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Report Highlights:

Post's 2025 forecast for China's chicken meat production and consumption are up slightly from 2024. Post forecasts chicken imports to decline in 2025 due to increased domestic production and constraints on major supplying countries. Though sanitary and zoosanitary requirements restricting U.S. state access to China remain, demand among the trade for U.S. chicken paws, especially jumbo-sized ones, continues.

EXECUTIVE SUMMARY

Production: Post forecasts chicken meat production in will continue to grow moderately year-over-year in 2025. The growth will mainly come from white broiler as producers respond to demand drivers and as broiler meat would be a substitute for other animal proteins. Yellow broiler production is forecast to stay at levels similar, but slightly below, 2024 estimates.

Consumption: Post forecasts chicken consumption to grow in 2025 due to dietary shifts. With economic headwinds and expected higher pork prices in 2025, Post forecasts some consumers will shift from higher priced pork to lower priced chicken for animal protein demand.

Trade: Post forecasts chicken imports to decline in 2025 due to expected increases in domestic production and constraints or suspensions facing major supplying countries. Chicken exports are forecast to grow in 2025 as China’s poultry meat remains a competitively priced protein in overseas markets.

PRODUCTION

Table 1. China: Production, Supply, and Distribution for Chicken Meat

Meat, Chicken	2023		2024		2025	
Market Begin Year	Jan 2023		Jan 2024		Jan 2025	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
1000 MT						
Beginning Stocks	0	0	0	0	0	0
Production	14800	14800	15000	15000	0	15300
Total Imports	756	756	550	450	0	300
Total Supply	15556	15556	15550	15450	0	15600
Total Exports	554	554	650	660	0	670
Human Consumption	15002	15002	14900	14790	0	14930
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	15002	15002	14900	14790	0	14930
Total Use	15556	15556	15550	15450	0	15600
Ending Stocks	0	0	0	0	0	0
Total Distribution	15556	15556	15550	15450	0	15600

Note: Chicken paws (HS 0207.14.22) are excluded from PSD calculations and trade numbers.

Note: Not official USDA data.

Chicken Production to Grow Moderately

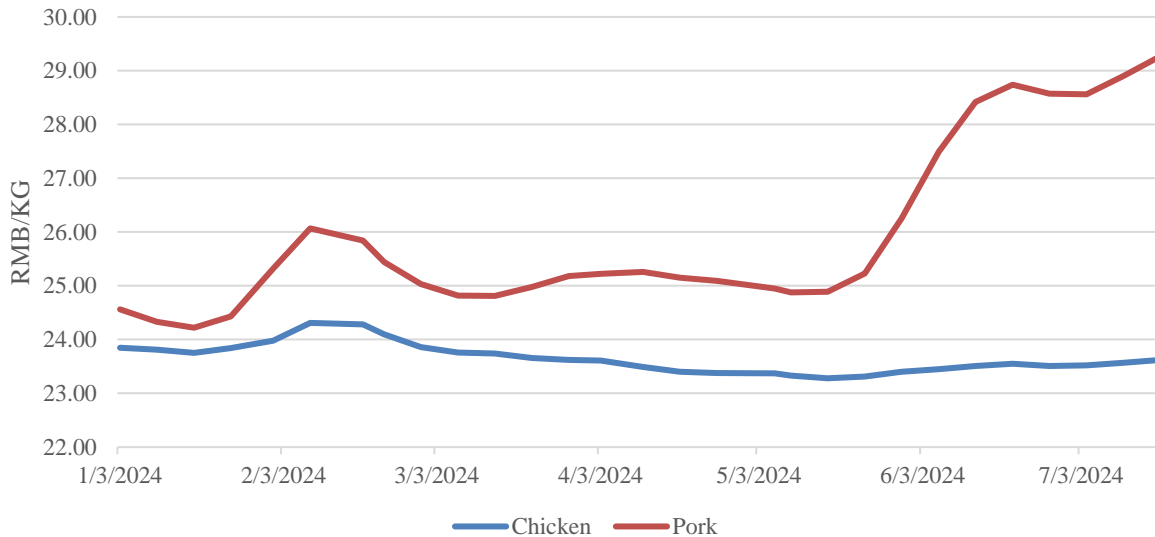
Post forecasts chicken meat production in 2025 to grow at a faster rate than in 2024. The growth will mainly result from industry responding to market signals as producers increase white broiler production and offer it as a more competitively priced protein in relationship to pork. Yellow broiler production is forecast to stay at similar levels to 2024 estimates.

White Broiler Production to Grow Following Pork Production Declines

As white broiler chicken is often a good substitute for pork, producers will likely raise white broiler prices gradually as pork prices have climbed in recent months. As broiler prices climb, some white broiler producers may increase capacity with new facilities or manage operations differently to increase existing capacity utilization.

Chicken prices in the first half of 2024 stayed flat as there was no appreciable demand shift. However, in June 2024, following rising pork prices, chicken prices started trending higher (see **Chart 1**).

Chart 1. China: National Average Chicken & Pork Price¹



Source: MARA

Producers that have plans to expand production will mainly be large-scale, vertically integrated companies. In 2024, some expansion was put into operation while more facilities are scheduled to become operational in 2025 and 2026. These operations are normally part of a vertically integrated business that includes broiler breeding, slaughter, and processing.

Genetics Import Gap Filled by Domestic Breeds

Industry sources indicate the average inventory of grandparent stock² in the first half of 2024 is higher than the same period of 2023. Post expects the higher inventory of grandparent stock in 2024 will enable higher production of white broiler chicken in 2025.

China's production of commercial white broiler chicken partially depends on imported genetics while domestically produced genetics has increased market share. Since 2022, several major poultry genetics

¹ The pork price here refers to the average pork price collected by MARA from monitored traditional markets across China.

² Grandparent stock refers to primary breeding birds whose offspring (parent stock) are the final generation of breeding birds. The offspring of the parent stock become the production birds used to produce chicken meat and other poultry products.

exporting countries, including the United States, notified the PRC of highly pathogenic avian influenza (HPAI) detections. Subsequently, the PRC placed genetic import³ controls on these suppliers. In the first half of 2024, although poultry genetics imports have resumed from some origins, HPAI-related import restrictions on avian genetics remain on several U.S. states.

