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China - Peoples Republic of

Oilseeds and Products Annual

Prospects for China's Oilseed Market Remain Strong

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Report Highlights:
In MY14/15 China continued dominating the global oilseeds market, retaining its status as the world's largest importer of soybeans. Specifically, Chinese total soybean imports hit another record at 78.35 million tons (MMT), absorbing 60 percent of total world exports, and 58 percent of total U.S. soybean exports. Following peak total oilseed imports of 83.1 MMT in MY14/15, Post estimates this rising trend will continue with imports reaching 86.4 MMT in MY15/16, and 89.2 MMT in MY16/17. Rising incomes, urbanization and the modernization of the domestic feed and livestock sectors will continue fostering oilseed consumption, forecast at 142.9 MMT for MY16/17. China's soybean imports are estimated to set another record at 82 MMT in MY15/16 and forecast to reach 84.5 MMT in MY16/17. Conversely, due to a combination of land constraints, policy challenges, and stagnating yields, China's oilseed production is forecast to decline to 52.7 MMT in MY16/17 from the estimated 53.9 MMT in MY15/16.

Table of Contents

Page

Executive Summary:

China's domestic oilseed production growth continues to be hampered by limited arable land and recent domestic policies favoring grain production. China's total planted area for all oilseed crops is forecast to drop 2 percent to 21.87 million hectares (MHa) and total oilseed production is forecast to decrease by 2.1 percent to 52.7 MMT in MY16/17. The lower forecast reflects an expected decline in rapeseed and cottonseed production –a combined 1.5 MMT–as policy changes and lower market prices reduced earnings in these commodities. The forecast for soybean production is up slightly, primarily affected by changes in grain policies, while the forecast for peanut production remains stable, responding to high comparative profits.

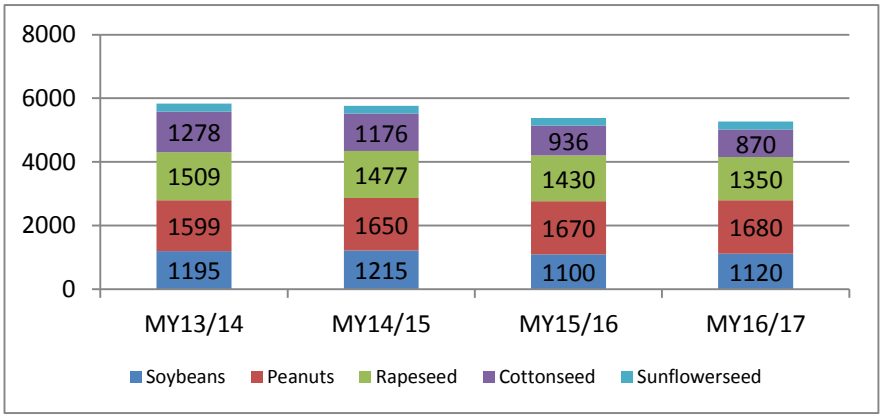
In MY16/17, the total Chinese oilseed consumption forecast rose to 142.9 MMT driven by increasing domestic demand for meats, seafood, and vegetable oils. Additionally, the expansion of the oilseed crushing sector, growth in the feed industry, and advancements in concentrated livestock and aquatic farming are collectively spurring demand and the need for imports.
With limited domestic production, soybean and rapeseed imports remain robust with total oilseed imports forecast at 89.2 MMT for MY16/17. Soybean imports could reach 84.5 MMT, up from the estimated 82 MMT in MY15/16, in line with the USDA official March 2016 estimate. China's imports of U.S. soybeans reached 29.7 MMT in MY14/15, up 2.7 MMT over the previous year and accounted for 38 percent of China's total soybean imports. Imports from the United States are expected to stay strong at about 30 MMT in MY16/17. However, U.S. soybeans still face fierce competition from South American suppliers.

In addition, forecasting China's meal and oil use and total oilseed demand continues to be a challenge given the differing data on the domestic area and production for rapeseed and peanuts, soybean use as food and direct use as feed, the production number of different feed and all animal products, and the unknown volume of state reserve of soybeans and vegetable oils.

Oilseeds Situation and Outlook

Overall, China's domestic oilseed production continues to decline while demand for oilseed products surges ahead. Lower profits for rapeseed and cotton resulting from policy changes for these commodities in MY14/15, and sluggish prices for both are expected to reduce the total oilseed planted area by 2 percent to 21.87 MHa in MY16/17. Correspondingly, MY16/17 total oilseed production is forecast down 2.1 percent from the previous year to 52.7 MMT. Future production prospects are further dampened by the lackluster revenue of major oilseed crops as available acreage is increasingly planted to more lucrative grain crops enjoying better government support. Furthermore, inadequate production tools - from economies of scale, agronomic practices, technology resources and input quality - also limit the potential for oilseed yield gains. Meanwhile, Chinese consumption of meats, seafood, and vegetable oils and soybeans for food-processing continues its unrelenting growth, fueled by rising affluence, urbanization, and expanding consumer preferences. In response to these dietary demands, China must supplement its domestic oilseed resources with imports, primarily from Brazil, the United States, Argentina and Canada.

Chart 1 – China's Major Oilseed Production
(MY13/14 to MY16/17; in 10,000 tons)



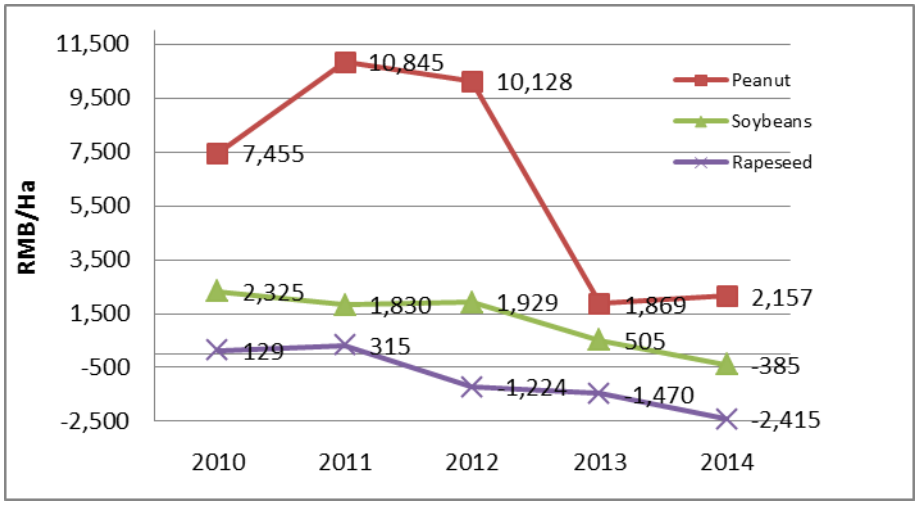
Estimates /forecast by FAS/Beijing

China's cotton planted area is expected to fall by 9 percent in MY16/17 in response to a major change in the government's support policy implemented in MY14/15. This government policy cut most of the support to farmers in the Yellow and Yangtze River regions while maintaining support to farmers in Xinjiang. As a result, grain and cash crops are most likely to replace cotton in the Yellow and Yangtze River regions. At the same time, MY16/17 Xinjiang cotton planting intentions appear to also be declining as cotton earnings fell due to weak cotton prices in MY15/16. Similarly, MY16/17 rapeseed planting area is also forecast to fall 4 percent in response to low returns as the government eliminated its price support policy for rapeseed in MY15/16.

Soybean area is expected to increase moderately in MY16/17 in response to the government's policy change to limit grain crops. Lower corn earnings in major soybean producing-provinces are likely to encourage some farmers to plant soybeans in MY16/17.

Additionally, based on relatively stable and comparatively high profits in MY15/16, peanut farmers are expected to add acreage in MY16/17. However, constrained by land availability, expansion is expected to be very limited.

Chart 2-National Average Profit/Ha for Major Oilseed Crops
(2010 to 2014; RMB/Ha)



Source: 2015 National Agricultural Product Production Cost and Profit from National Development and Reform Commission (NDRC)
Notes: Exchange rate in 2015: $1=RMB6.3. Excludes labor Income

Soybeans

Production

Consistent with a forecast 2 percent rise in the soybean planted area and an average yield, Post's forecast for MY16/17 soybean production is 11.2 MMT, up from the estimated 11 MMT in MY15/16. This estimate is 1 MMT lower than USDA March 2016 official estimate. The forecast slight recovery in soybean production is in response to changes in the government's grain policy, which lowered corn profits for MY15/16, and not necessarily due to support policies actually directed towards soybean production. Hence, any significant growth in soybean production is not sustainable as it continues to be restricted by factors including low profits, stagnating yields and other more lucrative crop alternatives.

In recent years, China's soybean area and production have continued declining, hitting a decade low in MY15/16. Post's estimate for total MY15/16 soybean production of 11 MMT is supported by leading Chinese industry sources whose estimates range from 10.5 to 11 MMT. The government's policy favoring grain price support in the past seven years has resulted in less soybean area in the four Northeastern provinces, China's leading-soybean producing regions. However, in MY15/16, the government enforced a lower purchase price for corn which is estimated to cut corn income by about RMB1,500/Ha while the national average profit stood at RMB3,045/Ha in MY14/15. As a result, lower MY15/16 profit signals for corn farmers are expected to encourage them to plant soybeans in regions

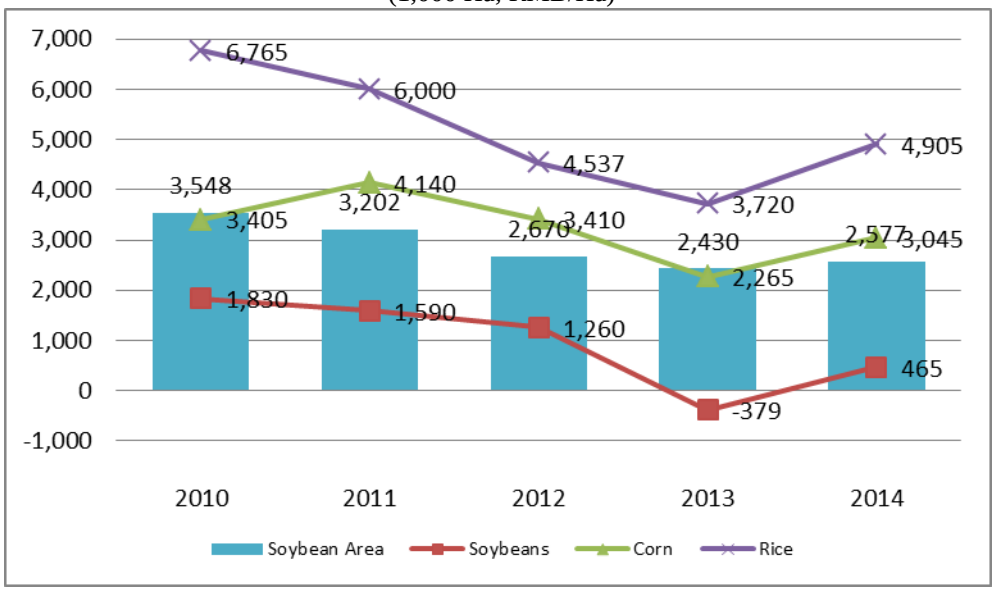
where natural conditions traditionally favor soybeans. Given the huge corn stocks, the government is also calling for more forage area including silage corn in Northeast and Northwest regions to ease the pressure of the high government's corn stocks.

Beginning in MY14/15, the government's soybean subsidy program for the four Northeastern Provinces changed from a "minimum/floor price procurement program" to a "target price-based direct subsidy." In the last two years, the target price remained at RMB4,800/ton and is unlikely to change in MY16/17. Soybean farmers in the four Northeastern Provinces will continue to be compensated based on the difference between the market price and the target price. However, the estimated subsidy to farmers in MY15/16 (RMB900/Ha) indicates soybean profits continued to be at a disadvantage compared to corn and rice.

