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Date: 3/22/2019

GAIN Report Number: CH19016

China - Peoples Republic of

Oilseeds and Products Annual

Muted Demand Growth Due to African Swine Fever, Yet Imports Remain Essential

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Report Highlights:
China’s demand for oilseeds and oilseed products will continue to climb in MY19/20, albeit at a slower pace due to African Swine Fever (ASF). The projected MY19/20 demand recovery is attributed to increased meal demand as chicken, cattle, and aquaculture production is forecast to grow to meet rising consumer demand for alternative animal proteins. Although pork remains the preferred meat for most Chinese consumers, the ASF outbreak has bolstered demand for chicken, beef, and seafood out of unfounded health fears, price considerations, and a desire to diversify the diet. Domestic production will remain sluggish, and China will continue to require oilseed imports to meet demand. Soybean imports are forecast to reach 91.5 MMT in MY19/20, up from an estimated 88 MMT in MY18/19 but

lower than MY17/18 imports of 94.1 MMT.

Executive Summary

China's demand for oilseeds and oilseed products will continue to climb in MY19/20, albeit at a slower pace due to African Swine Fever (ASF) (see GAIN report CH19006). China's protein meal feed use is forecast at 90.9 MMT in MY19/20. This represents about a 1 percent increase compared to the previous marketing year. MY18/19 protein meal demand was constrained by bilateral trade friction and the onset of ASF (see GAIN report CH18068).

The projected MY19/20 demand recovery is attributed to increased meal demand as chicken, cattle, and aquaculture production is forecast to grow to meet rising consumer demand for alternative animal proteins. Although pork remains the preferred meat for most Chinese consumers, the ASF outbreak has bolstered demand for chicken, beef, and seafood out of unfounded health fears, price considerations, and a desire to diversify the diet (see the Poultry, Livestock, and Seafood GAIN reports). In addition, a move towards larger-scale pork production and the increased use of commercial feed versus swill feed will contribute to recovering oilseed demand in MY19/20.

At the same time, domestic production will remain sluggish, constrained by inadequate access to improved seed varieties and other innovations. MY19/20 total oilseed production is forecast at 59.1 MMT, marginally higher than the previous year. China will continue to require oilseed imports from Brazil, the United States, Argentina, and Canada to meet demand. Soybean imports are forecast to reach 91.5 MMT in MY19/20, up from an estimated 88.0 MMT in MY18/19, but lower than MY17/18 imports of 94.1 MMT.

Vegetable oil use is expected to continue growing in MY19/20, due to the steady, robust revenue growth in China's catering and food processing sectors. MY19/20 vegetable oil consumption is forecast at 34.76 MMT, up 1.4 percent compared to the previous year, while imports are forecast up 2.7 percent to 9 MMT.

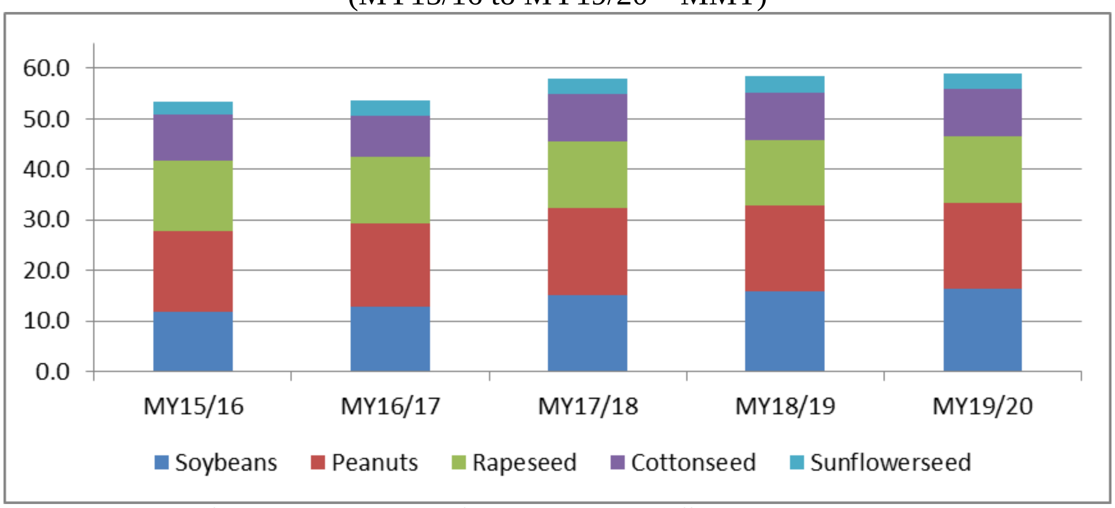
I. Oilseeds Situation and Outlook

Muted Demand Growth Due to ASF, Yet Imports Remain Essential to Meet Demand

China's domestic oilseed production will remain stagnant in marketing year (MY) 19/20, while domestic demand for oilseed products will continue to grow steadily, despite the impact of African Swine Fever (ASF) (see GAIN report CH19006). Therefore, China will continue to rely on oilseed imports from Brazil, the United States, Argentina, and Canada.

MY19/20 total oilseed production is forecast at 59.1 MMT, virtually unchanged from the estimated 58.4 MMT in MY18/19 (see Chart 1). Domestic oilseed production growth is constrained by 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 are expected to push oilseed planted area up by 1.8 percent to 24.3 million hectares (MHa) in MY19/20, through small increases in soybean, rapeseed and peanut area. In contrast to sluggish production growth, China's demand for oilseed products continues to exhibit stable if moderate growth, reflected in China's larger, richer, and more urban population consuming greater quantities of animal protein, vegetable oils, and soy-based food products.

Chart 1 – China's Major Oilseed Production
(MY15/16 to MY19/20 – MMT)



Source: National Bureau of Statistics (NBS), Ministry of Agriculture and Rural Affairs (MARA), FAS/Beijing estimates

Soybeans

Production

China's MY19/20 soybean production is forecast at 16.4 MMT, up 0.5 MMT from an estimated 15.9 MMT in MY18/19, based on a forecast 4 percent increase in acreage and above average yield. Estimated soybean production for MY18/19 was higher than the previous marketing year due to changes in government grain subsidies, which led to lower corn profits in MY17/18 and thus encouraged farmers to plant more soybeans. While official subsidy figures are not available, industry sources indicate rising soybean subsidies in recent years in the Heilongjiang province (part of China's primary soybean production area). On the other hand, corn subsidies have been falling—the 2018 soybean subsidy is far above that for corn (see Table 1).