Due to sanitary and zoosanitary limits on imported genetics, white broiler producers increased the use of domestically produced genetics. According to industry and market signals, it seems that there were higher numbers of grandparent stock available in 2024 and that domestically produced genetics have increased in market share. Domestically produced genetics have a lower per unit price compared to imported genetics. More importantly, the production efficiency of domestically produced genetics is improving. According to media reports, a domestic company developed a domestically produced genetic line named “SZ 901” in 2019. In 2023, this company introduced an improved line, “SZ 901 Plus”, that has a better feed conversion ratio.

MARA Reports Highly Pathogenic Avian Influenza (HPAI) in Wild Birds

MARA reported several HPAI cases in wild birds in the first half of 2024. Post has not received any reports of HPAI cases in commercial broiler operations. However, PRC broiler producers vaccinate flocks for HPAI.

Yellow Broiler Production Decline Bottoming Out

Post forecasts yellow broiler production in 2025 will be nearing the end of its decline and be relatively stable. Yellow broilers previously dominated the market and flocks were maintained with domestic genetics. Due to live poultry market closures⁴ - the major market platform for yellow broiler sales - yellow broiler production has been in decline since 2019 and accounted for less than 30 percent of the market in 2023.

According to industry sources, yellow broiler production continued to decline through the first half of 2024. Though some large-scale producers increased production, a greater number of producers have lowered production or exited the market. Lower production volumes have resulted in higher yellow broilers prices in the first half of 2024. Due to higher yellow broiler prices and lower feed costs (see **Chart 2**), operations have generally become profitable in 2024.

In China, there are three large-scale, publicly traded yellow broiler breeding companies. According to their 2024 semi-annual financial reports, all the three are profitable and one reported almost 200 percent year on year profit growth.

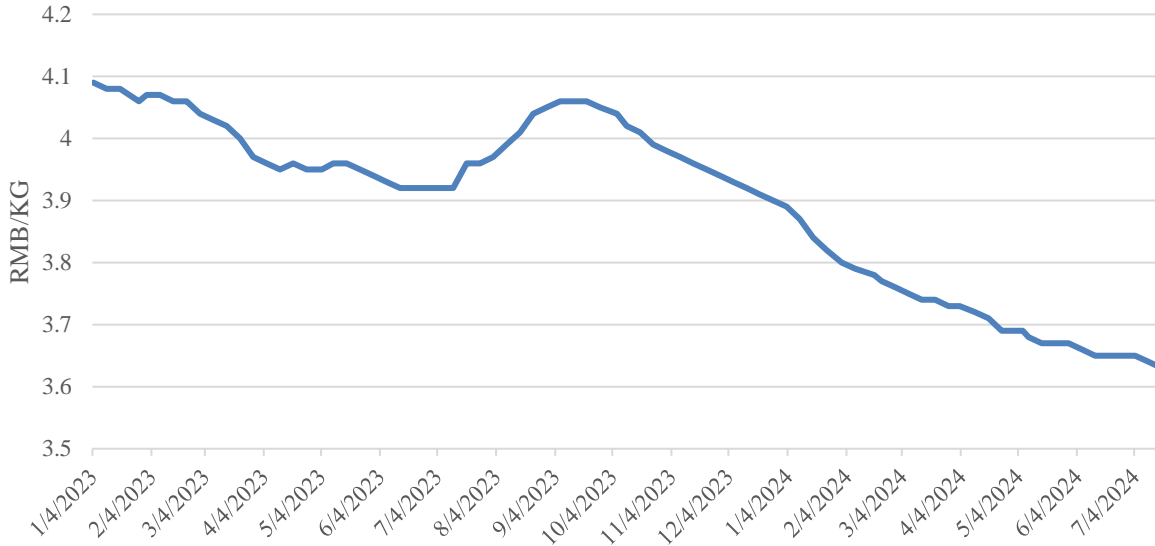
The three large-scale companies continued expanding production while small- and medium-sized yellow broiler producers exited the market. The total market share of the three producers was estimated at 50 percent in 2023 and Post forecasts the overall production of the three producers will continue to expand in 2025. In the second half of 2024, there are more holidays and periods of increased consumption.

³ China Customs data does not distinguish between imported genetics for layers and broilers.

⁴ The government has gradually shut down live poultry markets in recent years. In January 2024, Shanghai announced the suspension of live poultry trade through 2024.

Assuming no outbreaks or shocks to feed prices or large capital expenditures, the companies should remain profitable through 2024 and will continue to gain market share.

Chart 2. China: Broiler Feed Prices



Source: MARA

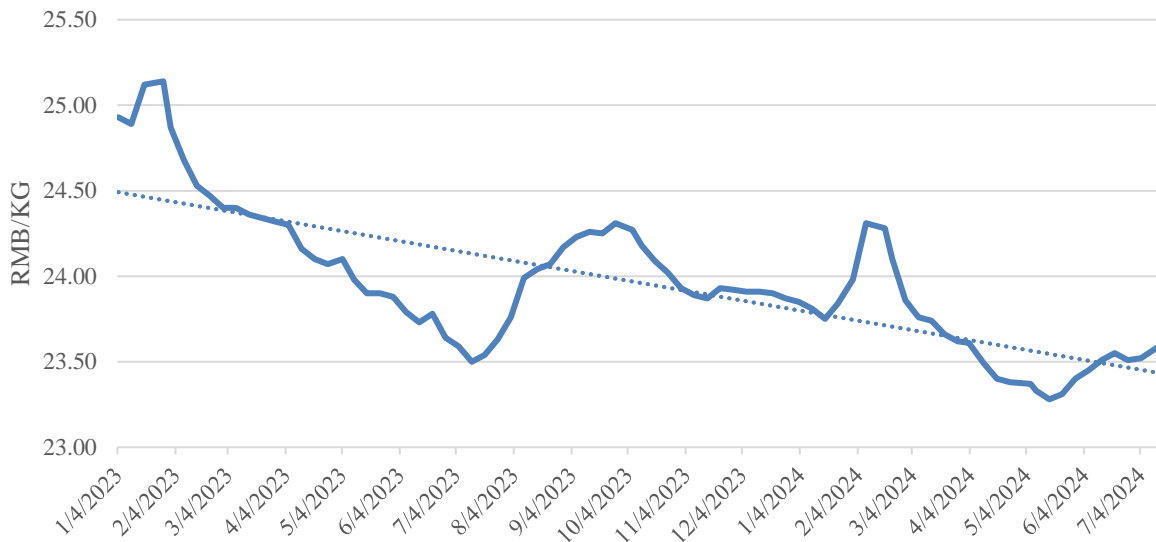
Post forecasts production gains in commercial operations will be offset by shrinking production volumes of numerous smaller producers, resulting in a bottoming out of the decline in total yellow broiler production in 2025. Smaller producers seemingly have lower production efficiencies and increased costs and some challenges meeting environmental regulations. Also, many of the smaller firms reportedly had prolonged losses in 2023 and less financing available to them to weather the difficult market conditions.

