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**Report Highlights:**

Post forecasts economic headwinds will continue to impact consumption of both pork and beef in 2024. Swine and pork production in 2024 will be marginally down 3 percent as persistently low live hog and pork prices weigh on producers. However, pork imports may grow marginally to offset the forecasted decline in domestic pork production. Beef imports in 2024 could decline due to the high year-end inventory carried over into 2024 and an expected flat demand. Both swine and cattle imports could also decline due to financial challenges among producers.

## EXECUTIVE SUMMARY

**Swine Production:** Post revised its forecast of swine production in 2024 to 695 million head with a year-on-year (YOY) decline of 3 percent due to a lower sow inventory in 2023 compared to 2022.

**Swine Imports:** Post revised up its forecast for swine imports in 2024 to 7,000 head based on higher-than-expected imports in 2023 despite difficult financial conditions for swine producers. Imports should still decline in 2024 from 2023 as financial difficulties and low prices continue to weigh on producers.

**Pork Production:** Post forecasts pork production to decline 3 percent in 2024 from fewer slaughters and lower inventory and slaughter weight of fattened swine.

**Pork Imports:** Post forecasts pork imports in 2024 to grow marginally as imports offset the decline in domestic pork production.

**Cattle Production:** Post revised its forecast of calf production in 2024 down to 55 million head. The cattle herd growth is supported by government policies that encourage production, while lower beef cattle prices continue to curb the growth rate.

**Cattle Imports:** Post's forecast of cattle imports in 2024 remains the same with official USDA forecast at 125,000 head with a significant decline due to shrinking profits of beef cattle producers in 2023.

**Beef Production:** The beef production forecast in 2024 remains at 7.7 MMT with a 2 percent growth YOY from a large number of finished cattle ready for slaughter.

**Beef Imports:** Post revised its forecast of beef imports in 2024 down to 3.4 MMT with a decline of 5 percent due to a high year-end inventory carried over into 2024 and flat demand in 2024.

## SWINE

**Table 1. China: Swine Production, Supply, and Distribution**

Animal Numbers, Swine	2022		2023		2024	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
1000 Head						
Total Beginning Stocks	449220	449220	452560	452560	423600	434220
Sow Beginning Stocks	42000	42000	43000	43000	41200	41420
Production (Pig Crop)	712510	712510	705000	717249	678000	695000
Total Imports	5	5	7	8	6	7
Total Supply	1161735	1161735	1157567	1169817	1101606	1129227
Total Exports	1066	1066	1100	1121	1135	1135
Sow Slaughter	0	0	0	0	0	0
Other Slaughter	699950	699950	725000	726620	695000	705000
Total Slaughter	699950	699950	725000	726620	695000	705000
Loss and Residual	8159	8159	7867	7856	7071	7092
Ending Inventories	452560	452560	423600	434220	398400	416000
Total Distribution	1161735	1161735	1157567	1169817	1101606	1129227

**Note:** Not Official USDA Data

## PRODUCTION

### Swine Production to Decline Slightly

Post revised swine production in 2024 to 695 million head with YOY decline of 3 percent due to a lower sow inventory in 2024 compared to 2023. Herd liquidation as a result of low swine and pork prices (see **Chart 1** and **Chart 4**) and lingering animal diseases in 2023 are the two major reasons for the lower sow inventory.

Swine producers started to expand swine production to rebuild their herds in 2020 and 2021 when African Swine Fever (ASF) outbreaks severely hurt the industry. The negative impacts of the large expansion of China's swineherd manifested in 2023 when swine production exceeded market demand. Average swine prices remained low through 2023, causing losses across the swine breeding industry.

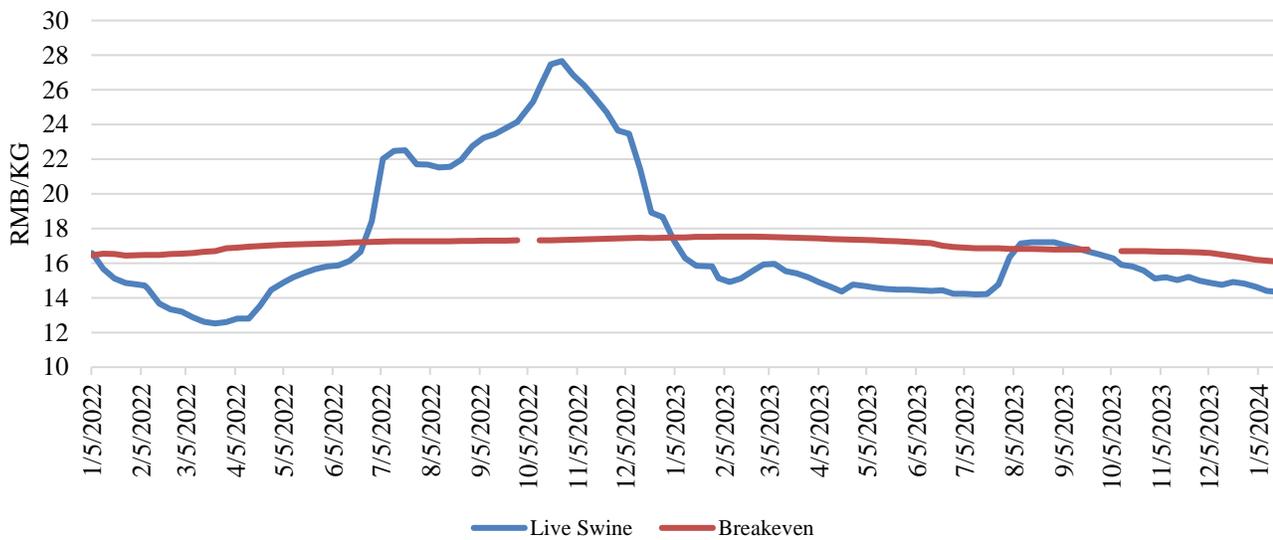
According to the National Development and Reform Commission, except for some slight profits from August to September, producers operated at a loss for most of 2023 (See **Chart 1**<sup>1</sup>). The Ministry of Agricultural and Rural Affairs (MARA) indicated it was the first year since 2014 that swine producers suffered such large losses.

<sup>1</sup> In Chart 1, statistics of "breakeven" are from industry sources, not from the National Development and Reform Commission.

Industry sources reported that ASF continued affecting the sector in 2023 especially in North China. The losses for producers and news of an ASF resurgence contributed to “panic” sales resulting in a reduction of inefficient sows. The National Bureau of Statistics (NBS) reported that the sow inventory had declined to 41.42 million at the end of 2023.

Post forecasts swine production will decline in 2024. With fewer inefficient sows, the piglets weaned per sow per year (PSY) has improved. However, the improvement in PSY is unlikely to offset the lower average sow inventory in 2023. More small- and medium-sized producers exited the market due to inadequate cash flows and challenges in obtaining loans. With less swine production from smaller producers, NBS estimates the share of large-scale swine producers versus small- to mid-sized producers exceed 68 percent in 2023, with a YOY increase of about 3 percent.

