Required Report: Required - Public Distribution **Date:** July 03, 2024

Report Number: CH2024-0075

Report Name: Grain and Feed Update

Country: China - People's Republic of

Post: Beijing

Report Category: Grain and Feed

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Report Highlights:

Higher feed demand from broiler, aquaculture, and ruminants will push total feed use slightly higher in MY2024/25 with greater corn inclusion into feed rations than previous years. MY2024/25 corn production is forecast larger than MY2023/24 with larger yields. In addition, MY2024/25 production of both sorghum and barley production is adjusted up as farmers look for crops that have better earning potential than corn and soybeans right now. MY2024/25 wheat production is forecast higher, while rice production is forecast lower due to crop damage from heavy rains.

FEED OVERVIEW

China's MY2024/25 total feed and residual use is forecast to increase slightly from MY2023/24 on anticipated higher feed demand from broiler, aquaculture, and ruminants, despite declining hog feed demand (see Table 1). The proportion of corn mixed into feed is forecast to rise and will replace wheat and old stock rice. Total forecast feed demand for MY2024/25 is 285.5 million metric tons (MMT).

Table 1. China: Grain Feed and Residual Demand Estimates and Forecast[1]

(Unit: MMT)	MY2022/23	MY2023/24	MY2024/25	Change
Corn	220	223	235	12
Sorghum	4.8	7.5	7.5	0
Barley	6.8	10	9	-1
Wheat	33	37	32	-5
Old Stock Rice (milled equivalent)	20	7	2	-5
Total	284.6	284.5	285.5	1

Note**:** The totals listed in the table represent the unprocessed amount of major feed grains used in feed production.
Source: FAS China analysis

Industry experts at the China Agricultural Outlook Conference estimated that total feed consumption for 2024 would decrease by 0.1 percent year-on-year to 319 MMT. The figures in Table 2 differ from Table 1 as they are on a calendar year rather than a marketing year basis and include oilseed meal but excluding residual demand.

Table 2. China: Industrial Feed Consumption

	2023	2024 est.	% change from 2023	2025 est.	% change from 2024	2028 F
Swine	148,560	146,410	-1.4%	145,400	-0.7%	143,170
Broiler	94,570	95,010	0.5%	95,670	0.7%	99,460
Layer	32,580	32,730	0.5%	33,200	1.4%	33,930
Aquaculture	23,390	24,170	3.3%	25,520	5.6%	27,330
Ruminants	16,590	17,040	2.7%	17,590	3.2%	19,130
Total Consumption	319,560	319,390	-0.1%	321,530	0.5%	327,450

Source**:** 2024 China Agricultural Outlook Conference; in 1,000 MT; in a calendar year
Note: The final column is for calendar year 2028 and not a typographical error.

[1] China's commodity marketing year for corn, sorghum, and barley is October 1-September 30, and July 1-June30 for wheat and rice.

FEED GRAINS

Corn

Post adjusted MY2024/25 corn **production** down by 1 MMT to 295 MMT from its April report due to concerns over drought. However, Post's forecast is still 3 MMT higher than USDA's June forecast, due to improved yields despite a slightly smaller planting area.

The PRC State Council in April issued an action plan initiating a national campaign to boost China's grain production capacity by 50 MMT by 2030. The PRC has not published the action plan, but an official of the National Development and Reform Commission (NDRC) told media that corn and soybeans would be major contributors to the grain output increase, as well as tubers and coarse grains. The plan will focus on improving yields in existing major planting areas while also looking at potential new areas. The NDRC official characterized China's grain supply and demand as a "tight balance" in the long term due to China's limited natural resources. In addition, Chinese consumers are eating more meat leading to higher demand for feed grains, which could widen the current supply and demand gap in the future. The PRC has said it will rely on technology, using land and seed as two key factors, and promoting good quality land, machinery, and techniques to increase grain production. Due to China's limited natural resources, the PRC cannot bring new land into production but, instead, must focus on improving the land that is already in production. The *Economic Daily* said, "the country will put most efforts on increasing corn yield; applying every way to excavate [sic] potentials for soybean output; improve rice and wheat quality; and develop potatoes, coarse grains, and pulses varieties based on local situations and market needs."

MARA's nationwide spring planting survey indicated that more than 90 percent of corn planting was completed by the end of May. In the four Northeast provinces (i.e., Heilongjiang, Jilin, Liaoning, and Inner Mongolia), planting concluded in mid-May. In the first four months of 2024, industry estimates average profits of Northeast farmers were RMB 324/mu ($675/hectare (Ha)), down by 35 percent year-on-year, depressing farmers' desire to plant corn. The current severe drought in the North China Plain (NCP) region, Henan, and parts of Shandong, Hebei, and Anhui is preventing farmers from planting corn after wheat harvest.

Table 3. China: Northeast Corn Planting Area Estimates

Province	MY2024/25	Percentage Change
Heilongjiang	77 million mu (5.1 Mha)	-2.6
Inner Mongolia	52 million mu (3.5 Mha)	-0.6
Jilin	59 million mu (3.9 Mha)	-0.3
Liaoning	38 million mu (2.5 Mha)	-0.3
TOTAL	226 million mu (15.1 Mha)	-3.7

Source: Industry Source
Note: million hectares (Mha)

Land rental, fertilizer, seeds, pesticides, machinery, water, and power costs are the main input costs for Northeast corn production, with land rental being the largest cost. Despite an estimated 7 percent reduction in total input costs year-on-year, mainly from significantly reduced land rental costs, farmers are still seeing smaller profits in MY2024/25 due to the suppressed corn prices.