2024 Production Estimates Foretell Year over Year Gains

Post increased its estimate of 2024 chicken production primarily on industry’s ability to maintain production volumes using domestic genetics as many foreign suppliers of genetics faced limitations over zoosanitary control measures.

Overall, white broiler chicken prices have declined for the first 5 months of 2024 (see **Chart 3**) but began to rebound since mid-May. Although the PRC doesn’t publish official broiler, only, production numbers, the National Bureau of Statistics (NBS) reported poultry production grew by 5.7 percent in the first half of 2024. The China Feed Industry Association reported that broiler feed production grew by 0.5 percent in the first half of 2024.

Chart 3. China: National Average Chicken Meat Prices



Source: MARA

CONSUMPTION

Higher Consumption from Shifts in Diets

Post forecasts chicken consumption to grow in 2025 due to shifts towards healthier diets. Pork remains a staple, but consumers are increasingly exposed to other animal protein sources such as beef, poultry, and seafood – many of which are perceived as healthier. Over the last 14 years, chicken consumption and pork consumption are generally in reverse trends (see **Chart 4 & 5**) and, in some respect, substitute goods. With economic headwinds and expected higher pork prices in 2025, Post forecasts more consumers to shift to lower priced chicken however, total meat/animal protein consumption may be lower which will curb the overall substitution effect.

Consumption of White Broiler Chicken to Grow in Pre-Prepared Foods

Consumption of white broiler chicken will grow with increasing volumes directed toward the manufacturing of pre-prepared food⁵. White broiler chicken is a major ingredient in pre-prepared meals due to its low cost and flavor adaptability which is becoming increasingly important.

Mid-and-low-income consumers tend to shift to lower-end restaurants such as fast-food restaurants and lower-end chain restaurants. Fast-food restaurants and lower-end chain restaurants normally use pre-prepared food to speed up service and deliver a uniform taste across the same brand. For similar reasons, many lower-end on-line take-out restaurants also use prepared-food to guarantee on time⁶ delivery.

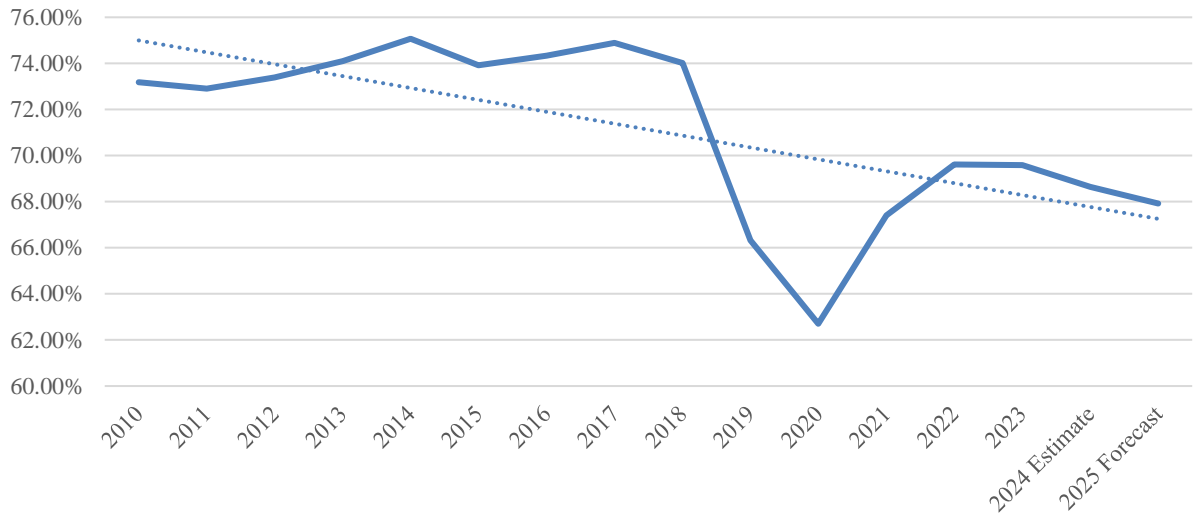
⁵ According to industry sources, approximately 80 percent of pre-prepared food is supplied to the HRI sector and the remaining 20 percent enters retail channels.

⁶ The majority of on-line take-out restaurants promise consumers to get their food in 30 -60 minutes once the order is made on-line. Restaurants that fail to deliver on that will have to face consumers complaints.

Realizing this trend, there are an increasing number of large-scale chicken processors setting up production lines or planning to install production lines for pre-prepared food manufacturing with chicken as a main ingredient.

Another emerging trend is ready-to-eat chicken for fitness-minded consumers. This sector currently is small but growing rapidly with the growing fitness population. White-broiler chicken is often used in this kind of products as it is lower-cost and contains lower fat than yellow broiler chicken. In several applications, white broiler chicken breast may be cooked and ready-to-eat or ready-to-heat as a vacuum-packed sales item that consumer may eat directly or shred for placing on salads, in sandwiches, or eaten directly with other goods. Except in the two above-mentioned sub-sectors, Post does not expect white broiler consumption in the rest of the HRI businesses, cafeterias or at-home dining to grow significantly in 2025.