**Chart 1. China: National Average Live Swine Price**



**Source:** MARA and industry sources.

**Note:** “Breakeven” refers to estimated cost of farrow-to-finish

Post revised the 2023 swine production estimate up one percent from 2022. Although there’s no official data available for swine production, swine feed production witnessed YOY growth of over 10 percent according to the China Feed Industry Association. Nevertheless, post projects swine production growth lower because Chinese feed production statistics only include production of commercial feed, which is used by large-scale producers. The shift from small-sized producers to larger-sized producers will lead to higher demand of compound feed without necessarily increasing production at the same rate.

**Image 1. China: Live Swine in One Small- Scale Swine Farm**



Source: FAS China

## TRADE

### Swine Imports

#### **Live Swine Imports to Remain Low**

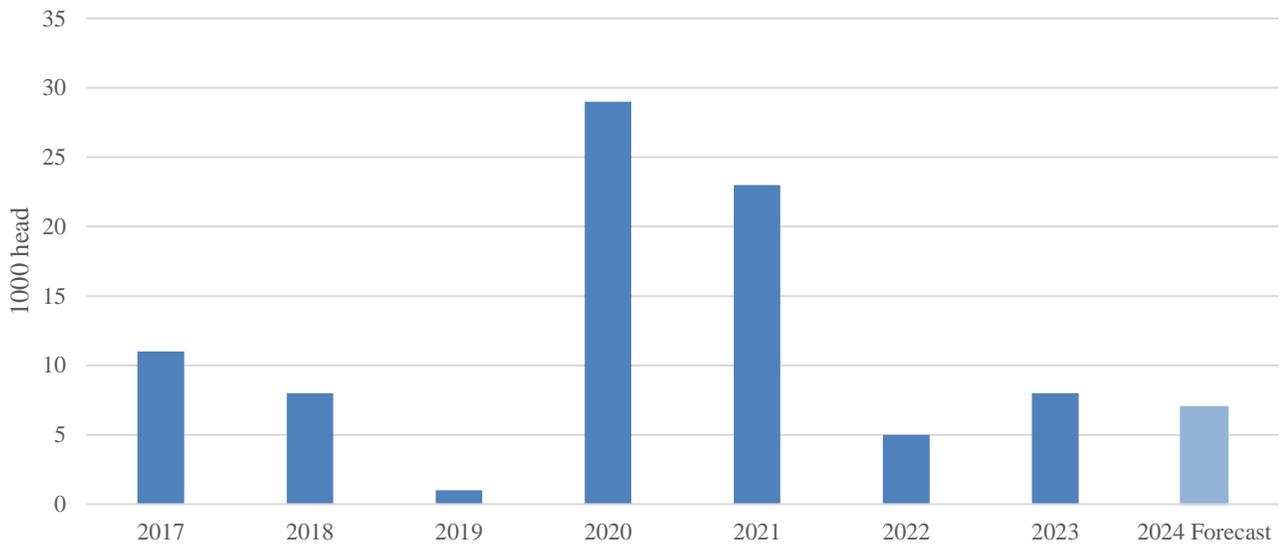
Post revised up its forecast for swine imports in 2024 to 7,000 head, but imports will still moderately decline from 2023 (see **Chart 2**). China imports breeding swine to improve domestic herd genetics. Imported live swine only account for around 0.001 percent of the total swine population. Most swine producers continue to be under financial pressure, making it difficult to invest in herd improvements. Additionally, despite the falling sow and swine inventory, current sow levels are above the Peoples Republic of China's (PRC) official targets.<sup>2</sup> Industry contacts also believe current sow levels are sufficient.

The main suppliers of live swine to China are the United States, Denmark, and France as they have different competitive advantages on litter size, body shape, lean meat rate, growth rate, and disease resistance. According to industry sources, swine from Denmark have the highest number of pigs per litter but lower PSY. Swine from the United States generally have larger body sizes, swine from Canada have good litter sizes, and swine from France have a good balance of growth rate and disease resistance.

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<sup>2</sup> MARA has published notices stating its desired sow inventory is around 41 million head. In May 2023, MARA estimated the sow inventory at 42.58 million head.

## Chart 2. China: Live Swine Imports



**Source:** Trade Data Monitor, LLC and Post Forecast

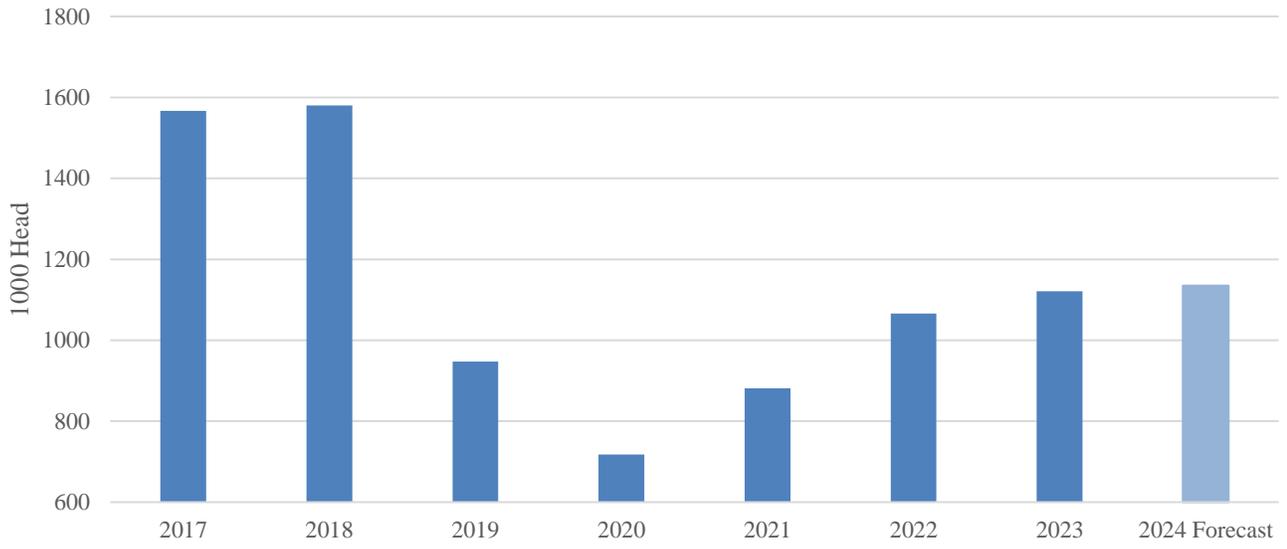
Post revised swine imports up in 2023 to 8,000 head compared to 5,000 head in 2022 according to data from Trade Data Monitor (TDM). The surge in swine imports in 2020 and 2021 were from large swine producers rebuilding their herds following the outbreak of ASF. Imports dropped significantly in 2022 once herds returned to pre-ASF levels but returned to 2018 levels in 2023 as larger producers, the main importers of live swine, gained more market share and pushed out smaller producers.