Table 4. China: Northeast Land Rental Cost Estimates

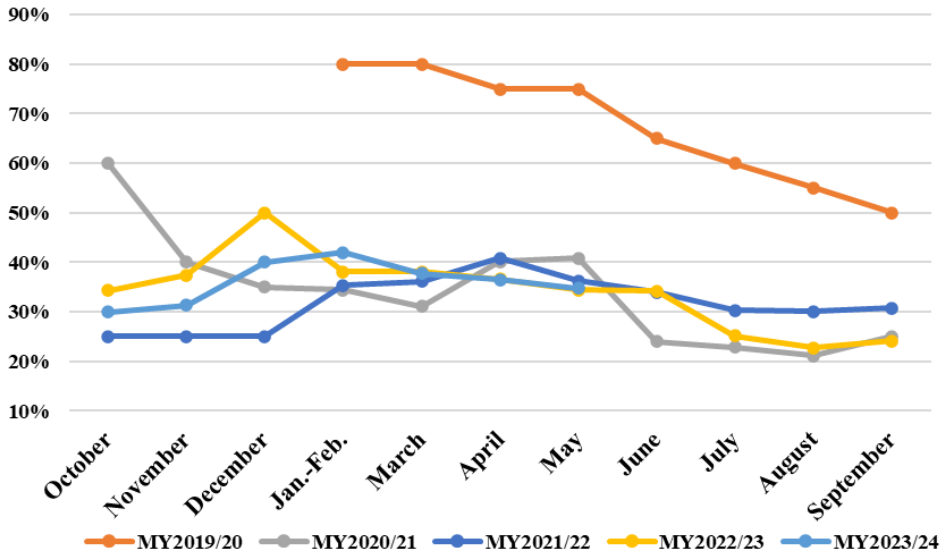
Province	MY2023/24	MY2024/25	Percentage Change
Heilongjiang	850 (1,768)	750 (1,560)	-12
Jilin	850 (1,768)	730 (1,518)	-14
Liaoning	790 (1,643)	770 (1,601)	-3
Inner Mongolia	860 (1,789)	820 (1,706)	-5
Northeast Average	840 (1,747)	765 (1,591)	-9

Note: Unit in RMB/mu and ($/Ha)
Source: Industry Source

Nationwide corn **consumption** in MY2024/25 is forecast at 318 MMT, up 5 MMT from USDA's June estimates. Feed producers are increasing their use of corn in compound feed as corn prices remain low. Corn consumption in feed is forecast to increase significantly in MY2024/25. Corn prices have slumped to a three-year record low in the first few months of 2024, encouraging feed producers to use more corn. In addition, old stock rice supplies should be depleted by the end of 2024, which feed producers substituted for large amounts of corn in feed over the last three years.

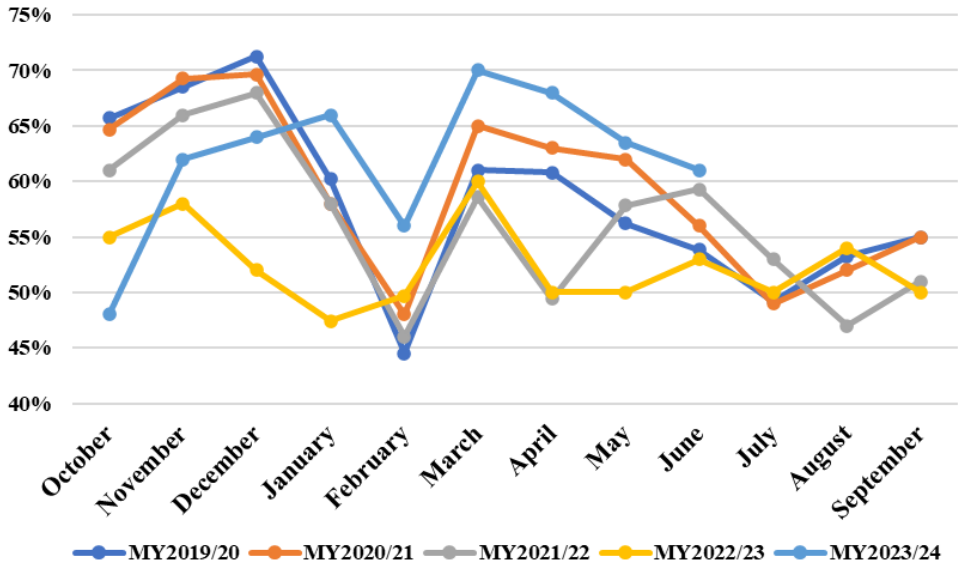
Lower corn prices will also encourage the use of more corn in the processing sector than in previous years. Operational profits in the first half of 2024 rebounded to 64 percent from 52 percent same for the same period last year. Industry sources expect the corn processing industry will improve profitability as well in MY2024/25 benefiting from lower corn prices.