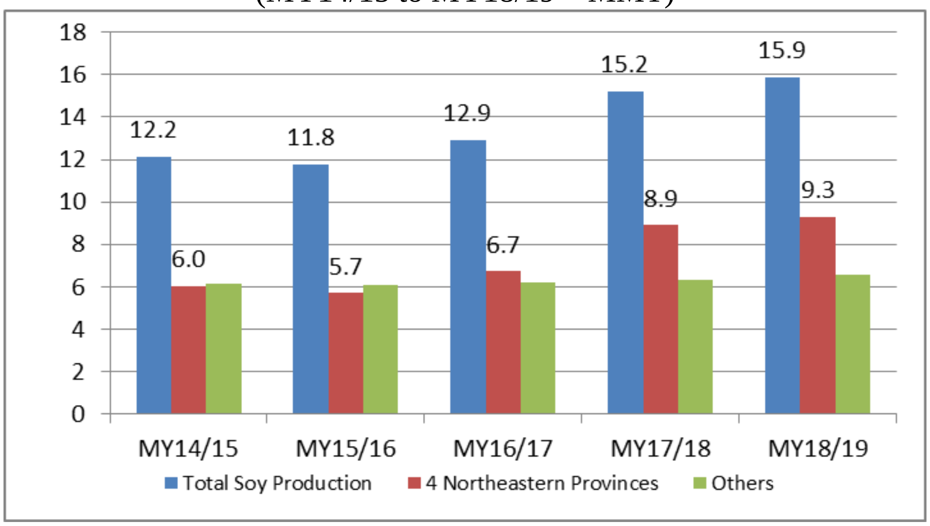
Table 1 – Soybean Subsidy Changes in Heilongjiang (2016-2018)

	2016		**2017**		**2018**	
Crop	Corn	Soybeans	Corn	Soybeans	Corn	Soybeans
Subsidy RMB/Ha	2,850	1,770	1,995	2,595	375	4,800

Source: Industry source estimates

According to the Ministry of Agriculture and Rural Affairs (MARA), the majority of the country's soybean production regions saw mostly favorable weather in MY19/20. Soybean yield was 1,905 Kg/Ha in MY19/20 compared to 1,853Kg/Ha the previous marketing year. Chart 2 provides a comparison of regional soybean production levels.

Chart 2 - China's Soybean Production by Region
(MY14/15 to MY18/19 – MMT)



Source: NBS, FAS/Beijing estimates

While MARA rarely conducts planting intention surveys, anecdotal evidence indicates some hesitation by farmers to increase soybean acreage in MY19/20, despite government efforts to boost soybean production. Farmers in the Northeast Provinces have indicated concern about the falling soybean market price. Chinese industry sources reported that the domestic soybean price started at about RMB3,820/ton ($577/ton) after the MY18/19 harvest and fell to about RMB3,400/ton ($515/ton) by February 2019, compared to about RMB3,050/ton ($462/ton) for imported soybeans.

According to the China National Grains and Oilseeds Information Center (CNGOIC), as of the end of December 2018, farmers still held about 70 percent of their production, compared to 50 to 60 percent in recent years. In late February 2019, citing the need to stabilize the market, the Heilongjiang provincial government offered farmers a soybean purchase price of between RMB3,420 and RMB3,460/ton (between $518 and $525/ton). The relatively slow marketing pace for the MY18/19 crop may overshadow soybean sowing in MY19/20.

Additionally, farmers are worried that progress in the U.S.-China trade talks will lead to a resumption of U.S. soybean exports to China. Also, the government has not pledged additional soybean subsidies for farmers in areas other than the main soybean production area of the Northeast. On the other hand, these areas retain the price advantage caused by local consumers preference for products made from locally-produced soybeans, as well as the government's restrictions on the use of imported soybeans for food.

Stocks

Soybean ending stocks for MY19/20 are forecast at 22.6 MMT, up from the estimated 22 MMT at the end of MY18/19. Although China does not publish official figures on the quantity of soybeans held in the state reserve, estimates ranged from 4 to 6 MMT as of October 2018, taking into account 2 MMT of government sales from the reserve from mid-June to October 2018. Based on its approach to managing the reserve in the recent past, China is expected to rebuild the reserve during the second half of MY18/19 and into MY19/20. While the government has not made direct purchases of domestic oilseeds for the state reserves since MY14/15, soybeans imported by state-owned companies may be placed in the state reserves. According to industry sources, a portion of the 3 MMT of U.S. soybeans purchased by state-owned importers between early December 2018 and January 2019 was used to replenish the state reserve.

Trade

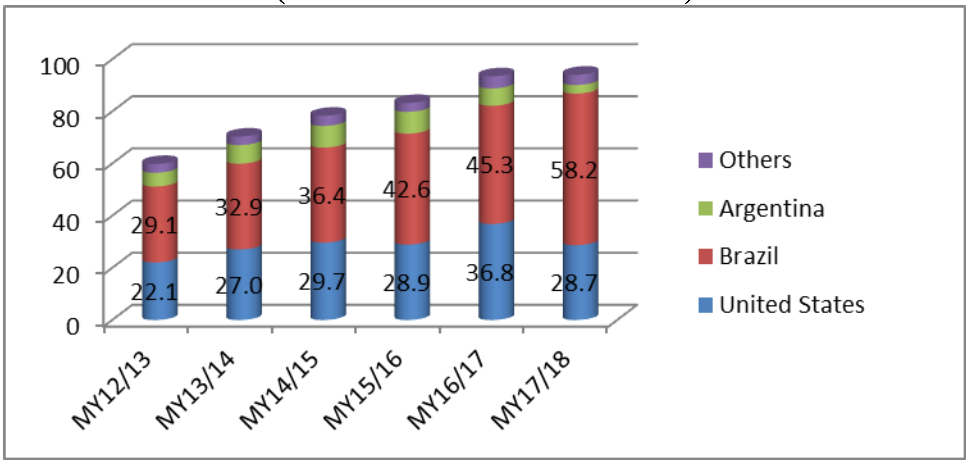
China's soybean imports are forecast to reach 91.5 MMT in MY19/20, a recovery from the estimated 88 MMT in MY18/19 but lower than MY17/18 imports of 94.1 MMT. The estimated decrease in imports in MY18/19 is partly attributed to the outbreak of African Swine Fever (ASF) in China, which led to lower feed demand. The U.S.-China trade friction also dampened imports, as China imposed an additional 25 percent import tariff on U.S. soybeans and importers demonstrated their concerns about China's potential application of non-tariff barriers on U.S. soybeans. This uncertainty combined with the additional tariff resulted in importers suspending purchases of U.S. soybeans in July 2018. Accompanying bilateral trade talks, sales of U.S. soybeans to China began again in December 2018, mainly by state-owned importers. In late February, China indicated plans to purchase another 10 MMT of U.S. soybeans, in addition to the 10 MMT contracted between December 2018 and February 2019. According to industry contacts, soybean imports from the United States remain commercially difficult. As of March 19, 2019, the import price for U.S. soybeans—including the additional 25 percent tariff—was about $576/ton, compared to a price of between $455 and $470/ton for soybeans from South America.

China continues to diversify its basket of soybean suppliers. The addition of Ethiopia to the list of countries with market access to export soybeans to China brought the number on this list up to nine, including Argentina, Brazil, Canada, Ethiopia, Kazakhstan, Russia, Ukraine, the United States, and Uruguay. However, Ethiopia's limited production will mean negligible Ethiopian exports to China for the foreseeable future. According to an August 2018 report by Chinese industry, the Russia government intends to cooperate with China in the far-east region to expand land for soybean planting by 1 MHa. This may provide an additional 3 MMT of soybeans to the market in the long term.