## Swine Exports

### Flat to Marginal Recovery

Post agrees with USDA's official forecast for live swine exports in 2024 at 1.14 million head, with a marginal growth in exports (see **Chart 3**) to Hong Kong. Hong Kong and Macao will remain the top destinations for China's live swine exports. Hong Kong is China's largest export destination for live swine. In 2023, Hong Kong's hotel, restaurant, and institutional (HRI) sector and tourism industry gradually recovered as border controls eased between China and Hong Kong in late 2022 and early 2023, fueling increased imports of live swine from China for fresh pork meat. Post forecasts a continued, slow recovery in live swine exports to Hong Kong in 2024. Macao is China's second major export destination albeit with a minimal volume. Exports to Macao have been stable over the years except during the pandemic. Post expects exports to Macao in 2024 to remain stable.

**Chart 3. China: Live Swine Exports**



**Source:** Trade Data Monitor, LLC and Post Forecast

## PORK

**Table 2. China: Pork Production, Supply, and Distribution**

Meat, Swine	2022		2023		2024	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
1000 MT						
Slaughter (Reference)	699950	699950	725000	726620	695000	705000
Beginning Stocks	0	0	0	0	0	0
Production	55410	55410	56900	57940	55200	55950
Total Imports	2125	2125	1925	1897	2250	1950
Total Supply	57535	57535	58825	59837	57450	57900
Total Exports	101	101	92	96	110	100
Human Dom. Consumption	57434	57434	58733	59741	57340	57800
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	57434	57434	58733	59741	57340	57800
Ending Stocks	0	0	0	0	0	0
Total Distribution	57535	57535	58825	59837	57450	57900

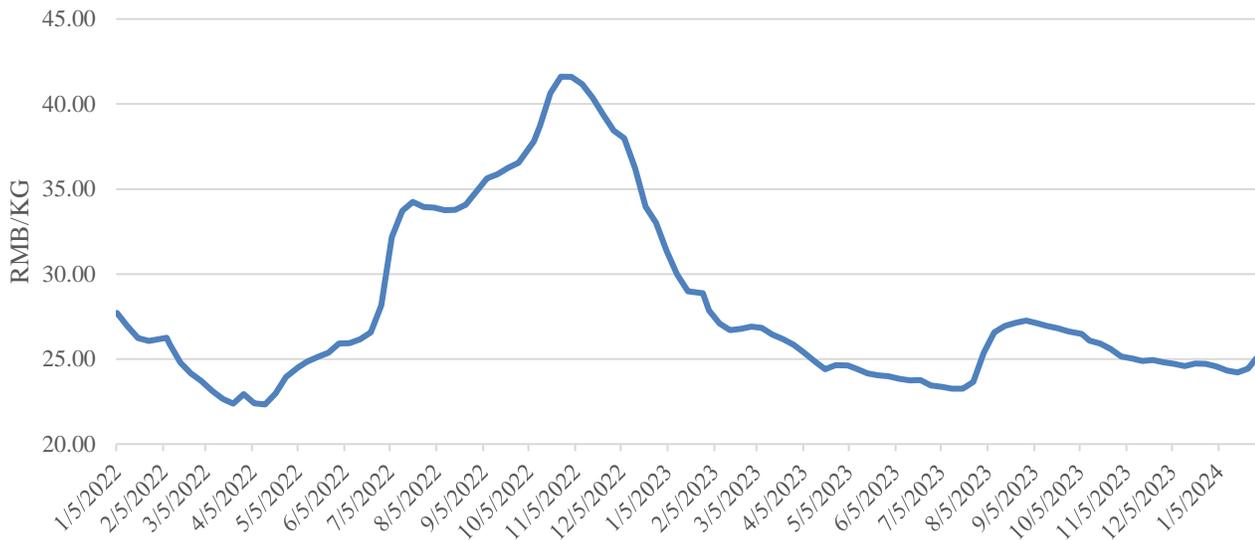
**Note:** Not Official USDA Data

### PRODUCTION

#### Pork Production to Decline Slightly

Post forecasts pork production to decline 3 percent in 2024 because of a decline in domestic swine slaughter. In 2024, industry sources expect pork production to remain at pre-ASF levels as swine producers successfully manage animal disease outbreaks without significantly affecting overall production volumes. As there is no major incentive to increase production amid sustained low prices (see **Pork Consumption** below for more information), swine slaughter and pork production are generally based on the inventory of fattened swine. Post expects the inventory of fattened swine to decline in 2024 in line with declining swine and pork prices (see **Chart 1** and **Chart 4**) and an endemic ASF situation that led to a higher slaughter of sows and swine in early 2023.

**Chart 4. China: National Average Pork Price<sup>3</sup>**



Source: MARA

## CONSUMPTION

### Consumption Revised Down

Post revised its forecast of pork consumption in 2024 to 57.8 MMT, with a decline of 3 percent YOY mainly due to sluggish economic activity. Although pork is a staple meat in China, demand for pork products has decreased as the economy continues facing challenges in 2024. In 2023, the youth unemployment rate reached 20% before the government stopped reporting the official number. In 2024, industry contacts believe the youth unemployment rate will remain high, which will impact pork consumption in office cafeterias when the overall number of employees eating in cafeterias starts to shrink.

Although the HRI sector mostly recovered in first tier cities in 2023, there are still restaurant closures in smaller cities. Post expects restaurant demand in smaller cities to remain weak in 2024, which would impact pork consumption. Restaurant spend per person has reportedly dropped from 120 RMB pre-pandemic to 80 RMB post pandemic as an example of how China's consumption downgrade manifests in HRI. This consumption downgrade impacts both pork and beef (as discussed in **Beef Consumption** below). According to various sources, weak price and credit growth data suggest Chinese consumers, corporations, and households are still holding back, as sentiment remains weighed down by plunging real estate values and high unemployment. During the 2024 Lunar New Year holiday, PRC domestic trips were up 19 percent over pre-pandemic levels; however, per-trip spending on average was 9.5 percent lower.

<sup>3</sup> The pork price here refers to the average pork price collected by MARA from monitored traditional markets across China.

Domestic pork supplies were higher in 2023, but demand for pork was weak due to the slow economy. The oversupply of pork kept pork prices low throughout 2023 (see **Chart 4**). Although weaker demand will continue in 2024, industry sources expect domestic supplies to also drop, thereby improving the imbalance between supply and demand.