Chart 1. China: Percentage of Corn used in Compound Feed



Source: Industry Sources

Chart 2. China: National Average Corn Starch Operation Rates



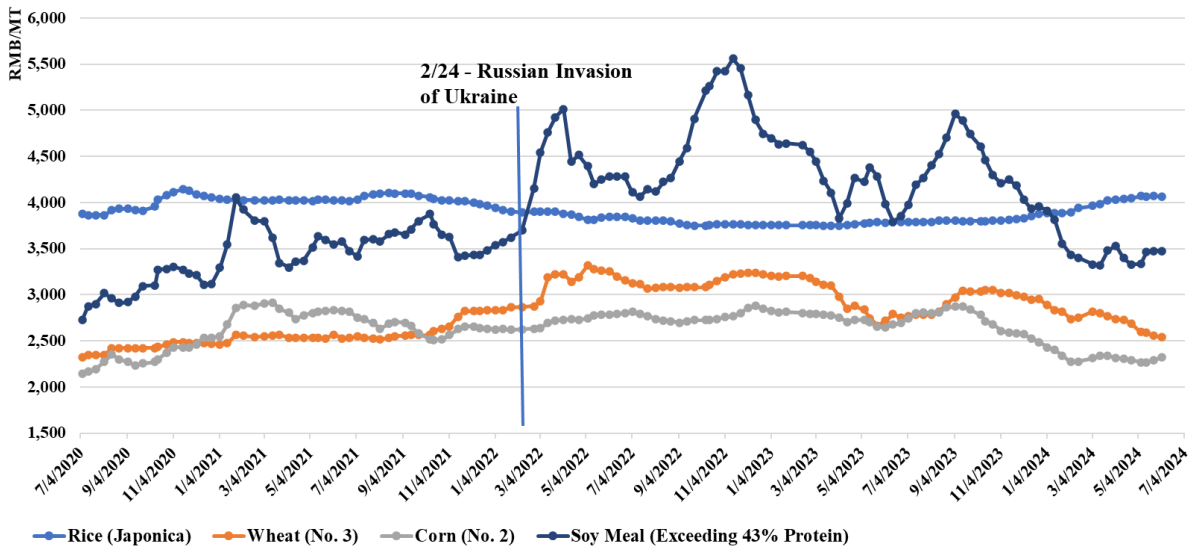
Source: Industry Sources

Nationwide corn prices have remained low during the first half of 2024. The National Bureau of Statistics (NBS) data shows corn prices in June 2024 averaged $322 (RMB 2,320)/MT nationwide, down 13 percent from $372 (RMB 2,680)/MT in June 2023 and returning to 2020 prices. In mid-June, prices in Northeast ports remained around $331 (RMB 2,380)/MT. Prices in the NCP stayed around $333 (RMB 2,400)/MT, while prices in Southern ports were $351 (RMB 2,530)/MT.

Post forecasts MY2024/25 corn **imports** at 20 MMT, 3 MMT lower than USDA's June estimate, as abundant domestic production and a prevalence of imported substitutes, especially barley, continues to suppress corn import demand.

There are rumors that PRC officials asked some traders to limit or restrict importing corn into bonded areas in order to reduce domestic supplies and support corn prices before spring planting. Importing corn through bonded areas helps traders avoid high tariffs once the tariff rate quota (TRQ) has been filled. Traders pay a 1 percent tariff rate instead of the usual 65 percent outside TRQ rate. According to the rumors, local governments stopped approving new corn processing facilities, restricted the number of total processing facilities in bonded areas, and required total corn imports not to exceed last's year's imports. Industry reported that Chinese buyers broke about 300,000 MT of Ukrainian contracts for April/May shipment shortly after the rumors started to spread. Industry contacts also anticipate imported grains to China will decline in the second quarter of 2024. A source in Ukraine familiar with the matter summarized the situation saying that Chinese consumption was falling, while warehouses are full. The source elaborated saying that the reluctance to import did not just apply to Ukrainian grain. At the same time, Sinograin announced a new round of corn procurement to increase reserves. However, corn prices will remain low as a large amount of imported corn and feed quality wheat have already entered the market.

Chart 3. China: National Average Grain Prices 2020-2023



Source**:** NBS

As of June 15, PRC buyers hold contracts for 2.7 MMT of U.S.-origin corn (excluding unknown destinations) for delivery in MY2023/24, down by 64 percent year-on-year. Imported corn volumes for the first five months of 2024 were 10 MMT, down 0.5 percent year-on-year. Of the 10 MMT, 1.2 MMT is from the United States, 5.8 MMT is from Brazil, and another 3 MMT is from Ukraine. FAS China estimates that some imported corn will go directly into reserves.

On April 21, a ship of close to 5,000 MT of Russian corn arrived at Shandong's Weifang port. It marks Weifang's first bulk grain import, signaling new development of the Belt and Road Initiative. Russian corn has historically entered through Jiangsu. Local farmers reacted negatively to the arrival of Russian corn, as local corn sales are already stagnant, prices are low, and feed demand is weak.

