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## **China - Peoples Republic of**

### **Oilseeds and Products Update**

#### **China's Growing Protein Meal Demand Will Continue to Drive Soybean Imports**

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**Report Highlights:**

China's oilseed consumption continues to grow, driving demand for increased oilseed imports and government support to expand oilseed production. Post forecasts MY18/19 total oilseed consumption to reach 164.3 million metric tons (MMT) based on the continued growth of the animal husbandry industry's demand for protein meal. In order to meet this demand, post forecasts soybean imports to increase to 100.5 MMT in MY18/19. The Government of China is also pushing for additional domestic soybean production and post forecasts that MY18/19 soybean production will exceed 15.2 MMT.

## **Executive Summary**

Driven by the steady growth of the animal husbandry industry, which is transitioning towards large-scale production models, total oilseed consumption continues to rise, with consumption forecast up to 164.3 MMT in MY18/19. While consumption will continue to rise, the forecast growth in soybean meal equivalent feed use for MY18/19 will slow down in comparison to MY17/18, with a forecast growth of 3.3 MMT in MY18/19 versus an estimated growth of 4.4 MMT in MY17/18. This is caused by an over-supply of pork and a drop in pork prices during the spring of 2018. MY18/19 total domestic oilseed production is forecast to increase by 0.65 MMT to 59.1 MMT, mainly due to the Chinese government's support of additional soybean planting. Constrained by limited arable land, domestic oilseed production growth continues to lag behind demand growth. Soybean imports will continue to be the main source to meet the growing protein meal demand with soybean imports forecast to reach 100.5 MMT in MY18/19, up by 3.5 MMT from MY17/18.

It is important to note that forecasting China's meal and oil use, and total oilseed demand remains a challenge because of difficulties in collecting data mainly due to massive players in each part of the oilseed industry chain. This is particularly true with data pertaining to rapeseed and peanut area and production; soybean use as food or feed; feed and livestock production; and the unknown volume of soybean and vegetable oil reserves.

## **Oilseeds Situation and Outlook**

MY18/19 total domestic oilseed production is forecast at 59.1 MMT, an increase of 0.65 MMT from MY17/18. The increase in production is primarily caused by the Chinese government's support of additional soybean planting. The additional soybean production and slight increase in peanut production offsets the reductions in rapeseed and cottonseed production. Constrained by limited arable land, domestic oilseed production growth continues to lag behind demand growth.

## **Soybean Production**

*Increased government support for expanded soybean production*

Soybean acreage is increasing in an effort to meet the Chinese government's goal of self-sufficiency in soybeans. Based on a planting area expansion of 0.6 MHa from MY17/18 and an expected average soybean yield, Post has adjusted the MY18/19 soybean production forecast up to 15.2 MMT. This forecast is 1.1 MMT higher than USDA's June forecast of 14.1 MMT. The production increase is driven by the Chinese government's increase in subsidy payments for soybean planting in 2018. This is an uptick in production of 0.8 MMT from the estimated 14.4 MMT in MY17/18.

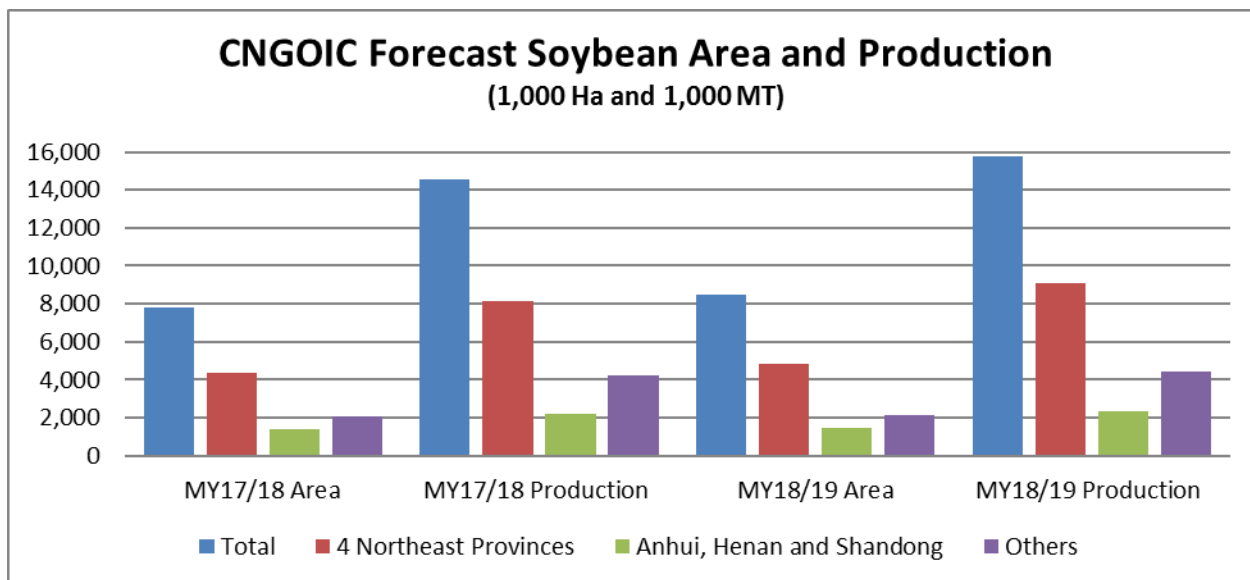
The forecast increase in soybean acreage and production in MY18/19 is buoyed by the government's support policy that is encouraging some farmers to plant soybeans or rotate to soybeans from corn in the traditional soybean planting regions. During the past few years, farmers switched to planting corn in areas where they traditionally planted soybeans because of higher profits for growing corn. In 2016, China's Ministry of Agriculture and Rural Affairs (MARA) announced a target plan to cut corn area by 50 million Mu (3.33 MHa) by 2020. A support policy was then created to stimulate soybean production in 2017. However, industry sources estimated that soybean profits continued to be limited in MY17/18. Thus, in early 2018,

MARA initiated a nationwide crop rotation program in an effort to adjust the crop mix with increased soybean acreage. The crop rotation program covers 25 million Mu (1.67 MHa) with a subsidy rate of RMB 150 per Mu (or \$355 per Ha). During a news briefing held in May, MARA stated that corn acreage is down in the regions where the natural conditions do not support corn production. The reduction in corn production will also ease the pressure on the high levels of state corn stocks. Although, in the northeast provinces, MARA has encouraged more forage corn (silage) production to meet the demand of the expanded animal husbandry sector in that region.