As Chart 3 indicates, the United States had about a 28.7 percent share of China's total MY17/18 imports, while Brazil's share was about 58.2 percent.

Chart 3 – Chinese Soybean Imports by Origin

(MY12/13 to MY17/18 – MMT)



Source: Global Trade Atlas

China's MY19/20 soybean exports are forecast at 100,000 tons, unchanged from the estimate for the previous marketing year. Given that China's soybean exports are primarily for food use, and since China faces strong competition from other food-use soybean suppliers (including the United States), China's exports are expected to remain at about the same level for the foreseeable future.

Crush Sector

China's crushing volume is forecast to recover to 90 MMT in MY19/20, after falling slightly to an estimated 89 MMT in MY18/19. According to Chinese industry data, the soy crushing utilization rate fell 8 percent over the two-month period from December 2018 to January 2019, compared to the same period the previous year. Citing bankruptcy and other debt problems, several small and medium-sized crushing plants closed from July to December 2018. In addition to credit issues, the closings likely reflect weaker feed demand due to ASF, as well as reduced soybean imports due to the bilateral trade friction.

Policy

Since the Chinese government restructuring in mid-2018, China Customs (GACC) has assumed most of the responsibilities previously managed by the former AQSIQ, including two main regulations governing oilseed 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).

Based on the Chinese government's "Number One Document" for 2019 (see forthcoming GAIN report CH19015), agricultural restructuring remains a priority in 2019. As for oilseeds, the document calls for expanded soybean planted area, support for rapeseed production in the Yangtze River Basin, a rational readjustment of the grain and feed structure, including the development of high-quality forage material like silage corn and alfalfa, and the promotion of new varieties and new technologies, including mechanization.

MARA's 2019 Crop Production Plan, dated February 21, 2019, calls for an increase in oilseeds planting area of 333,000 Ha in 2019. In addition, the Plan echoes the Number One Document with the following measures to promote oilseed planting: further raise the soybean subsidy level to expand soybean acreage in the Northeast provinces, as well as in the Huang, Huai, and Hai river regions; promote rapeseed planting in the Yangtze River region; expand the peanut planting area in the Huang, Huai, and Hai rivers regions; develop new soybean varieties with higher yield, protein, and oil content; and promote new varieties, new technology demonstration, and mechanized farming.

Rapeseed

Production

Rapeseed production is forecast to remain virtually unchanged in MY19/20, increasing by 1.6 percent based on stable area and yield. MY19/20 production is expected to reach 13.1 MMT, after having fallen by about 3 percent between MY17/18 and MY18/19. Rapeseed area for MY19/20 is forecast at 6.6MHa, a 1.5 percent increase over MY18/19. MARA reports good crop growth and favorable weather conditions in the primary rapeseed production regions along the Yangtze River and in the Southwestern provinces.

In late 2018, China's National Bureau of Statistics (NBS) significantly reduced its rapeseed production estimates for recent years, reflecting data reported in China's 3rd Agricultural Census. On average, the new NBS estimates are more than 1 MMT lower than its previous estimates, based on smaller acreage and moderately lower yields.

An estimated increase in rapeseed profits during MY18/19 and the consumer preference in some regions for the flavor of rapeseed oil are expected to result in a slight increase in rapeseed acreage in MY19/20. Estimates for rapeseed returns in MY18/19 vary by province, but are generally higher than in the previous year. Official survey data from Hubei province, the primary rapeseed production area, indicate that higher yield (up about 10 percent) and prices (up about 20 percent) pushed rapeseed returns up by more than 30 percent per hectare in MY18/19 compared to MY17/18, although gains were partly offset by higher production costs. Official surveys from the other rapeseed growing areas, including Jiangxi and Zhejiang provinces, also showed higher yields, higher prices, and higher returns in MY18/19 compared to the previous marketing year. In Hubei province, the local government continued efforts to encourage rapeseed planting with about $2 million in subsidies for demonstration plots and household crushing. According to Chinese media reports, rapeseed farming and rural tourism have increased farmer incomes in Hubei.

Trade

Rapeseed imports in MY19/20 are forecast to rise to 5.7 MMT from an estimated 5.5 MMT the previous marketing year, meeting demand in the face of limited domestic production. While imports from Russia shot up to 168,000 tons in MY17/18 from 38,000 tons the previous year, Canada maintained its place as China's number one rapeseed supplier in MY17/18, with 93.4 percent of the market share.

In March 2019, Canada faced market access challenges, with China halting rapeseed imports from two Canadian exporters due to alleged quarantine pest contamination. News of the suspensions was published on the GACC website, along with instructions for customs officials to intensify inspections of all rapeseed shipments from Canada. Canadian rapeseed exports to China averaged about 4.5 MMT annually in 2017 and 2018, with the shipments distributed fairly evenly throughout the year. During the beginning of MY18/19, China sought to offset the reduction in its U.S. soybean imports by accelerating the pace of its Canadian rapeseed imports. Canadian rapeseed exports to China totaled 2.025 MMT in the first 5 months of MY18/19 (October 2018-February 2019), including a monthly record of 602,000 tons in January 2019. At this point in MY18/19, China's Canadian rapeseed imports are slightly above the average for recent years.

Policy

The Chinese government provides a planting seed subsidy of RBM150($23)/Ha, while some of the provincial governments provide limited subsidies to encourage rapeseed production. Although the central government ceased its rapeseed price support policy in 2016, the 2019 Number One Document specifically calls for support for rapeseed production in the Yangtze River Basin.

Peanuts

Production

Peanut production is forecast virtually unchanged in MY19/20 at 17 MMT compared to an estimated 16.9 MMT in MY18/19. This reflects average yield and stable acreage, with MY19/20 area forecast at 4.6 MHa compared to 4.55 MHa in MY18/19. Due to increased domestic peanut production in MY17/18, the domestic peanut price declined by more than 20 percent in mid-2018 to about RMB7,000/ton ($1,060/ton). Lower prices and profits in MY17/18 resulted in an acreage decrease in MY18/19. However, the peanut price recovered moderately when the MY18/19 crop entered the market, up to about RMB7,200/ton ($1,090/ton) in early 2019.

Trade

China's peanut imports are forecast at 300,000 tons in MY19/20, up from an estimated 270,000 tons in MY18/19. Peanut oil imports are estimated at 110,000 tons for MY18/19, and forecast to stay unchanged in MY19/20 (equivalent to 340,000 tons of in-shell peanuts).

Import growth is constrained by the large domestic production and a stagnant market price. In addition, domestically-produced peanuts dominant the food and snack food sectors, while imports are primarily processed into oil. Given China's imposition of an additional 25 percent tariff on U.S. peanuts in July 2018, U.S. peanut exports to China are expected to be lower in MY18/19 than in the previous marketing year. In MY17/18, Senegal maintained its price competitiveness and duty-free status, providing 82 percent of Chinese imports of shelled peanuts. The United States, on the other hand, remained China's only supplier of in-shell peanuts, shipping 113,000 tons in MY17/18.