The PRC will continue to emphasize and prioritize stable pork prices in 2024. Facing continually declining pork prices in 2023, MARA encouraged producers to lower sow numbers to help maintain pork prices. However, the PRC did not actively purchase pork from the market in 2023 as it had in 2022. The National Development and Reform Commission (NDRC) only announced 3 batches totaling 50 thousand metric tons (MT) of frozen pork purchases in 2023 compared to 13 batches in 2022. Industry sources think less state-led purchasing in 2023 could help encourage reduced sow inventory and reduced swine production, which could lead to higher pork prices in 2024.

The NDRC published measures in 2023 to help restore and expand pork consumption, including expanding consumption in catering service and tourism. Post anticipates additional policies in 2024 focused on stimulating pork consumption. However, the National Health Commission noted that the overall dietary structure of Chinese citizens remains unhealthy; the average intake of pork exceeds 30 percent of the scientifically recommended dietary amounts. Chinese consumers may eventually replace some of their pork consumption with alternative animal protein sources such as beef, poultry, and seafood.

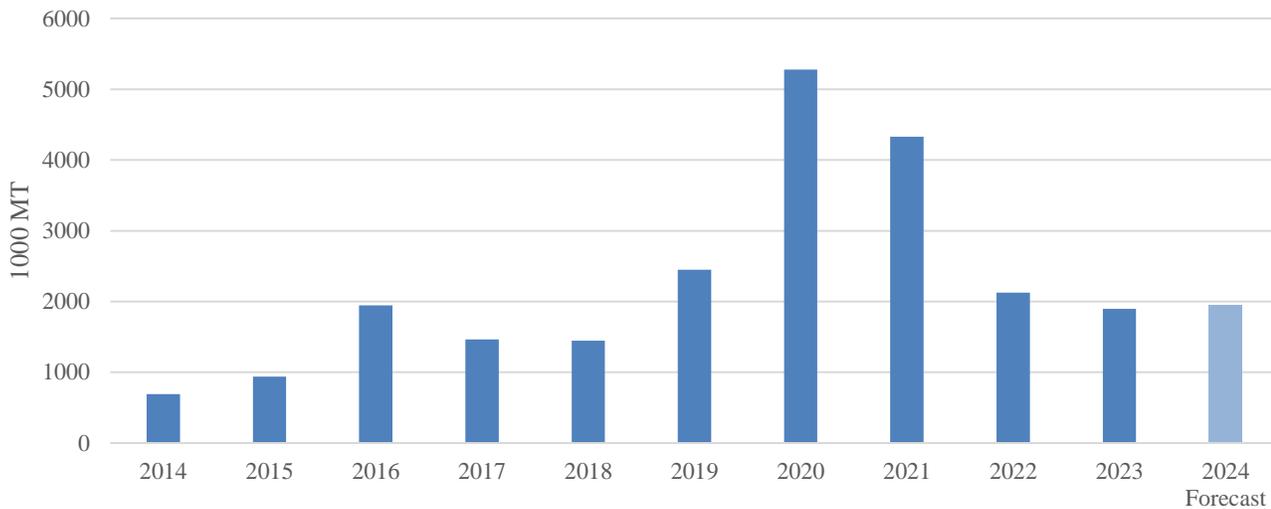
## TRADE

### Pork Imports

#### **Minor Growth in Pork Imports**

Post revised its forecast for 2024 pork imports down to 1.95 MMT; however, pork imports will have minimal YOY growth (see **Chart 5**). Post projects the pork market to remain relatively weak in 2024 (see **Pork Consumption**), thus curbing further growth for imported pork. Additionally, high year-end inventories carried over into 2024 will suppress imports until traders diminish their supplies in their full coastal cold storage facilities. Industry sources indicate that the majority of active pork traders are larger importers since smaller traders find the pork sector too risky at the moment. China's major pork suppliers are Spain, Brazil, Denmark, the Netherlands, Canada, and the United States.

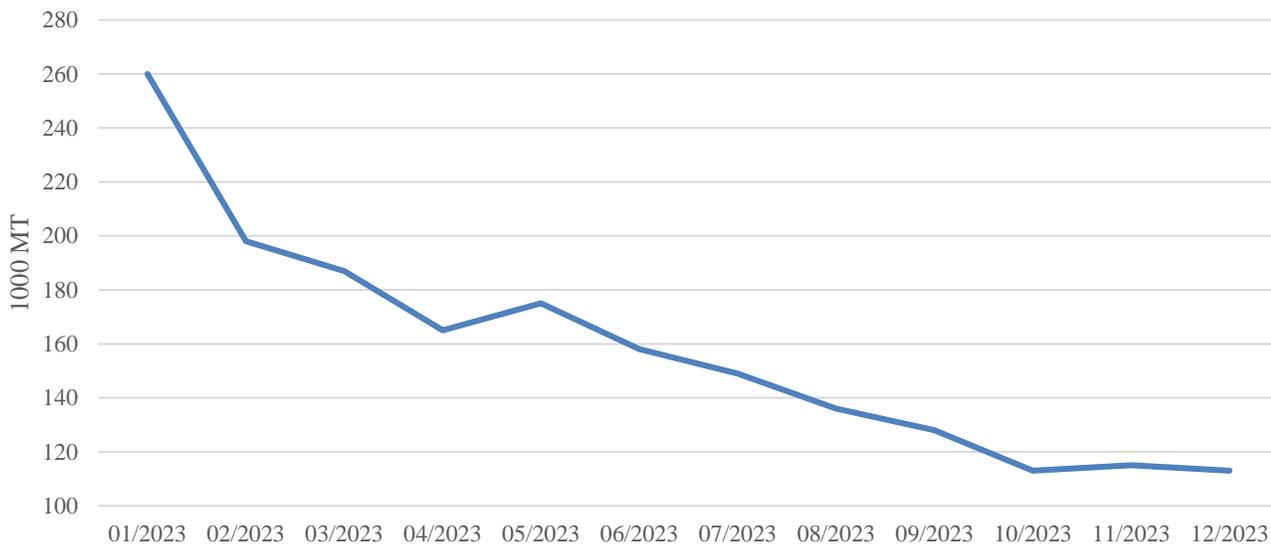
**Chart 5. China: Pork Imports**



**Source:** Trade Data Monitor, LLC and Post Forecasts

Post revised pork imports in 2023 down to 1.90 MMT with a 11 percent decline YOY according to TDM. Importers imported more in the beginning of the year as they believed the market in 2023 would recover after the PRC lifted COVID lockdown restrictions. However, due to a large domestic production and a slower-than-expected economic recovery, imports gradually slowed throughout 2023 (see **Chart 6**). Sources also indicated that traders had higher stocks in their coastal storage facilities at the end of 2023 than they did at the end of 2022.