According to industry sources in Heilongjiang, the largest soybean-producing province, the government's subsidy for planting soybeans in an area that switched from corn is RMB 350/Mu (\$833/Ha), while the subsidy for planting soybeans in a traditional soybean area remains at RMB 200/Mu (or \$476/Ha). On April 29, 2018, Heilongjiang provincial authorities issued an emergency soybean area expansion plan. The plan cited a central government directive to: (1) expand total soybean area in Heilongjiang by 333,000 Ha (5.0 million Mu) and (2) rotate an additional 133,000 Ha (2.0 million Mu) of corn to soybeans in 2018. The report also noted other municipal government plans to promote expanded soybean area. For instance, in Heihe City, Heilongjiang, local government funds are being allocated to promote soybean planting, including RMB 200 per Mu (\$468/Ha) for soybeans compared to the RMB 100 per Mu (or \$234/Ha) for corn in 2018. In Jilin Province, the soybean subsidy is reportedly ranging from RMB 200 to 580/Mu (\$476 to \$1,380/Ha) in 2018. As such, soybean profits are expected to exceed corn profits in 2018, which is the opposite of last year. In mid-June, the Henan provincial government issued guidance aiming to rotate 0.5 million Mu (34,000 Ha) of corn to soybeans in 2018. The guidance stressed the importance of the crop rotation adjustment and revitalizing soybean production in the province.

Anhui, Henan, Hebei, and provinces in southern China are also forecast to have slightly higher soybean areas. Soybeans produced in these regions receive a premium in order to meet the local food-processing demand. The slight increase in soybean area is also reflected by the reduced acreage of cotton area in these provinces in 2018.

In the June China Agriculture Supply and Demand Estimate (CASDE) report, MARA forecast MY18/19 soybean acreage to continue to grow to 8.39 MHa, up 606,000 Ha or 7.8 percent from the previous year. The growth is mainly driven by the increase in direct subsidies to farmers in Heilongjiang and Inner Mongolia Provinces in 2018. The report indicated that farmers will increase their soybean area on the assumption that profits from soybeans may exceed corn in 2018. However, in a MARA official briefing, a MARA official said that soybean acreage will increase by 0.67 MHa (10 million Mu) to reach 8.47MHa (127 million Mu) in 2018. China's National Grain and Oilseeds Information Center (CNGOIC) echoed MARA's area forecast of 8.47 MHa. Based on a trend yield, CNGOIC forecasts soybean production up to 15.8 MMT, the highest it has been since 2006.



Additionally, MY18/19 soybean area is likely to be boosted by the uncertainty of the U.S. - China trade relationship, which might result in increased prices for soybean imports in the near future. Based on all sources, Post forecasts soybean acreage up by 0.5 MHa in the four northeast provinces and up by 0.1 MHa in all other provinces mainly due to soybean acreage growth in Anhui and Henan Provinces.

In general, the soybean planting in the northeast provinces went smoothly. However, high temperature, low rainfall, and strong winds after planting impacted soybean sprouting in the central and west part of Heilongjiang Province. Local reports indicated that the rainfall in the first half of May was 59 percent lower than average. In late May, MARA sent a working team to Heilongjiang and Inner Mongolia to provide assistance in alleviating the situation and also provided 750 MT of soybean planting seeds to ensure replanting. The Heilongjiang provincial government also provided a subsidy to farmers whose crops were impacted by the bad weather. In late May, the local meteorological department reportedly conducted artificial rainmaking activities, which added modest precipitation in Qiqihar and Jiamusi regions. It is too early to judge how the current lack of moisture will impact the growth and yield of soybeans, however, Post will closely monitor the weather developments and provide further updates on any impact. Given the small share of domestic soybeans in China's total soybean consumption, its impact on soybean imports is expected to be limited.

### Soybean Stocks

Post forecasts that MY18/19 soybean ending stocks are 19.5 MMT, slightly higher than the previous year. The Chinese government maintains an unknown volume of soybean stocks and vegetable oil reserves, as Chinese official statistics for stocks are not publically available. On June 14, 2018, the Chinese government auctioned some of their soybean reserve (soybeans purchased in 2012 to 2013). A total of 0.3 MMT were put up for auction with a floor price of RMB 3,000/ton (\$476/ton). CNGOIC reported that out of the 0.3 MMT, 0.19 MMT were sold at slightly higher price of RMB 3,050/ton (\$484/ton). There is currently no news on whether the government will sell more of their soybean reserve in the near future.