Official data from the National Development Research Council (NDRC) estimated that in MY14/15, farmer returns averaged negative $62/Ha for soybeans versus $198/Ha for corn. Specifically, in Heilongjiang, the largest soybean-producing province, MY14/15 soybean profits (excluding labor) were RMB465 ($75)/Ha, while corn profits stood at RMB3,045 ($491)/Ha and rice at RMB4,905 ($791)/Ha. While the comparative profit ratio among these crops in Heilongjiang will not change significantly in MY15/16, a decline in corn profits is inevitable. Crop alternatives to soybeans are limited in some regions in Heilongjiang and Inner Mongolian provinces due to the shorter growing days. Additionally, soybeans are more resilient to stand the cold weather than other more lucrative crops.

Chart 3 - Heilongjiang Soybean Planted Area And Net Profit for Soybeans and Alternative Crops

(1,000 Ha; RMB/Ha)



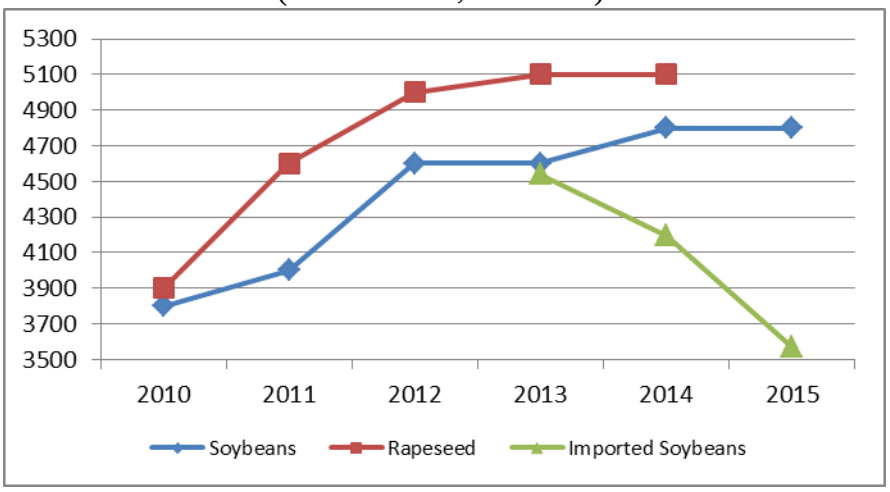
Source: NDRC and MOA

Note: Excludes Labor Income

In general, the government support purchase price (corn, rice, cotton, soybeans) has been above the world market price and cheaper soybean imports have placed downward pressure on domestic soybeans

prices. Agronomists caution that these artificial price distortions deter crop rotation and will eventually lead to soil degradation and lower yields.

Chart 4 - State Purchase Floor Price for Soybeans and Rapeseed VS Average Wholesale Soybean Price
(2009 to 2015; RMB/ton)



Source: State Grain Administration and China JCI (wholesale soy price); From 2014 soybean price is "target price"; From 2015 state purchase of rapeseed at high floor price ended

Unlike the soybean farmers in the four Northeastern Provinces, farmers in other provinces are not entitled to government target price support. However, in general, soybean profits in these provinces are relatively higher than the four Northeastern Provinces as these products enjoy a premium for convenient delivery and satisfy the local demand for soybean food use. From MY12/13 to MY14/15, soybean production in these provinces remained stable ranging around 6 to 6.5 MMT per year. MY16/17 soybean planting intentions in the other provinces are projected not to change or go up slightly based on estimated average profits in MY15/16.

Soybean farmers also continue to struggle to boost yields and productivity which have remained constant for several years. Without access to the latest seed technology, Chinese soybean farmers face major impediments to improve productivity, including small farm scale and inadequate agronomic practices (such as the lack of proper crop rotation) which are unlikely to change significantly in the near future. Over the last three years, soybean yield in China averaged 1.8 ton/Ha, compared to 2.9 ton/Ha in the United States.

Stocks

Chinese official statistics for stocks are not publicly available. Although the government did not add soybeans to its reserve stocks in MY15/16, a major industry source estimates that as of the end of 2015, the soybean reserve is still high at about 8 MMT. Additionally, China's record soybean imports of 78.35 MMT in MY14/15 also contributed to total carry-in stocks estimated at 17.3 MMT for MY15/16. Depending on the domestic oilseed product market situation, the government may auction older stocks as a means to stabilize any significant changes in domestic soybean supply and price. MY15/16 ending stocks are expected to adjust down to 16 MMT. Given the government's suspension of direct purchase

of domestic oilseeds while maintaining a moderate vegetable oil reserve as a market regulating tool, MY16/17 soybean ending stocks are forecast at 14.2 MMT.

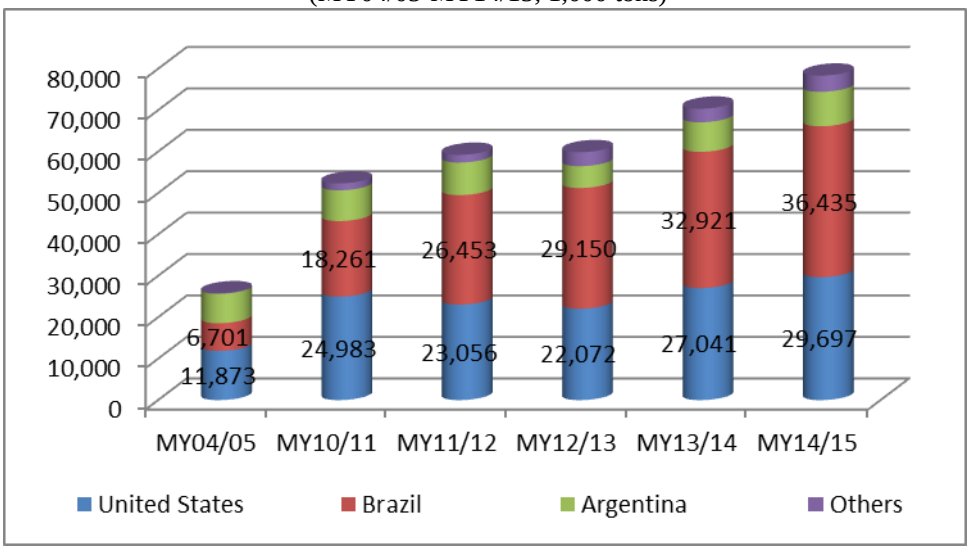
Trade

Imports

China continues to dominate the global soybean market and remains the largest importer of soybeans in the world. China's total imports of 78.35 MMT of soybeans in MY14/15 were equivalent to 60 percent of total world exports, and 58 percent of total U.S. soybean exports. Soybean imports are expected to continue on an upward trend driven by declining domestic production unable to meet growing consumption.

Chart 5 – Chinese Imports of Soybeans over the Last Decade

(MY04/05-MY14/15; 1,000 tons)



Source: Global Trade Atlas

The Chinese crushing industry's demand for soybeans continues to be strong. In addition, economic incentives are reportedly driving greater use of imported soybeans for food in the coastal provinces. However, figures capturing this trend are not readily available. MY16/17 soybean imports are forecast at 84.5 MMT, up 3 percent from an estimated 82 MMT in MY15/16. Adequate global soybean supplies at lower prices stimulated MY14/15 imports to a record 78.35 MMT, up by 8 MMT over last year, and contributed to relatively high ending stocks. It is worth noting that while crushing profits have improved slightly since late 2015, following nine consecutive months of negative margins and total losses in 2014, these remain unstable. This could lessen the crushing sector's incentive to over import in MY15/16.

Brazil continued to be China's largest soybean supplier in MY14/15 with total imports growing to 36.4 MMT and holding 46 percent share of the market. China's imports of U.S. soybeans reached 29.7 MMT in MY14/15, up from 27.04 MMT in MY13/14. The weakening currency in Brazil and lower

export taxes in Argentina are expected to boost more South American soybean exports to China in MY15/16.

China's Soybean Imports by Country of Origin from MY13/14 to MY15/16

	MY13/14		MY14/15		MY15/16*	
Country	MMT	Share	MMT	Share	MMT	Share
United States	**27.04**	**38%**	**29.7**	**38%**	**30**	**37.5%**
Brazil	32.92	47%	36.4	47%		
Argentina	7.14	10%	8.3	11%		
Others	3.26	4%	3.9	5%	45	62.5%
Total	**70.36**	100%	**78.35**	100%	**80.5**	100%

Source: World Trade Atlas; * MY15/16 estimate by FAS/Beijing

In response to some Chinese crushers' expressed interest in using sustainable soybeans, in mid MY14/15 the United States began exporting sustainable soybeans certified under the U.S. Soy Sustainability Certification Protocol (SSAP). According to U.S. industry sources, as of March 2016, certified U.S. sustainable soy export to China reached over 3MMT, higher than the whole certified volume of less than 2MMT exported in MY14/15. As most U.S. soybean producers already participate in certified and audited conservation and nutrient management programs, China stands to become the largest importer of U.S. sustainable soy. This could create opportunities for U.S. soybean growers to gain market share.

Changes in consumption trends created new challenges in forecasting China's soybean use/imports as these are generally calculated on a meal and oil based analysis. Driven by price advantage and purchasing convenience, industry sources report that many food processors in the coastal provinces are progressively using more imported soybeans to produce tofu, soy milk and other foods. The direct use of whole soybean as a feed ingredient is also increasing. Again, specific consumption data on broader utilization of imported soybeans is not readily available.

Exports

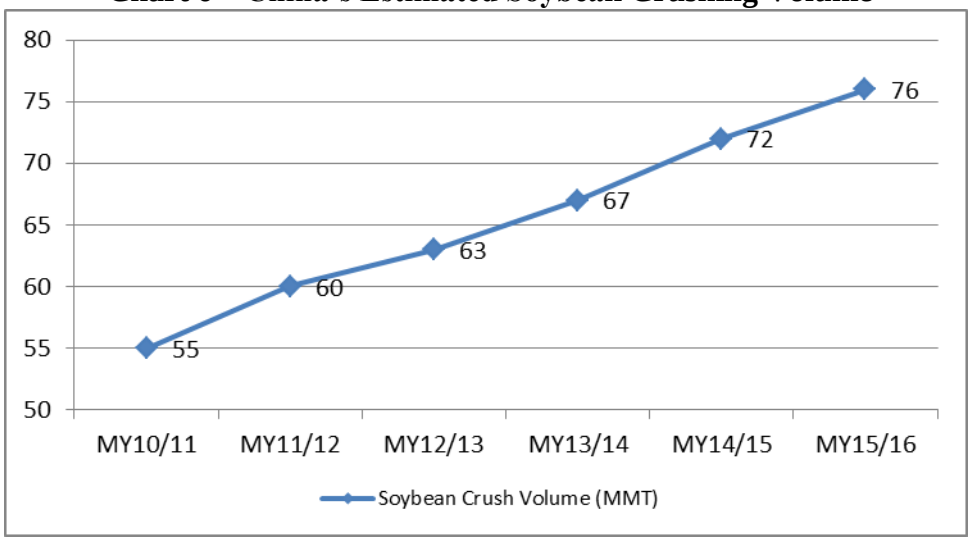
China's soybean exports, mostly destined for traditional food use, are forecast at 150,000 tons in MY16/17, unchanged from the estimate in MY15/16. China's soybean export volume remains small and stable and is not expected to change significantly as traditional markets, like Korea and Japan, source food soybeans (both biotech and conventional) from several suppliers, including the United States. Industry sources report that in recent years some domestic soybeans have been increasingly processed into protein for exports to EU and Asia. However, specific figures on this trend are currently not accessible.