Peanut imports are subject to a combined 15 percent import duty (plus the additional 25 percent duty for U.S. product) and a 10 percent value-added tax, which was reduced from 11 percent on January 1, 2019.

China's MY19/20 peanut exports are forecast at 600,000 tons, unchanged from the estimate for the previous marketing year. Exports are limited by stable domestic production combined and growing domestic demand.

Policy

Peanut farmers continue to receive a RMB150/Ha ($23/Ha) planting seed subsidy from the central government.

Cottonseed

Production

China's MY19/20 cottonseed production is forecast at 9.3 MMT, virtually unchanged from an estimated 9.4 MMT the previous marketing year. The MY18/19 cottonseed production estimate is based on an estimated 6.07 MMT of cotton production.

Cotton planting area is forecast to decrease by about 1 percent in MY19/20 compared to the previous year, in response to a lower seed cotton purchase price in MY18/19. The MY19/20 cotton area forecast takes into account countervailing factors that will offset the dampening effect of the lower MY18/19 seed cotton price. These other factors, which include higher yield, lower labor costs because of mechanization, and the government's target price program, ensured basic returns and thus stable planted area in Xinjiang in MY18/19.

On the other hand, the government price subsidy of RMB18,600/ton ($2,906/ton) available to Xinjiang farmers through 2019 continues to disadvantage farmers in the Yangtze River and Yellow River regions, precluding planted area expansion in those regions in MY18/19. Several Chinese industry sources estimate cotton production outside of Xinjiang at less than 1 MMT in MY18/19. The projected 1 percent decline in overall cotton area in MY19/20 reflects a stable planted area in Xinjiang combined with decreased planted area in the other regions.

This cotton area forecast differs from the findings of a December 2018 planting intention survey conducted by the China Cotton Association (CCA). CCA reported a 2.7 percent nationwide decrease in cotton planting intention in MY19/20 compared to the previous year. The reported decrease in planting intention from MY18/19 to MY19/20 varies by region, with a 2.1 percent lower planting intention for Xinjiang and larger decreases in the other areas: 4.8 percent for the Yellow River region and 3.6 percent for the Yangtze River region. Due to the countervailing factors cited in the second paragraph of this section, FAS/Beijing projects that the decrease in cotton area will not be as large as the CCA survey would indicate.

Trade

China's cottonseed imports are forecast to reach 200,000 tons in MY19/20, up from an estimated 160,000 tons in MY18/19 based on lower domestic cottonseed production in MY19/20. Given that the majority of domestic cottonseed is produced in Xinjiang, relatively far from the primary consumption areas, cottonseed imports are expected to continue in MY19/20 and beyond. China's cottonseed suppliers in recent years have been the United States, Australia, and Pakistan.

Other oilseeds

Camellia production continues in China's southern provinces. However, due to persistent low yields, it is unlikely that the Chinese government production target of 1 MMT by 2020, up from an estimated 500,000 tons in 2014, will be met. Industry sources estimate 2018 camellia oil production at 700,000 tons, compared to 644,000 tons the previous year.

II. Oilseed Meal Situation and Outlook

Moderate Consumption Recovery in MY19/20 after a Stagnant MY18/19

China's steadily growing demand for animal protein—sustained by stable GDP and population growth—will offset the dampening effects of African Swine Fever (ASF) (see GAIN report CH19006) on oilseed meal demand. MY19/20 total protein meal feed use is forecast at 90.9 MMT, an increase of about 1 percent compared to MY18/19, when demand growth was inhibited by bilateral trade friction and the onset of ASF.

After languishing at the MY17/18 level in MY18/19, China's protein meal consumption is forecast to recover moderately in MY19/20. The projected recovery is due to increased meal demand as chicken, bovine, and aquaculture production is forecast to grow to meet rising consumer demand for alternative proteins. In addition, meal demand will increase due to a shift in the swine sector towards larger-scale production, with more use of commercial feed versus swill feed. A restructuring of the pork sector was already underway when ASF hit in August 2018, but the shift was hastened by the relative vulnerability of smaller swine operations and the heightened risk of spreading the disease through swill feeding.

Although pork remains the preferred meat for most Chinese consumers, the ASF outbreak has bolstered demand for alternative animal proteins, due to unfounded health fears, price considerations, and a desire to diversify the diet. China's chicken meat consumption is forecast to increase by about 9 percent in 2019 compared to 2018, while beef consumption is forecast to increase by 4 percent (see the Poultry and Livestock GAIN reports). Likewise, China's seafood consumption is forecast to increase in 2019 (see GAIN report CH19008).

Along with the impact of ASF, the projected lack of oilseed meal demand growth in MY18/19 is also attributed to the U.S-China trade friction. The trade situation has ignited efforts by China to reduce U.S. soybean imports and slash soybean feed use, through reductions in the feed protein ratio and the use of substitute protein meals (see GAIN report CH18068).

Soybean meal (SBM) use is forecast to increase to 69.3 MMT in MY19/20 from an estimated 68.6 MMT in MY18/19. SBM is projected to account for 76.3 percent of total protein meal use in MY19/20, followed by rapeseed meal at 12.6 percent.

Oilseed Meal Trade

Total protein meal imports are forecast at 3 MMT in MY19/20, up slightly from 2.9 MMT the previous year, while exports are forecast virtually unchanged at 0.8 MMT. China cut the import tariff for several protein meals from 5 to zero percent, effective January 1, 2019. This included peanut meal, cotton seed meal, linseed meal, sunflower seed meal, rapeseed meal, coconut or copra meal, and palm kernel meal.

Soybean meal (SBM) exports are stable at 0.8 MMT in MY18/19 and MY19/20, down from the 1.2 MMT in MY17/18. In an effort to conserve SBM for domestic use, China eliminated the 11 percent VAT rebate for SBM exports, effective November 1, 2018. News reports indicate that Brazil and Argentina are seeking market access to China for SBM.

MY19/20 rapeseed meal imports are forecast at 1.2 MMT, unchanged from the estimate for MY18/19. Given a lack of growth in domestic rapeseed production, China will continue to rely on rapeseed meal imports to meet demand from the domestic aquaculture sector.

Fish meal imports for MY19/20 are forecast at 1.4 MMT, slightly higher than the estimate for MY18/19 due to a lower international market price. The price fell by 14 percent from January to December 2018. The projected higher MY19/20 imports also reflect slightly higher fish meal use for aquaculture and stagnant domestic fish meal production. During 2018, Chinese fish meal imports fell to 1.46 MMT after reaching a record import level of 1.58 MMT in 2017, mostly due to favorable international prices. China's fish meal import growth is increasingly constrained by fluctuation of global fish meal supply and price. Peru has maintained its place as China's number one fish meal supplier, exporting 784,000 tons to China in 2018. U.S. fish meal exports to China continue on a downward trend, falling to 76,000 tons in 2018 from 104,000 tons in 2017. The decline in U.S. exports is attributed to a price disadvantage compared to Peru and other suppliers, as well as China's July 2018 imposition of an additional tariff on U.S. fish meal.