## **Soybean Trade**

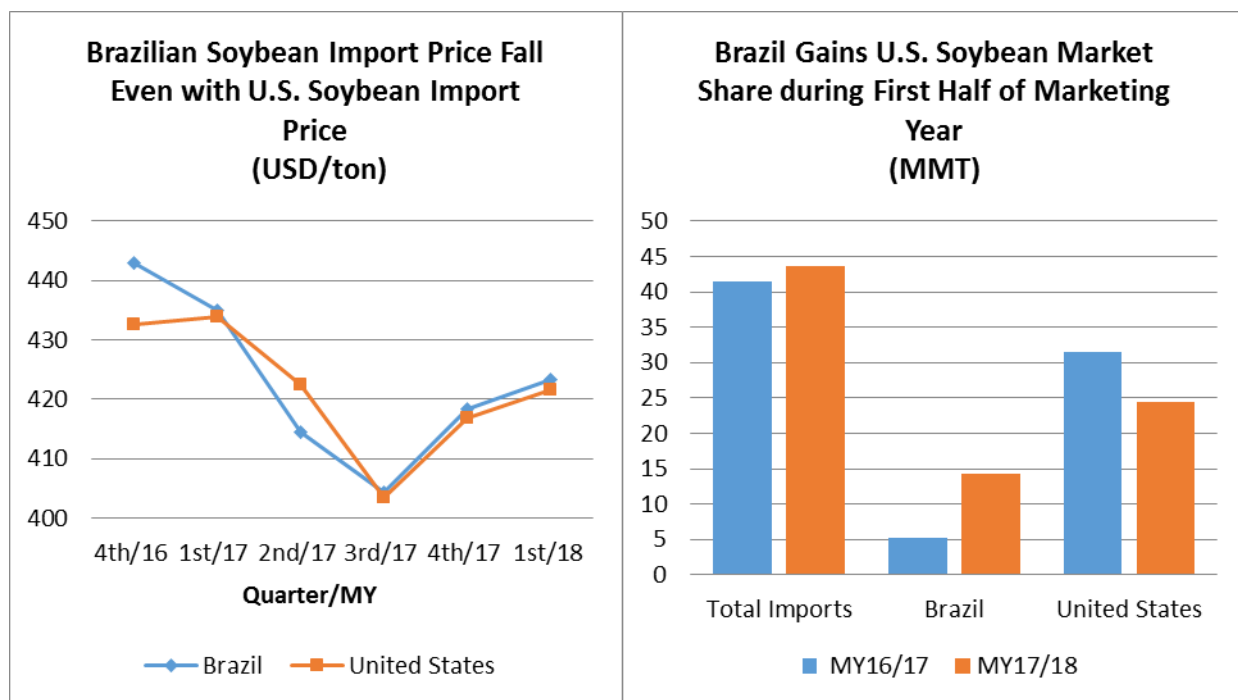
On June 16, 2018, China's Ministry of Finance, State Council Tariff Commission released an announcement listing U.S. products subject to an additional 25 percent import tariff in response to the U.S. 301 Investigation. Soybeans are included on the list. The tariffs are proposed to go into effect on July 6, 2018. As the tariffs are not in place as of the publication of this report, the trade analysis has been completed based on China's demand for oilseed imports and does not take into consideration any effects tariffs may have on the trade.

Post forecasts that China's soybean imports will increase to 100.5 MMT in MY18/19 from the estimated 97 MMT in MY17/18. This forecast, is 2.5 MMT lower than USDA's June forecast. Due to the combination of the moderate increase in domestic soybean production, together with the slowdown in growth of soybean meal use, a net growth of 3.5 MMT of soybean imports in MY18/19 is expected to meet the Chinese demand growth for protein meals.

China's net yearly soybean import growth averaged 6.8 MMT from MY11/12 to MY16/17. Industry sources indicated that the high net soybean import growth appeared to be closely tied to the surge in pork prices. The record pork prices in mid-2016 played a key role in driving a net growth of 10.2 MMT soybean imports in MY16/17 from the previous year. Soybean imports in MY17/18 are expected to maintain a normal growth pattern given the sluggish pork prices that have occurred since March 2018.

China's soybean imports totaled 9.69 MMT in May 2018, making total imports in the first eight months of the marketing year 60.3 MMT, which is higher than the 59.2 MMT from the same period last year. Chinese sources vary in their estimates for MY17/18 soybean imports, which range from 96 MMT to 97 MMT. The forecast for MY18/19 soybean imports range from CNGOIC's 95 MMT to MARA's 95.65 MMT to China JCI's 105 MMT.

U.S. soybean exports to China continue to face strong competition from soybean exports from South America. Excessive soybean stocks and a fall in the soybean price in Brazil attributed to the 14.2 MMT of Brazilian soybean exports to China in the first half of MY17/18. This is significantly higher than the 5.2 MMT during the same period in MY16/17. Despite China's net growth of over 2 MMT of soybean imports in the first half of MY17/18, total soybean imports from the United States fell to 24.4 MMT in this period, down from the 31.6 MMT in the previous year. Chinese importers note that Brazilian soybeans have a one percent higher protein content than U.S. soybeans. Importers were previously willing to pay a slightly higher price for soybeans with a higher protein content, but with the drop in the price of Brazilian soybeans, exports are now surging.



Source: Global Trade Atlas, China Import Data

### Rapeseed Production

MY18/19 rapeseed production is forecast at 13.95 MMT, down from the estimated 14.3 MMT in MY17/18. Farmers' low profits and increased labor cost in rapeseed-producing provinces in the Yangtze River region including Jiangsu, Anhui, Hunan, and Hubei contributed to the continued abandonment of rapeseed planting. The lower MY18/19 production forecast is based on a planted area of 7 MHa, down from the 7.18 MHa in the previous year.

Rapeseed production is remaining generally stable in the southwest provinces including Sichuan and Guizhou, where local consumer preference for non-refined rapeseed oil continues to support rapeseed planting in these provinces. In most cases, the rapeseed that is produced is for home and neighborhood use of rapeseed oil. This trend is likely to continue in the near future and thus contribute to stable rapeseed acreage in those provinces. Rapeseed planting in the west provinces is forecast to fall slightly in MY18/19 due to low profits and the availability of other affordably priced vegetable oils.