**Chart 6. China: Monthly Imports of Pork Products**



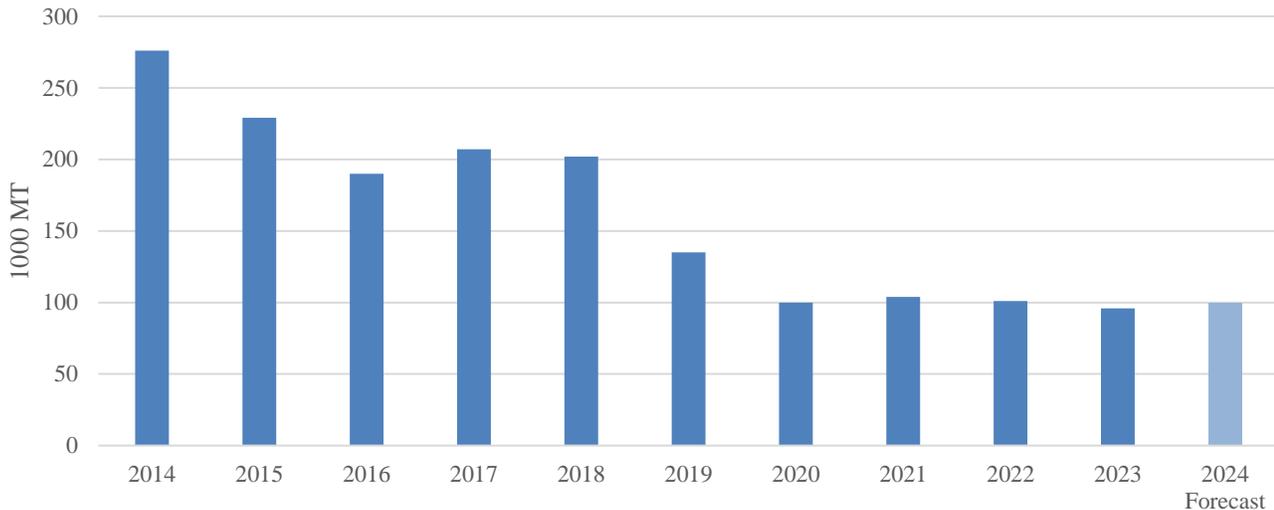
**Source:** Trade Data Monitor, LLC

## Pork Exports

### Pork Exports Stabilizing

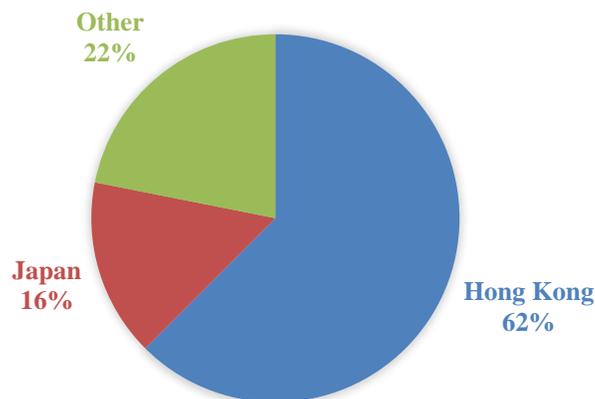
Post agrees with USDA's official forecast of pork exports in 2024 at 100 thousand MT, with a marginal increase over 2023 (see **Chart 7**). Hong Kong and Japan are the two major export destinations for pork products (see **Chart 8**). China mainly exports prepared, frozen, and fresh pork to Hong Kong and prepared pork to Japan. Post believes the market in 2024 will generally be flat. Exports to Hong Kong may marginally grow as pork demand recovers there.

**Chart 7. China: Pork Exports**



Source: Trade Data Monitor, LLC and Post Forecast

**Chart 8. China: Exports of Pork Products in 2023 by Destination**



Source: Trade Data Monitor, LLC

Post revised pork exports in 2023 down to 96 thousand MT with a marginal decline YOY according to TDM. Despite the easing of border controls for Hong Kong and Japan in late 2022, pork exports to the two markets remained subdued.

## CATTLE

**Table 3. China: Cattle Production, Supply, and Distribution**

Animal Numbers, Cattle	2022		2023		2024	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
1000 Head						
Total Cattle Beg. Stocks	98172	98172	102160	102160	105500	105090
Dairy Cows Beg. Stocks	14000	14000	14050	14050	14090	14090
Beef Cows Beg. Stocks	56200	56200	57600	57600	58500	58500
Production (Calf Crop)	53240	53240	54625	54138	55500	55000
Total Imports	350	350	140	148	125	125
Total Supply	151762	151762	156925	156446	161125	160215
Total Exports	13	13	11	12	11	12
Cow Slaughter	0	0	0	0	0	0
Calf Slaughter	0	0	0	0	0	0
Other Slaughter	48400	48400	50300	50230	51800	51400
Total Slaughter	48400	48400	50300	50230	51800	51400
Loss and Residual	1189	1189	1114	1114	1114	1113
Ending Inventories	102160	102160	105500	105090	108200	107690
Total Distribution	151762	151762	156925	156446	161125	160215