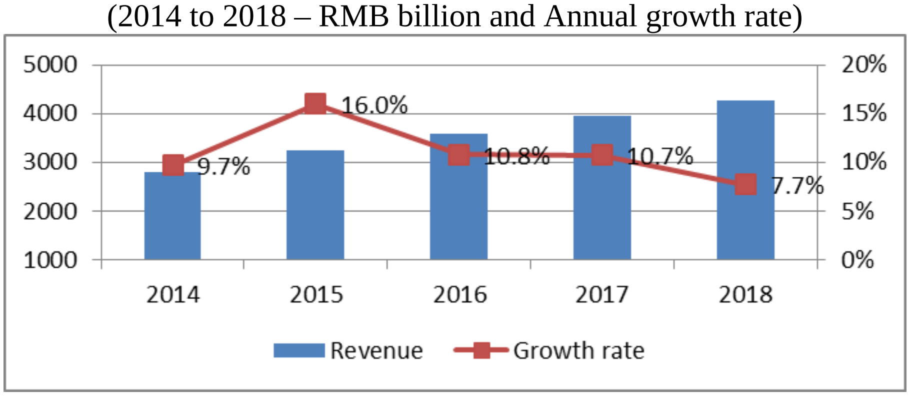
III. Vegetable Oil Situation and Outlook

Continued Consumption Growth

Total vegetable oil production for MY19/20 is forecast at 27.87 MMT, up 0.8 percent from the estimate for MY18/19. Soybean oil will continue to be the primary vegetable oil in China, accounting for 57.8 percent of total oil production in MY19/20, followed by rapeseed oil and peanut oil, at 25 and 10 percent, respectively.

MY19/20 vegetable oil consumption is forecast at 34.76 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. Although NBS data indicate that household demand for oil may have peaked, the data shows rising demand in the catering and food processing sectors. Despite anti-corruption restrictions imposed on business meals in recent years, catering revenue continues to grow at a sizeable albeit slowing rate. This suggests that private consumers continue to host banquets in increasing numbers, a trend that is expected to drive vegetable oil use in MY19/20. According to industry reporting, food service revenue reached RMB4,272 billion ($647 billion) in 2018, an increase of almost 8 percent over the previous year (see Chart 4).

Chart 4 - China's Catering Industry Revenue Growth
(2014 to 2018 – RMB billion and Annual growth rate)



Source: Chinese Industry Report

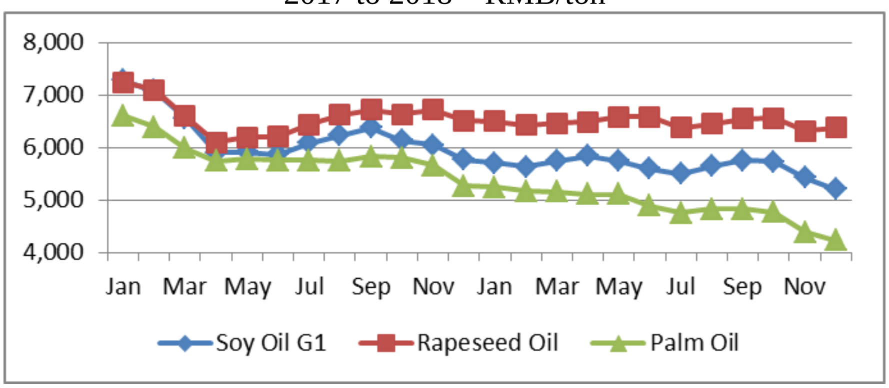
China's food processing industry will also be a driving force for vegetable oil consumption in the coming years. Far below the world average, China's per capita consumption of baked food has room to grow. Bakery revenue reached RMB195 billion in 2017, up 14 percent over 2018, a growth trend that is estimated to have continued in 2018 and is projected to continue in 2019. China's production of specialty oils also continues to grow, taking market share from traditional oils. The top specialty oils include camellia oil, sesame oil, olive oil, corn oil, and rice oil.

Vegetable Oil Trade

MY19/20 total oil imports are forecast at 9 MMT, up from an estimated 8.76 MMT the previous year. This MY18/19 estimate is significantly higher than MY17/18 imports of 7.9 MMT, reflecting decreased soybean imports in MY18/19.

Given sufficient domestic production of traditional vegetable oils, imports mainly meet demand for specialty oils, including palm oil, sunflower seed oil, and olive oil. Imports of palm oil, the leading imported oil, are forecast to grow to 5.95 MMT in MY19/20 from an estimated 5.8 MMT the previous marketing year, due to a price drop of nearly 20 percent from January to December 2018. As Chart 5 indicates, wholesale prices for other major vegetable oils also dropped during this time period. The soybean oil price decreased by almost 9 percent and the rapeseed oil price fell by nearly 2 percent.

Chart 5 – Wholesale Prices for Major Vegetable Oils
2017 to 2018 – RMB/ton



Source: China JCI

Total Oilseeds, Total Meal, and Total Oil PSD Tables

Table 1. Total Oilseeds

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Total Oilseeds (1000 tons; 1000Ha)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Area Planted	17,800	24,046	18,450	23,910	0	24,330
Area Harvested	24,161	24,046	24,028	23,910	0	24,330
Beginning Stocks	21,921	21,921	24,865	24,945	0	22,915
Production	59,486	57,936	59,777	58,350	0	59,050
MY Imports	99,279	99,279	94,170	94,080	0	97,850
TOTAL SUPPLY	180,686	179,136	178,028	177,375	0	179,815
MY Exports	1,334	1,334	1,200	1,080	0	1,090
Crush Dom. Cons.	127,550	126,320	127,200	125,940	0	126,990
Food Use Dom. Cons.	20,015	19,701	20,670	20,390	0	20,955
Feed,Seed,Waste Dom.Cons.	6,922	6,836	7,277	7,050	0	7,155
TOTAL Dom. Consumption	154,487	152,857	154,457	153,380	0	155,100
Ending Stocks	24,865	24,945	22,465	22,915	0	23,625
TOTAL DISTRIBUTION	180,686	179,136	178,122	177,375	0	179,815

Table 2. Total Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Total Meal (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	128,650	127,420	128,300	126,940	0	127,990
Extr. Rate, 999.9999					0	
Beginning Stocks	0	0	0	0	0	0
Production	90,606	90,063	90,246	89,614	0	90,440
MY Imports	3,000	3,000	2,700	2,920	0	3,030
TOTAL SUPPLY	93,606	93,063	92,946	92,534	0	93,470
MY Exports	1,236	1,236	945	825	0	820
Industrial Dom. Cons.	1,752	1,690	1,802	1,740	0	1,795
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	90,618	90,137	90,199	89,969	0	90,855
TOTAL Dom. Consumption	92,370	91,827	91,646	91,709	0	92,650
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	93,606	93,063	92,596	92,539	0	93,470
SBM Equivalent	89,516	89,042	87,006	88,744	0	89,692