Soybean crushing sector continues to expand

As of the end of 2014, industry sources estimated China's total soybean crush capacity exceeded 430,000 tons per day (annual crushing capacity is at about 130 MMT based on 300 operation days). China's National Grain and Oils Information Center (CNGOIC) estimated total soybean crushing

volume at 76 MMT in MY15/16, up from the 72 MMT in MY14/15. Both of these figures are far below China's total available crushing capacity. Despite the low utilization rate, the crushing sector continues to undergo restructuring with new construction and expanded renovations to existing facilities which is likely to raise daily crushing capacity in MY16/17.

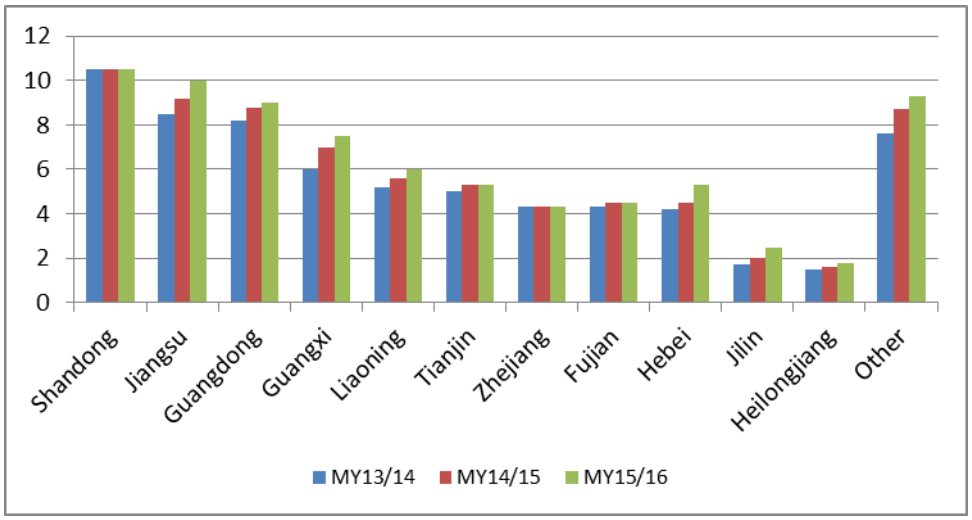
Chart 6 – China's Estimated Soybean Crushing Volume



Source: CNGOIC; Note: Includes crushing for oil and meal

An estimated 78 percent of crush plants are located along the coastal region to facilitate the receipt of imported soybeans (see chart 7 below).

Chart 7 – MY13/14 and MY15/16 Soybean Crush Volume Estimate (MMT)



Source: CNGOIC

Policy

Recent Grain Policy Changes Likely to Impact Crop Mix

As noted above, soybean acreage is expected to recover slightly in MY16/17 due to the government's recent change in grain support policies.

In recent years, driven by the government's policy encouraging grain production, China's corn production continued to grow and resulted in large, high-priced corn stocks. In an effort to ease the stocks and financial pressure, the government lowered the purchase price to RMB2,000 ($317)/ton in 2015— RMB220 ($32) to RMB260 ($41)/ton lower than in the previous year. In November 2015, the Ministry of Agriculture (MOA) released a guideline, instructing farmers to cut corn planting acreage by 50 million mu (or 3.67 MHa) in the "reaphook"- shaped regions by year 2020. This refers mostly to the bordering regions between crop farming and ranchers in the Northeastern provinces and the dry and windy regions in the Northwestern provinces. The program covers 13 provinces, with the major adjustment areas located in the four Northeastern provinces. In a provincial rural work conference held in late February, Heilongjiang claimed to reduce corn acreage by 10 million mu (or 667,000 Ha) in 2016.

Additionally, MOA called for less corn acreage through the rotation of cash crops, silage corn, potato and soybeans. In 2015, MOA designated potato as a staple grain crop (in addition to rice, corn, and wheat) and planned to expand potato area gradually. However, details on the specific plan are not yet available. In addition, in January, NDRC announced a new round of subsidy programs to farmers for returning terrace and slope farmland to forests and grass land.

Based on industry surveys, as a result of the fall in the government's grain purchase price, corn profits are still high but the profit gap between corn and soybeans is expected to be smaller than the previous year and likely to encourage a modest increase in soybean acreage in the Northeastern provinces. It is also possible that some farmers will switch from corn to crops like potato, silage corn, soybeans and other cash crops in MY16/17.

Agriculture Subsidies

China's agricultural and food security policies to stimulate grain production and yield include a wide range of financial incentives. In 2012, China's total comprehensive agricultural subsidies (including direct payments to grain farmers based on acreage, and subsidies for agricultural inputs, agricultural machinery, and seed) reached RMB165.1 billion ($26.2 billion), up from the $22 billion in 2011. Total subsidies in 2013 through 2015 appear to be unchanged from the 2012 RMB value. However, the trial implementation of the target price-based direct subsidy for soybeans and cotton may seemed to have increased subsidies significantly but remains difficult to fully quantify.

Direct subsidies for soybeans will continue in MY16/17

Historically, soybean farmers in the Northeastern region have benefited financially from the government's "minimum price procurement" program. During MY14/15, in an effort to maximize the effectiveness of its support policy, the central government enforced a trial program in the four northeast provinces (Heilongjiang, Jilin, Liaoning and Inner Mongolia) giving direct subsidies to soybean farmers based on a target price of RMB4,800 ($762)/ton. Under this system, farmers receive a subsidy representing the difference between the market price at harvest and the set target price. The central government provides funds to the four provinces on a production basis. The provincial government then distributes the subsidy to each individual farmer based on the certified planted area before the end of following April.

According to industry sources, the direct subsidy stood at about RMB900 ($143)/Ha in MY14/15 in Heilongjiang Province and is estimated to be similar in MY15/16. The impact of this soybean subsidy program on soybean planting seems to be very limited in MY16/17 as soybean profits continue to be at a disadvantage and as soybean productivity remains unchanged. For these reasons, while recent changes in grain policies may have encouraged soybean planting supporting slightly higher soybean production estimates for MY15/16 and the forecast for MY16/17, significant increases in soybean production are not sustainable in the long run. Notwithstanding, the direct subsidy policy for soybeans is expected to continue in MY16/17.

Import policy on biotech approval system adds uncertainty to soybean trade

China's non-biotech derived domestic soybean production policy remains unchanged. Domestic soybeans (non-biotech soybeans or soybean protein) are targeted primarily for food use and some are exported at a premium to European and Asian markets.

Regarding imported biotech products, MOA maintains an approval system for biotech varieties and renews the list on a periodic basis. However, the approval system lags behind the pace of international commercialization of new events and adds uncertainty to the soybean trade. The rejection of U.S. corn and distiller grain shipments to China in 2014 due to China's detection of unapproved biotech events resulted in serious trade interruptions in corn trade. USDA continues to work closely with China's MOA requesting the streamlining of China's approval process as market access is key for trading partners and critical for China's price stability and food security. In addition, China has not yet established a tolerance level for the adventitious presence of unapproved biotech events in imports of bulk grain and products. Although there were no reported disruptions to U.S. soybeans to China, please consult the China's Biotechnology Annual Report for additional information on China's biotechnology policy and for an updated list of China's approved biotech events.

AQSIQ Administrative Measures for the Inspection and Quarantine for the Entry and Exit of Grain and Oilseeds

In early 2016, AQSIQ announced its final 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 translation report). These measures introduce onerous Decree 118-like registration requirements on bulk commodities, including inspections. After submitting detailed comments through the World Trade Organization in 2015, the United States and the U.S. industry have repeatedly expressed their concerns to Chinese officials regarding the potential trade implications of this measure. As new-to-

market grain exporting countries are already being grandfathered into the new administrative measures, it is unlikely that these measures will change before going into effect on July 1 2016. The United States and other major grain and oilseed exporting countries continue to engage China on this issue.

USDA and AQSIQ Continue Cooperation

In 2012, USDA and China's General Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) signed a Memorandum of Understanding (MOU) to increase bilateral cooperation in the inspection and quarantine of U.S. Soybeans Exported to China. As a result, USDA and AQSIQ have conducted joint soybean vessel inspection programs first in March 2013 and two more recently in November 2014. Information exchange continued throughout 2015 and a fourth joint program is envisioned for the fall of 2016. These programs continue to enhance understanding of inspection systems, quarantine standards, procedures and testing methodologies in both countries. This bilateral cooperation in the areas of inspection and quarantine has significantly facilitated U.S. soybean trade to China.

The Impact of China-ASEAN Free Trade Zone on Oils Trade Remains Limited

The China-ASEAN Free Trade Agreement (CAFTA) was enacted on January 1, 2010. Under the Agreement, import duties on more than 90 percent of goods imported to China from ASEAN countries were eliminated. According to the 2016 Customs Import and Export Tariffs of China, the duties for palm oil, palm kernel oil, and copra oil remain unchanged from the previous year at 9 percent. In general, Chinese imports of palm oil from ASEAN countries are not expected to grow significantly given the ample supplies of lower-priced domestic crushed soybean oil and rapeseed oil.

Marketing

Despite the government's high target soybean price of RMB4,800 ($762)/ton in MY15/16, the actual subsidy payment is not likely to reach farmers until the end of April 2016. This has delayed the marketing of the MY15/16 crop. As the marketing price remained well below the target price currently at RMB3,800 ($603) to 4,000 ($635) /ton, farmers are holding on to their soybeans waiting for a better price. According to industry sources, as of mid-February 2016, the marketing rate of the MY15/16 crop in the major soybean-producing province, Heilongjiang, was only about 50 percent compared to the typical 80 percent. The majority of soybeans were sold for food processing. The purchase of domestic soybeans for crushing remained low given the price and quality advantages of imported soybeans.

In many coastal provinces, the marketing of domestic soybeans for food use is also increasingly challenged by the use of imported soybeans. Traders of domestic soybeans for food use are usually small to medium size operations and face difficulty in consolidating soybeans from households and villages. Improved highway systems and increased volume of trucked soybeans could facilitate redistribution but would do little to address lower domestic supplies.

Rapeseed

Production

Due to low profits and the elimination of the government's price support, MY16/17 rapeseed production is forecast to fall by 4 percent to 13.5 MMT. This is based on planted area reduction of 6 percent to 7 MHa compared to the previous year. MY15/16 rapeseed production is estimated at 14.3 MMT, slightly above the USDA March 2016 official data, but lower than the Chinese official production for MY14/15 of 14.77 MMT. MY15/16 rapeseed earnings declined nationwide as the government's ended its state purchase of rapeseeds at a higher floor price (see Chart 4). The Statistics Bureau in Hubei, the largest rapeseed producing-province, estimates that MY15/16 rapeseed output value declined by 19 percent and profit margins dropped by 38 percent over the previous year. Similarly, CNGOIC estimated MY16/17 rapeseed planted area down 10-20 percent from the preceding year. Meanwhile, MY16/17 spring rapeseed area in the northwest provinces is projected to be generally stable. In addition, growth in the MY16/17 winter crop is rated as slightly below average due to cold weather conditions in early 2016.

However, according to China's National Statistics Bureau (NSB), the MY15/16 summer harvested rapeseed production was 13.88 MMT, up 1.2 percent over the previous year. If the autumn harvested crop production stands at an average 1MMT, the total MY15/16 rapeseed production is expected to be 14.9 MMT. Most industry insiders believe the actual rapeseed production is lower than the current official data based on firsthand anecdotal information from farmers and the market.

China's government has encouraged rapeseed farming as it uses winter idle land and lessens the competition for land with other grain crops. Although the official production estimate shows a stable to growing trend, many Chinese industry sources observe that the official data appears too high. That said, industry source do not have the ability to survey millions of households in many provinces to support more reliable statistical data.

Trade

Rapeseed imports in MY16/17 are forecast to recover to 4.5 MMT from the estimated 4.2 MMT in MY15/16 mostly on a forecast low domestic supply. As the result of a weak demand and relatively tight global supply, MY15/16 rapeseed imports are estimated low at 4.2 MMT compared to record imports of 5.04 MMT in MY13/14. This record was mainly driven by the rapid expansion of China's crushing capacity particularly along the coastal provinces of Fujian, Guangdong and Guangxi, coupled with a widespread recognition of lower-than-reported domestic production. Taking into consideration a declining domestic production, China's industry analysts believe rapeseed imports will continue to be relatively stable to meet the demand for rapeseed products and satisfy the domestic crushing capacity.

