

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **China - Peoples Republic of**

## **Poultry and Products Annual**

## **2014**

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**Report Highlights:**

Post forecasts China's broiler production to remain flat at 13 million tons in 2015 as a result of stagnant consumption and relatively higher feed costs. As a result of this stagnant consumption, Post forecasts broiler imports to decrease 2 percent to 235,000 tons.

**Commodities:**

Poultry, Meat, Broiler

**Production:****Production forecast flat in 2015 on continuing lackluster demand and relatively elevated feed costs**

Broiler meat production is forecast to remain at 13.0 million tons in 2015, demonstrating possible recovery following two years of production declines. Additional growth is constrained by stagnant consumption, relatively higher feed costs and industry restructuring. Feed prices are expected to remain historically high in 2015. Furthermore industry has faced significant financial losses resulting from avian influenza (AI) outbreaks.

Production for 2014 is revised up to 13.0 million tons based on improved demand and cost relief in the second half of the year. Prices are making a general recovery and the upcoming holiday season is expected to increase overall meat consumption. Feed production is also expected to improve bringing some cost relief to producers.

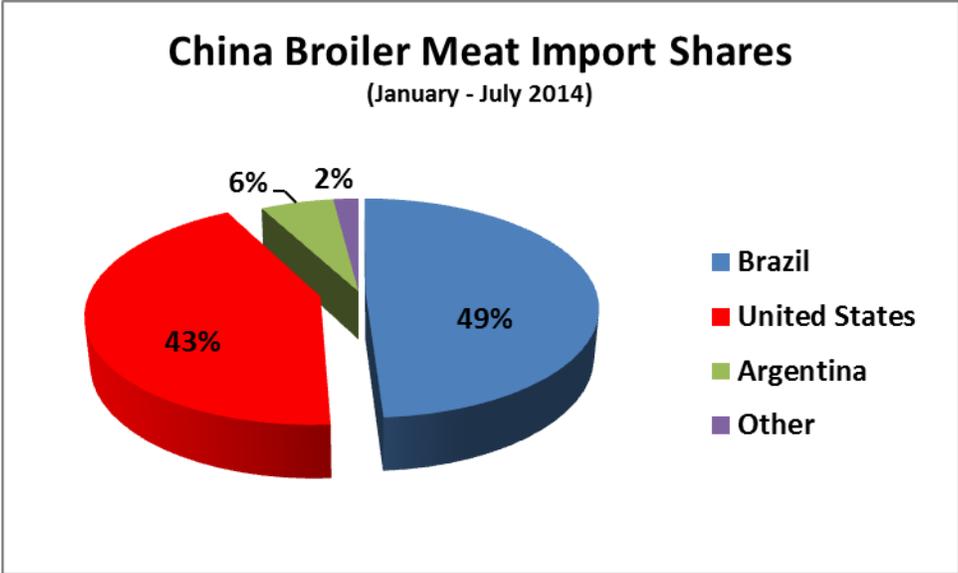
**Consumption:****Weak consumer confidence limits growth in 2015**

Consumption is virtually unchanged at 12.8 million tons in 2015. Consumer confidence remains challenged by concerns about AI and a continued variety of ongoing meat handling/processing scandals. For example, a recent food scandal associated with major quick-service restaurants and food suppliers resulted in the removal of certain chicken products from the market. In this case, the company is developing a quality control center and food safety education program to rebuild consumer confidence.

Broiler meat consumption is also constrained by lower prices for pork, which increases competition between the meats. On the other hand, high beef prices are encouraging consumers to shift towards price-competitive broiler meat.

**Trade:****Imports**

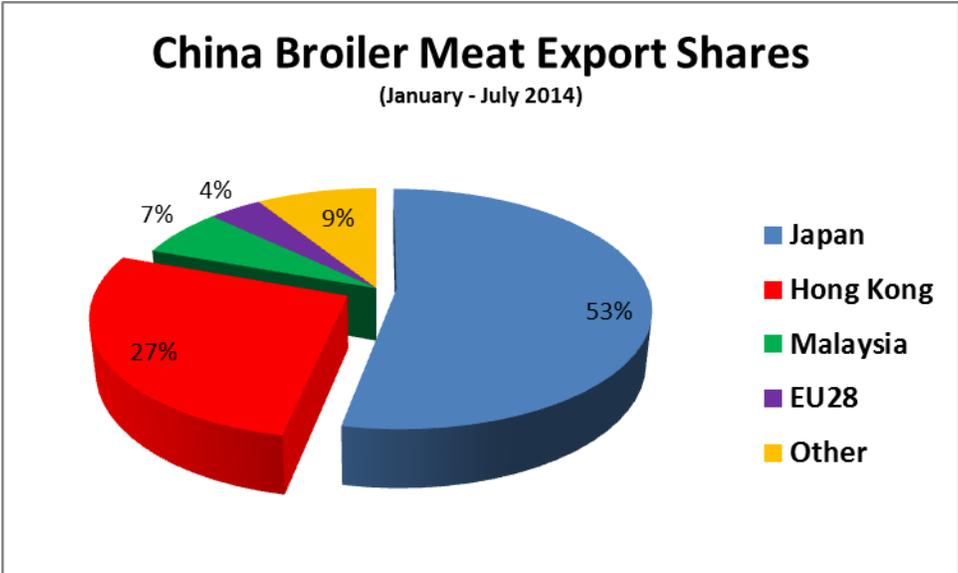
Imports are forecast down 2 percent to 235,000 tons on stagnant consumption in 2015. 2014 imports are revised slightly upward to 240,000 tons based on greater shipments from Brazil, which increasingly represents a larger share of imports.