It is worth mentioning that Chinese industry sources estimate that rapeseed production has been on average 8 MMT lower per year, from MY15/16 to MY17/18, than the official annual production estimates of 14.5 MMT. The lack of reliable information continues to impact the analysis of China's oilseed complex.

### Rapeseed Trade

Rapeseed imports are continuing to grow. MY18/19 imports are forecast at 4.9 MMT, an increase of 0.3MMT from the 4.6 MMT estimate for MY17/18. The MY17/18 estimate is also an increase of slightly more than 0.3 MMT from the previous year.

### **Peanut Production**

In MY18/19 post forecasts peanut production at 17.8 MMT based on a slightly expanded planted area of 4.9 MHa from the estimated 4.85 MHa in MY17/18. Despite the decrease in peanut prices in 2017, peanuts remained a relatively profitable crop in the major peanut-producing provinces which include, Shandong, Henan, and Hebei Provinces. Farmers in Shandong Province estimated that peanut profits were about RMB 500/Mu (or \$1,190/Ha) higher than competing cropping patterns including wheat/corn or wheat/soybeans in 2017.

In 2018, the Henan Provincial Agriculture Department called for farmers to plant more peanuts with a total target area of 22 million Mu (1.47 MHa). They aim to achieve this target by expanding insurance and providing better technical extension services. Some industry sources, however, forecast a slight fall in peanut area for MY18/19. Based on a forecast reduction in area for most peanut-producing provinces except Shandong, CNGOIC's planting area forecast for MY18/19 is 4.84 MHa, which is lower than the 4.85 MHa in MY17/18. Therefore, CNGOIC's forecast for peanut production in MY18/19 is 17.85 MMT, compared to 18 MMT in the previous year.

### **Cottonseed Production**

Based on its survey, the China Cotton Association (CCA) forecasts MY18/19 cotton area to fall 4.4 percent from the previous year, while total production is expected to fall to about 5.8 MMT from the 6.05 MMT in the previous year. Although one leading source estimated MY17/18 production is about 6.15 MMT. The CCA survey indicated high acreage reductions for the Yangtze River and Yellow River regions (down 14.8 percent and 11.4 percent, respectively, from the previous year).

Post forecasts that MY18/19 cottonseed production will decrease to 9.1 MMT based on a forecast area of 3.05 MHa, down 2.4 percent from the previous year. This reduction is mainly because of reports of low profits by farmers in the Yangtze River and Yellow River regions in MY17/18. Cottonseed area in Xinjiang however, is expected to grow in MY18/19. Reports show that MY18/19 cotton acreage in Xinjiang is likely to see more than a 0.5 percent growth from the previous year. Forecast cotton acreage in Changji City is up 24 percent from the previous year. The Xinjiang Production and Construction Corporation also reported a moderate area expansion in MY18/19. Generally, cotton planting in Xinjiang is supported by stable profits (based on the government's fixed target price at RMB 18,600/ton). Additionally, improved cotton quality as a result of the increasing popularity of high-quality cotton varieties increased farmers' income in 2017. The strong winds and cold weather impacted cotton planting in part of Xinjiang, but re-planting was completed with limited impact on the overall 2018 Xinjiang crop. The June weather conditions returned to normal temperature and moisture conditions, facilitating cotton growth.

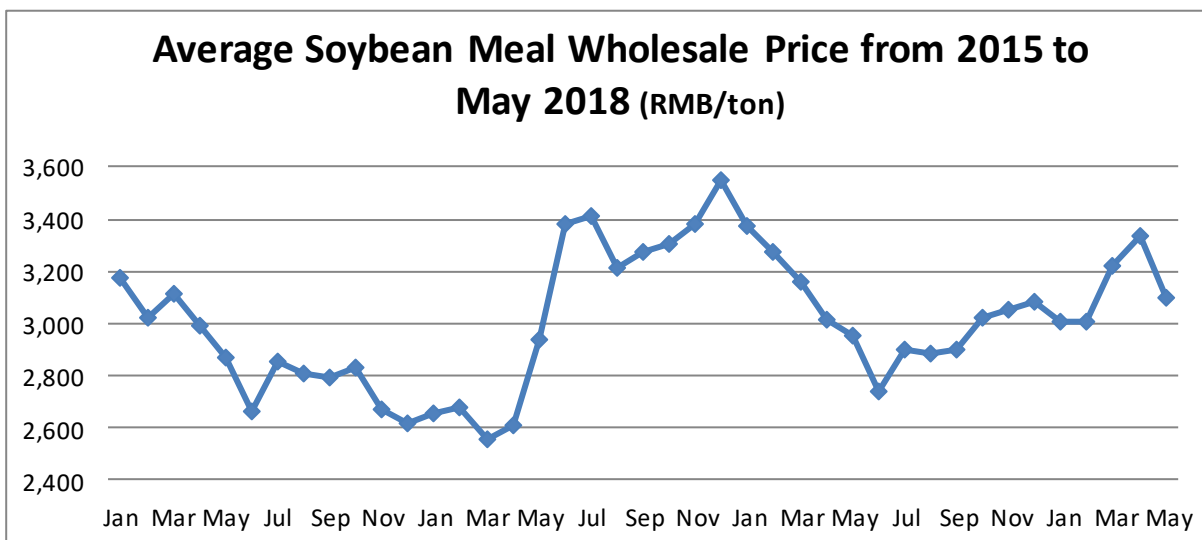
### **Oilseed Meal Situation and Outlook**

The forecast for MY18/19 total protein meal supply is 100.5 MMT, up 3.6 MMT from the previous year. Total protein meal (soybean meal equivalent) feed consumption is forecast at 94.3 MMT, up by 3.4 MMT from the previous year. Soybean meal will continue to dominate feed use, accounting for over 80 percent of the protein meal used in MY18/19.