Table 3. Total Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Total Oils (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	127,550	126,320	127,200	125,940	0	126,990
Extr. Rate, 999.9999					0	
Beginning Stocks	3,520	3,520	2,804	2,782	0	2,496
Production	27,766	27,639	27,852	27,644	0	27,873
MY Imports	7,905	7,905	8,810	8,755	0	9,020
TOTAL SUPPLY	39,191	39,064	39,451	39,181	0	39,394
MY Exports	269	269	188	157	0	176
Industrial Dom. Cons.	2,200	2,200	2,300	2,250	0	2,350
Food Use Dom. Cons.	33,918	33,813	34,667	34,278	0	34,755
Feed Waste Dom. Cons.	0	0	0	0	0	0
TOTAL Dom. Consumption	36,118	36,013	36,952	36,528	0	37,105
Ending Stocks	2,804	2,782	2,311	2,496	0	2,113
TOTAL DISTRIBUTION	39,191	39,064	39,451	39,181	0	39,394

Oilseeds PSD Tables

Table 4. Soybeans

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Soybean (1000 tons; 1000 Ha)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Area Planted	8,250	8,250	8,850	8,400	0	8,700
Area Harvested	8,250	8,250	8,400	8,400	0	8,700
Beginning Stocks	20,663	20,663	23,524	23,824	0	22,024
Production	15,200	15,200	15,900	15,900	0	16,400
MY Imports	94,095	94,095	88,000	88,000	0	91,500
Total Supply	129,958	129,958	127,424	127,724	0	129,924
MY Exports	134	134	100	100	0	100
Crush	90,000	90,000	88,000	89,000	0	90,000
Food Use Dom. Cons.	12,400	12,100	12,900	12,500	0	13,000
Feed Waste Dom. Cons.	3,900	3,900	4,200	4,100	0	4,200
Total Dom. Cons.	106,300	106,000	105,100	105,600	0	107,200
Ending Stocks	23,524	23,824	22,224	22,024	0	22,624
Total Distribution	129,958	129,958	127,424	127,724	0	129,924

Table 5. Rapeseed

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Rapeseed (1000 tons;1000 Ha)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Area Planted	0	6,653	0	6,500	0	6,600
Area Harvested	6,653	6,653	6,468	6,500	0	6,600
Beginning Stocks	1,064	1,064	1,203	953	0	753
Production	13,274	13,274	12,850	12,900	0	13,100
MY Imports	4,715	4,715	5,300	5,500	0	5,700
Total Supply	19,053	19,053	19,353	19,353	0	19,553
MY Exports	0	0	0	0	0	0
Crush	17,300	17,500	17,900	18,000	0	18,100
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	550	600	550	600	0	600
Total Dom. Cons.	17,850	18,100	18,450	18,600	0	18,700
Ending Stocks	1,203	953	903	753	0	853
Total Distribution	19,053	19,053	19,353	19,353	0	19,553

Table 6. Peanuts

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Peanut (1000 tons; 1000 Ha)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Area Planted	4,900	4,608	5,000	4,550	0	4,600
Area Harvested	4,608	4,608	4,560	4,550	0	4,600
Beginning Stocks	0	0	0	0	0	0
Production	17,092	17,092	17,000	16,900	0	17,000
MY Imports	234	234	270	270	0	300
Total Supply	17,326	17,326	17,270	17,170	0	17,300
MY Exports	720	720	720	600	0	600
Crush	8,950	8,970	8,700	8,650	0	8,690
Food Use Dom. Cons.	6,700	6,686	6,850	6,970	0	7,055
Feed Waste Dom. Cons.	956	950	1,000	950	0	955
Total Dom. Cons.	16,606	16,606	16,550	16,570	0	16,700
Ending Stocks	0	0	0	0	0	0
Total Distribution	17,326	17,326	17,270	17,170	0	17,300

Table 7. Sunflower Seed

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Sunflower seed (1000 tons; 1000 Ha)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Area Planted	1,250	1,180	1,250	1,210	0	1,210
Area Harvested	1,250	1,180	1,250	1,210	0	1,210
Beginning Stocks	194	194	138	168	0	138
Production	3,120	3,150	3,250	3,250	0	3,250
MY Imports	119	119	150	150	0	150
Total Supply	3,433	3,463	3,538	3,568	0	3,538
MY Exports	480	480	380	380	0	390
Crush	1,800	1,800	2,000	2,030	0	2,000
Food Use Dom. Cons.	915	915	920	920	0	900
Feed Waste Dom. Cons.	100	100	100	100	0	100
Total Dom. Cons.	2,815	2,815	3,020	3,050	0	3,000
Ending Stocks	138	168	138	138		148
Total Distribution	3,433	3,463	3,538	3,568	0	3,538

Table 8. Cottonseed

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oilseed, Cottonseed (1000 tons; 1000 Ha)					
	2017/18		2018/19		2019/20	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Area Planted (Cotton)	3,400	3,355	3,350	3,250	0	3,220
Area Harvested (Cotton)	3,400	3,355	3,350	3,250	0	3,220
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	10,800	9,220	10,777	9,400	0	9,300
MY Imports	116	116	150	160	0	200
Total Supply	10,916	9,336	10,927	9,560	0	9,500
MY Exports	0	0	0	0	0	0
Crush	9,500	8,050	9,500	8,260	0	8,200
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,416	1,286	1,427	1,300	0	1,300
Total Dom. Cons.	10,916	9,336	10,927	9,560	0	9,500
Ending Stocks	0	0	0	0	0	0
Total Distribution	10,916	9,336	10,927	9,560	0	9,500

Meal PSD Tables

Table 9. Soybean Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Soybean (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	90,000	90,000	88,000	89,000	0	90,000
Extr. Rate, 999.9999	0.792	0.792	0.792	0.792	0	0.792
Beginning Stocks	0	0	0	0	0	0
Production	71,280	71,280	69,696	70,488	0	71,280
MY Imports	23	23	30	50	0	50
Total Supply	71,303	71,303	69,726	70,538	0	71,330
MY Exports	1,198	1,198	900	800	0	800
Industrial Dom. Cons.	1,100	1,100	1,150	1,150	0	1,200
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	69,005	69,005	67,676	68,588	0	69,330
Total Dom. Cons.	70,105	70,105	68,826	69,738	0	70,530
Ending Stocks	0	0	0	0	0	0
Total Distribution	71,303	71,303	69,726	70,538	0	71,330

Table 10. Rapeseed Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Rapeseed (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	17,300	17,500	17,900	18,000	0	18,100
Extr. Rate, 999.9999	0.590	0.590	0.590	0.590	0	0.59
Beginning Stocks	0	0	0	0	0	0
Production	10,209	10,326	10,563	10,620	0	10,679
MY Imports	1,258	1,258	1,100	1,200	0	1,200
Total Supply	11,467	11,584	11,663	11,820	0	11,879
MY Exports	14	14	14	15	0	10
Industrial Dom. Cons.	468	450	473	450	0	450
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	10,985	11,120	11,176	11,355	0	11,419
Total Dom. Cons.	11,453	11,570	11,649	11,805	0	11,869
Ending Stocks	0	0	0	0	0	0
Total Distribution	11,467	11,584	11,663	11,820	0	11,879

