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China, People's Republic of

Oilseeds and Products

Rapeseed Update

1998

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Report Highlights:

Rapeseed imports continue at a frenetic pace, even as Post has received reports of surplus seed piling up at ports in the Shanghai area. Imports are expected to continue at this rate through November.

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

General Summary

Rapeseed imports for MY 1997 have continued at a record pace, according to trade and local customs sources. However, these sources conflict dramatically with preliminary data published by China Customs. All industry sources contacted by post indicate that total rapeseed imports were well above levels reported in official trade data. These reports are supported by a press report quoting Shanghai Customs, which places September, 1998 rapeseed imports at 195,500 MT for Shanghai alone. China Customs places September imports for all of China at 66,877 MT. Given the large number of sources supporting the larger number, Post has increased the FY 1997 import estimate for rapeseed to 412 TMT. Current forecasts call for even higher imports in 1998, as imports reach nearly double the 1997 record.

Large stocks of rapeseed are rumored to be piling up in the Shanghai area as sales are comparatively slow. Industry sources differ over the cause of slow sales, with some indicating that crushers are hesitant to buy now, feeling that, with more imported rapeseed scheduled to arrive in November, importers will have to offer substantial discounts soon. Other sources claim that imported rapeseed isn't moving because the buyers have not completed payment on the cargoes, and so are unable to take possession. This would also help to explain the difference between customs import numbers and what is being reported by the trade, since customs may not count the cargo in their statistics until the buyer takes possession. Despite the current pace of imports, post is hesitant to increase the import number for MY 1998, since there have been reports that some importers have sold back or defaulted on recent contracts due to slow sales.

Several factors have contributed to the record level of rapeseed imports. First, China's domestic rapeseed crop was seriously damaged by cold weather last spring. Second, although domestic vegetable oil prices are high, meal prices continue to be depressed. (Soymeal prices on the Dalian futures market have remained flat since July.) This situation favors imports of rapeseed over soybeans, as the oil/meal yield for rapeseed is much higher than for soybeans. Third, many crushers are reportedly using rapeseed in lieu of soybeans until soybeans from the current crop year become available. One industry source has indicated that Chinese buyers have been pleased with the quality of imported rapeseed, and may continue to import seed even after the domestic rapeseed crop comes in next year. Rapeseed meal imports have also continued at a record pace, with the bulk of imports coming from India.

Tables

Table 1. Rapeseed: Production, Supply and Distribution

PSD Table						
Country:	China, Peoples Republic of					
Commodity:	Rapeseed					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Area Planted	6734	6735	6458	6458	6650	6700
Area Harvested	6735	6735	6458	6458	6650	6700
Beginning Stocks	0	0	0	0	0	0
Production	9203	9203	9540	9540	9000	8300
MY Imports	1	1	350	412	400	1000
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	9204	9204	9890	9952	9400	9300
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	8284	8284	8900	8957	8460	8370
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum.	920	920	990	995	940	930
Total Dom. Consumption	9204	9204	9890	9952	9400	9300
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	9204	9204	9890	9952	9400	9300
Calendar Year Imports	0	0	55	55	320	800
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	6	6	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 2. Rapeseed Meal: Production, Supply and Distribution

PSD Table						
Country:						
Commodity:						
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Crush	8284	8284	8900	8957	8460	8370
Extr. Rate	0.6199903	0.6199903	0.62	0.619962	0.6199764	0.6199522
Beginning Stocks	0	0	0	0	0	0
Production	5136	5136	5518	5553	5245	5189
MY Imports	2	2	150	151	100	100
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	5138	5138	5668	5704	5345	5289
MY Exports	454	454	15	14	0	0
MY Exp. to the EC	291	291	8	0	0	0
Industrial Dom. Consum	3279	3279	3953	3975	3741	3589
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum.	1405	1405	1700	1715	1604	1700
Total Dom. Consumption	4684	4684	5653	5690	5345	5289
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	5138	5138	5668	5704	5345	5289
Calendar Year Imports	0	0	53	53	100	125
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	584	584	163	163	15	8
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 3. Rapeseed Oil: Production, Supply and Distribution