*Expanded large-scale swine production continues to drive meal use*

Feed production will continue to grow in 2018 but a slowdown in the growth of meal consumption is forecast to occur due to an over-supply of pork. Post forecasts that soybean meal consumption will rise by 3 MMT in MY18/19 to 77.3 MMT. This is less than the 4.8 MMT net growth in consumption that is estimated for MY17/18.

According to CNGOIC, China’s total industrialized feed production is expected to hit 228 MMT in 2018, up by 8 MMT from the previous year. Feed production reached 220 MMT in 2017 as a result of advances in large-scale swine production and consistent high profits for swine, which lasted through the end of March 2018. High profits led to an increased soybean meal inclusion rate in feed formula from 2016 to 2017. MARA, however, released a lower industrialized feed production estimate of 210 MMT in 2017, up only 1 percent from 2016. Some provincial industry sources reported higher feed production in 2017 for their provinces. In Guangdong feed production reached 29.7 MMT, up 5.2 percent and in Shandong, production was up 13.6 percent to 29.4 MMT from 2016. Post believes feed production in 2017 is likely higher than MARA’s estimate and thus forecasts feed production to grow in 2018 based on all information sources.



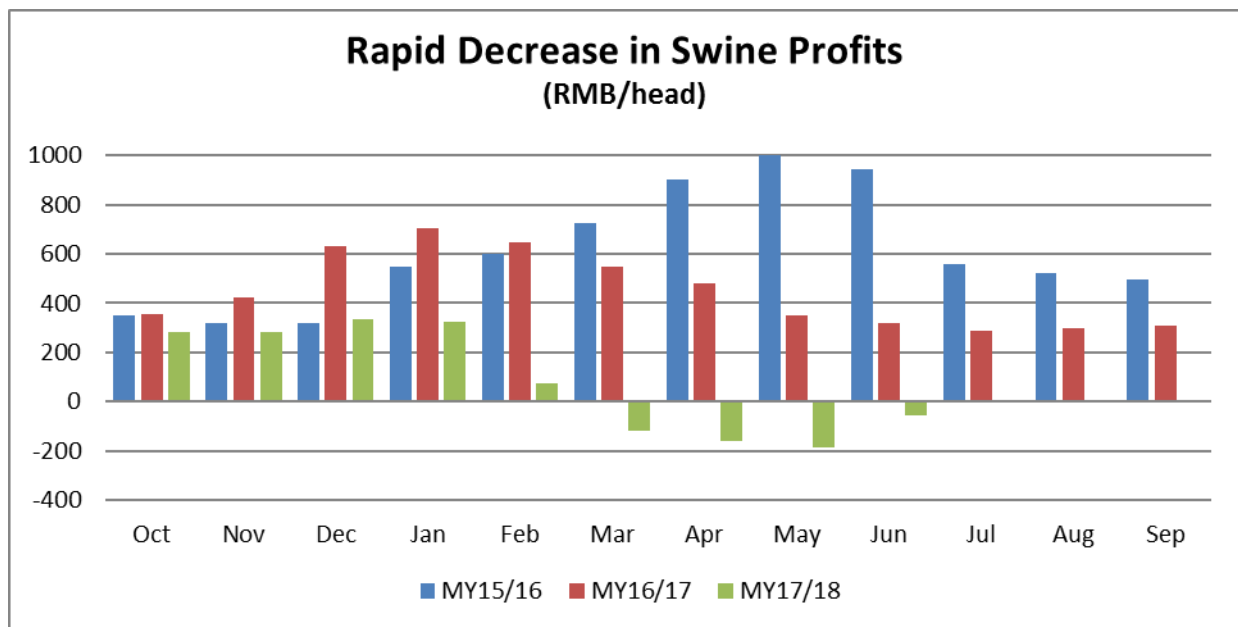
Source: China JCI

*An over-supply in pork will restrain the soybean meal consumption growth rate*

The Chinese swine industry experienced a rapid re-structuring in MY16/17, resulting in a significant growth in pork production that has exceeded demand in 2018. While the expanded large-scale swine production continues to drive soybean meal use, the growth rate of soybean meal use is expected to be restricted by an over-supply of pork, which is attributing to current swine profit losses. Swine profits plunged after the Spring Festival with losses averaging RMB 200/head (\$32), with an estimated 78 percent of swine farms suffering losses. Industry experts believe that the sow inventory is much higher than the official data indicates and that litter sizes have increased in recent years. MARA’s data shows that pork supply/production is exceeding demand for three reasons: first, production capacity of large swine enterprises has increased rapidly. MARA’s survey showed that 22 large swine enterprises produced 50 million head in 2017, up 12 million head over the previous year. In particular, production capacity in the



northeast provinces has expanded. Secondly, technological advancement raised productivity. Currently MSY (hogs produced by sow per year) averaged 16 head, with some larger-scale farms averaging 23 to 25 head. This means that total meat produced by a sow is 218 Kg more than it was five years ago. Finally, the slaughter weight of a pig is continuing to increase. The average slaughter weight in the first three months of 2018 reached 124.3 Kg, up 3 kg from the same time in 2017. This alone would increase the pork supply by 1.45 MMT. Industry sources indicated that in the first four months of 2018, hog production by the seven swine production companies listed on the stock market increased 43 percent from the previous year.