Crushing Capacity

CNGOIC estimates China's current rapeseed crushing capacity surpasses 40 MMT per year (some plants crush both rapeseed and soybeans), with a utilization rate of less than 40 percent. Guangdong, Guangxi and Fujian provinces have added new crushing plants which contributed to 6 MMT more of crushing capacity in 2014. These facilities primarily utilize imported rapeseeds. Given the current low prices for oil and meal resulting in negative crushing margins, investors will have less incentive to expand the crushing capacity further in MY15/16 and MY16/17.

Policy

The government stopped its price support to rapeseed production in MY15/16 (although some provinces provided some limited subsidy to farmers) and rapeseed prices decreased dramatically. Government policies used to encourage rapeseed production through a "minimum price purchase program" and a direct seed subsidy. In MY14/15, the government maintained the rapeseed purchase floor price at RMB5,100/ton (or $822/ton, Chart 4), significantly higher (about RMB800 to 1,000/ton) than the price for imported rapeseed. Currently, the government maintains a planting seed subsidy of RBM150 ($24)/Ha to farmers.

Citing phytosanitary concerns, China's rapeseed import policy restricting entry of imports to only non-rapeseed producing regions remains unchanged. However, the recent establishment of rapeseed crushing plants in non-rapeseed areas (namely Guangdong, Guangxi and Fujian provinces as stated above), has minimized this policy's impact on imports from China's two major suppliers, Canada and Australia. Additionally, AQSIQ has reached similar agreements with Russia and Mongolia on rapeseed imports for crushing.

Peanuts

Production

MY16/17 peanut production is forecast at 16.8 MMT, recovering slightly from the estimated 16.7 MMT in MY15/16. Prior to MY13/14, strong domestic demand and favorable prices made peanuts a favorite crop among farmers. However, the rapid production growth, coupled with increased supply of other more competitively-priced oilseed products contributed to a peanut price slump in late 2013. Correspondingly, in response to profit fluctuations, total MY14/15 peanut production fell to 16.5 MMT (see Chart 2). Tighter domestic supplies in MY14/15 pushed peanut prices up and led peanut farming profits to exceed that from other cash crops in the large peanut-producing provinces (namely Henan, Shandong and Hebei) in MY15/16. In general, steady increases in demand for peanut products both as food (various snacks and milk etc) and for cooking (oil) encourage vigorous peanut production but additional gains are constrained by limited land resources.

CNGOIC: Top Five Peanut Producing Provinces

(Area: 1,000 Ha & Prod: 1,000 tons)

MY	MY13/14		MY14/15		MY15/16	
	Area	Production	Area	Production	Area	Production
Henan	1,037	4,714	1,058	4,713	1,090	4,750
Shandong	780	3,457	755	3,313	780	3,350
Hebei	356	1,301	353	1,292	360	1,300
Liaoning	342	1,113	306	620	300	900
Anhui	187	887	190	944	195	960
Nation	4,633	**16,972**	4,603	**16,482**	4,700	**16,900**
Nation Yield Kg/Ha		3,663		3,581		3,596

Note: Data based on CNGOIC

Trade

Imports

Imports of peanuts for food use are low due to sufficient domestic supplies. However, Chinese peanut imports, used mostly for crushing, have gone up to 161,000 tons in MY14/15. Senegal is the main peanut supplier as China has exempted duties on imports from the country. Additionally, Senegal peanut prices remain very competitive over other suppliers such as Argentina, India and the United States. Imports could potentially increase as China's imports of peanut oil skyrocketed to 141,000 tons in MY 14/15 from the average 70,000 tons in previous years. In addition China's large crushing sector favors imports of oilseed. That said, China imposes a 15 percent import duty and 13 percent value added tax (VAT) on peanut imports which still hinders the competiveness of U.S. peanut imports in the Chinese market.

Exports

Chinese peanut exports are expected to grow to 510,000 tons in MY 16/17, from the estimated 500,000 tons in MY15/16. A slight growth in production may strengthen exports in search for better profits. Furthermore, strong domestic demand together with strict import conditions in some major export markets will impede any significant growth in exports.

Policy

Beginning in MY 10/11, in an effort to stimulate production and improve the domestic self-sufficiency rate for vegetable oil, the Chinese government implemented a planting seed purchase subsidy program for peanuts of about RMB150 ($24)/Ha. As of this report, there have been no other major significant policy changes.

Cottonseed

Production

Cottonseed production in MY16/17 is forecast to fall to 8.7 MMT, down from the estimated 9.36 MMT in the previous year. The cotton planting area is expected to decline in MY16/17 in response to lower profits resulting from changes in government policy since MY14/15. During this year, the four-year-old "minimum price cotton purchase program" was replaced by a "target price-based direct subsidy". The new policy favors farmers in Xinjiang rather than farmers in the Yangtze River and Yellow River regions. Hence, MY15/16 planted area declined sharply, particularly in the Yangtze River and Yellow River regions.

According to reports on the policy implementation, MY15/16 cotton profits declined and were reportedly negative in both Shandong and Jiangsu provinces due to increased labor costs and smaller

output value. A survey by the Xinjiang government indicated that MY15/16 cotton output value went down 21 percent over the previous year while production cost increased only slightly. Based on similar subsidy rate of RMB500 to 540/ Mu ($1153 to 1250/Ha), net profits will fall significantly from MY14/15 or be negative after land rental is deducted. MY16/17 "target price" (not yet announced) may remain unchanged from previous year at RMB19,100 ($2,938)/ton.

A survey conducted by the China Cotton Association indicated that overall MY16/17 cotton planting intentions are down 11.6 percent. Specifically, planting intentions were down 9.1 percent in Xinjiang, down 19 percent in Yellow River region, and 14. 3 percent lower in the Yangtze River region. Thus, Post forecasts MY16/17 cotton seed production to fall to 8.7 MMT from the 9.36 MMT estimate in MY15/16. This is based on a 9 percent reduction in acreage.

Trade

China's domestic cotton seed production continues to fall but total volume remains comparatively high. Nonetheless, increased uses for cottonseed, such as in mushroom farming, have supported cottonseed imports before MY13/14. Given the adequate supply of other oilseed products at competitive prices, sporadic imports of cottonseed may continue in MY15/16 and MY16/17. Imports of U.S. cottonseed must complete a Pest Risk Assessment before gaining access to the Chinese market. Currently, USDA continues to engage China's import authority on this process.

Other oilseeds

The camellia planting in southern provinces is booming. In December 2014, China's State Council published a Notice on the Development of Woody Oilseed Plants. The Notice aims to boost oil from woody plants to 1.5 MMT by 2020 from the estimated 450,000 tons in 2013. It also plans to develop woody oilseed plants in 800 counties and increase planted area to 13.3 MHa from the current 8 MHa. Woody oilseed plants include camellia, walnut, and oil peony. Grown mainly on hilly lands in southern provinces of Hunan, Jiangxi and Guangxi, these woody plants pose no competition for arable land.

Oilseed Meal Situation and Outlook

Total Meals

MY16/17 protein meal (including fish meal) production is forecast at 85.1 MMT, up 2 percent over the 83.4 MMT during the previous year. This rise is attributable to the increased crushing of imported soybeans. MY16/17 total protein meal supply is forecast to reach 86.3 MMT. This forecast includes 1.2 MMT of meal imports, primarily fish meal.

Total protein meal consumption in MY16/17 is forecast at 84.4 MMT, up 1.64 MMT or 2 percent over MY15/16 due to steady demand from the livestock and aquaculture sectors for industrialized feed. Soybean meal (SBM) continues to dominate the protein meal sector, accounting for 76 percent of total meal consumption followed by rapeseed meal at 13 percent and cottonseed meal at 3.6 percent.

MOA estimated that total industrialized feed production for 2015 increased slightly to 200 MMT from the 197.3 MMT in 2014. Conversely, some industry sources estimated the 2015 feed production declined from the previous year. CNGOIC also reported feed production declined by 1.4 percent to 196.4 MMT over 2014. In 2015, feed production was affected by weak feed consumption. An outbreak of animal diseases and negative swine profits since 2013 lowered the inventory of sows and swine. At the same time, aquaculture feed production was also impacted by the weak demand and low price for aquatic products which were further hit by long rainy days and typhoon conditions since September. MOA reported growth in broiler feed production while layer feed remained generally stable. 2016 marked the beginning of China's 13th Five Year (2016-2020) Plan. MOA's preliminary target is to raise total industrialized feed production to 220 MMT in 2020.

China's 12th and 13th Five Year Plan - Animal and Feed Production Target

(in MMT)

Year	Total Meat	Eggs	Milk	Industry Feed
2020				220
2015	85	29	40	200
2010	79.2	27.6	37.5	162

Source: MOA

For 2016, Post expects moderate growth in the industry feed given the temperate economic growth and the restructuring of the whole industry chain.

Consumption Outlook

Investment in animal production is increasingly popular leading larger-scale and more modern animal production operations to demand more industrialized feed. In addition, traditional small-scale operations are phasing out the use of self-mix feed for alternative feeds to improve productivity and efficiency. Total SBM inclusion in feed is expected to increase along with the growth of industrialized feed production.

The following table shows MOA's growth targets for large scale animal farming production from 2005 through 2015, reflecting a more rapid expansion of scale animal farming in recent years. In a recent policy briefing, MOA estimated the overall scale animal farming rate averaged about only 40 percent in 2015 and plans to raise it to 50 percent by 2020.

China's Animal Scale Farming Development (2005 -2015)

Percentage out of total farms	Scale swine farms	Scale poultry farms	Scale dairy farms
2015 (est)	50%	92% or above	38%
2010	34%	82%	28%
2005	16%	66%	11%

Source: MOA

According to NSB 2015 China Social and Economic Development Communique, the 2015 total meat production (pork, beef, mutton and poultry) is down 1 percent from 2014 to 86.25 MMT; egg

production is up 3.6 percent to 29.99 MMT; and milk (cow) production is up 0.8 percent to 37.55 MMT. With the exception of milk, both total meat and egg production exceeded the 2015 targets set by the "12th - Five Year Plan". Out of the total meat production, 2015 pork production is down 3.3 percent from the previous year to 54.87 MMT. In addition, aquaculture continues to grow with total cultured seafood products estimated at 49.42 MMT (out of a total seafood production of 66.9 MMT), up 4.1 percent over the previous year.

The following table shows an estimate of feed needed for pork, egg and poultry meat production based on a normal feed conversion rate. The estimated feed needed to produce these three animal products are on average 11 MMT higher than the MOA feed production even when including feed for aquaculture and other feeds. China's total feed consumption largely exceeds the MOA official feed production if all major animal product production is included. This signals potential for higher feed demand, greater feed production, and consequently greater demand for oilseed crushing.