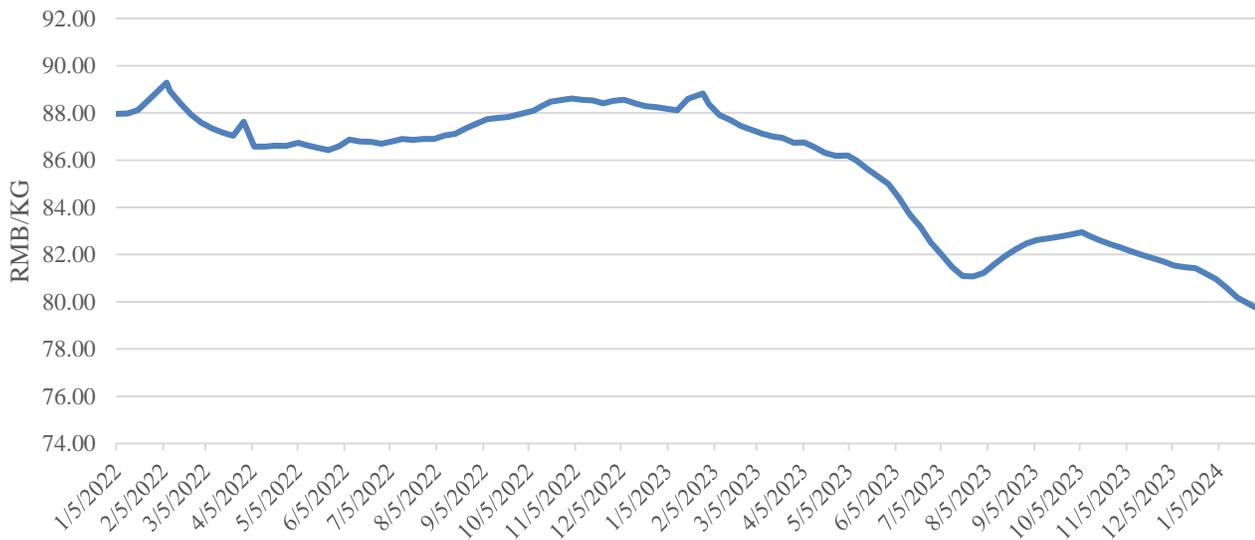
Note: Not Official USDA Data

### PRODUCTION

#### Slow Growth of Cattle Herd

Post revised the calf production forecast in 2024 down to 55 million head with a slower-than-expected growth. Despite government policies encouraging cattle herd growth, lower prices in 2023 limited the growth of cattle herds. MARA published its 5-year action plan in 2021 to improve the development of the beef and lamb sectors. Local governments of major beef production areas continued to implement this plan in 2023 by providing subsidies to local beef cattle breeders, encouraging cattle herd expansion. However, low cattle prices in 2023 kept profit margins small for cattle farms and resulted in a slower growth of beef cows. Throughout 2023, both beef cattle and beef prices declined (see **Chart 9**), with beef cattle prices witnessing a sharper decline than beef prices according to industry sources.

**Chart 9. China: National Average Beef Price**



Source: MARA

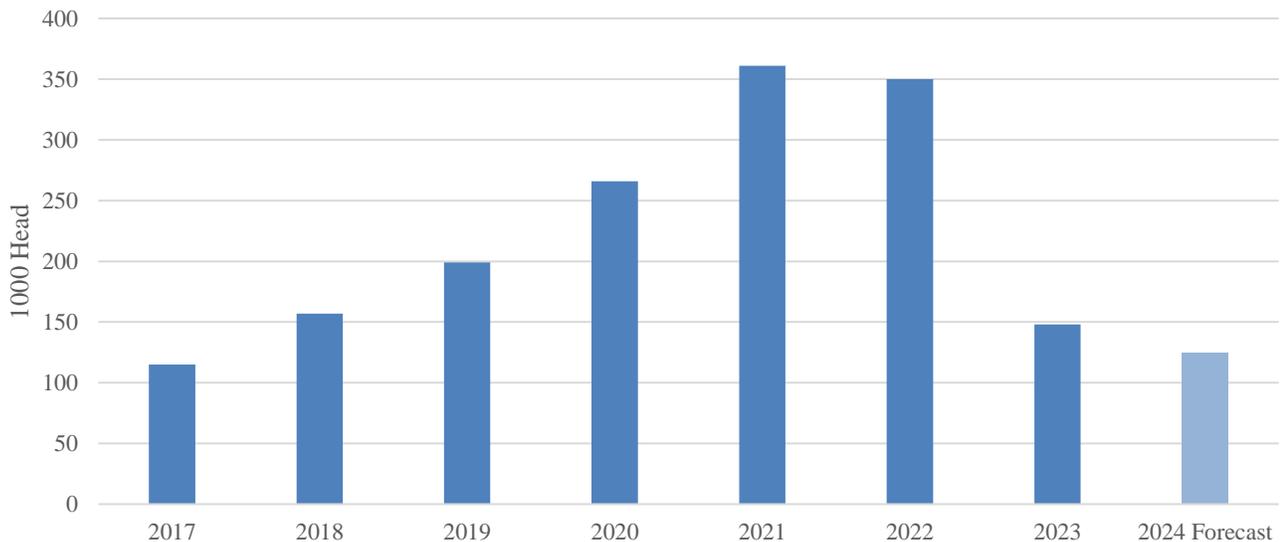
The slow economy suppressed beef cattle and beef prices. Beef demand was flat in 2023 (see **Beef Consumption**). Additionally, an abundant cattle inventory and beef supply and an increased rate of culling dairy cows led to an oversupply of beef. In 2023, beef cattle breeders were generally profitable, but profit margins shrank. Restocking rates of some cattle farms declined, while some slaughtered more cows, thereby slowing the growth rate even more. Smaller farms that were operating at a loss and could not obtain loans also exited the market. Although large beef cattle farms will continue to make up a minority of the market in 2024, with an increasing number of smaller farms exiting the market, the market is slowly becoming more concentrated with larger farms. The number of large-scale beef cattle operations will continue to increase over time, which will improve the efficiency of beef production and create more demand for professional feed and high-quality cattle genetics.

## TRADE

### Cattle Imports to Decline

Post's forecast of cattle imports in 2024 remains the same with the official USDA forecast at 125,000 head. The significant decline in imports from the highs in 2021 and 2022 (see **Chart 10**) are due to shrinking profits of beef cattle producers in 2023.

**Chart 10. China: Live Cattle Imports**



**Source:** Trade Data Monitor, LLC and Post Forecast

Beef cattle prices witnessed a sharper decline than beef prices in 2023. Beef cattle producers are still profitable, but their profit margins were much narrower than in 2022. Dairy cattle producers are in a similar situation but facing even lower margins. China mainly imports live cattle for breeding purposes. Post forecasts lower live cattle imports in 2024 as most cattle producers are less motivated to expand their herds or improve herd genetics with imported live cattle in such difficult market conditions.

Another factor, less important than the economic headwinds facing the industry, that contributes to lower imports of beef cattle is the lack of farm management experience. China mainly imports beef cattle breeds of high quality, such as Angus, for high-end beef cattle breeding and to improve their herd genetics. Sources commented that due to challenges of farm management, some imported beef cattle did not reach their optimal carcass weights, which discouraged some producers from importing more beef cattle.

Australia<sup>4</sup> is China's top supplier for dairy cattle, while Uruguay and Chile are China's main beef cattle suppliers. Although Myanmar<sup>5</sup> regained market access for beef in 2023, Myanmar cattle exports will not have a noticeable impact on overall imports.

Post revised its 2023 cattle import number to 148,000 head, down 58 percent due to the weak beef cattle market, according to TDM.

<sup>4</sup> New Zealand ceased export of livestock by sea since April 2023.

<sup>5</sup> On July 14, 2023, GACC announced a change in the status of the foot and mouth disease situation and removed the ban on cattle from some areas of Guigai Township in the northern Shan State of Myanmar. The imported beef cattle from Myanmar will mainly be for slaughter; though, it will take time for Myanmar to establish export facilities and ensure regulatory compliance which will impact their exports in 2024.

