

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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China - Peoples Republic of

Poultry and Products Semi-annual

Semi-Annual

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Report Highlights:

China's broiler production is forecast to fall by 50,000 tons to slightly over 14 million tons. Lower pork prices and food safety concerns over chemical residues in domestic broiler products have reduced demand. Broiler meat imports are forecast at 270,000 tons to meet rising import demand by the processing sector for poultry products. The U.S. export price remains competitive compared to those of major competitors, Brazil and Argentina. 2012 import and export figures have been revised.

Commodities:

Poultry, Meat, Broiler

Broiler PS&D Table

Poultry, Meat, Broiler China	2011		2012		2013		
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Inventory (Reference)	0	0	0		0	0	(MIL HEAD)
Slaughter (Reference)	9,910	9,910	10,350	10,350	10,650	10,520	(MIL HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	13,200	13,200	13,700	13,700	14,100	14,050	(1000 MT)
Total Imports	238	238	240	254	250	270	(1000 MT)
Total Supply	13,438	13,438	13,940	13,954	14,350	14,320	(1000 MT)
Total Exports	423	423	400	411	400	400	(1000 MT)
Human Consumption	13,015	13,015	13,540	13,543	13,950	13,920	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	13,015	13,015	13,540	13,543	13,950	13,920	(1000 MT)
Total Use	13,438	13,438	13,940	13,954	14,350	14,320	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
Total Distribution	13,438	13,438	13,940	13,954	14,350	14,320	(1000 MT)
CY Imp. from U.S.	30	30	35	53	40	70	(1000 MT)
CY Exp. to U.S.	0	0	0		0		(1000 MT)
Balance	0	0	0	0	0	0	(1000 MT)
Inventory Balance	0	0	0	0	0	0	(1000 MT)
Production Change	5	5	4	4	3	3	(PERCENT)
Import Change	-17	-17	1	7	4	6	(PERCENT)
Export Change	12	12	-5	-3	0	-3	(PERCENT)
Consumption Change	4	4	4	4	3	3	(PERCENT)
Imports Percent Consumption	2	2	2	2	2	2	(PERCENT)
Exports Percent Production	3	3	3	3	3	3	(PERCENT)
Population	1,336,718,015	1,336,718,015	1,343,239,923	1,343,239,923	1,349,585,838	1,349,585,838	(PEOPLE)
Per Capita Consumption	10		10		10		(KG)
TS=TD		0		0		0	

"New Post" estimates are not official USDA data. Please review USDA data at <http://www.fas.usda.gov/psdonlineonline>). Chicken feet and paws are not included in this table.

Production:

OAA/Beijing's 2013 forecast for China's broiler production is lowered by 50,000 tons to just over 14 million tons. Consumer demand has weakened in response to media reports of chemical residues in domestic broiler products at fast food restaurants.

Pork accounts for 60 percent of China's meat protein consumption. In general, poultry is substituted as a meat protein when pork prices reach high levels. On the contrary, when those prices are affordable, consumers prefer to purchase pork products. In August 2012, the retail pork price fell by 24 percent to 22.94RMB (\$3.65) per kilogram. For more information on China's pork situation, please review the Livestock Semi-Annual Report at:

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Semi-annual Beijing China%20-%20Peoples%20Republic%20of 3-4-2013.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Semi-annual%20Beijing%20China%20-%20Peoples%20Republic%20of%203-4-2013.pdf)

Trade

OAA/Beijing raised its 2013 import forecast for China’s broiler meat to 270,000 tons, an increase of 20,000 tons as favorable prices for U.S. poultry products raised import demand by processors. In December 2012, the U.S. export price was \$1,085 per ton, which was 55 percent lower than Brazil’s price of \$2,381.

OAA/Beijing revised its 2012 import and export figures.