Chart 4. China: Pork⁷ Consumption Vs. Total Meat Consumption⁸

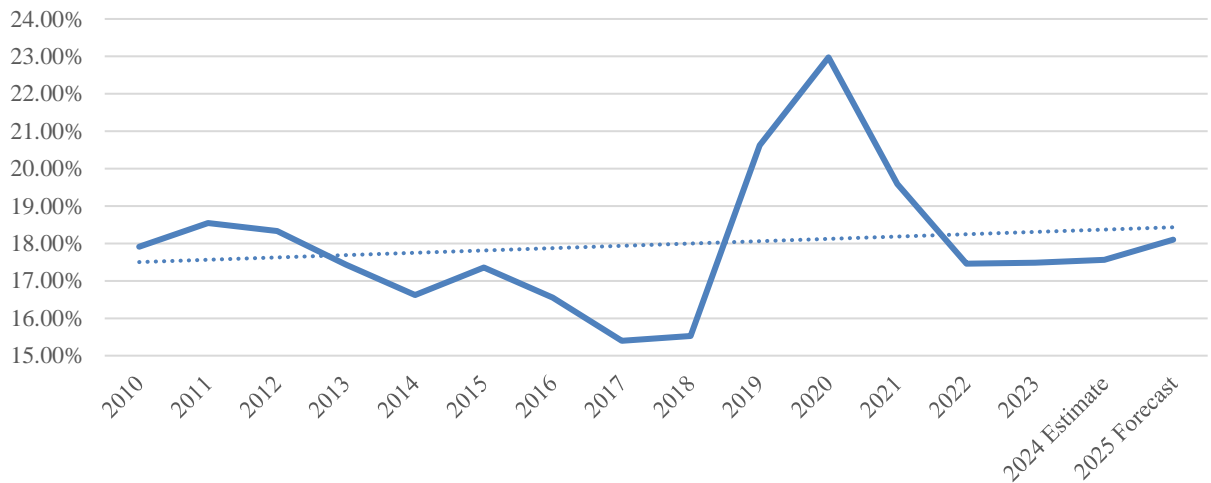


Source: USDA Official Data and Post Estimates

⁷ China’s swine herd experienced a significant ASF outbreak in late 2018 that reduced pork supplies for 3 years and constrained total meat consumption.

⁸ In Chart 5 and Chart 6, 2010-2023 are USDA official numbers, 2024 and 2025 are Post estimates and forecasts.

Chart 5. China: Chicken⁹ Consumption Vs. Total Meat Consumption



Source: USDA Official Data and Post Estimates

Consumption of Yellow Broiler Chicken to Remain Flat

Consumption of yellow broiler chicken will continue to be supported by consumers in the south part of China such as Guangdong Province and Guangxi Zhuang Autonomous Region. Yellow broiler chicken, if not sold live, is normally sold fresh/chilled with short shelf-life (see **Image 1**). Southern China is also the main production area of yellow chicken. Consumers in the north generally are used to consume white broiler chicken.

Image 1. China: Retail: Fresh Yellow Broiler Chicken in Wet Market



Source: FAS China

Consumers in Southern China generally prefer yellow broiler chicken for its perceived special taste and nutritive benefits over white chicken. As yellow chicken is often sold by the carcass, it takes longer to

⁹ China’s swine herd experienced a significant ASF outbreak in late 2018 that reduced pork supplies for 3 years and constrained total meat consumption.

prepare and cook than white broilers. There is a developing trend among young people including young people in Southern China to shift from yellow chicken to white broiler chicken due to its convenience.

Yellow broiler chicken consumption will continue to suffer from the closure of live poultry markets as consumers prefer purchasing live or just-slaughtered yellow broilers. As mentioned in the production section, production of yellow broiler chicken continues to decline but supply and demand are reaching equilibrium as the production decline bottoms out. Post forecasts yellow chicken consumption in 2025 will be at similar levels to 2024.

Post revised downward the estimate of 2024 chicken consumption due to the slow market. Industry sources indicated in the first half of 2024, that the chicken inventory in slaughterhouses was at high levels owing to reduced demand in the HRI and retail sectors.

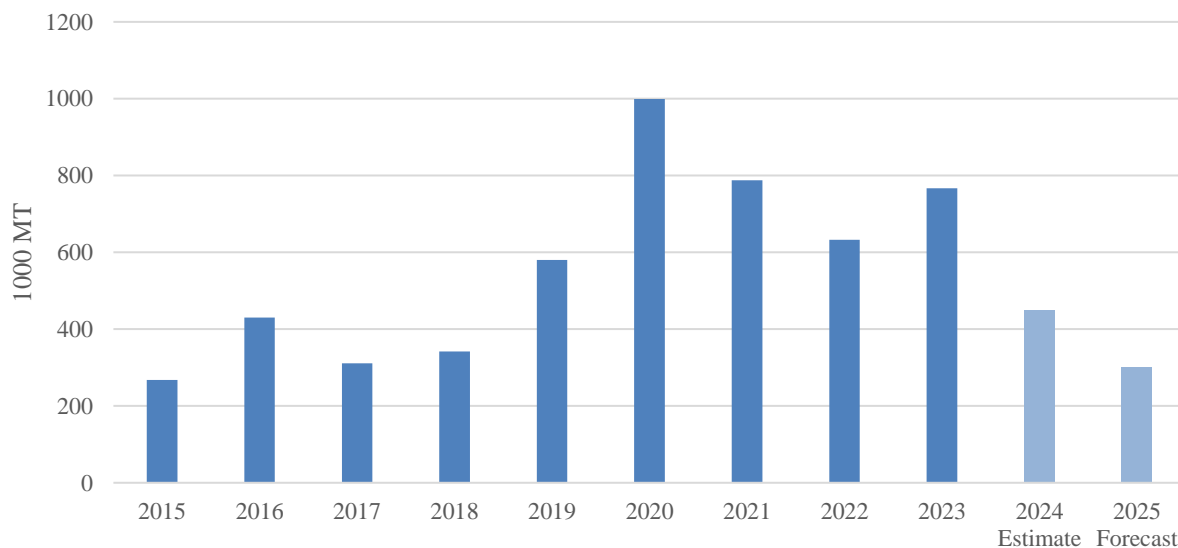
TRADE

Imports

Chicken Imports to Decline Due to Higher Domestic Production

Post forecasts chicken imports to decline in 2025 due to increased domestic production (see **Chart 6**). Imports of white broiler chicken remain a minor share of the country's overall white broiler meat supply and are price sensitive.