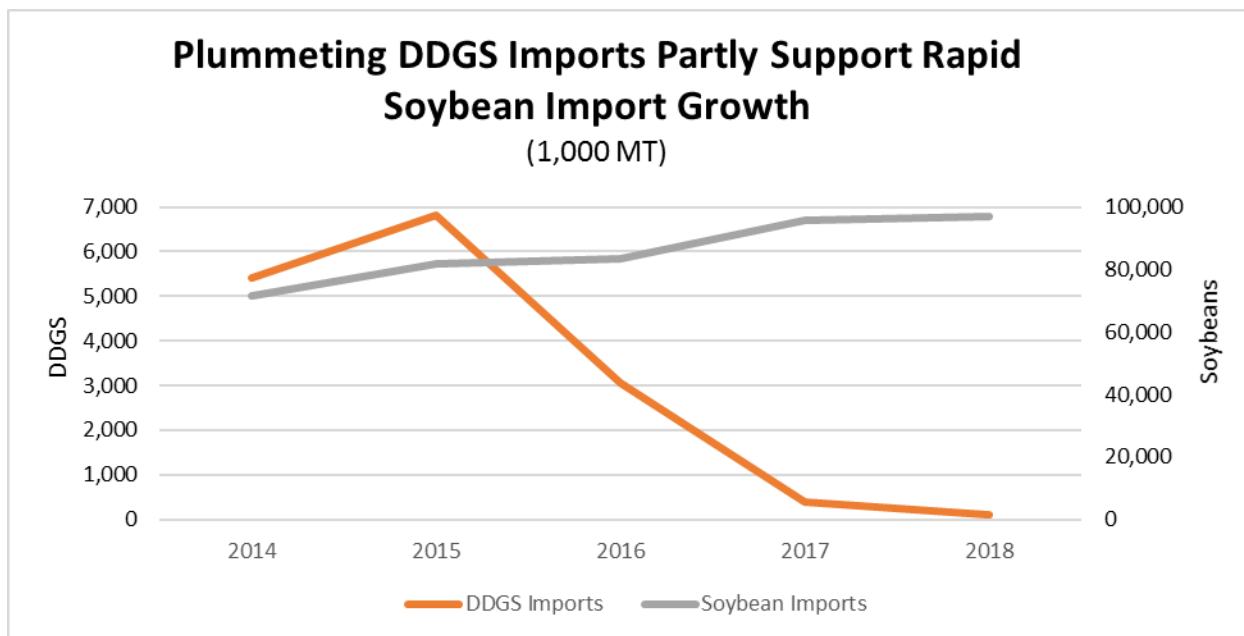


Source: ChinaJCI

Live hog prices rebounded moderately in late May, however, the price remains below the breakeven point, even for well-managed farms. Despite all the difficulties, an industry survey showed that swine operations remain normal and there are no reports of slaughtering sows to reduce losses, as has happened in the past during a swine profit crisis. It is likely that some farms will choose feed with slightly lower inclusion of soybean meal to reduce costs. Pork imports could also fall in 2018, as a result of the low domestic pork prices. Demand for protein meals by other animal production industries is expected to maintain moderate growth in 2018.

*Domestic DDGS production could slow soybean import growth*

As shown in the following chart, China’s soybean import surge in MY16/17 could have partly been driven by the sudden decline of DDGS imports due to China’s anti-dumping duty, which went into effect on January 12, 2017 after a petition was accepted by the Government of China in December of 2015. Additional soybean meal was used to substitute for the shortage of DDGS. However, China’s domestic DDGS production has increased rapidly since MY17/18. An independent source estimated that as a result of the Chinese government’s actions to reduce corn stocks, total domestic DDGS production is expected to rise by 22 percent in MY17/18. DDGS production could to reach 5.7 MMT in MY17/18 and rise even higher in MY18/19. An increase of DDGS supply could slow down the soybean import growth in MY18/19.



Source: Global Trade Atlas; data for 2018 is Post's forecast

*Overall consumption of other protein meals remains stable*

Domestic production of peanut meal, cottonseed meal, and rapeseed meal are expected to be stagnant or declining in MY18/19. In response to the small supply of rapeseed meal, Chinese industry is increasingly adding rapeseed meal imports to meet aquatic and poultry (duck) feed demand.

Global fish meal production is expected to increase from 4.75 MMT in 2017. Domestic fish meal production (including all aquatic protein feed) declined significantly in 2017 due to environmental restrictions leading to the closure of many small plants. Chinese aquatic nutrition research concluded that the fish meal inclusion rate for shrimp and grass carp should not be lower than 15 percent and 1 percent, respectively, otherwise the growth and health of shrimp and carp could be impacted. Given the size of China's carp and shrimp production, fish meal demand and imports are expected to be strong in MY18/19.

*New target for milk industry*

On June 11, 2018, China's State Council issued a circular to guide the milk industry's development in an effort to further revive the industry and improve the quality of domestic dairy products. It expects the industry to increase production capacity through technological innovation and improvement of management while increasing efficiency. To improve milk source bases, the government urges efforts to consolidate the current bases in the north, while expanding new areas in the south. It calls for developing standardized cattle breeding methods, improving the quality of milk cows through big data and online evaluation platforms, and producing high-quality fodder for the cows. By 2020, the milk industry is aimed at 80 percent self-sufficient for high quality alfalfa hay. In general, this development plan has limited impact on oilseeds.

### **Oils Situation and Outlook**

Post forecasts total oil supply for MY18/19 at 40.8 MMT up from the estimated 40 MMT in MY17/18. Total food oil consumption is also forecast to increase in MY18/19 to 35.1 MMT, up 1.1 MMT from the previous year. Industry insiders believe that Chinese food use oil consumption is expected to maintain a stable growth driven by increases in dining out and food processing in the coming years. China's increase in specialty oils, including, camellia oil and sesame oil partly meet the oil demand growth in MY17/18 and beyond. Sesame seed imports for crushing are up 34 percent to 0.52 MMT in the first half of MY17/18. Total oil ending stocks are forecast at 3.2 MMT at the end of MY18/19 compared to the 3.7 MMT at the end of MY17/18. The Chinese government has reduced the state rapeseed oil reserve (mainly accumulated from 2009 to 2013) through auctions held from 2015 to January 2018, from an estimated 6 MMT in mid-2015 to about 1.5 MMT, as of this report. It is unknown whether the Chinese government will add soybean oil to the state reserve, given that the government stopped purchasing rapeseed oil from farmers in 2015.

