,276	3,160	3,016	2,952	2,740	2,899	2,883	2,898	3,023	3,050	3,085	-8.6%
2018	3,005	3,007	3,219	3,336	3,097	3,003	3,110	3,238	3,355	3,658	3,379	3,126	+4%
2019	2,933	2,790	2,596	2,798	3,005	2,862	2,971	3,060	3,184	3,114	2,958	2,958	+0.9%
2020	2,818	2,869	3,054	3,168	2,842	2,779	2,976	2,968	3,092	3,341	3,298	3,232	+14.7%

Table 25. Wholesale Soybean Oil (Grade 1) Prices in CY2017 and CY2020

Year/ Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2017	7,275	7,079	6,554	5,904	5,906	5,867	6,084	6,233	6,372	6,134	6,045	5,764	-20.8%
2018	5,705	5,635	5,739	5,832	5,746	5,592	5,493	5,640	5,753	5,724	5,418	5,202	-8.8%
2019	5,500	5,731	5,675	5,404	5,316	5,276	5,325	5,965	6,097	6,141	6,610	6,791	+23.5%
2020	7,100	6,322	5,588	5,681	5,607	5,855	6,168	6,660	7,185	7,552	8,029	8,497	+19.7%

Table 26. Wholesale Palm Oil Prices CY 2017 and CY2020

Year/ Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2017	6,607	6,391	5,987	5,743	5,778	5,751	5,748	5,740	5,821	5,802	5,658	5,261	-20.4%
2018	5,242	5,171	5,159	5,110	5,103	4,887	4,747	4,825	4,828	4,762	4,391	4,231	-19.3%
2019	4,588	4,682	4,492	4,440	4,344	4,329	4,278	4,729	4,919	4,995	5,542	6,111	+33.2%
2020	6,573	5,828	4,934	4,923	4,868	5,302	5,626	6,105	6,458	6,641	6,926	7,079	+7.7%

Table 27. Comparison of Wholesale Prices for Grade 1-Soy Oil and Palm Oil in CY2020

Unit: RMB Yuan/MT; 2020 Exchange Rate: RMB6.9 =US\$1.0												
CY2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Soybean Oil	7,100	6,322	5,588	5,681	5,607	5,855	6,168	6,660	7,185	7,552	8,029	8,497
Palm Oil	6,573	5,828	4,934	4,923	4,868	5,302	5,626	6,105	6,458	6,641	6,926	7,079
Diff % Palm vs Soy Oil	-7.4%	-7.8%	-11.7%	-13.3%	-13.2%	-9.4%	-8.8%	-8.3%	-10.1%	-12.1%	-13.7%	-16.7%
Average palm oil price is 11% lower than G1 soy oil in CY2020 compared to the 18% lower in CY2019 and 13% lower in CY2018.												

Source: All wholesale prices are based on China JCI Consulting Co.

Taxes & Duties Tables (Jan 01-Dec 31, 2021)

Table 28. Oilseeds

HS Code	Description	M.F.N. (%)	Additional Duty for U.S.	VAT Rate%	ED Rate %
Seed					
12011000	Soybeans, seed	0	5	9	
12019010	Yellow soybean	3	30.5	9	
12019020	Black soybean	3	28	9	
12019030	Green soybean	3	8	9	
12019090	Other soybean	3	8	9	
12023000	In shell peanut, seed	0	5	9	
12024100	In shell peanut, other	15	25	9	
12024200	Shelled peanut	15	40	9	
12040000	Linseed	5	27.5	13	13
20081110	Peanut kernels, in airtight containers	5	27.5	13	13
20081120	Roasted peanuts	5	20	13	13
20081130	Peanut butter	5	20	13	13
20081190	Other processed peanuts	5	30	13	9 or 13*
12051010	Low erucic acid rape seed, seed	0	5	9	
12051090	Low erucic acid rape seed, other	9	14	9	
12059010	Other rapeseed, seed	0	5	9	
12059090	Other rapeseed, other	9	14	9	9
12060010	Sunflower seeds, seed	0	5	9	9
12060090	Sunflower seeds, other	15	20	9	9
12072100	Cottonseeds for cultivation	0	5	9	9
12072900	Cottonseeds, other	15	20	9	9
12074010	Sesame seeds for cultivation	0	5	9	9
12074090	Sesame seeds, other	10	15	9	9

Note: Note: VAT – Value Added Tax Rate; ED – Export Drawback Rate (full or partial VAT refund upon export)

Table 29. Oils

HS Code	Description	M.F.N. (%)	Additional Duty for U.S.	VAT Rate%	ED Rate %
Oil					
15071000	Crude soybean oil	9	34	9	
15079000	Other soybean oil	9	34	9	
15081000	Crude peanut oil	10	35	9	
15089000	Other peanut oil	10	35	9	
15091000	Olive Oil, virgin	10	35	9	
15099000	Olive oil, other	10	35	13	
15111000	Palm oil, crude	9	14	9	
15119010	Palm oil, liquid	9	14	9	
15119020	Stearin	8	9 or 13*	9	
15119090	Palm oil, other	9	14	13	
15121100	Crude sunflower seed oil	9	34	9	
15121900	Other sunflower seed oil	9	34	13	
15122100	Crude cottonseed oil	10	15	9	
15122900	Other cottonseed oil	10	20	13	
15131100	Crude coconut oil	9	34	9	
15131900	Other coconut oil	9	34	9	
15132100	Crude palm kernel oil	9	14	9	
15132900	Other palm kernel oil	9	14	9	
15141100	Crude low erucic acid rape or colza oil	9	34	9	
15141900	Other crude low erucic acid rape oil	9	14	9	
15149110	Crude rape or colza oil	9	14	9	
15149190	Crude mustard oil	9	14	9	
15149900	Other rape oil	9	34	13	

Note: Note: VAT – Value Added Tax Rate; ED – Export Drawback Rate

Table 30. Meals

HS Code	Description	M.F.N. (%)	Additional Duty for U.S.	VAT Rate%	ED Rate %
Meal					
12081000	Soy flour	9	14	13	
12089000	Other	15	20	13	13
23012010	Fish meal	2	0	0	
23025000	Legume sweepings	5	0	0	
23040010	Soy meal, oil cake	5	13	9	
23040090	Soy meal, other	5	30	9	
23050000	Peanut meal	0**	0	0	
23061000	Cottonseed meal	0**	0	0	9
23062000	Linseed meal	0**	0	0	9
23063000	Sunflower seed meal	0**	5	0	9
23064100	Low erucic acid rapeseed meal	0**	0	0	9
23064900	Other rapeseed meal	0**	5	0	9
23065000	Cake of coconut or copra	0**	5	9	9
23066000	Cake of palm nuts or kernels	0**	5	9	0 or 9*
23069000	Other oilseed cakes	0**	25	9	0 or 9 or 13*
23080000	Vegetable materials and waste, vegetable residues	0**	5	9	0 or 9 or 13*

Note: VAT--Value Added Tax Rate; ED--Export Drawback Rate

* Different rates apply to sub-HS codes with 10 digitals; **Effective on January 1, 2019, tariff was cut to zero from the previous rate at 5%; Additional Note: Additional duty for U.S. can be excluded upon application by traders

Attachments:

No Attachments