Chart 6. China: Imports¹⁰ of Chicken Products



Source: USDA Official Data and Post Estimate and Forecast

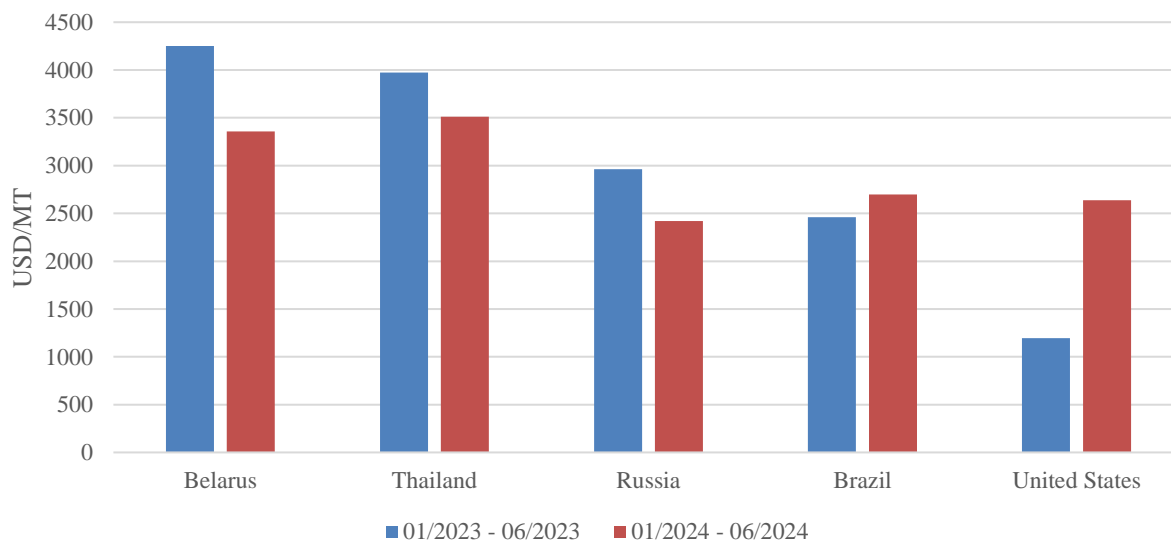
¹⁰ In this report, unless otherwise specified, chicken imports and exports refer to the following HS codes: 020711, 020712, 020713, 020714, and 160232.

Post forecasts chicken import volumes will decline in 2025. Prices of imported chicken are generally lower than domestically produced chicken (see **Chart 3 & 7**) but current policy constraints limiting imports will restrict volumes. Although some consumers reportedly prefer the idea of fresh/chilled chicken that is domestically produced, economic headwinds are shifting some consumers' preference towards cheaper, frozen, imported chicken. In addition, there are certain cuts such as chicken wings and chicken paws¹¹ that remain popular and when domestic supplies are not sufficient, imports will remain strong.

Animal Disease Controls on Supplying Countries Curbs Imports

In addition to increased domestic production, imports have struggled as sanitary and zoosanitary controls limited supplies as major producers battle avian disease issues. China also has imposed trade remedies that create tariff barriers for some suppliers. Chicken product imports mainly originate from Brazil and the United States (see **Chart 8**). The implementation period for anti-dumping duties¹² on imported white-feather broiler products from Brazil expired in February 2024 and products became more price competitive since that time. However, the Brazilian government self-suspended poultry exports to the PRC following a Newcastle Disease detection in July 2024. GACC and MARA jointly published an announcement that, starting from August 2, 2024, it is prohibited to import poultry and related products directly or indirectly from Rio Grande do Sul, Brazil. As of August 7, 2024, neither Brazil nor China has reported its plan to resume poultry trade.

Chart 7. China: Price of Imported Chicken Products



Source: Trade Data Monitor, LLC

¹¹ Chicken paws are not included in the PSD of this report.

¹² According to the Ministry of Commerce Announcement No. 6 of 2019, the implementation period for anti-dumping duties and price commitments on imported white-feather broiler products originating in Brazil, which is five years from February 17th, 2019, expired on February 17, 2024. The anti-dumping measures will cease to be implemented from the date of expiration.

Post's estimates of 2024 imports and forecast for 2025 imports are based on Brazil's suspension that is currently still in place. If Brazil ends its self-suspension, and the PRC announced change to limit poultry imports to be from any other Brazilian location other than Rio Grande do Sul, Post expects imports could move higher.

As of August 2024, the PRC's HPAI-related restrictions remain in place on U.S. poultry meat, poultry meat products, and live poultry for dozens of U.S. states. The PRC generally prohibits poultry imports from facilities in areas situated in or derived from birds processed or slaughtered in areas where there has been an HPAI positive detection. However, heat-treated poultry from U.S. facilities in areas with positive HPAI detections are permitted per the terms negotiated between USDA and PRC counterparts. That said, there has been difficulty getting new facilities registered with GACC to export heat-treated poultry from these areas. Poultry meat and poultry product exporters should verify the status of eligible and ineligible products at the [USDA FSIS Export Library](#) before shipping to China.

As of August 2024, the PRC retains HPAI-related restrictions on poultry meat and poultry meat products from Argentina, Turkey, and Chile.¹³ The three countries, accounted for about 8 percent of the market share in 2022 but this declined to 0 percent through June 2024.

At the end of 2023 and through July 2024, the PRC lifted HPAI-related restrictions on poultry meat and poultry meat products from several countries including Finland and Azerbaijan in December 2023, Kazakhstan in February 2024, Ukraine in April 2024, Spain in May 2024, France¹⁴ and Poland in June 2024, and Belgium in July 2024. Among these countries, only Poland and France have some recorded export or history of exporting to China.

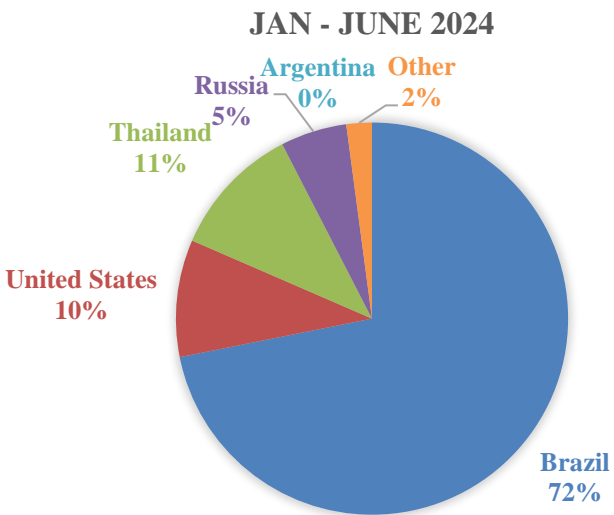
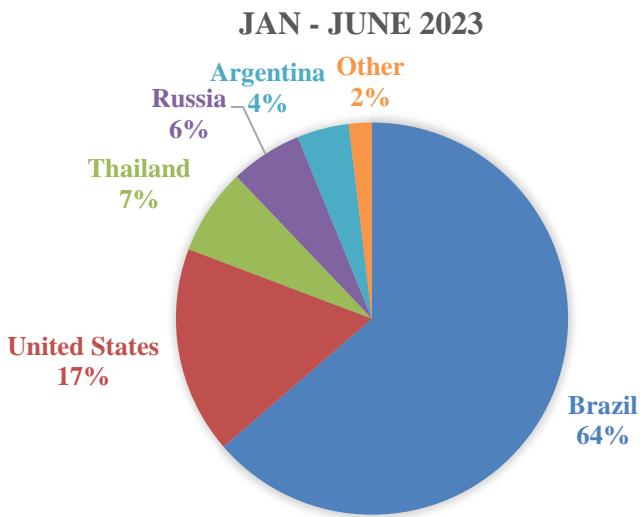
2024 Imports Revised Lower

Post revised its 2024 import estimate downward to 450,000MT which is 100,000 MT lower than the USDA Official estimate due to Brazil's export suspension starting in July 2024. Additionally, trade sources report domestic supplies are abundant. Considering trends, imports in the first half of the year were sharply lower year on year and Post anticipates lower imports due to restrictions on major supplying countries will remain in place. Due to HPAI-restrictions and higher prices (see **Chart 4**), imports from the United States not only in volume, but also in market share, significantly shrank.