**Exports**

Exports are forecast to rise 5 percent to 460,000 tons based on robust demand from major markets, especially Malaysia. Exports of chicken cuts have risen significantly as a result of demand from the Malaysian food vending sector. Industry is interested in obtaining market access to Russia and is seeking assistance from Chinese authorities.

Exports for 2014 are revised upward to 440,000 tons based on strong demand from Japan. Despite the opening of Thai poultry exports to Japan, Chinese exporters continue to rely on and benefit from their long-established relationship with Japanese buyers.



## Production, Supply and Demand Data Statistics:

### Broiler PS&D Table

Poultry, Meat, Broiler China	2013		2014		2015		
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Inventory (Reference)	0	0	0	0		0	(MIL HEAD)
Slaughter (Reference)	10,100	10,100	9,900	9,900		0	(MIL HEAD)
Beginning Stocks	0	0	0	0		0	(1000 MT)
Production	13,350	13,350	12,700	13,000		13,000	(1000 MT)
Total Imports	244	244	235	240		235	(1000 MT)
Total Supply	13,594	13,594	12,935	13,240		13,235	(1000 MT)
Total Exports	420	420	430	440		460	(1000 MT)
Human Consumption	13,174	13,174	12,505	12,800		12,775	(1000 MT)
Other Use, Losses	0	0	0	0		0	(1000 MT)
Total Dom. Consumption	13,174	13,174	12,505	12,800		12,775	(1000 MT)
Total Use	13,594	13,594	12,935	13,240		13,235	(1000 MT)
Ending Stocks	0	0	0	0		0	(1000 MT)
Total Distribution	13,594	13,594	12,935	13,240		13,235	(1000 MT)
CY Imp. from U.S.	70	70	0	0		0	(1000 MT)
CY Exp. to U.S.	0	0	0	0		0	(1000 MT)
Balance	0	0	0	0		0	(1000 MT)
Inventory Balance	0	0	0	0		0	(1000 MT)
Production Change	-3	-3	-5	-3		0	(PERCENT)
Import Change	-4	-4	-4	-2		-2	(PERCENT)
Export Change	2	2	2	5		5	(PERCENT)
Consumption Change	-3	-3	-5	-3		0	(PERCENT)
Imports Percent Consumption	2	2	2	2		2	(PERCENT)
Exports Percent Production	3	3	3	3		4	(PERCENT)
Population	1,349,585,838	1,349,585,838	1,355,692,576	1,355,692,576		1,361,512,535	(PEOPLE)
Per Capita Consumption	10	10	9	9		9	(KG)
TS=TD		0		0		0	
Comments							

**Price Table (based on RMB/KG, \$1=RMB6.18)**

<b>China Retail Broiler Meat Prices on Average, 2008-2014 (Year to Date)</b>								
<b>Month</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>% Change 2013/2014</b>
<b>January</b>	14.90	14.06	14.15	16.32	17.65	17.92	17.55	-2.1%
<b>February</b>	14.69	13.88	14.38	16.71	17.46	18.41	17.15	-6.8%
<b>March</b>	14.51	13.74	13.98	16.33	17.04	17.90	16.83	-6.0%
<b>April</b>	14.80	13.71	13.77	16.32	16.99	16.39	17.15	4.6%
<b>May</b>	14.72	13.66	13.72	16.45	16.73	15.32	17.93	17.0%
<b>June</b>	14.51	13.50	13.76	16.95	16.74	16.00	18.22	13.9%
<b>July</b>	14.33	13.41	14.16	17.49	16.71	16.40	18.32	11.7%
<b>August</b>	14.29	13.73	14.73	17.94	16.90	16.89		
<b>September</b>	14.40	14.00	15.24	18.05	17.28	17.33		
<b>October</b>	14.29	13.94	15.40	18.00	17.43	17.45		
<b>November</b>	14.00	13.87	15.73	17.57	17.50	17.40		
<b>December</b>	13.87	13.83	16.02	17.39	17.70	17.51		

*Source: The Ministry of Agriculture collected from over 400 markets of farm produce.*