PSD Table						
Country:						
Commodity:						
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Crush	8284	8284	8900	8957	8460	8370
Extr. Rate	0.3300338	0.3300338	0.33	0.3299096	0.3300236	0.3299881
Beginning Stocks	0	0	0	0	0	0
Production	2734	2734	2937	2955	2792	2762
MY Imports	281	281	500	500	600	550
MY Imp. from U.S.	2	2	20	30	0	0
MY Imp. from the EC	225	225	200	322	250	250
TOTAL SUPPLY	3015	3015	3437	3455	3392	3312
MY Exports	75	75	80	70	80	80
MY Exp. to the EC	12	12	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	2940	2940	3357	3385	3312	3232
Feed Waste Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	2940	2940	3357	3385	3312	3232
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	3015	3015	3437	3455	3392	3312
Calendar Year Imports	316	316	351	351	525	525
Calendar Yr Imp. U.S.	0	0	0	0	16	16
Calendar Year Exports	173	173	70	70	75	75
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 4. Rapeseed Monthly Imports and Exports

RAPESEED IMPORTS/EXPORTS (MONTHLY, 1995-1997)						
	(metric tons)					
	IMPORTS			EXPORTS		
	1995	1996	1997	1995	1996	1997
JAN	30	96	41	39	0	20
FEB	18,201	45	0	0	525	0
MAR	21,020	19	263	0	0	0
APR	16	82	50	0	0	0
MAY	16,030	39	0	0	0	0
JUN	36,469	0	40	0	0	0
JUL	35	0	0	0	5,515	0
AUG	0	0	31	0	0	4
SEP	0	0	0	0	0	0
OCT	0	0	0	541	0	0
NOV	50	0	36	622	0	0
DEC	9	131	54,673	56	1	18
JAN-DEC	91,860	412	55,134	1,258	6,041	42
Source: Unofficial PRC Customs Statistics						

Table 5. Rapeseed Meal Monthly Imports and Exports

RAPESEED MEAL IMPORTS/EXPORTS (MONTHLY, 1996-1998)						
(metric tons)						
	IMPORTS			EXPORTS		
	1996	1997	1998	1996	1997	1998
JAN	0	0	24,240	9,024	57,277	559
FEB	13	60	11,625	16,836	13,487	243
MAR	0	0	6,529	47,019	17,409	361
APR	0	0	0	16,469	18,660	37
MAY	0	0	26,981	31,449	5,336	364
JUN	18	1,988	11,100	39,905	5,334	342
JUL	30	0	2,259	63,888	15,099	1,592
AUG	25	0	10,989	26,194	12,118	239
SEP	0	0		33,947	9,245	
OCT	0	0		97,890	6,788	
NOV	166	0		61,523	1,677	
DEC	0	51,319		140,213	259	
JAN-DEC	252	53,367	93,723	584,357	162,689	3,737
Source: Unofficial PRC Customs Statistics						
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Table 6. Rapeseed Oil Monthly Imports and Exports

RAPE SEED OIL IMPORTS/EXPORTS (MONTHLY, 1996-1998)*						
(metric tons)						
	IMPORTS			EXPORTS		
	1996	1997	1998	1996	1997	1998
JAN	32,738	32,094	17,872	2,982	20,108	13,373
FEB	15,767	32,649	13,364	21,947	15,730	8,572
MAR	41,033	25,076	40,446	8,608	9,340	9,961
APR	30,286	14,960	26,101	20,720	9,761	10,156
MAY	45,777	27,053	29,139	13,478	7,420	4,497
JUN	36,913	18,652	6,252	12,287	18,747	2,662
JUL	24,420	26,175	12,598	14,818	9,548	13,949
AUG	5,622	33,897	18,162	5,361	9,040	696
SEP	13,089	9,594		5,195	6,944	
OCT	21,018	48,488		10,576	6,529	
NOV	26,068	45,854		29,319	16,464	
DEC	23,310	36,102		27,864	11,655	
JAN-DEC	316,041	350,594	163,934	173,155	141,286	63,866
* Import and export numbers used in PS&D's may differ significantly from the official PRC Customs statistics shown here, because Post PS&D's include both official and unofficial trade. Post estimates of actual trade are based on discussions with traders and industry sources.						
Source: PRC Customs Statistics						
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