Table 11. Peanut Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Peanut (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	8,950	8,970	8,700	8,650	0	8,690
Extr. Rate, 999.9999	0.400	0.400	0.400	0.400	0.000	0.400
Beginning Stocks	0	0	0	0	0	0
Production	3,580	3,588	3,480	3,460	0	3,476
MY Imports	39	39	50	50	0	50
Total Supply	3,619	3,627	3,530	3,510	0	3,526
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.	3,619	3,627	3,530	3,510	0	3,526
Total Dom. Cons.	3,619	3,627	3,530	3,510	0	3,526
Ending Stocks	0	0	0	0	0	0
Total Distribution	3,619	3,627	3,530	3,510	0	3,526

Table 12. Sunflowerseed Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Sunflowerseed (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	1,800	1,800	2,000	2,030	0	2,000
Extr. Rate, 999.9999	0.545	0.545	0.546	0.545	0	0.545
Beginning Stocks	0	0	0	0	0	0
Production	981	981	1,090	1,106	0	1,090
MY Imports	210	210	650	250	0	300
Total Supply	1,191	1,191	1,740	1,356	0	1,390
MY Exports	24	24	25	10	0	10
Industrial Dom. Cons.	62	0	62	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,105	1,167	1,653	1,346	0	1,380
Total Dom. Cons.	1,167	1,167	1,715	1,346	0	1,380
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,191	1,191	1,740	1,361	0	1,390

Table 13. Cotton Seed Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Cottonseed (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	9,500	8,050	9,500	8,260	0	8,200
Extr. Rate, 999.9999	0.433	0.433	0.433	0.433	0	0.433
Beginning Stocks	0	0	0	0	0	0
Production	4,116	3,488	4,116	3,576	0	3,551
MY Imports	4	4	20	20	0	30
Total Supply	4,120	3,492	4,136	3,596	0	3,581
MY Exports	0	0	5	0	0	0
Industrial Dom. Cons.	140	140	140	140	0	145
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	3,980	3,352	3,991	3,456	0	3,436
Total Dom. Cons.	4,120	3,492	4,131	3,596	0	3,581
Ending Stocks	0	0	0	0	0	0
Total Distribution	4,120	3,492	4,136	3,596	0	3,581

Table 14. Fish Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Fish (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		1/2017		1/2018		1/2019
Catch For Reduction	1,100	1,100	1,100	1,000	0	1,000
Extr. Rate, 999.9999	0.400	0.364	0.4091	0.364	0	0.364
Beginning Stocks	0	0	0	0	0	0
Production	440	400	450	364	0	364
MY Imports	1,466	1,466	1,300	1,350	0	1,400
Total Supply	1,906	1,866	1,750	1,714	0	1,764
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.	1,906	1,866	1,750	1,714	0	1,764
Total Dom. Cons.	1,906	1,866	1,750	1,714	0	1,764
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,906	1,866	1,750	1,714	0	1,764

Oil PSD Tables

Table 15. Soybean Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Soybean (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	90,000	90,000	88,000	89,000	0	90,000
Extr. Rate, 999.9999	0.179	0.1792	0.1792	0.179	0	0.1792
Beginning Stocks	670	670	568	568	0	662
Production	16,128	16,128	15,770	15,931	0	16,128
MY Imports	481	481	800	800	0	850
Total Supply	17,279	17,279	17,138	17,299	0	17,640
MY Exports	211	211	125	100	0	125
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	16,500	16,500	16,508	16,537	0	16,800
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	16,500	16,500	16,508	16,537	0	16,800
Ending Stocks	568	568	505	662	0	715
Total Distribution	17,279	17,279	17,138	17,299	0	17,640

Table 16. Rapeseed Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Rapeseed (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	17,300	17,500	17,900	18,000	0	18,100
Extr. Rate, 999.9999	0.390	0.39	0.39	0.39	0	0.39
Beginning Stocks	2,543	2,543	1,741	1,719	0	1,319
Production	6,747	6,825	6,981	7,020	0	7,059
MY Imports	1,067	1,067	1,350	1,000	0	1,000
Total Supply	10,357	10,435	10,072	9,739	0	9,378
MY Exports	16	16	17	20	0	15
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	8,600	8,700	8,675	8,400	0	8,450
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	8,600	8,700	8,675	8,400	0	8,450
Ending Stocks	1,741	1,719	1,380	1,319	0	913
Total Distribution	10,357	10,435	10,072	9,739	0	9,378

Table 17. Peanut Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Peanut (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	8,950	8,970	8,700	8,650	0	8,690
Extr. Rate, 999.9999	0.320	0.32	0.32	0.32	0	0.32
Beginning Stocks	0	0	0	0	0	0
Production	2,864	2,870	2,784	2,768	0	2,781
MY Imports	112	112	110	110	0	125
Total Supply	2,976	2,982	2,894	2,878	0	2,906
MY Exports	10	10	8	5	0	6
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	2,966	2,972	2,886	2,873	0	2,900
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	2,966	2,972	2,886	2,873	0	2,900
Ending Stocks	0	0	0	0	0	0
Total Distribution	2,976	2,982	2,894	2,878	0	2,906

Table 18. Cotton Seed Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Cottonseed (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	9,500	8,050	9,500	8,260	0	8,200
Extr. Rate, 999.9999	0.146	0.1455	0.1455	0.145	0	0.145
Beginning Stocks	0	0	0	0	0	0
Production	1,382	1,171	1,382	1,198	0	1,189
MY Imports	0	0	0	0	0	0
Total Supply	1,382	1,171	1,382	1,198	0	1,189
MY Exports	0	0	5	2	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	1,382	1,171	1,377	1,196	0	1,189
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1,382	1,171	1,377	1,196	0	1,189
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,382	1,171	1,382	1,198	0	1,189

Table 19. Sunflower Seed Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Sunflower Seed (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	1,800	1,800	2,000	2,030	0	2,000
Extr. Rate, 999.9999	0.358	0.358	0.358	0.358	0	0.358
Beginning Stocks	0	0	0	0	0	0
Production	645	645	717	727	0	716
MY Imports	785	785	900	900	0	950
Total Supply	1,430	1,430	1,617	1,627	0	1,666
MY Exports	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	1,430	1,430	1,617	1,627	0	1,666
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1,430	1,430	1,617	1,627	0	1,666
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,430	1,430	1,617	1,627	0	1,666

Table 20. Palm Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Palm (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
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	307	307	495	495	0	515
Production	0	0	0	0	0	0
MY Imports	5,320	5,320	5,800	5,800	0	5,950
Total Supply	5,627	5,627	6,295	6,295	0	6,465
MY Exports	32	32	30	30	0	30
Industrial Dom. Cons.	2,200	2,200	2,300	2,250	0	2,350
Food Use Dom. Cons.	2,900	2,900	3,650	3,500	0	3,600
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	5,100	5,100	5,950	5,750	0	5,950
Ending Stocks	495	495	315	515	0	485
Total Distribution	5,627	5,627	6,295	6,295	0	6,465