## BEEF

**Table 4. China: Beef Production, Supply, and Distribution**

Meat, Beef and Veal	2022		2023		2024	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
1000 Head, 1000 MT						
Slaughter (Reference)	48400	48400	50300	50230	51800	51400
Beginning Stocks	0	0	0	0	0	0
Production	7180	7180	7500	7530	7700	7700
Total Imports	3502	3502	3575	3577	3550	3400
Total Supply	10682	10682	11075	11107	11250	11100
Total Exports	20	20	18	18	18	18
Human Dom. Consumption	10662	10662	11057	11089	11232	11082
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	10662	10662	11057	11089	11232	11082
Ending Stocks	0	0	0	0	0	0
Total Distribution	10682	10682	11075	11107	11250	11100

**Note:** Not Official USDA Data

### PRODUCTION

#### Beef Production Forecast Remains Slower Growth

Post's forecast of beef production in 2024 remains at 7.7 MMT with 2 percent growth YOY from the large number of finished cattle ready for slaughter. Higher beef production and flat beef demand could further shrink profit margins for beef cattle producers in 2024. Industry sources indicated that declining profit margins for fattening beef cattle accelerated in 2023 following already low prices in 2022. Smaller producers have a more flexible slaughter schedule and tend to wait to slaughter when beef prices are low until prices rebound. As the majority of cattle producers are small producers, this practice could result in beef production that grows YOY in 2024, but at a slower pace than 2023.

Post revised beef production in 2023 to 7.53 MMT with a YOY increase of 5 percent based on the official data from the NBS. Sources indicated the slaughter weight of beef cattle has been growing in recent years with breeding companies becoming more professional. China's top five beef production provinces include Inner Mongolia, Shandong, Hebei, Heilongjiang, and Xinjiang. Most beef cattle in China are hybrids between Chinese local breeds with lower weight, and professional breeds, such as Simmental and Angus, with higher weight.

### **Beef Consumption Forecast Remains Flat**

Post's forecast of beef consumption in 2024 remains at approximately 11 MMT. With economic prospects remaining flat, consumers throughout China and at varying socio-economic levels have become more conservative on their expenditures and are saving more. In 2023, saving accounts in China witnessed significant growth. Post expects this trend to continue through 2024. Consumption of beef, as a pricier protein in China, is unlikely to grow as fast as in the past.

### **Demand for Domestically Produced Beef Products Remain Flat**

China's beef market is dominated by domestically produced beef products, which, according to industry sources, account for about 70 percent of the market share. Domestically produced beef products are normally sold fresh, provide special flavors, and are popular among Chinese consumers, especially in Southern China (e.g., Guangdong Province and Yunnan Province). According to industry contacts, although Yunnan is a major beef production area, Yunnan still needs to buy beef cattle from northern China to be slaughtered in Yunnan as its consumption surpasses production. Traditional pasturing areas as Xinjiang, Tibet, and Qinghai are also major beef consuming provinces. However, high-end restaurants prefer high-quality beef, such as Angus. Only a small share of domestically produced beef products is Angus beef.

### **Demand for High-End Beef Products May Decline**

As "consumption downgrading" in some beef consuming markets could extend through 2024, lower-priced domestically produced and imported beef could take some market share from higher-priced imported beef products. According to industry contacts, in 2023, some HRI businesses replaced high-end imported beef with cheaper beef ingredients to save cost and adapt to the market. Industry contacts expect this trend to continue in 2024.

**Image 2. China: Storage and Display of High-End Beef in A Steak House in China**



Source: FAS China

**Image 3. China: Retail of High-End Beef in China**

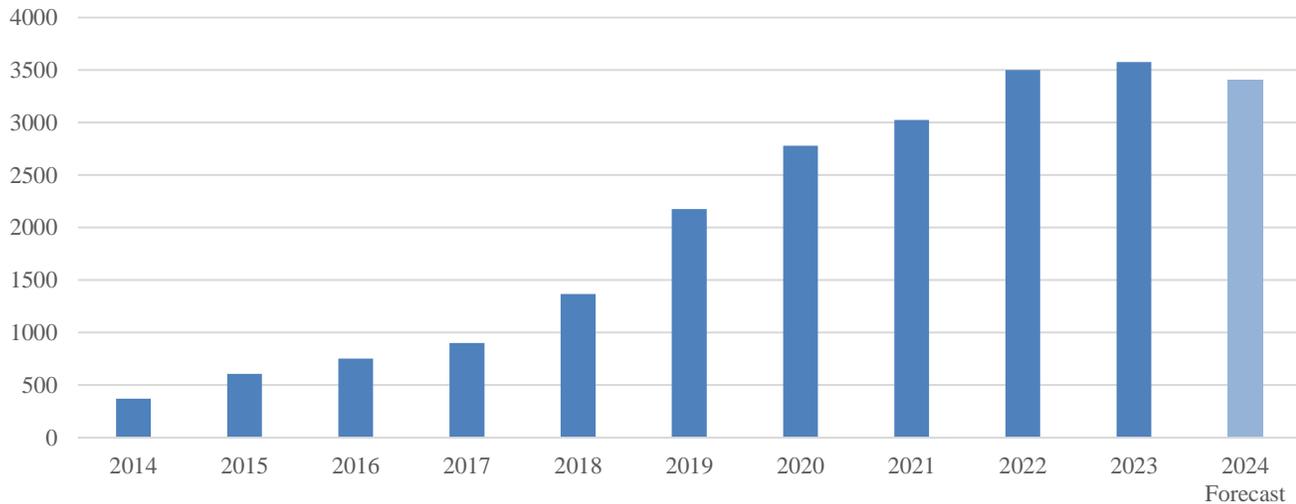


Source: FAS China

## Beef Imports to Decline

Post revised its forecast of beef imports in 2024 down to 3.4 MMT with a decline of 5 percent (see **Chart 11**) due to the high year-end inventory<sup>6</sup> carried over to 2024 and expected flat demand.

**Chart 11. China: Beef Imports**



**Source:** Trade Data Monitor, LLC and Post Forecast

China witnessed a 10-year-high in beef imports in 2023. Imports were strong in the first 8 months of 2023 before they slowed down (see **Chart 12**). Sources indicated importers imported more in early 2023 to stock up in anticipation that the post-COVID market would be better. However, in 2023, the market for beef did not recover from the pandemic as much as importers expected. Beef imports started to slow down in the second half of 2023 as inventory started to accumulate, which will negatively impact imports in 2024.

<sup>6</sup> Post did not put year-end inventory into PSD as there's no relevant data available for reference, but post takes private reports of year-end inventory into consideration when forecasting next year's imports.