¹³ The PRC suspended imports from Turkey and Chile in June 2023 and imports from Argentina in July 2023.

¹⁴ GACC and MARA announced in June 2024 that poultry and poultry products from France that meet the requirements of HPAI regionalization, biosafety isolation, and inspection and quarantine are allowed to be imported into China.

Chart 8. China: Imports of Chicken Products by Origin (Jan – June 2023 Vs. Jan – June 2024)



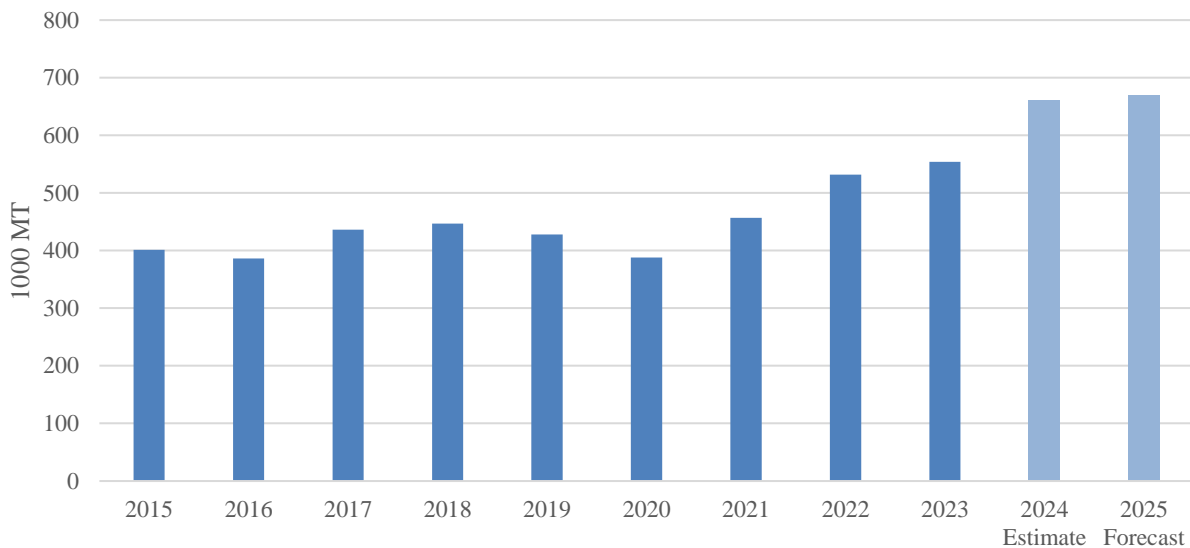
Source: Trade Data Monitor, LLC

Exports

Domestic Demand Constrains Exports

Post forecasts chicken exports to grow in 2025 (see **Chart 9**). PRC poultry meat has some advantages in export markets. As some of China's key poultry meat export markets continue facing economic headwinds, traders expect poultry will remain a competitively priced protein that Chinese companies can export. In addition, traders believe the PRC may also be looking for other export destinations in order to expand and create new markets for processed and frozen chicken products. As such, PRC chicken meat manufacturers may have greater exportable supplies and/or products at competitive prices that may be able to enter overseas markets.

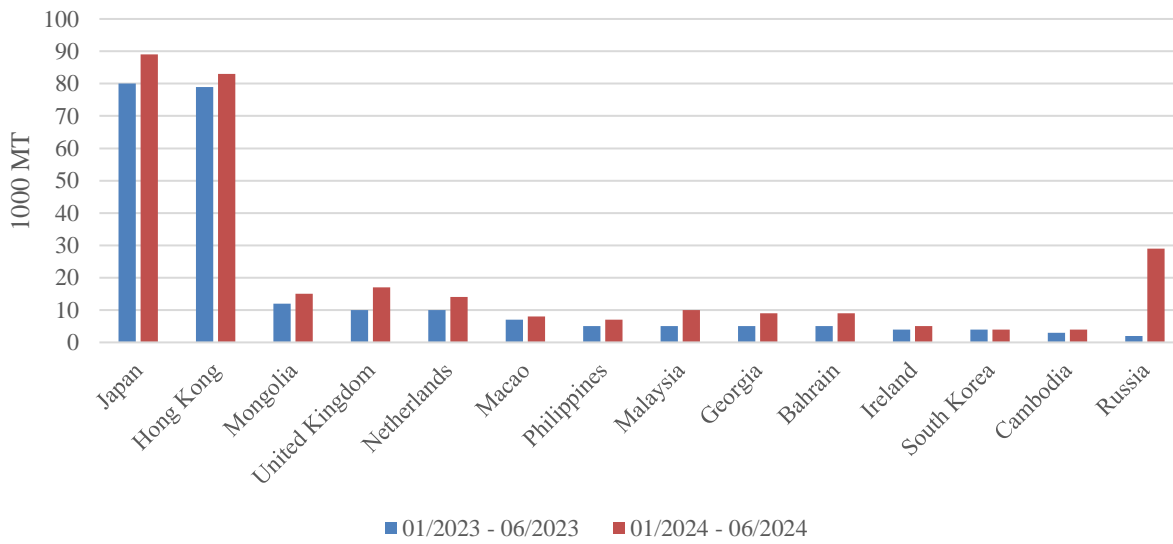
Chart 9. China: Exports of Chicken Products



Source: USDA Official Data and Post Estimate and Forecast

White broiler chicken producers shifted part of their focus to overseas markets when domestic production started climbing while domestic demand stalled. In the first half of 2024, chicken export volumes grew by almost 38 percent, reaching a 10-year-record-high. Both exports of frozen chicken and processed chicken increased. Frozen chicken witnessed the most significant growth: for example, exports of frozen chicken cuts almost doubled; frozen mid-joint wings grew by 143 percent, and almost all exporting destinations witnessed some growth. Among Chinese export destinations, Russia and Japan were the fastest growing destinations in 2024 (see **Chart 10**).