Table 21. Coconut Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Coconut (1000 tons)**					
	2017/18		**2018/19**		**2019/20**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2017		10/2018		10/2019
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	140	140	150	145	0	150
Total Supply	140	140	150	145	0	150
MY Exports	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	140	140	150	145	0	150
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	140	140	150	145	0	150
Ending Stocks	0	0	0	0	0	0
Total Distribution	140	140	150	145	0	150

Soybean Product & Palm Oil Wholesale Price Tables

Table 22. Nation Average Soybean Wholesale Prices CY2015 to CY2018

Year/Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2015	3,795	3,763	3,752	3,638	3,546	3,462	3,442	3,502	3,506	3,503	3,503	3,422	-10%
2016	3,415	3,414	3,394	3,382	3,462	3,556	3,732	3,724	3,713	3,711	3,699	3,728	+9.2%
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%

Table 23. Heilongjiang/Harbin Soybean Wholesale Prices CY2015 to CY2018

Year/	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change %
2015	3,900	3,900	3,900	3,827	3,800	3,630	3,560	3,740	3,750	3,750	3,750	3,614	-7%
2016	3,600	3,600	3,580	3,575	3,607	3,740	3,845	3,710	3,650	3,650	3,668	3,720	+3.3%
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%

Table 24. Wholesale Soybean Meal Prices in CY2015 and CY2018

Year / Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2015	3,171	3,022	3,112	2,990	2,867	2,664	2,856	2,804	2,793	2,832	2,669	2,614	-18%
2016	2,655	2,678	2,557	2,604	2,936	3,382	3,410	3,216	3,276	3,305	3,380	3,547	+3.4%
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%

Table 25. Wholesale Soybean Oil (Grade 1) Prices in CY2015 and CY2018

Year / Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2015	5,764	5,756	5,795	5,842	6,015	5,941	5,769	5,672	5,631	5,795	5,760	5,940	+3%
2016	5,944	6,040	6,083	6,382	6,280	6,217	6,180	6,256	6,375	6,606	6,909	7,334	+23.4%

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%

Table 26. Wholesale Palm Oil Prices CY 2015 and CY2018

Year / Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2015	4,986	4,986	5,087	5,028	5,130	5,120	4,931	4,575	4,323	4,493	4,363	4,467	-10.4%
2016	4,573	4,882	5,211	5,682	5,713	5,664	5,577	5,890	6,365	6,369	6,531	6,760	+47.8%
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%

Table 27. Comparison of Wholesale Prices for Grade 1-Soy Oil and Palm Oil in CY2018

Unit: RMB Yuan/MT; 2018 Exchange Rate: RMB6.6 =US$1.0												
CY2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Soybean Oil	5,705	5,635	5,739	5,832	5,746	5,592	5,493	5,640	5,753	5,724	5,418	5,202
Palm Oil	5,242	5,171	5,159	5,110	5,103	4,887	4,747	4,825	4,828	4,762	4,391	4,231
Diff % Palm vs Soy Oil	-8%	-8%	-10%	-12%	-11%	-13%	-14%	-14%	-16%	-17%	-19%	-19%
Average palm oil price is 13% lower than G1 soy oil in CY2018 compared to the 7% lower in CY2017 and 10% lower in CY2016												

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

Taxes & Duties Tables (Jan 01-Dec 31, 2019)

Table 28. Oilseeds

HS Code	Description	M.F.N.(%)	Gen (%)	VAT Rate %	ED Rate %
Seed					
12011000	Soybeans, seed	0	180	10	
12019010	Yellow soybean	3	180	10	
12019020	Black soybean	3	180	10	
12019030	Green soybean	3	180	10	
12019090	Other soybean	3	180	10	
12023000	In shell peanut, seed	0	0	10	
12024100	In shell peanut, other	15	70	10	
12024200	Shelled peanut	15	70	10	
12030000	Copra	15	70	10	5
12040000	Linseed	5	90	16	5
20081110	Peanut kernels, in airtight containers	5	80	16	15
20081120	Roasted peanuts	5	90	16	15
20081130	Peanut butter	5	80	16	15
20081190	Other processed peanuts	0	80	10	5,15
12051010	Low erucic acid rape seed, seed	9	80	10	
12051090	Low erucic acid rape seed, other	0	80	10	5
12059010	Other rapeseed, seed	9	80	10	
12059090	Other rapeseed, other	0	0	10	5
12060010	Sunflower seeds, seed	15	70	10	5
12060090	Sunflower seeds, other	0	0	10	5
12072100	Cottonseeds for cultivation	15	70	10	5
12072900	Cottonseeds, other	0	0	10	5
12074010	Sesame seeds for cultivation	10	70	10	5
12074090	Sesame seeds, other	0	180	10	5

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

Table 29. Oils

HS Code	Description	M.F.N.(%)	Gen (%)	VAT Rate %	ED Rate %
Oil					
15071000	Crude soybean oil	9	190	10	
15079000	Other soybean oil	9	190	10	
15081000	Crude peanut oil	10	100	10	
15089000	Other peanut oil	10	100	10	
15091000	Olive Oil, virgin	10	30	10	
15099000	Olive oil, other	10	30	16	
15111000	Palm oil, crude	9	60	10	
15119010	Palm oil, liquid	9	60	10	
15119020	Stearin	8	60	10	
15119090	Palm oil, other	9	60	16	
15121100	Crude sunflower seed oil	9	160	10	
15121900	Other sunflower seed oil	9	160	16	
15122100	Crude cottonseed oil	10	70	10	
15122900	Other cottonseed oil	10	70	16	
15131100	Crude coconut oil	9	40	10	
15131900	Other coconut oil	9	40	10	
15132100	Crude palm kernel oil	9	40	10	
15132900	Other palm kernel oil	9	40	16	
15141100	Crude low erucic acid rape or colza oil	9	170	10	
15141900	Other crude low erucic acid rape oil	9	170	10	
15149110	Crude rape or colza oil	9	170	10	
15149190	Crude mustard oil	9	170	10	
15149900	Other rape oil	9	170	16	

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

Table 30. Meals

HS Code	Description	M.F.N.(%)	Gen (%)	VAT Rate %	ED Rate %
Meal					
12081000	Soy flour	9	70	16	
12089000	Other	15	80	16	15
23012010	Fish meal	2	11	0	
23025000	Legume sweepings	5	30	10	
23040010	Soy meal, oil cake	5	30	10	
23040090	Soy meal, other	5	30	10	
23050000	Peanut meal	0**	30	0	
23061000	Cottonseed meal	0**	30	0	10
23062000	Linseed meal	0**	30	0	10
23063000	Sunflower seed meal	0**	30	0	10
23064100	Low erucic acid rapeseed meal	0**	30	0	10
23064900	Other rapeseed meal	0**	30	0	10
23065000	Cake of coconut or copra	0**	30	10	
23066000	Cake of palm nuts or kernels	0**	30	10	
23069000	Other oilseed cakes	0**	30	10	
23080000	Vegetable materials and waste, vegetable residues	0**	35	10	

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

**Effective on January 1, 2019, tariff was cut to zero from the previous rate at 5%