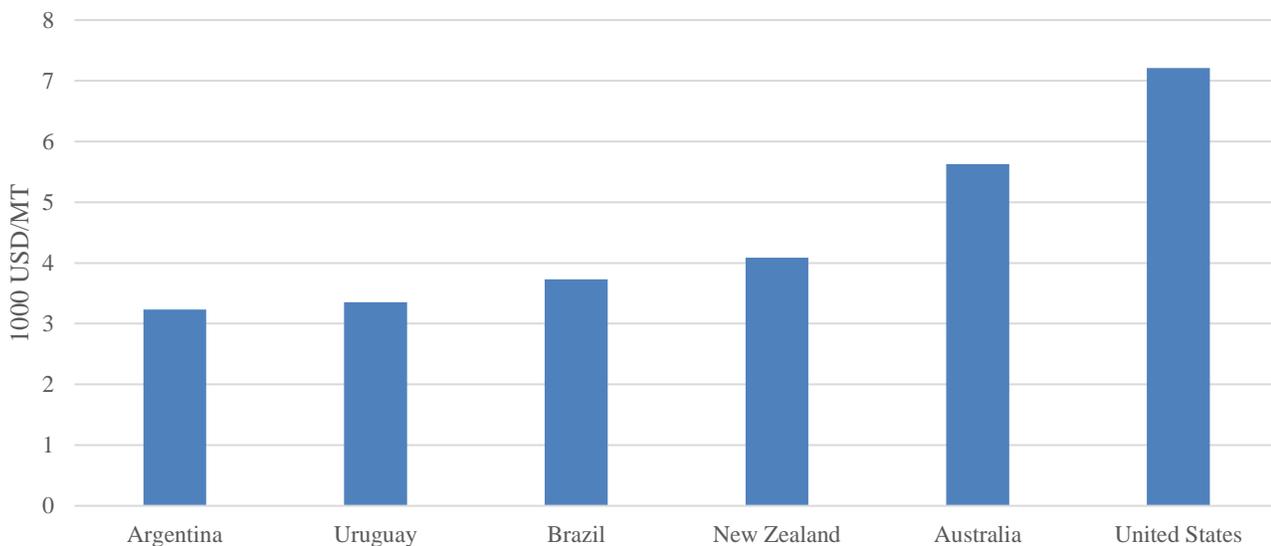
**Chart 12. China: Beef Monthly Imports**



Source: Trade Data Monitor, LLC

In 2024, with flat demand and consumption downgrading (see **Beef Consumption** for more information), lower-priced grass-fed beef imported from Brazil, Uruguay, and Argentina (see **Chart 13**) may find more opportunities. Higher-priced imported beef products, on the other hand, may face more challenges in 2024. Industry contacts also indicated Chinese importers prefer certain cuts that are different from the standard cuts from other countries. Brazil, for instance, has better adapted to China’s cutting standard due to competitive labor costs. U.S. beef and beef products are functionally subject to the most-favored-nation (MFN) tariff rates as importers have been able to apply for exemptions from Section 301 tariffs (see **Table 6**). Australia,<sup>7</sup> New Zealand, and Chile have free trade agreements with the PRC; therefore, their beef and beef products tariffs have been reduced to zero.

**Chart 13. China: Imported Beef Prices in 2023 by Supplier**



Source: Trade Data Monitor, LLC

<sup>7</sup> Australian beef and beef products imports are subject to an annually set trigger mechanism, which reverts tariffs back to MFN rates.

In 2023 and early 2024, the PRC granted/resumed beef and beef products import access to several countries, such as Colombia, Poland, and Spain. The beef volume available from these countries to export to China is limited; therefore, post projects that these market access developments will have a negligible effect on China's overall 2024 imports.

One factor that could influence import volume is speculation. As China is still a developing market for beef traders, some traders speculate in the market, disregarding real demand and drive-up import volumes. There have been speculative periods in the past and this could continue in 2024 as the market remains choppy.

Post revised the 2023 beef import number with a 2 percent growth according to TDM. As for reasons for the import growth, in addition to the factors discussed above, import price was also a factor. In 2023, the average importing price declined 25 percent YOY. China continues to import split carcasses from grass-fed beef producing regions in South America whose cost of production is cheaper than domestic production. Beef processors in China import split carcasses and then process them according to Chinese standards. In the price sensitive beef market of 2024, the trend of importing price competitive grass-fed split carcasses will increase.

## Retaliatory Tariffs on U.S. products

The tariff exclusion process introduced by the State Council Tariff Commission (SCTC) in March 2020 (see GAIN report [CH2020-0017](#)) remains in effect. The program allows importers to apply for tariff exclusions from China's Section 301 retaliatory tariffs on U.S. products, including pork and beef products (see **Table 5** and **Table 6** for specific tariff rates).

However, the exclusion process does not apply to China's retaliatory Section 232 tariffs. U.S. pork products are among certain agricultural products that are still subject to China's Section 232 retaliatory tariffs.

**Table 5. China: Tariff Schedule on U.S. Pork Products**

HS Code (8-digit)	Product Description	Tariff Type, Implementation Date, and Percent			
		MFN Rate	232	301*	Total Applied Tariff
		Dec 15, 2021	Apr 2, 2018	Jun 1, 2019	Dec 15, 2019[1]
02031110	Fresh or chilled, suckling pig: whole or half-carcasses	20%		25%	45%
02031190	Fresh or chilled, other meat of swine: whole or half-carcasses	20%		25%	45%
02031200	Fresh Or Chilled Bone-In Hams, Shoulders & Cuts	20%	25%	25%	75%
02031900	Other Fresh or Chilled Swine Meat	20%	25%	25%	75%
02032110	Frozen, suckling pig: whole or half-carcasses	12%		25%	37%
02032190	Frozen Swine, whole or half-carcasses, Nes	12%	25%	25%	62%
02032200	Frozen Unboned Hams, Shoulders & Cuts Thereof Of	12%**	25%	25%	63%
02032900	Other Frozen Swine Meat	12%**	25%	25%	63%

**Note:** \*Additional tariffs were adjusted on February 14, 2020, and additional exclusions granted on March 2, 2020.

\*\*Tentative tariffs canceled and MFN resumed on January 1<sup>st</sup>, 2022 (See GAIN Report [CH2021-0169](#)).

**Table 6. China: Tariff Schedule on U.S. Beef Products**

HS Code (8-digit)	Description	Tariff Type, Implementation Date, and Percent		
		MFN Rate*	301*	Total Applied Tariff
		Jan 1, 2020	Feb 14, 2020	Feb 14, 2020
02011000	Meat of bovine animals, fresh or chilled: whole or half- carcasses	20%	25.0%	45.0%
02012000	Fresh Or Chilled Unboned Bovine Meat (Excl. Carcasses)	12%	30.0%	42.0%
02013000	Fresh Or Chilled Boneless Bovine Meat	12%	30.0%	42.0%
02021000	Frozen Bovine Carcasses & Half Carcasses	25%	25.0%	50.0%
02022000	Frozen Unboned Bovine Meat (Excl. Carcasses)	12%	30.0%	42.0%
02023000	Frozen Boneless Bovine Meat	12%	30.0%	42.0%
02102000	Meat Of Bovine Animals, Salted, In Brine, Dried or Salted	25%	30.0%	55.0%
16025010	Preparations Of Bovine Animal Meat & Offal, In Air	5%	2.5%	7.5%
16025090	Preparations Of Bovine Animal Meat & Offal, Nes	5%	25.0%	30.0%

**Note:** \*Additional tariffs were adjusted on February 14, 2020, and additional exclusions granted on March 2, 2020.

**Attachments:**

No Attachments