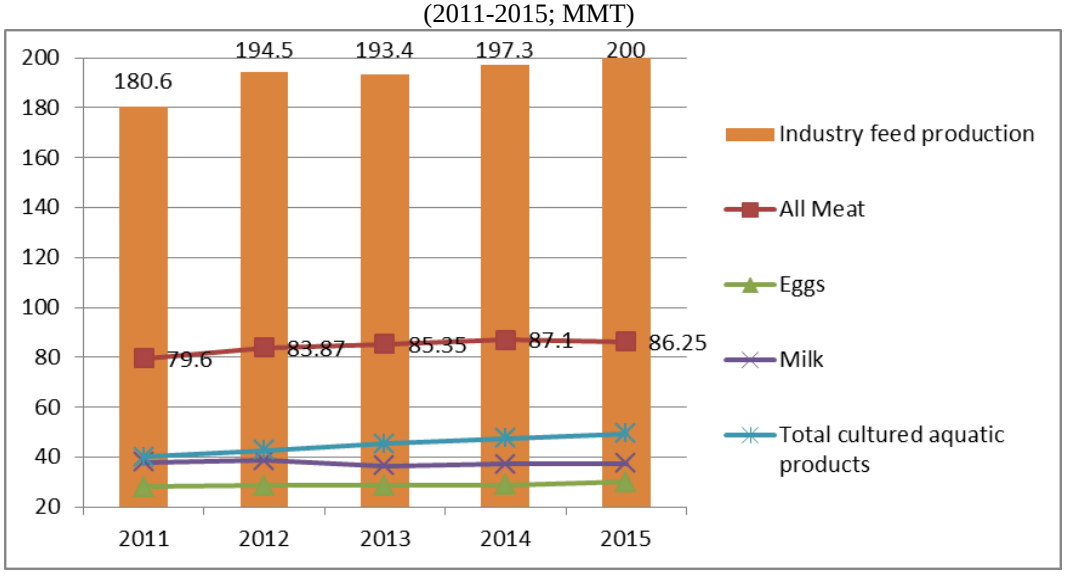
Feed Demand Estimates Based on Major Animal Products Volume
(in MMT)

	Pork	Eggs	Poultry Meat	Feed Demand Estimate	MOA feed production**
2015	54.87	29.99	18.26	272.5	262
2014	56.71	28.94	18.00*	274.9	261.8
2013	54.93	28.76	17.98	269.1	259.0
2012	53.43	28.61	17.78*	263.8	262.3

Note: Feed conversion rate for Pork - 3:1 and for Eggs -2.5:1; Poultry -1.8:1; *FAS/Beijing Estimates;
**Compound feed production and concentrate converted to compound equivalent production
Source: Pork, egg and poultry data is based on NSB

The chart below reflects growth trends for China's animal and aquaculture production and industrialized feed from 2011 to 2015.

Chart 8 - Production of Industrialized Feed and Animal Products
(2011-2015; MMT)



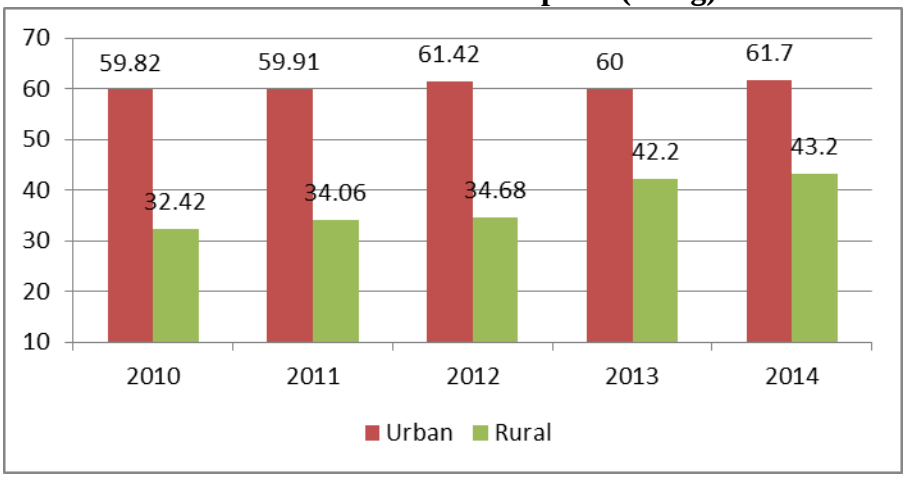
Source: NSB Statistics Yearbook Table 12-14/15; 2015-NSB Report and FAS/Beijing Estimate

The rise in protein meal demand is attributable to an increased use of industrialized feed for these growing animal producing sectors. Although NSB reported a fall in meat production during 2015, total feed production showed stable growth implying advancement in animal farming demanding more nutritional balanced feed. Despite increasing environmental challenges and pressure from imports of livestock products, Post forecasts a modest growth in production and consumption of animal products in coming years. This is based on a normal GDP growth (slowed down but still forecast at above 6.5 percent in 2016) and an increase in population. It is also important to note that China's aging population seems to temper consumption growth of animal products and imports of these products may further limit big expansions in the domestic animal farming industry.

MY16/17 protein meal consumption is forecast at 84.4 MMT, up 2 percent, or a net increase of 1.6 MMT (or SBM equivalent 1.83 MMT) over the previous year, with a net increase of SBM consumption at 2.3 MMT. Cottonseed meal and rapeseed meal consumption is expected to decline as a result of lower domestic supplies.

According to the NSB, China's per capita consumption of meats stood at 33.6 Kg and the per capita consumption of milk and dairy products remained low at 12.6 Kg in 2014. The meat consumption is far less than nearby markets such as Taiwan, whose per capita consumption of combined pork and poultry stood at 71.2 Kg in 2011 (Taiwan Grain and Feed Annual 2013). Additionally, annual per capita consumption of meats, eggs and seafood continued to differ between urban and rural communities by an average of 18.5 Kg in 2014. Potential increases in protein consumption among the 618.66 million people living in rural areas (out of the 1,367.82 million according to the 2015 China Statistical Yearbook) open opportunities for higher protein meal demands.

Chart 9 - Comparison of Urban and Rural per Capita Animal Products Consumption (in Kg)



Source: 2015 China Statistics Yearbook

Overall increases in meat and seafood demand are also fueled by population growth and urbanization. According to the NSB, China's average annual net population growth was 6.5 million from 2008 to 2013 and net population growth was 7.1 million in 2014. The government's amendment to the "one

child policy" in 2016 is expected to eventually increase population. Additionally, the rapid urbanization continues with annual growth in urban populations averaging 21.42 million from 2008 to 2013, with 18 million new urban residents added in 2014. Greater demand for meats and seafood will continue to fuel animal production and the need for feed. Potential growth along the value chain signals encouraging prospects for oilseed meals in the coming years.

Protein meal use is also likely to receive a boost by fewer imports of distiller's dried grains (DDGS) in MY15/16 and beyond. On December 15, 2015, China formally accepted a petition from Chinese producers of DDGS seeking anti-dumping duties on imports of the feed ingredient from the United States. MY14/15 total DDGs imports of 5.6 MMT were utilized as both energy and protein ingredients in the feed industry.

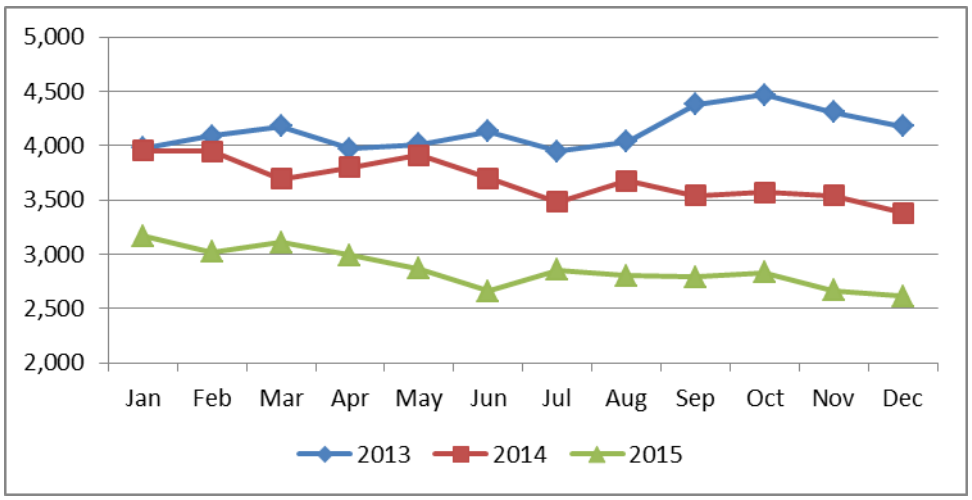
Except fish meal, protein meal trade showed an unstable trend in recent years. Sporadic imports/exports of some protein meals will continue in the foreseeable future. Both feed mills and crushing plants may choose to trade between nearby countries rather than domestic provinces to regulate the regional supply/demand. Market price difference, cost effectiveness and more importantly the transport convenience are factors impacting trade decision. Except SBM exports, total trade volume of other oilseed meals are expected to be insignificant in China's huge protein meal matrix.

Soybean Meal

Production

Soybean Meal (SBM) continues to dominate the protein meal complex with MY16/17 production forecast at 66.5 MMT, up 3.7 percent over the estimated 64.1 MMT in MY15/16. This estimate is lower than the USDA March 2016 official number and is supported by a smaller crush volume. While other protein meal production remains stable or declining, imports of fish meal are constrained by limited supplies and relatively high prices, and imports of rapeseed meal are constrained by lower value. SBM price remained very competitive in 2015 (with December price down 23 percent from the previous year) and continues to be favorable in the first months of 2016. Given its cost effectiveness and nutritional value, SBM remains the best choice for feed production and increasingly concentrated animal production. With China's large soybean crush industry using larger imports of soybeans, domestic SBM production is expected to stay high and adequately meet domestic market demand in MY16/17 and beyond.

Chart 10 – China's Average Wholesale SBM Price (RMB/ton)



Source: China JCI

Trade

China's SBM exports are expected to rise moderately to 1.85 MMT in MY16/17 from the estimated 1.8 MMT in MY15/16. SBM exports recovered in MY13/14 driven by China's large crushing capacity and excessive production. This increased the feasibility for exports to the nearby markets such as Japan, Vietnam and Korea. Japan and Vietnam remain China's leading export markets, accounting for 78 percent of China's 1.6 MMT SBM exports in MY14/15. SBM imports have been minimal in recent years because of the large domestic SBM production. In general, SBM trade remains insignificant in proportion to the large domestic consumption.

Rapeseed Meal

Post forecast MY16/17 rapeseed meal imports at 140,000 tons, up slightly from the estimate for previous year. Domestic rapeseed meal consumption continues to be driven primarily by the growing aquaculture sector. Rapeseed meal imports will continue but at a lower level as China's large rapeseed crushing industry favors rapeseed imports instead of rapeseed meal. MY15/16 rapeseed meal exports are increasing but total volume remains limited.

Fishmeal

Production

Post estimates China's yearly domestic fishmeal production is about 0.4 MMT, lower than USDA official estimate of 0.45 MMT for MY15/16. Industry insiders differ on domestic fish meal production data as the statistics can be based on different raw materials used and quality. However, the production is not expected to increase as a result of declining natural resources. Growing feed industry demand creates an ever widening supply gap which must be filled by imports.

Imports

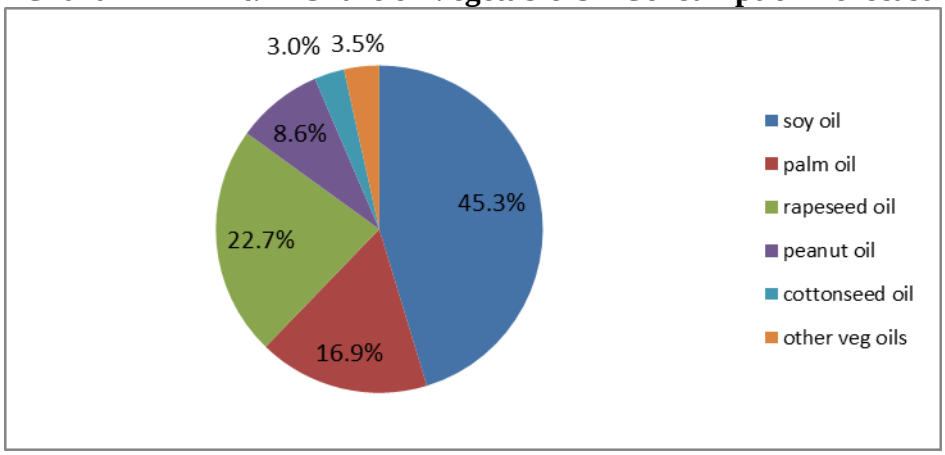
Fishmeal imports are projected at 1.05 MMT in MY16/17, unchanged from the MY15/16. Reflecting China's average consumption level for fish meal by the large and expanding aquaculture sector and a small domestic production, Post's estimate for MY15/16 imports is higher compared to the USDA official estimate of 0.95 MMT. Total fish meal imports are forecast to be stable at 1.05 MMT in MY16/17 given the large size of China's animal and aquaculture industry. China's fish meal import growth is increasingly constrained by a stagnant global fish meal supply and strengthening price. In 2015, Peru remained China's largest fishmeal supplier at 538,000 tons and accounted for 52 percent of China's total fish meal imports. Imports from the United States in 2015 fell to 91,900 tons from 110,000 tons in 2013, most likely due to higher prices (higher-grade U.S. fish meal averaged $1,883/ton compared to world average at $1,744/ton).