Policy Updates:

U.S. exports to China

- On February 18 2013, China’s General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) and the Ministry of Agriculture (MOA) suspended poultry imports from the State of New York due to an outbreak of low pathogenic avian influenza (LPAI). Traders note that this suspension is not expected to impact U.S. poultry exports to China.
- In November 2012, despite the long history of market access for U.S. processed meat products to China, AQSIQ halted trade for U.S. processed meat products due to new import policies. Several U.S. government agencies are working to resolve this issue.
- In June 2012, AQSIQ and the U.S. Department of Agriculture (USDA) implemented an electronic system that stores and verifies export health certificates for U.S. meat products. This system lessens trade disruptions at the ports and limits fraudulent certificates.

China’s exports

China’s cooked poultry exports face challenges this year because of new trade policies in major markets:

- Over the past few years, Japan has lowered its import tariff for Thailand’s broiler meats. The import tariff for Thailand’s broiler meat was recently reduced to two percent. Meanwhile, China’s cooked poultry tariff remains at six percent, which is less competitive to Thailand’s broiler meats.
- OAA/Beijing understands that the European Union implemented a new import quota policy which added products containing broiler meat (at or below 57 percent) and duck meat to the amount subject to quota. In addition, sources note that the majority of the import quota will be awarded to Brazil and Thailand. China’s poultry imports are expected to be negatively impacted by these changes.

OAA/Beijing will closely monitor these policies and their potential impact to trade.

Price Tables

Table 1: China Retail Broiler Meat Prices On Average, 2008-2012 (RMB/KG, \$1=RMB6.3)						
MONTH	2008	2009	2010	2011	2012	% Change 2012/11

January	14.90	14.06	14.15	16.32	17.65	8.15
February	14.69	13.88	14.38	16.71	17.46	4.49
March	14.51	13.74	13.98	16.33	17.04	4.35
April	14.80	13.71	13.77	16.32	16.99	4.11
May	14.72	13.66	13.72	16.45	16.73	1.70
June	14.51	13.50	13.76	16.95	16.74	-1.24
July	14.33	13.41	14.16	17.49	16.71	-4.46
August	14.29	13.73	14.73	17.94	16.90	-5.80
September	14.40	14.00	15.24	18.05	17.28	-4.27
October	14.29	13.94	15.40	18.00	17.43	-3.17
November	14.00	13.87	15.73	17.57	17.50	-0.40
December	13.87	13.83	16.02	17.39	17.70	1.78

Source: The Ministry of Agriculture collecting from over 400 markets of farm produce

MONTH	2008	2009	2010	2011	2012	% Change 2012/11
January	13.97	14.16	13.98	16.30	17.66	8.34
February	14.53	13.99	14.28	16.89	17.38	2.90
March	14.31	13.70	13.82	16.35	16.82	2.87
April	14.59	13.57	13.55	16.34	16.69	2.14
May	14.42	13.47	13.50	16.41	16.41	0.00
June	14.13	13.37	13.58	16.89	16.40	-2.90
July	13.89	13.28	13.93	17.38	16.37	-5.81
August	13.91	13.66	14.45	17.83	16.58	-7.01
September	14.15	14.00	15.03	18.05	17.04	-5.60
October	14.08	13.82	15.40	18.04	17.22	-4.55
November	13.84	13.71	15.60	17.32	17.36	0.23
December	13.72	13.83	15.95	17.16	17.68	3.03

Source: The Ministry of Agriculture collecting from over 400 markets of farm produce

MONTH	2008	2009	2010	2011	2012	% Change 2012/11
January	7.92	7.56	7.97	9.87	9.84	-0.30
February	7.98	7.43	8.09	10.07	9.18	-8.84
March	7.64	7.31	7.77	9.38	8.62	-8.10
April	7.52	7.44	7.57	9.20	8.41	-8.59
May	7.66	7.58	7.54	9.51	8.23	-13.46
June	7.84	7.57	7.68	10.07	9.29	-7.75
July	7.80	7.42	7.99	8.69	9.09	4.60
August	8.04	7.86	8.66	9.47	9.70	2.43
September	8.47	8.30	8.50	11.03	10.60	-3.90
October	8.15	8.04	9.05	10.66	10.35	-2.91
November	7.60	7.81	9.43	10.16	10.17	0.10
December	7.50	7.86	9.63	9.88	10.54	6.68