Table 5. China: Corn Production, Supply, and Distribution

Corn	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	43070	43070	44218	44218	44700	44200
Beginning Stocks (1000 MT)	209137	209137	206040	204028	210862	210850
Production (1000 MT)	277200	277200	288842	288842	292000	295000
MY Imports (1000 MT)	18711	18711	23000	23000	23000	20000
TY Imports (1000 MT)	18711	18711	23000	23000	23000	20000
TY Imp. from U.S. (1000 MT)	7539	7539	0	0	0	0
Total Supply (1000 MT)	505048	505048	517882	515870	525862	525850
MY Exports (1000 MT)	8	20	20	20	20	20
TY Exports (1000 MT)	8	20	20	20	20	20
Feed and Residual (1000 MT)	218000	220000	225000	223000	231000	235000
FSI Consumption (1000 MT)	81000	81000	82000	82000	82000	83000
Total Consumption (1000 MT)	299000	301000	307000	305000	313000	318000
Ending Stocks (1000 MT)	206040	204028	210862	210850	212842	207830
Total Distribution (1000 MT)	505048	505048	517882	515870	525862	525850
Yield (MT/HA)	6.436	6.436	6.5322	6.5322	6.5324	6.6742
(1000 HA), (1000 MT), (MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Sorghum and Barley

Post adjusted up the forecast for MY2024/25 sorghum and barley **production** as farmers are turning to commodities other than corn and soybeans to improve their income. Farmers sentiment is that they were not getting good returns from corn and soybeans in MY2023/24.

MY2024/25 **sorghum imports** are forecast to remain stable due to strong competition from alternative grains **(**see Table 6 for prices of alternative grains). Feed mills normally purchase the most cost-efficient options. In June 2024, South American corn and U.S. corn were the most price competitive feed inputs, followed by imported barley and local corn. As of early June 2024, China held 5 MMT of U.S. sorghum contracts for MY2023/24, 230 percent higher than the same time in MY2022/23 but still 19 percent less than MY2021/22. Industry contacts estimate more imported U.S. sorghum is used for liquor production than feed. Imported sorghum mostly enters via South China's Fujian and Guangdong provinces.

Industry contacts report that more than 80 percent of domestic produced sorghum is used for liquor production, while 10 percent is used for food and seeds and another 5 percent is used as feed. For imported sorghum, however, 80 percent is used as feed. Of the remaining 20 percent, 80 percent is used for liquor production, while 20 percent is used for vinegar production.

Post forecasts China's MY2023/24 **barley production** at 2.4 MMT. The China Barley and Highland Barley Industry Association, however, has barley production around 3 MMT (excluding highland barley), among which 1.4 MMT is for malting/brewery use and 1.6 MMT is feed quality barley. China's National Grain and Oils Information Center (CNGOIC) believes 60 percent of China's barley supply, including imports, is used as feed, 30 percent is for industrial use, 9 percent is used for food, and 1 percent is used for seeds.

MY2024/25 **barley imports** are projected to remain high following the record imports of MY2023/24. China has been importing more than 1 MMT of barley each month for the past eight months. Close to 12 MMT of barley already entered China for MY2023/24. Australian barley accounts for close to half of the import amount, followed by France and Argentina. Australian barley enjoys zero tariffs as stated in the China-Australia Free Trade Agreement signed in 2015. Imported barley mostly enters via South China's Fujian and Guangdong provinces.

Commercial **stocks** for both sorghum and barley remain high in major Chinese import ports (see Table 7).

Table 6. China: Imported Coarse Grain and Substitute Prices at Major Ports

Grain	RMB Price	U.S. Dollar Price
Local Corn	2,500	347
Imported U.S. Corn (August Delivery)	2,150	299
Imported Brazilian Corn	2,050	285
Imported U.S. Sorghum (June Delivery)	2,700	375
Imported Australian Sorghum (July Delivery)	2,425	337
Imported Argentine Sorghum (July Delivery)	2,077	288
Imported feed quality Argentine Barley (August Delivery)	2,260	314
Imported feed quality French Barley (August Delivery)	2,410	335
Local Wheat	2,680	372
Imported U.S. Wheat Soft Red Winter (July Delivery) (within quota)	2,580	358
Imported U.S. DDGS (without AD/CVD)	2,140	297
Local DDGS	2,560	356
Unit: RMB/MT, exchange Rate as of late June 2024 U.S. $1= RMB 7.2		

Source: Industry sources

Table 7. China: Sorghum and Barley Stocks at Chinese Major Ports in Early June

Ports	Sorghum Stocks in MT	Barley Stocks in MT
Jiangsu	150,000	400,000
Guangdong	414,000	872,000
Tianjin	120,000	55,000
Qingdao	2,000	10,000
Others	10,000	30,000
TOTAL	696,000	1,370,000