Chart 10. China: Exports of Chicken Products by Major Destinations



Source: Trade Data Monitor, LLC

Japan remains China’s largest chicken meat export destination. China mainly exports processed chicken products to Japan. Some chicken processors indicate higher exports to Japan may be due to Japan’s troubled economy as Japan is otherwise considered a mature market for chicken consumption. Some Chinese exporters indicate that although their export volume to Japan grew significantly, their margins shrank. Export volumes of lower-valued products increased while export volumes of higher value chicken products such as chicken *yakitori* decreased. China previously exported greater volumes of larger-sized packages of processed chicken distributed in Japanese convenient stores. Recently, smaller, individual, vacuum-sealed packages of processed chicken have gained popularity and Chinese exports of these products are deemed convenient and hygienic. Post expects these export trends to extend into 2025.

Russia became China’s third largest chicken export destination in the first half of 2024 off minimal volumes in previous years. The PRC – Russia trade relationship continues to grow according to industry members as supply constraints in Russia continue. According to news reports from the Harbin Customs District in northeastern China, Russia set its import tariff on frozen poultry at zero for calendar year 2024 as the Russian authorities endeavored to stabilize supplies in their domestic market.

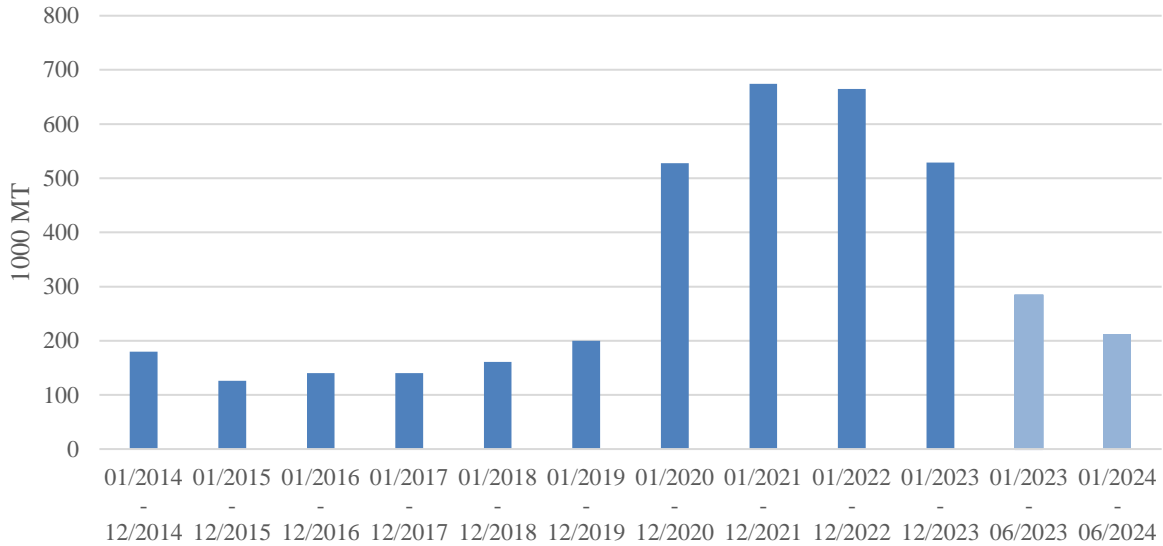
CHICKEN PAWS

China is a large chicken paw consuming country. Domestically produced chicken paw supplies are not sufficient for the domestic market. Post estimates that about half of the chicken paw supply relies on imports.

As yellow broilers are often sold as whole chickens (i.e., with paws) in the retail market, domestically produced chicken paws are largely from white broilers. China’s chicken paw imports are mainly sourced from Brazil, the United States, and Russia.

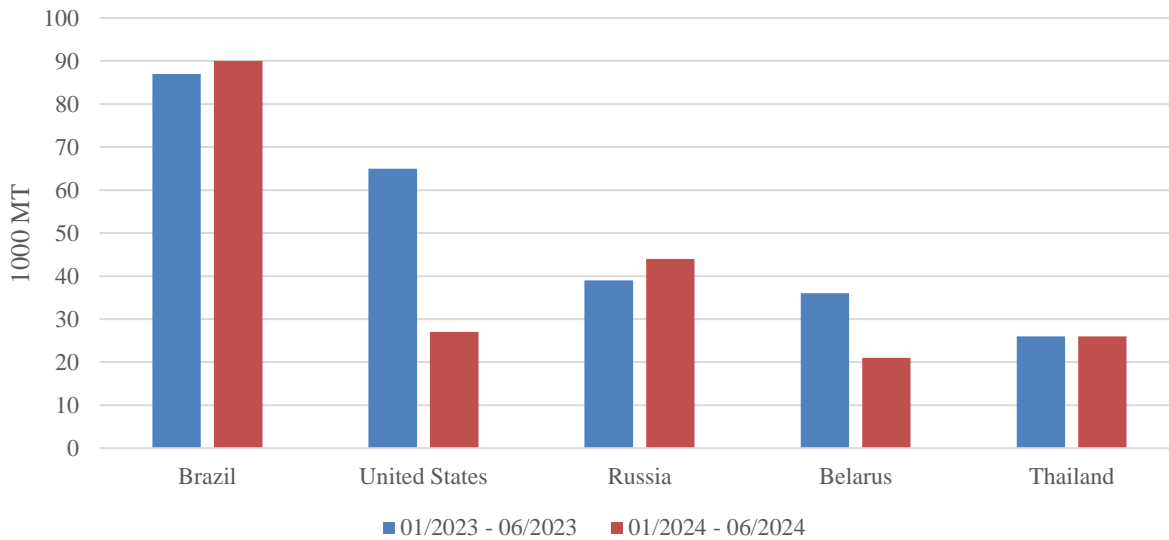
In the first half of 2024, although the domestic supply of chicken paws increased marginally, chicken paw imports declined by over 25 percent (see **Chart 11**). The supply shortfall is largely attributed to sanitary constraints for HPAI placed on paws from the United States which led to lower market share for American-origin products. Other suppliers including Brazil and Russia gained market share during this period (see **Chart 12**).