Oil Situation and Outlook

Post's forecast of MY16/17 total vegetable oil consumption is up 1.7 percent (or net growth of 564,000 tons) to 33.7 MMT over the previous year. China's high GDP growth at 6.9 percent in 2015 and forecast at above 6.5 percent in 2016 continues to add disposable income to consumers. Fast urbanization and population growth fuels demand for more vegetable oil. Despite the government's restrictions on spending public budget on banquets/meals, China's catering industry revenue maintained high growth in 2015, up 11.7 percent over the previous year.

MY16/17 total oil supply is forecast at 37.4 MMT, slightly above the estimate for MY15/16. Given the increased use of imported soybeans and rapeseed for crushing, total vegetable oil production for MY16/17 is forecast at 25.5 MMT, up 173,000 tons from the MY15/16 estimate. Soybean oil will continue to be the primary vegetable oil, accounting for 59 percent of total oil production, followed by rapeseed oil (24.4 percent), peanut oil (10.8 percent), and cottonseed oil (3.9 percent) in MY16/17. It is worth noting that China's combined production of specialty oils including camellia oil and sesame oil and other small oil such as corn oil and rice oil is increasing along with diversified consumer demand and also taking market share from other vegetable oils.

Chart 11 - MY16/17 Share of Vegetable Oil Consumption Forecast



Source: Forecast by FAS/Beijing

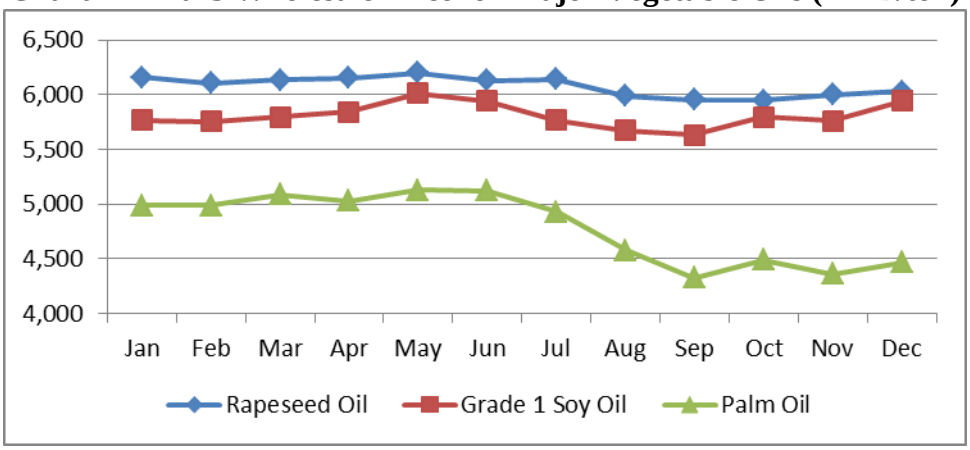
MY16/17 domestic consumption of oil for food-use is forecast to grow 1.7 percent from MY15/16 to 31.6 MMT. Similarly, domestic consumption of oil for industrial use is forecast to increase by 2.4 percent to 2.1 MMT in MY16/17.

MY16/17 total oil imports are forecast at 7.92 MMT, almost unchanged from the previous year. In general, adequate domestic vegetable oil availability will hamper import growth of vegetable oil except specialty oils such as palm oil (not produced domestically), sunflower seed oil (domestic supply limited) and olive oil etc. Palm oil continues to dominate vegetable oil imports and is forecast to rebound moderately to 5.65 MMT in MY16/17. Palm oil import growth is increasingly impacted by adequate supply of other vegetable oils at more competitive prices and stagnant use by the instant noodle industry.

Taking into account the strong forecast for imports of soybeans and rapeseed, in MY16/17 imports of both soybean oil and rapeseed oil are forecast to hold steady at 700,000 tons and 730,000 tons, respectively. Imports of soybean oil and rapeseed oil are not expected to lead imports but only to make up supply differences when prices for imported oil are competitive.

The wholesale price for soybean oil and rapeseed oil remained generally stable in 2015 while that for palm oil declined 10 percent from January to December 2015. The price difference between palm oil and soy oil (Grade1) expanded to 25 percent in December from the 14 percent in January, signaling an advantage for palm oil to gain market share.

Chart 12 – 2015 Wholesale Price for Major Vegetable Oils (RMB/ton)



Source: China JCI

It is should be mentioned that forecasting trends in China's vegetable oil market remains challenging given the differing data on domestic rapeseed and peanut production and unknown volume of vegetable oil reserves. Based on currently available data, the forecast for China's per capita vegetable oil consumption in MY16/17 appears to have reached the level of more industrialized economies such as Taiwan. This appears to be an overestimation and not necessarily an accurate representation of the actual market situation. If the volume of domestic rapeseed and peanut for crushing continues to be overestimated, forecasting China's vegetable oils will present an even greater challenge in the coming years. Additionally, monitoring the movement of vegetable oil reserves remains extremely difficult. Currently, industry sources estimate that the state rapeseed oil and soybean oil reserves range from 6 to

8 MMT. The majority of these reserves have been in storage for over 2 years. From time to time, the government rotates (purchases or sells) oil reserves to regulate the domestic vegetable oil supply and price. Based on a recent CNGOIC report, since December 2015, the government resumed auctions of rapeseed oil reserves. As of this report, in 13 auctions held, a total of 784,000 tons of rapeseed oil reserves had been sold –most of which were from the 2010 and 2011 stocks. However, CNGOIC reported that about 400,000 tons of the reserves purchased by refineries during January to February are still sitting in state warehouses. This reflects a weak recovery of the rapeseed oil market. As the reserves continue to age, there will be more pressure for the government to hold auctions more frequently. This may create uncertainty in the Chinese vegetable oil market in 2016.

Soybean Oil

As a result of increased crushing of imported soybeans, MY16/17 soybean oil production is forecast at 15.1 MMT, up 3.7 percent from last year's estimate. Soybean oil remains the dominant vegetable oil, and will account for 45.3 percent of domestic vegetable oil consumption in MY16/17. However, soybean oil consumption growth is somehow affected by consumer's sensitivity regarding biotechnology despite government assurances on the safety of all approved biotech products.

Soybean oil imports, which recovered to 1.4 MMT in MY12/13 after China lifted a ban on Argentine oil, are expected to level off to 700,000 tons in MY16/17 as domestic production continues to grow. Imports of U.S. soybean oil are expected to fall in favor of more competitive Argentine supplies.

Palm Oil

MY16/17 palm oil imports are forecast to increase to 5.65 MMT, slightly above the previous year level. China's palm oil imports peaked in MY12/13 at 6.59 MMT in response to lower prices. However, excessive imports prompted a significant import decline of about 1 MMT in the following two years and returned import levels to an annual average of 5.6 MMT. Given an increasing supply from major supplying countries at lower prices, MY15/16 palm oil imports are estimated to be stable at 5.6 MMT and a moderate growth is expected to continue in MY16/17.

Palm oil's inexpensive price, relative to soybean and rapeseed oil, is a major factor affecting its demand in China. Blending palm oil with other vegetable oils for cooking is a popular practice which will likely increase given the current competitiveness of the palm oil price. As mentioned above, the food processing industry in China uses large amounts of palm oil in processed foods, especially instant noodles. China's rapid growth of instant noodle production has leveled off since 2014 and is widely believed to have fallen modestly in 2015. Taking into account the saturated instant noodle market, further expansion of palm oil use by the instant noodle industry is unlikely in the near term.

Changes in Vegetable Oil Import Policy

On January 1, 2013, AQSIQ implemented additional import inspection requirements for edible and crude vegetable oils. AQSIQ's clarification on specific items to be certified and the laboratories qualified for providing such test reports and certificates remains vague (see more in CH13005). However, as of this report, there are no alerts of trade disruptions related to this issue.

AQSIQ Notice Soliciting Comments on the "Administrative Measures for Foreign Food Importer's Review and Inspection of Overseas Enterprises"

Under China's 2015 Food Safety Law, there are new requirements instructing importers to review relevant documents provided by their foreign suppliers (exporters and producers). Correspondingly, in 2015, AQSIQ issued a draft measure suggesting that the imported food products that fall in seven designated categories must have on-site inspection. Hence importers are required to conduct on-site inspection of the exporters as well as producers. The draft also recommends punishment in the case of importers' failure to comply with the outlined requirements. The "Catalogue of Products that Must Have On-site Inspection" includes bulk vegetable oil among other products. Details on the draft remain vague but Chinese authorities have indicated that this will likely affect all vegetable oils imports including crude and consumer-ready oils. As of this report, AQSIQ has not finalized the draft and has not notified the World Trade Organization of this measure. Post continues to monitor this development.

Statistics Tables

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)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Area Planted	17,624	24,240	15,820	22,320	0	21,870
Area Harvested	24,341	24,240	22,870	22,320	0	21,870
Beginning Stocks	15,013	15,263	18,626	18,879	0	17,055
Production	57,653	57,653	54,430	53,860	0	52,710
MY Imports	83,113	83,155	86,355	86,420	0	89,232
MY Imp. from U.S.	29,697	29,719	28,500	30,021	0	30,025
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	155,779	156,071	159,411	159,159	0	158,997
MY Exports	889	889	900	900	0	910
MY Exp. to the EC	230	60	228	76	0	76
Crush Dom. Cons.	112,350	112,094	117,405	116,779	0	118,492
Food Use Dom. Cons.	17,752	17,750	18,325	17,925	0	18,000
Feed,Seed,Waste Dom.Cons.	6,162	6,459	6,055	6,500	0	6,410
TOTAL Dom. Consumption	136,264	136,303	141,785	141,204	0	142,902
Ending Stocks	18,626	18,879	16,726	17,055	0	15,185
TOTAL DISTRIBUTION	155,779	156,071	159,411	159,159	0	158,997
Calendar Year Imports	79,725	80,722	83,650	83,419	0	86,475
Calendar Year Imp. U.S.	30,005	28,426	29,000	29,016	0	30,016

Calendar Year Exports	991	895	940	890	0	830
Calendar Year Exp. to U.S.	73	53	70	58	0	53

Table 2. Total Meals

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Total Meal (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	113,550	113,294	118,605	117,879	0	119,592
Extr. Rate, 999.9999						
Beginning Stocks	0	0	0	0	0	0
Production	79,267	79,118	84,022	83,445	0	85,084
MY Imports	1,231	1,231	1,130	1,205	0	1,222
MY Imp. from U.S.	92	93	90	80	0	90
MY Imp. from the EC	5	0	5	0	0	0
TOTAL SUPPLY	80,498	80,349	85,152	84,650	0	86,306
MY Exports	1,620	1,602	1,896	1,858	0	1,873
MY Exp. to the EC	60	60	20	70	0	70
Industrial Dom. Cons.	1,632	1,634	1,642	1,652	0	1,700
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	77,246	77,112	81,614	81,141	0	82,733
TOTAL Dom. Consumption	78,878	78,746	83,256	82,793	0	84,433
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	80,498	80,348	85,152	84,651	0	86,306
Calendar Year Imports	1,110	1,215	1,210	1,222	0	1,112
Calendar Year Imp. U.S.	70	92	90	80	0	90
Calendar Year Exports	1,761	1,729	1,871	1,816	0	1,945
Calendar Year Exp. to U.S.	20	62	20	50	0	30