Source: Industry sources

Table 8. China: Sorghum Production, Supply, and Distribution

Sorghum	**2022/2023**		**2023/2024**		**2024/2025**	
Market Year Begins	**Oct 2022**		**Oct 2023**		**Oct 2024**	
China	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	675	675	630	630	630	650
Beginning Stocks (1000 MT)	332	332	387	387	382	382
Production (1000 MT)	3094	3094	3000	3000	3000	3200
MY Imports (1000 MT)	4863	4863	7500	7500	8000	7500
TY Imports (1000 MT)	4863	4863	7500	7500	8000	7500
TY Imp. from U.S. (1000 MT)	2436	2436	0	0	0	0
Total Supply (1000 MT)	8289	8289	10887	10887	11382	11082
MY Exports (1000 MT)	2	2	5	5	5	0
TY Exports (1000 MT)	2	2	5	5	5	0
Feed and Residual (1000 MT)	4800	4800	7500	7500	8000	7500
FSI Consumption (1000 MT)	3100	3100	3000	3000	3000	3100
Total Consumption (1000 MT)	7900	7900	10500	10500	11000	10600
Ending Stocks (1000 MT)	387	387	382	382	377	482
Total Distribution (1000 MT)	8289	8289	10887	10887	11382	11082
Yield (MT/HA)	4.5837	4.5837	4.7619	4.7619	4.7619	4.9231
(1000 HA), (1000 MT), (MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Sorghum begins in October for all countries. TY 2024/2025 = October 2024 - September 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Table 9. China: Barley Production, Supply, and Distribution

Barley	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	560	560	500	500	500	560
Beginning Stocks (1000 MT)	426	426	200	200	900	2800
Production (1000 MT)	2192	2192	2000	2000	2000	2400
MY Imports (1000 MT)	8582	8582	12300	15000	10200	10000
TY Imports (1000 MT)	8582	8582	12300	15000	10200	10000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	11200	11200	14500	17200	13100	15200
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	6800	6800	9300	10000	8200	9000
FSI Consumption (1000 MT)	4200	4200	4300	4400	4200	4300
Total Consumption (1000 MT)	11000	11000	13600	14400	12400	13300
Ending Stocks (1000 MT)	200	200	900	2800	700	1900
Total Distribution (1000 MT)	11200	11200	14500	17200	13100	15200
Yield (MT/HA)	3.9143	3.9143	4	4	4	4.2857

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Barley begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

MAJOR FOOD GRAINS

Wheat

Wheat **production** for MY 2024/25 is forecast slightly higher than MY2023/24 on improved yields. In May, MARA issued its first ever biosafety certificate approval for gene-edited wheat resistant to powdery mildew. Developed by a local developer, the gene-edited wheat has yet to receive varietal registration or a seed operating license, required steps prior to commercial cultivation. Although approval is significant in that it follows a recent spate of approvals for locally developed genetically engineered (GE) corn and soybean events and varieties that have increased yields by approximately 8 percent during pilot trials, Post does not expect the new gene-edited wheat to be widely adopted in China or to impact overall yields.

New crop wheat entered harvest season in early June in most of the producing regions. As weather is generally more favorable than last year, the harvest pace is faster. Hubei and regions south of the Yangtze River have already finished harvest. Hubei experienced windstorms before harvest that resulted in massive lodging, and the area yield is 20-30 percent lower than MY2023/24 but remains about

average. Most wheat from Hubei received only a 3rd class rating with high broken kernels. Jiangsu and Anhui reported slightly lower wheat production than MY2023/24 but with good quality. Henan province, China's top wheat-producing province, which produces one-quarter of all PRC wheat, reported higher output and yield than last year. Most wheat received above a 2nd class rating. Shandong and Hebei started harvest in early June, this region expects wheat output lower than MY2022/23 but higher than MY2023/24 with quality better than normal. According to MARA's market survey, the wheat harvest concluded nationwide in late June, and both production and quality are reported higher than MY2023/24 and comparable to MY2022/23.

Industry reported input costs for planting wheat in major producing provinces are similar to last year levels. Input cost in Shandong is around RMB 1,150/mu ($2,396/Ha) including land rental at RMB 600/mu ($1,250/Ha), seed at RMB 60/mu ($125/Ha), pesticide at RMB 100/mu ($208/Ha), irrigation at RMB 70/mu ($146/Ha), at fertilizer RMB 200/mu ($417/Ha), and machinery and labor at RMB 120/mu ($250/Ha).

Table 10. China: Industry Wheat Market Survey in East China in Late May

Provinces	Land Rental/mu	Total Cost/mu
Anhui	RMB 500 ($69)	RMB 900 ($125)
Jiangsu	-	RMB 650 ($90)
Shandong	RMB 600 ($83)	RMB 1,150 ($160)
Hubei	-	RMB 600 ($83)