**PSD Tables**

**Table 1. Soybeans**

<b>PSD Table</b>						
<b>Country</b>	<b>China, Peoples Republic of</b>					
<b>Commodity</b>	<b>Oilseed, Soybean (1000 tons; 1000 Ha)</b>					
	<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
<b>Market Year Begin</b>		10/2016		10/2017		10/2018
Area Planted	7,200	7,150	7,850	7,800	7,850	8,400
Area Harvested	7,200	7,150	7,850	7,800	7,850	8,400
Beginning Stocks	16,910	16,910	20,391	19,191	20,641	19,441
Production	12,900	12,900	14,200	14,400	14,100	15,200
MY Imports	93,495	93,495	97,000	97,000	103,000	100,500
Total Supply	123,305	123,305	131,591	130,591	137,741	135,141
MY Exports	114	114	150	150	150	150
Crush	88,000	89,000	95,000	95,000	102,000	99,000
Food Use Dom. Cons.	11,300	11,500	12,100	12,100	12,600	12,500
Feed Waste Dom. Cons.	3,500	3,500	3,700	3,900	3,800	4,000
Total Dom. Cons.	102,800	104,000	110,800	111,000	118,400	115,500
Ending Stocks	20,391	19,191	20,641	19,441	19,191	19,491
Total Distribution	123,305	123,305	131,591	130,591	137,741	135,141

**Table 2. Rapeseed**

<b>PSD Table</b>						
<b>Country</b>	<b>China, Peoples Republic of</b>					
<b>Commodity</b>	<b>Oilseed, Rapeseed (1000 tons;1000 Ha)</b>					
	<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2016		10/2017		10/2018
Area Planted	0	7,331	0	7,180	0	7,000
Area Harvested	7,331	7,331	7,200	7,180	7,100	7,000
Beginning Stocks	1,240	1,240	1,346	1,346	1,196	1,446
Production	14,546	14,546	14,400	14,300	14,200	13,950
MY Imports	4,260	4,260	4,550	4,600	5,300	4,900
Total Supply	20,046	20,046	20,296	20,246	20,696	20,296
MY Exports	0	0	0	0	0	0
Crush	18,100	18,100	18,500	18,200	19,000	18,650
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	600	600	600	600	600	600
Total Dom. Cons.	18,700	18,700	19,100	18,800	19,600	19,250
Ending Stocks	1,346	1,346	1,196	1,446	1,096	1,046
Total Distribution	20,046	20,046	20,296	20,246	20,696	20,296

**Table 3. Peanuts**

<b>PSD Table</b>						
<b>Country</b>	<b>China, Peoples Republic of</b>					
<b>Commodity</b>	<b>Oilseed, Peanut (1000 tons; 1000 Ha)</b>					
	<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2016		10/2017		10/2018
Area Planted	4,727	4,750	4,900	4,850	5,000	4,900
Area Harvested	4,727	4,750	4,900	4,850	5,000	4,900
Beginning Stocks	0	0	0	0	0	0
Production	17,290	17,280	17,800	17,500	18,100	17,800
MY Imports	295	295	300	250	325	300
Total Supply	17,585	17,575	18,100	17,750	18,425	18,100
MY Exports	689	646	720	700	750	700
Crush	9,050	9,059	9,400	9,050	9,575	9,300
Food Use Dom. Cons.	6,850	6,850	7,000	6,950	7,125	7,000
Feed Waste Dom. Cons.	996	1,020	980	1,050	975	1,100
Total Dom. Cons.	16,896	16,929	17,380	17,050	17,675	17,400
Ending Stocks	0	0	0	0	0	0
Total Distribution	17,585	17,575	18,100	17,750	18,425	18,100

**Table 4. Cottonseed**

<b>PSD Table</b>						
<b>Country</b>	<b>China, Peoples Republic of</b>					
<b>Commodity</b>	<b>Oilseed, Cottonseed (1000 tons; 1000 Ha)</b>					
	<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2016		10/2017		10/2018
Area Planted (Cotton)	3,100	2,950	3,400	3,125	3,350	3,050
Area Harvested (Cotton)	2,900	2,950	3,400	3,125	3,350	3,050
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	8,800	8,900	10,800	9,300	10,400	9,100
MY Imports	265	265	180	200	200	200
Total Supply	9,065	9,165	10,980	9,500	10,600	9,300
MY Exports	0	0	0	0	0	0
Crush	7,665	7,765	9,500	8,100	9,200	7,930
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,400	1,400	1,480	1,400	1,400	1,370
Total Dom. Cons.	9,065	9,165	10,980	9,500	10,600	9,300
Ending Stocks	0	0	0	0	0	0
Total Distribution	9,065	9,165	10,980	9,500	10,600	9,300