Table 3. Total Oils

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Total Oils (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	112,350	112,094	117,405	116,779	0	118,492
Extr. Rate, 999.9999					0	
Beginning Stocks	4,181	3,689	4,013	4,016	0	3,960
Production	24,416	24,346	25,342	25,336	0	25,510
MY Imports	8,012	8,012	7,875	7,880	0	7,920
MY Imp. from U.S.	150	0	125	10	0	15
MY Imp. from the EC	0	109	0	113	0	104
TOTAL SUPPLY	36,609	36,539	37,230	37,232	0	37,395
MY Exports	131	128	105	125	0	118
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Cons.	1,950	1,950	2,000	2,050	0	2,100
Food Use Dom. Cons.	30,515	30,448	31,611	31,097	0	31,611
Feed Waste Dom. Cons.	0	0	0	0	0	0
TOTAL Dom. Consumption	32,465	32,398	33,611	33,147	0	33,711
Ending Stocks	4,013	4,016	3,514	3,960	0	3,566
TOTAL DISTRIBUTION	36,609	36,542	37,230	37,232	0	37,395
Calendar Year Imports	8,298	8,467	8,245	7,910	0	8,040
Calendar Year Imp. U.S.	150	1	125	5	0	5
Calendar Year Exports	97	128	95	117	0	110
Calendar Year Exp. to U.S.	0	0	0	0	0	0

Oilseeds PSD Tables

Table 4. Soybeans

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Soybean (1000 tons; 1000 Ha)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Area Planted	7,700	6,800	6,600	6,100	0	6,200
Area Harvested	6,800	6,800	6,550	6,100	0	6,200
Beginning Stocks	13,877	14,127	17,034	17,284	0	15,984
Production	12,150	12,150	12,000	11,000	0	11,200
MY Imports	78,350	78,350	82,000	82,000	0	84,500
MY Imp. from U.S.	29,697	29,697	28,500	30,000	0	30,000
MY Imp. from EU	0	0	0	0	0	0
Total Supply	104,377	104,627	111,034	110,284	0	111,684
MY Exports	143	143	200	150	0	150
MY Exp. to EU	10	10	10	10	0	10
Crush	74,500	74,500	81,800	81,000	0	84,000
Food Use Dom. Cons.	10,200	10,200	10,650	10,350	0	10,400
Feed Waste Dom. Cons.	2,500	2,500	2,800	2,800	0	2,900
Total Dom. Cons.	87,200	87,200	95,250	94,150	0	97,300
Ending Stocks	17,034	17,284	15,584	15,984	0	14,234
Total Distribution	104,377	104,627	111,034	110,284	0	111,684
CY Imports	75,500	76,000	79,500	79,000	0	82,000
CY Imp. from U.S.	30,000	28,413	29,000	29,000	0	30,000
CY Exports	250	134	250	160	0	140
CY Exp. to U.S.	70	42	70	50	0	45

Table 5. Rapeseed

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Rapeseed (1000 tons;1000 Ha)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Area Planted		7,588		7,300		7,000
Area Harvested	7,588	7,588	7,400	7,300		7,000
Beginning Stocks	1,036	1,036	1,499	1,502		1,002
Production	14,772	14,772	14,100	14,300		13,500
MY Imports	4,591	4,594	4,150	4,200		4,500
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	20,399	20,402	19,749	20,002		19,002
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	18,300	18,300	18,100	18,400		17,500
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	600	600	600	600		600
Total Dom. Cons.	18,900	18,900	18,700	19,000		18,100
Ending Stocks	1,499	1,502	1,049	1,002		902
Total Distribution	20,399	20,402	19,749	20,002		19,002
CY Imports	4,100	4,470	4,000	4,200		4,250
CY Imp. from U.S.	0	0	0	0		0
CY Exports	0	0	0	0		0
CY Exp. to U.S.	0	0	0	0		0

Table 6. Peanuts

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Peanut (1000 tons; 1000 Ha)**					
	2014/15		**2015/16**		**2016/1**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Area Planted	4,604	4,604	4,600	4,600	0	4,650
Area Harvested	4,604	4,604	4,600	4,600	0	4,650
Beginning Stocks	0	0	0	0	0	0
Production	16,482	16,482	16,700	16,700	0	16,800
MY Imports	122	161	150	160	0	170
MY Imp. from U.S.	0	21	0	21	0	25
MY Imp. from EU	0	0	0	0	0	0
Total Supply	16,604	16,643	16,850	16,860	0	16,970
MY Exports	502	502	525	500	0	510
MY Exp. to EU	200	37	200	50	0	50
Crush	8,650	8,394	8,700	8,690	0	8,760
Food Use Dom. Cons.	6,652	6,650	6,775	6670	0	6,690
Feed Waste Dom. Cons.	800	1,097	850	1000	0	1,010
Total Dom. Cons.	16,102	16,141	16,325	16,360	0	16,460
Ending Stocks	0	0	0	0	0	0
Total Distribution	16,604	16,643	16,850	16,860	0	16,970
CY Imports	50	175	50	160	0	165
CY Imp. from U.S.	0	12	0	15	0	15
CY Exports	511	509	530	500	0	510
CY Exp. to U.S.	0	7	0	5	0	5

Table 7. Sunflower Seed

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Sunflowerseed (1000 tons; 1000 Ha)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Area Planted	920	923	920	920	0	920
Area Harvested	949	923	920	920	0	920
Beginning Stocks	100	100	93	93	0	69
Production	2,492	2,492	2,300	2,500	0	2,510
MY Imports	45	45	50	50	0	52
MY Imp. from U.S.	0	1	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2,637	2,637	2,443	2,643	0	2,631
MY Exports	244	244	175	250	0	250
MY Exp. to EU	20	13	18	16	0	16
Crush	1,300	1,300	1,175	1,319	0	1,322
Food Use Dom. Cons.	900	900	900	905	0	910
Feed Waste Dom. Cons.	100	100	100	100	0	100
Total Dom. Cons.	2,300	2,300	2,175	2,324	0	2,332
Ending Stocks	93	93	93	69	0	49
Total Distribution	2,637	2,637	2,443	2,643	0	2,631
CY Imports	40	69	50	50	0	50
CY Imp. from U.S.	5	1	0	1	0	1
CY Exports	230	252	160	230	0	180
CY Exp. to U.S.	3	4	0	3	0	3

Table 8. Cottonseed

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oilseed, Cottonseed (1000 tons; 1000 Ha)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Area Planted (Cotton)	4,400	4,325	3,700	3,400	0	3,100
Area Harvested (Cotton)	4,400	4,325	3,400	3,400	0	3,100
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	11,757	11,757	9,330	9,360	0	8,700
MY Imports	5	5	5	10	0	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	11,762	11,762	9,335	9,370	0	8,710
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	9,600	9,600	7,630	7,370	0	6,910
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	2,162	2,162	1,705	2,000	0	1,800
Total Dom. Cons.	11,762	11,762	9,335	9,370	0	8,710
Ending Stocks	0	0	0	0	0	0
Total Distribution	11,762	11,762	9,335	9,370	0	8,710
CY Imports	35	8	50	9	0	10
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0

Meal PSD Tables

Table 9. Soybean Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Soybean (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	74,500	74,500	81,800	81,000	0	84,000
Extr. Rate, 999.9999	0.792	0.7916	0.7921	0.7916	0	0.7916
Beginning Stocks	0	0	0	0	0	0
Production	59,008	58,974	64,782	64,120	0	66,494
MY Imports	58	57	20	20	0	20
MY Imp. from U.S.	0	1	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	59,066	59,031	64,802	64,140	0	66,514
MY Exports	1,595	1,577	1,850	1,800	0	1,850
MY Exp. to EU	60	60	20	70	0	70
Industrial Dom. Cons.	980	980	1,000	1,000	0	1,050
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	56,491	56474	61,952	61,340	0	63,614
Total Dom. Cons.	57,471	57,454	62,952	62,340	0	64,664
Ending Stocks	0	0	0	0	0	0
Total Distribution	59,066	59,031	64,802	64,140	0	66,514
CY Imports	50	60	50	25	0	20
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	1,700	1,696	1,800	1,800	0	1,900
CY Exp. to U.S.	20	62	20	50	0	30

Table 10. Rapeseed Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Rapeseed (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	18,300	18,300	18,100	18,400	0	17,500
Extr. Rate, 999.9999	0.6287	0.6282	0.6287	0.6282	0	0.6282
Beginning Stocks	0	0	0	0	0	0
Production	11,505	11,496	11,379	11,559	0	10,994
MY Imports	142	142	125	135	0	140
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	11,647	11,638	11,504	11,694	0	11,134
MY Exports	0	0	30	40	0	10
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	450	450	450	450	0	450
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	11,197	11,188	11,024	11,204	0	10,674
Total Dom. Cons.	11,647	11,638	11,474	11,654	0	11,124
Ending Stocks	0	0	0	0	0	0
Total Distribution	11,647	11,638	11,504	11,694	0	11,134
CY Imports	125	123	125	145	0	140
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	30	11	40	4	0	3
CY Exp. to U.S.	0	0	0	0	0	0

Table 11. Peanut Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Peanut (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	8,650	8,394	8,700	8,690	0	8,760
Extr. Rate, 999.9999	0.3983	0.3983	0.3983	0.3984		0.3984
Beginning Stocks	0	0	0	0	0	0
Production	3,446	3,344	3,465	3,462	0	3,490
MY Imports	0	0	35	0	0	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	3,446	3,344	3,500	3,462	0	3,500
MY Exports	2	2	1	2	0	3
MY Exp. to EU	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.	3,444	3,342	3,499	3,460	0	3,497
Total Dom. Cons.	3,444	3,342	3,499	3,460	0	3,497
Ending Stocks	0	0	0	0	0	0
Total Distribution	3,446	3,344	3,500	3,462	0	3,500
CY Imports	35	0	35	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	1	2	1	2	0	3
CY Exp. to U.S.	0	0	0	0	0	0

Table 12. Sunflower Seed Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Sunflowerseed (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	1,300	1,300	1,175	1,319	0	1,322
Extr. Rate, 999.9999	0.5454	0.5417	0.5447	0.5417	0	0.5417
Beginning Stocks	0	0	0	0	0	0
Production	709	704	640	714	0	716
MY Imports	0	2	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	709	706	640	714	0	716
MY Exports	10	10	10	5	0	5
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	62	64	62	62	0	60
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	637	632	568	648	0	651
Total Dom. Cons.	699	696	630	710	0	711
Ending Stocks	0	0	0	0	0	0
Total Distribution	709	706	640	715	0	716
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0

Table 13. Cotton Seed Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Cottonseed (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	9,600	9,600	7,630	7,370	0	6,910
Extr. Rate, 999.9999	0.4332	0.4235	0.4333	0.4235		0.4235
Beginning Stocks	0	0	0	0	0	0
Production	4,159	4,159	3,306	3,190	0	2,990
MY Imports	0	0	0	0	0	2
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4,159	4,159	3,306	3,190	0	2,992
MY Exports	6	6	5	6	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	140	140	130	140	0	140
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	4,013	4,013	3,171	3,044	0	2,852
Total Dom. Cons.	4,153	4,153	3,301	3,184	0	2,992
Ending Stocks	0	0	0	0	0	0
Total Distribution	4,159	4,159	3,306	3,190	0	2,992
CY Imports	0	2	0	2	0	2
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	30	13	30	5	0	35
CY Exp. to U.S.	0	0	0	0	0	0