Source: Industry sources

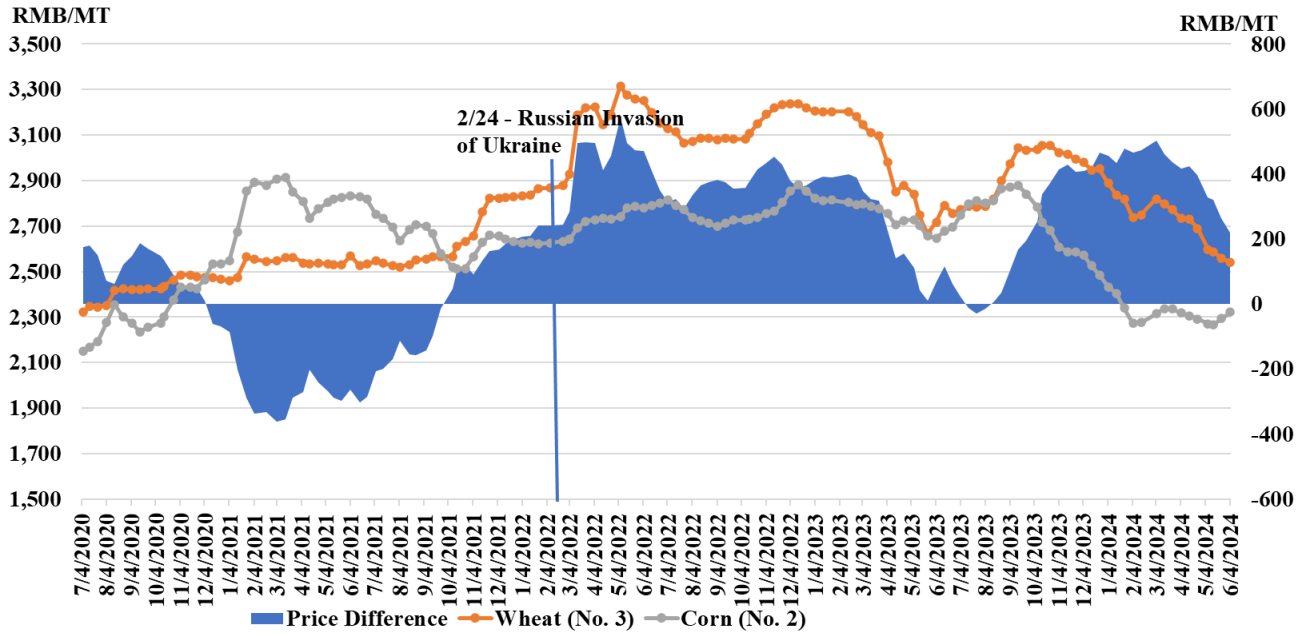
Post forecasts MY2024/25 **feed use** at 32 MMT, 1 MMT lower than USDA's June forecasts. Although wheat output and quality are almost identical to MY2022/23, low corn prices will greatly reduce wheat substitution of corn in feed.

Prior to 2020, the Minimum Support Program (MSP) normally procured 20-40 MMT wheat annually during harvest season and auctioned MSP wheat during non-harvest season. However, the MSP has not been utilized since 2020 as wheat prices have stayed above the floor price. As corn prices have remained low, wheat will not be price competitive with corn in feed rations for much of MY2024/25.

In MY2022/23, farmers/traders were cautious to sell, expecting prices to continue rising, while in MY2024/25, farmers are encouraged to sell with prices predicted to remain low or even decline. June 2024 new crop wheat is entering the market at around $353 (RMB 2,540)/MT, more than a 20 percent drop from June 2023. Wheat is roughly $31 (RMB 220)/MT more expensive than corn, $21 (RMB 150)/MT more than same time last year. To curb prices from further declining, PRC's State Reserve Sinograin issued a notice on June 5 announcing the reserve will increase the amount of 2024 wheat it will procure. Sinograin offered around $347 (RMB 2,500)/MT, which has started to stabilize market prices.

Post forecasts MY2024/25 wheat **consumption for food use** to be slightly higher than last year. NBS published catering revenue for the first four months of 2024 showed a 9.3 percent increase but is still below market expectation. Flour mills, therefore, are still conservative on stocking wheat.

Chart 4. China: Corn and Wheat Average Price Difference 2020-2024



Source: National Bureau of Statistics

MY2024/25 wheat **imports** are forecast slightly lower than MY2023/24, which is expected to hit a record high. China's calendar year wheat imports have exceeded the TRQ for three years in a row.

In the first five months of 2024, 36 percent of China's wheat imports were from Australia, 23 percent of the imports were from Canada, and another 24 percent were from France. China's imports of Russian wheat jumped by 819 percent in the first five months of 2024, although the total amount was still small.