Source: The Ministry of Agriculture collecting from over 400 markets of farm produce

MONTH	2008	2009	2010	2011	2012	% Change 2012/11
January	2.61	2.33	2.35	2.81	3.27	16.37
February	2.74	2.42	2.40	2.89	3.19	10.38
March	2.74	2.57	2.49	3.00	3.15	5.00
April	2.95	2.62	2.47	3.05	3.15	3.28
May	2.92	2.57	2.40	3.11	3.07	-1.29
June	2.84	2.48	2.35	3.22	3.10	-3.73
July	2.65	2.40	2.43	3.36	3.07	-8.63
August	2.64	2.50	2.62	3.43	3.11	-9.33
September	2.68	2.55	2.74	3.53	3.19	-9.63
October	2.68	2.48	2.71	3.49	3.14	-10.03
November	2.46	2.40	2.76	3.41	3.12	-8.50
December	2.36	2.38	2.82	3.33	3.17	-4.80

Source: The Ministry of Agriculture collecting from over 400 markets of farm produce

MONTH	2008	2009	2010	2011	2012	% Change 2012/11
January	2.64	2.06	2.06	2.57	2.80	8.95
February	2.83	2.31	2.23	2.69	3.02	12.27
March	2.89	2.55	2.27	2.83	3.24	14.49
April	3.49	2.47	2.13	2.92	3.27	11.99
May	3.39	2.24	2.00	2.95	3.07	4.07
June	2.87	2.48	1.89	3.12	2.81	-9.94
July	2.45	2.03	2.26	3.26	2.65	-18.71
August	2.55	2.37	2.46	3.64	2.60	-28.57
September	2.77	2.32	2.51	3.76	2.65	-29.52
October	2.77	2.18	2.51	3.56	2.68	-24.72
November	2.42	2.08	2.68	3.29	2.78	-15.50
December	2.13	2.17	2.77	2.90	2.87	-1.03

Source: The Ministry of Agriculture collecting from over 400 markets of farm produce

	2008	2009	2010	2011	2012	% Change 2012/11
January	2.66	2.69	2.85	2.96	3.15	6.42
February	2.69	2.67	2.84	2.97	3.14	5.72
March	2.70	2.64	2.83	3.00	3.15	5.00
April	2.75	2.65	2.84	3.01	3.18	5.65
May	2.76	2.65	2.86	3.02	3.20	5.96
June	2.82	2.67	2.87	3.06	3.24	5.88
July	2.91	2.71	2.87	3.10	3.24	4.52
August	2.91	2.75	2.89	3.13	3.31	5.75
September	2.89	2.78	2.90	3.17	3.38	6.62
October	2.84	2.78	2.91	3.17	3.36	5.99
November	2.77	2.80	2.94	3.15	3.34	6.03
December	2.70	2.83	2.96	3.14	3.34	6.37

Source: The Ministry of Agriculture collecting from over 400 markets of farm produce

MONTH	2008	2009	2010	2011	2012	% Change 2012/11
January	2.41	2.40	2.58	2.70	2.88	6.67
February	2.44	2.39	2.57	2.71	2.88	6.27
March	2.44	2.37	2.58	2.74	2.90	5.84
April	2.47	2.37	2.58	2.75	3.29	19.64
May	2.48	2.37	2.61	2.76	2.95	6.88
June	2.54	2.40	2.62	2.79	2.99	7.17
July	2.62	2.44	2.62	2.83	2.99	5.65
August	2.62	2.48	2.63	2.87	3.05	6.27
September	2.60	2.51	2.64	2.91	3.10	6.53
October	2.55	2.52	2.65	3.48	3.09	-11.21
November	2.48	2.53	2.68	2.90	3.06	5.52
December	2.42	2.57	2.70	2.88	3.06	6.25

Source: The Ministry of Agriculture collecting from over 400 markets of farm produce

(End of report)