Table 14. Fish Meal

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Meal, Fish (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		1/2015		1/2016		1/2017
Catch For Reduction	1,200	1,200	1,200	1,100	0	1,100
Extr. Rate, 999.9999	0.3667	0.366	0.375	0.363	0	0.363
Beginning Stocks	0	0	0	0	0	0
Production	440	440	450	400	0	400
MY Imports	1,031	1,030	950	1,050	0	1,050
MY Imp. from U.S.	92	92	90	80	0	90
MY Imp. from EU	5	0	5	0	0	0
Total Supply	1,471	1,470	1,400	1,450	0	1,450
MY Exports	7	7	0	5	0	5
MY Exp. to EU	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.	1,464	1,463	1,400	1,445	0	1,445
Total Dom. Cons.	1,464	1,463	1,400	1,445	0	1,445
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,471	1,470	1,400	1,450	0	1,450
CY Imports	900	1,030	1,000	1,050	0	950
CY Imp. from U.S.	70	92	90	80	0	90
CY Exports	0	7	0	5	0	4
CY Exp. to U.S.	0	0	0	0	0	0

Oils PSD Tables

Table 15. Soybean Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Soybean (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	74,500	74,500	81,800	81,000	0	84,000
Extr. Rate, 999.9999	0.1792	0.1792	0.1792	0.1792		0.1792
Beginning Stocks	958	466	845	848	0	1113
Production	13,347	13,350	14,655	14,515	0	15,053
MY Imports	773	773	850	700	0	700
MY Imp. from U.S.	150	0	125	10	0	15
MY Imp. from EU	0	0	0	0	0	0
Total Supply	15,078	15,081	16,350	16,063	0	16,866
MY Exports	107	107	80	100	0	100
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	14,126	14,126	15,450	14,850	0	15,250
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	14,126	14,126	15,450	14,850	0	15,250
Ending Stocks	845	848	820	1,113	0	1,516
Total Distribution	15,078	15,081	16,350	16,063	0	16,866
CY Imports	1,000	818	1,000	720	0	700
CY Imp. from U.S.	150	1	125	5	0	5
CY Exports	80	104	80	100	0	95
CY Exp. to U.S.	0	0	0	0	0	0

Table 16. Rapeseed Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Rapeseed (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	18,300	18,300	18,100	18,400		17,500
Extr. Rate, 999.9999	0.3552	0.3552	0.3556	0.356		0.356
Beginning Stocks	2,882	2,882	2,858	2,858		2,588
Production	6,500	6,500	6,436	6,550		6,230
MY Imports	732	732	800	750		730
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	107	0	110		100
Total Supply	10,114	10,114	10,094	10,158		9,548
MY Exports	6	6	10	6		5
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	7,250	7,250	7,650	7,564		7,650
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	7,250	7,250	7,650	7,564		7,650
Ending Stocks	2,858	2,858	2,434	2,588		1,893
Total Distribution	10,114	10,114	10,094	10,158		9,548
CY Imports	900	815	900	800		800
CY Imp. from U.S.	0	0	0	0		0
CY Exports	0	5	0	5		6
CY Exp. to U.S.	0	0	0	0		0

Table 17. Peanut Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Peanut (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	8,650	8,394	8,700	8,690	0	8,760
Extr. Rate, 999.9999	0.3129	0.3138	0.3128	0.3138	0	0.3138
Beginning Stocks	0	0	0	0	0	0
Production	2,707	2634	2,721	2,727	0	2,749
MY Imports	141	141	175	150	0	150
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2,848	2,775	2,896	2,877	0	2,899
MY Exports	8	8	10	7	0	6
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	2,840	2,767	2,886	2,870	0	2,893
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	2,840	2,767	2,886	2,870	0	2,893
Ending Stocks	0	0	0	0	0	0
Total Distribution	2,848	2,775	2,896	2,877	0	2,899
CY Imports	98	128	95	150	0	150
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	10	9	10	7	0	6
CY Exp. to U.S.	0	0	0	0	0	0

Table 18. Cotton Seed Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Cottonseed (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	9,600	9,600	7,630	7,370	0	6,910
Extr. Rate, 999.9999	0.1454	0.1454	0.1455	0.1454	0	0.1454
Beginning Stocks	0	0	0	0	0	0
Production	1,396	1,396	1,110	1,072	0	1,005
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1,396	1,396	1,110	1,072	0	1,005
MY Exports	9	4	5	9	0	3
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	1,387	1,392	1,105	1,063	0	1,002
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1,387	1,392	1,105	1,063	0	1,002
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,396	1,396	1,110	1,072	0	1,005
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	7	7	5	4	0	3
CY Exp. to U.S.	0	0	0	0	0	0

Table 19. Sunflower Seed Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Sunflower Seed (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
Crush	1,300	1,300	1,175	1,319	0	1,322
Extr. Rate, 999.9999	0.3585	0.358	0.3574	0.358	0	0.358
Beginning Stocks	0	0	0	0	0	0
Production	466	465	420	472	0	473
MY Imports	534	534	400	540	0	550
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	2	0	3	0	4
Total Supply	1,000	999	820	1,012	0	1,023
MY Exports	0	2	0	2	0	2
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	1,000	997	820	1,010	0	1,021
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1,000	997	820	1,010	0	1,021
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,000	999	820	1,012	0	1,023
CY Imports	450	651	400	500	0	550
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	0	1	0	1	0	0
CY Exp. to U.S.	0	0	0	0	0	0

Table 20. Palm Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Palm (1000 tons)**					
	2014/15		**2014/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
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	341	341	310	310	0	259
Production	0	0	0	0	0	0
MY Imports	5,696	5,696	5,500	5,600	0	5,650
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	6,037	6,037	5,810	5,910	0	5,909
MY Exports	1	1	0	1	0	2
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	1,950	1,950	2,000	2,050	0	2,100
Food Use Dom. Cons.	3,776	3,776	3,550	3,600	0	3,650
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	5,726	5,726	5,550	5,650	0	5,750
Ending Stocks	310	310	260	259	0	157
Total Distribution	6,037	6,037	5,810	5,910	0	5,909
CY Imports	5,700	5,910	5,700	5,600	0	5,700
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	0	2	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0

Table 21. Coconut Oil

PSD Table						
Country	**China, Peoples Republic of**					
Commodity	**Oil, Coconut (1000 tons)**					
	2014/15		**2015/16**		**2016/17**	
	USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New
Market Year Begin		10/2014		10/2015		10/2016
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	136	136	150	140	0	145
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	136	136	150	140	0	145
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	136	140	150	140	0	145
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	136	140	150	140	0	145
Ending Stocks	0	0	0	0	0	0
Total Distribution	136	140	150	140	0	145
CY Imports	150	145	150	140	0	140
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0

Soybean Product & Palm Oil Wholesale Price Tables

Table 22. Nation Average Soybean Wholesale Prices CY2014 to CY2015

Year/Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2014	4,362	4,346	4,354	4,311	4,307	4,267	4,038	4,232	4,175	4,064	3,997	3,870	-11%
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%

Table 23. Heilongjiang/Harbin Soybean Wholesale Prices CY2014 to CY2015

Year/	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2014	4,600	4,600	4,500	4,319	4,125	4,100	4,100	4,100	4,100	4,100	4,100	3,900	-15%
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%

Table 24. Wholesale Soybean Meal Prices in CY2014 and CY2015

Year/ Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2014	3,953	3,947	3,692	3,799	3,916	3,701	3,482	3,676	3,540	3,570	3,543	3,384	-14%
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%

Table 25. Wholesale Soybean Oil (Grade 1) Prices in CY2014 and CY2015

Year/ Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2014	6,870	6,882	7,118	7,098	6,750	6,407	8,241	6,055	5,902	5,969	5,981	5,739	-13%
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%

Table 26. Wholesale Palm Oil Prices CY 2014 and CY2015

Year/ Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dec/Jan Change%
2014	5,867	5,950	6,203	6,131	5,840	5,679	7,180	5,553	5,471	5,530	5,471	5,058	-14%
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%

Table 27. Comparison of Wholesale Prices for Grade 1-Soy Oil and Palm Oil in CY2015

												Unit: RMB Yuan/MT: RMB6.2 =US$1.0
CY2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Soybean Oil	5,764	5,756	5,795	5,842	6,015	5,941	5,769	5,672	5,631	5,795	5,760	5,940
Palm Oil	4,986	4,986	5,087	5,028	5,130	5,120	4,931	4,575	4,323	4,493	4,363	4,467
Diff % Palm vs Soy Oil	-14%	-13%	-12%	-14%	-15%	-14%	-15%	-19%	-23%	-22%	-24%	-25%
Average palm oil price is 17.5% lower than soy oil in CY2015 compared to the 11% lower in CY2014.												

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

Taxes & Duties Tables (Jan 01-Dec 31, 2016)

Table 28. Oilseeds

HS Code	Description	M.F.N.(%)	Gen (%)	VAT Rate %	ED Rate %
Seed					
12011000	Soybeans, seed	0	180	13	
12019010	Yellow soybean	3	180	13	
12019020	Black soybean	3	180	13	
12019030	Green soybean	3	180	13	
12019090	Other soybean	3	180	13	
12023000	In shell peanut, seed	0	0	13	
12024100	In shell peanut, other	15	70	13	
12024200	Shelled peanut	15	70	13	
12030000	Copra	15	30	13	5
12040000	Linseed	15	70	13	5
20081110	Peanut kernels, in airtight containers	30	90	17	15
20081120	Roasted peanuts	30	80	17	15
20081130	Peanut butter	30	90	17	15
20081190	Other processed peanuts	30	80	17	5,15
12051010	Low erucic acid rape seed, seed	0	80	13	
12051090	Low erucic acid rape seed, other	9	80	13	5
12059010	Other rapeseed, seed	0	80	13	
12059090	Other rapeseed, other	9	80	13	5
12060010	Sunflower seeds, seed	0	0	13	5
12060090	Sunflower seeds, other	15	70	13	5
12072100	Cottonseeds for cultivation	0	0	13	5
12072900	Cottonseeds, other	15	70	13	5
12074010	Sesame seeds for cultivation	0	0	13	5
12074090	Sesame seeds, other	10	70	13	5

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	13	
15079000	Other soybean oil	9	190	13	
15081000	Crude peanut oil	10	100	13	
15089000	Other peanut oil	10	100	13	
15091000	Olive Oil, virgin	10	30	13	
15099000	Olive oil, other	10	30	17	
15111000	Palm oil, crude	9	60	13	
15119010	Palm oil, liquid	9	60	13	
15119020	Stearin	8	60	13	
15119090	Palm oil, other	9	60	17	
15121100	Crude sunflower seed oil	9	160	13	
15121900	Other sunflower seed oil	9	160	17	
15122100	Crude cottonseed oil	10	70	13	
15122900	Other cottonseed oil	10	70	17	
15131100	Crude coconut oil	9	40	13	
15131900	Other coconut oil	9	40	13	
15132100	Crude palm kernel oil	9	40	13	
15132900	Other palm kernel oil	9	40	17	
15141100	Crude low erucic acid rape or colza oil	9	170	13	
15141900	Other crude low erucic acid rape oil	9	170	13	
15149110	Crude rape or colza oil	9	170	13	
15149190	Crude mustard oil	9	170	13	
15149900	Other rape oil	9	170	17	

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	Soyflour	9	70	17	
12089000	Other	15	80	17	15
23012010	Fish meal	2	11	13	
23025000	Legume sweepings	5	30	13	
23033000	Brewing or distilling dregs and waste	5	30	13	
23040010	Soy meal, oil cake	5	30	13	13
23040090	Soy meal, other	5	30	13	13
23050000	Peanut meal	5	30	13	
23061000	Cottonseed meal	5	30	13	13
23062000	Linseed meal	5	30	13	13
23063000	Sunflower seed meal	5	30	13	13
23064100	Low erucic acid rapeseed meal	5	30	13	13
23064900	Other rapeseed meal	5	30	13	13

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