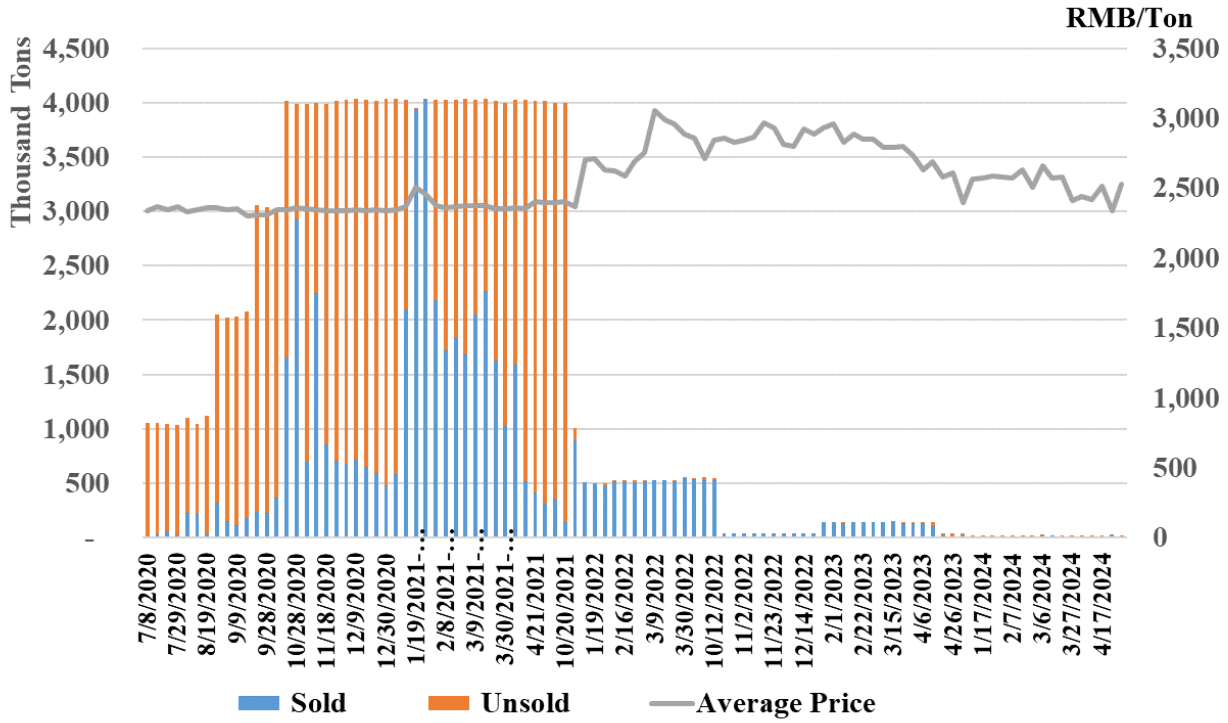
In early June 2024, French wheat FOB was around $271/MT, Argentine FOB was around $300/MT, U.S. Gulf Soft Red Winter (SRW) was around $250/MT, and U.S. Hard Red Winter (HRW) was around $260/MT. Most of the imported wheat is destined for flour production, and only a small percentage goes to feed mills. June quotes for July-October delivery of U.S. SRW prices are $14 (RMB 100)/MT cheaper than domestic wheat, while U.S. HRW prices are about same price as local wheat in coastal areas. Both are popular varieties in China for flour mills to blend into high-end products or for bakery.

On June 1, the PRC's first Food Security Law aimed at achieving "basic self-sufficiency in cereal grains and absolute self-sufficiency in staple grains for food use" came into effect. The PRC will have a national food security strategy "that puts China first" by importing moderately and using advances in science and technology to boost domestic production. Post projects MY2024/25 imports will decline from MY2023/24 but will remain high as China's temporary wheat reserve is projected to stay low after continuous destocking and no wheat MSP procurement over the past three years. Sources report that authorities are eager to replenish storage levels as grain security remains a top priority.

MY2024/25 **ending stocks** are forecast at 133.1 MMT. Industry believes China's MSP wheat reserves are depleting quickly but that overall government reserves are sufficient. In late April, PRC authorities suspended MY2023/24 wheat auctions. The MSP was not used in the past three years and is not

expected to be used this year. MY2023/24 saw only 186,023 MT of MSP wheat sold, 90 percent lower than MY2022/23.

Chart 5. China: Wheat Auctions for MY2023/24



Source: China Grain Trade Center

Table 11. China: Wheat Production, Supply, and Distribution

Wheat	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	23519	23519	23627	23627	23700	23700
Beginning Stocks (1000 MT)	136759	136759	138818	138818	133408	135008
Production (1000 MT)	137723	137723	136590	136590	140000	138000
MY Imports (1000 MT)	13282	13282	13000	14500	11000	11000
TY Imports (1000 MT)	13282	13282	13000	14500	11000	11000
TY Imp. from U.S. (1000 MT)	1480	1480	0	0	0	0
Total Supply (1000 MT)	287764	287764	288408	289908	284408	284008
MY Exports (1000 MT)	946	946	1000	900	900	900
TY Exports (1000 MT)	946	946	1000	900	900	900
Feed and Residual (1000 MT)	33000	33000	37000	37000	33000	32000
FSI Consumption (1000 MT)	115000	115000	117000	117000	118000	118000
Total Consumption (1000 MT)	148000	148000	154000	154000	151000	150000
Ending Stocks (1000 MT)	138818	138818	133408	135008	132508	133108
Total Distribution (1000 MT)	287764	287764	288408	289908	284408	284008
Yield (MT/HA)	5.8558	5.8558	5.7811	5.7811	5.9072	5.8228
(1000 HA), (1000 MT), (MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025						
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RICE

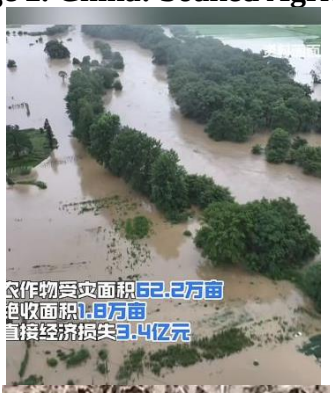
MY2024/25 rough rice **production** is forecast at 207 MMT, 1.5 MMT lower than USDA's June estimates. Guangdong's early rice was badly damaged by floods in mid-April, when province-wide spring planting had just finished. Severe rainstorms right after the end of planting caused floods and destroyed early rice seedlings. Some counties reported a seedling damage rate of 60 percent. Farmers had to replant rice or shift to planting vegetables or fruit.