Chart 11. China: Frozen Chicken Paw Imports



Source: Trade Data Monitor, LLC

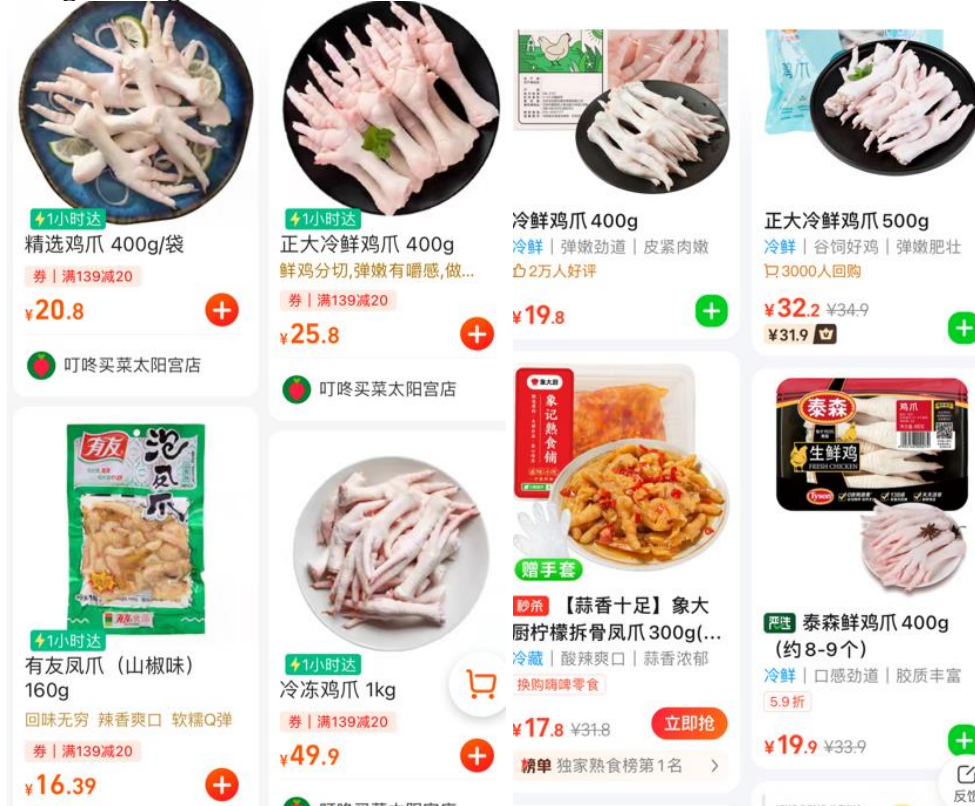
Chart 12. China: Chicken Paw Imports by Major Origins



Source: Trade Data Monitor, LLC

With overall supply constricted and persistent demand, retail chicken paw prices remained strong (See **Image 2**). Processed chicken paws that are deboned with different flavors are popular in the market. Processed chicken paws, heavily promoted through commercials in different channels, become a type of value-added snacks.

Image 2. High Retail Chicken Paw Prices in On-Line Retail



Source: FAS China

Post forecasts chicken paw demand to remain strong in 2025. U.S. chicken paws, especially jumbo-sized ones remain popular. Current agreements on HPAI restrictions allow for the import of heat-treated chicken paws from the United States¹⁵. According to industry members, Chinese consumers prefer non-heat-treated paws as they have wider applications. Nevertheless, due to supply restrictions, more importers have started to import heat-treated paws. Imports of heat-treated paws in the first half of 2024 surpassed the whole year volume of heat-treated paws import in 2023. Post forecasts heat-treated paw imports to remain strong absent any alternatives.

¹⁵ Heat treated chicken paws are under HS Code:16023299

Retaliatory Tariffs on U.S. Chicken Products

The PRC imposes tariffs on a broad range of agricultural and non-agricultural goods in retaliation for U.S. Section 232 and U.S. Section 301 tariff actions. U.S. chicken products, amongst other U.S. agricultural goods, face PRC retaliatory Section 301 tariffs (see **TABLE 2**). Chicken products do not face retaliatory Section 232 tariffs. On February 18, 2020, the State Council Tariff Commission (SCTC) announced a tariff exclusion process for U.S. agricultural commodities impacted by the retaliatory Section 301-tariffs levied by the PRC. Importers may apply for tariff exclusions which are approved on a case-by-case basis. These exclusions do not automatically extend to all importers. Many chicken importers have applied and received tariff exclusions. Please refer to FAS GAIN report [Updated Guidance on China's Retaliatory Tariffs and Tariff Exclusions Process for US Products](#) for more information on the exclusion process.

Table 2. China: Tariff Schedule for U.S. Chicken Meat and Chicken Paws

HS Code (8-digit)	Product Description	MFN Rate	301	Add'l tariff (adjusted on Feb. 14, 2020)	Total Applied Tariff
		Jan 1, 2019	Jun 1, 2019	Feb. 14, 2020	Jan 1, 2024
02071100	Chickens, not cut in pieces, fresh or chilled	20%	25%	5%	50%
02071200	Frozen Whole Chickens	20%	25%	5%	50%
02071311	Fresh Or Chilled Cuts of Chicken, With Bone	20%	25%	5%	50%
02071319	Fresh or chilled cuts of chicken, other	20%	25%	5%	50%
02071321	Fresh or chilled wing of chicken (excluding wingtips)	20%	25%	5%	50%
02071329	Fresh or chilled offal of chicken, other	20%	25%	5%	50%
02071411	Frozen Chicken Cuts, With Bone	¥ 0.6/kg	25%	5%	30% + MFN
02071419	Frozen Chicken Cuts, Nes	10%	25%	5%	40%
02071421	Frozen Mid joint Wing of Chicken	¥ 0.8/kg	25%	5%	30% + MFN
02071422	Frozen Chicken Paw	¥ 1.0/kg	25%	5%	30% + MFN
02071429	Frozen Offal of Chicken, Nes	¥ 0.5/kg	25%	5%	30% + MFN
16023210	Preparations of Chicken, In Airtight Containers	5%		2.5%	7.5%
16023291	Other Prepared Chicken Breast Filets	5%	10%		15%
16023292	Other Prepared Meat of Chicken Legs	5%		2.5%	7.5%
16023299	Other Prepared Chicken, Chicken Offal or Blood	5%		2.5%	7.5%

Source: Customs Import and Export Tariff of China

Attachments:

No Attachments