**Table 5. Soybean Meal**

<b>PSD Table</b>						
<b>Country</b>	<b>China, Peoples Republic of</b>					
<b>Commodity</b>	<b>Meal, Soybean (1000 tons)</b>					
	<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2016		10/2017		10/2018
Crush	88,000	89,000	95,000	95,000	102,000	99,000
Extr. Rate, 999.9999	0.792	0.792	0.792	0.792	0.792	0.792
Beginning Stocks	0	0	0	0	0	0
Production	69,696	70,488	75,240	75,240	80,784	78,408
MY Imports	61	61	30	30	30	30
Total Supply	69,757	70,549	75,270	75,270	80,814	78,438
MY Exports	1,111	1,111	1,000	1,000	1,000	1,100
Industrial Dom. Cons.	1,050	1,159	1,100	1,200	1,150	1,220
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	67,596	68,279	73,170	73,070	78,664	76,118
Total Dom. Cons.	68,646	69,438	74,270	74,270	79,814	77,338
Ending Stocks	0	0	0	0	0	0
Total Distribution	69,757	70,549	75,270	75,270	80,814	78,438



**Table 6. Rapeseed Meal**

<b>PSD Table</b>						
<b>Country</b>	<b>China, Peoples Republic of</b>					
<b>Commodity</b>	<b>Meal, Rapeseed (1000 tons)</b>					
	<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>	
	USDA Official	Post Estimate	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2016		10/2017		10/2018
Crush	18,100	18,100	18,500	18,200	19,000	18,650
Extr. Rate, 999.9999	0.595	0.595	0.595	0.595	0.5951	0.5951
Beginning Stocks	0	0	0	0	0	0
Production	10,771	10,771	11,009	10,831	11,307	11,098
MY Imports	875	875	1,150	1,000	1,000	1,000
Total Supply	11,646	11,646	12,159	11,831	12,307	12,098
MY Exports	12	12	15	15	15	20
Industrial Dom. Cons.	450	450	450	450	450	450
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	11,184	11,184	11,694	11,366	11,842	11,628
Total Dom. Cons.	11,634	11,634	12,144	11,816	12,292	12,078
Ending Stocks	0	0	0	0	0	0
Total Distribution	11,646	11,646	12,159	11,831	12,307	12,098

**Table 7. Soybean Oil**

<b>PSD Table</b>						
<b>Country</b>	<b>China, Peoples Republic of</b>					
<b>Commodity</b>	<b>Oil, Soybean (1000 tons)</b>					
	<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2016		10/2017		10/2018
Crush	88,000	89,000	95,000	95,000	102,000	99,000
Extr. Rate, 999.9999	0.179	0.179	0.179	0.179	0.1792	0.1792
Beginning Stocks	523	523	536	948	540	1,337
Production	15,770	15,950	17,024	17,005	18,278	17,741
MY Imports	711	711	450	500	350	350
Total Supply	17,004	17,184	18,010	18,453	19,168	19,428
MY Exports	118	118	170	120	150	140
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	16,350	16,118	17,300	16,996	18,450	17,827
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	16,350	16,118	17,300	16,996	18,450	17,827
Ending Stocks	536	948	540	1,337	568	1,461
Total Distribution	17,004	17,184	18,010	18,453	19,168	19,428

**Table 8. Rapeseed Oil**

<b>PSD Table</b>						
<b>Country</b>	<b>China, Peoples Republic of</b>					
<b>Commodity</b>	<b>Oil, Rapeseed (1000 tons)</b>					
	<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2016		10/2017		10/2018
Crush	18,100	18,100	18,500	18,200	19,000	18,650
Extr. Rate, 999.9999	0.39	0.39	0.39	0.39	0.39	0.39
Beginning Stocks	3,533	3,533	2,676	2,676	2,071	1,754
Production	7,059	7,059	7,215	7,098	7,410	7,273
MY Imports	802	802	700	700	700	850
Total Supply	11,394	11,394	10,591	10,474	10,181	9,877
MY Exports	18	18	20	20	20	20
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	8,700	8,700	8,500	8,700	8,300	8,700
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	8,700	8,700	8,500	8,700	8,300	8,700
Ending Stocks	2,676	2,676	2,071	1,754	1,861	1,157
Total Distribution	11,394	11,394	10,591	10,474	10,181	9,877

**Table 9. Peanut Oil**

<b>PSD Table</b>						
<b>Country</b>	<b>China, Peoples Republic of</b>					
<b>Commodity</b>	<b>Oil, Peanut (1000 tons)</b>					
	<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2016		10/2017		10/2018
Crush	9,050	9,059	9,400	9,050	9,575	9,300
Extr. Rate, 999.9999	0.320	0.320	0.320	0.320	0.320	0.320
Beginning Stocks	0	0	0	0	0	0
Production	2,896	2,899	3,008	2,897	3,064	2,980
MY Imports	111	112	110	100	110	100
Total Supply	3,007	3,011	3,118	2,997	3,174	3,080
MY Exports	8	6	8	5	8	6
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	2,999	3,005	3,110	2,992	3,166	3,074
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	2,999	3,005	3,110	2,992	3,166	3,074
Ending Stocks	0	0	0	0	0	0
Total Distribution	3,007	3,011	3,118	2,997	3,174	3,080

**Table 10. Palm Oil**

<b>PSD Table</b>						
<b>Country</b>	<b>China, Peoples Republic of</b>					
<b>Commodity</b>	<b>Oil, Palm (1000 tons)</b>					
	<b>2016/17</b>		<b>2017/18</b>		<b>2018/19</b>	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2016		10/2017		10/2018
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	189	189	227	518	257	568
Production	0	0	0	0	0	0
MY Imports	4,881	4,881	4,900	4,850	4,950	4,950
Total Supply	5,070	5,070	5,127	5,368	5,207	5,518
MY Exports	13	0	20	0	30	0
Industrial Dom. Cons.	2,150	2,100	2,250	2,200	2,300	2,300
Food Use Dom. Cons.	2,680	2,452	2,600	2,600	2,600	2,650
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	4,830	4,552	4,850	4,800	4,900	4,950
Ending Stocks	227	518	257	568	277	568
Total Distribution	5,070	5,070	5,127	5,368	5,207	5,518