In early June, new crop rice in Northeast enjoyed normal weather, favorable for transplanting. East China rice crops were tillering and jointing, while South China's rice crops were jointing and booting. Since mid-June, however, North and Northeast Guangxi, South Hunan, and parts of Jiangxi, Fujian, and Guangdong suffered rainstorms and floods. These provinces are all major rice producing areas. This year's floods are worse than last year, but there are no detailed or specific reports of how these rainstorms and flood have impacted rice production. FAS China anticipates that early rice production and mid-rice planting will be affected. Initial reports of agricultural acreage damaged by rainstorms and flooding include 32,400 hectares in Fujian, 41,466 hectares in Jiangxi, 1,300 hectares in Guangdong's

Meizhou, and 1,311 hectares in Guangxi. Early rice only accounts for a little more than 10 percent of China's total rice output.

Image 1. China: Soaked Rice Crops and Flood in Fujian

Image 2. China: Soaked Agricultural Crops in Jiangxi:



MY2024/25 rice **consumption** is forecast at 140 MMT, 5 MMT lower than USDA's June estimates on weaker feed demand. Government led auctions drive China's rice supply and demand. From 2011 to 2022, the PRC procured about 237 MMT paddy rice (see Table 13) via MSP. From 2016 to 2023, the PRC sold around 55 MMT paddy rice via MSP auctions. After auctioning around another 70 MMT of old stock rice for feed use from 2020 to 2023, industry sources believe current rice stocks are "at reasonable levels." There will be very little domestic rice available for feed use in the future. Rice consumption for feed depends on old stock rice auctions and imported broken rice. The old stock rice auctions in 2023 only sold about 10 MMT rice (milled equivalent). With corn prices decreasing since September 2023, old stock rice lost its price competitiveness to corn. Industry estimates that there are still at least 4 MMT out of the 10 MMT old stock rice that were sold in September 2023 left in the reserve storage. The PRC didn't have any old stock rice auctions in the first half of 2024 but has allowed

previous old stock rice auction buyers to delay checking out their already purchased old stock rice from reserves.

MY2024/25 rice **imports** are forecast even lower than MY2023/24, on high international rice prices, lower consumption, and less feed demand for broken rice. In the first five months of 2024, China imported 640,945 MT of rice, down by 61 percent year-on-year. Broken rice accounts for 41 percent of total rice imports, mainly from Burma.

Table 12. China: Prices of Imported Rice in Mid-June

Region	Landed Price after Tax/MT	Price Difference
Thailand 100% Class B	RMB 5,360 ($744)	RMB 520 ($72) more expensive than Japonica Wholesale price in Guangdong
Vietnam 5% broken	RMB 4,664 ($648)	RMB 176 ($24) less expensive than Japonica Wholesale price in Guangdong

Source: Industry sources

China's MSP reserve auctions normally happen between April and September. There have been no state reserve auctions in 2024 at the writing of this report. Heilongjiang's Jiamusi region was the only area that held an MSP procurement in 2023.

Table 13. China: Rice Procured through MSP 2011-2022

MSP Year	Early Rice	Mid-late Indica	Japonica
2011	-	-	2,870,000
2012	-	80,000	4,040,000
2013	5,670,000	13,370,000	13,570,000
2014	4,190,000	9,680,000	18,390,000
2015	3,020,000	10,190,000	20,140,000
2016	2,570,000	7,520,000	20,990,000
2017	1,230,000	5,650,000	21,830,000
2018	-	7,850,000	13,880,000
2019	-	7,750,000	16,220,000
2020	-	-	4,890,000
2021	-	1,760,000	7,410,000
2022	-	1,650,000	10,230,000
Total	16,680,000	65,500,000	154,460,000

Source: Industry sources; numbers are in paddy; unit is MTs

Table 14. China: Rice Production, Supply, and Distribution

Rice, Milled	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	29450	29450	28949	28949	29000	29000
Beginning Stocks (1000 MT)	113000	113000	106600	106600	103000	106120
Milled Production (1000 MT)	145946	145946	144620	144620	146000	145000
Rough Production (1000 MT)	208494	208494	206600	206600	208571	207143
Milling Rate (.9999) (1000 MT)	7000	7000	7000	7000	7000	7000
MY Imports (1000 MT)	4384	4384	1600	1600	1500	1500
TY Imports (1000 MT)	2597	2700	1700	1700	1500	1500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	263330	263330	252820	252820	250500	252620
MY Exports (1000 MT)	1736	1736	1600	1700	1500	1500
TY Exports (1000 MT)	1602	1600	1500	1500	1500	1500
Consumption and Residual (1000 MT)	154994	154994	148220	145000	145000	140000
Ending Stocks (1000 MT)	106600	106600	103000	106120	104000	111120
Total Distribution (1000 MT)	263330	263330	252820	252820	250500	252620
Yield (Rough) (MT/HA)	7.0796	7.0796	7.1367	7.1367	7.1921	7.1429
(1000 HA), (1000 MT), (MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments