

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 3/13/2012

GAIN Report Number: CH12027

China - Peoples Republic of

Poultry and Products Semi-annual

Poultry and Products

Approved By:

Laura Scandurra

Prepared By:

Ryan Scott and Zhang Jianping

Report Highlights:

The Office of the Agricultural Affairs in Beijing (OAA/Beijing) revised its 2012 forecast for China's broiler meat production downward to 13.7 million metric tons (MMT). The slight downward revision is attributable to a decline in average slaughter weight. OAA/Beijing also revised both the consumption and import forecasts downward to 13.5 MMT and 233,000 MT, respectively. The revised forecasts largely reflect reduced consumer demand for broiler meat in the face of falling pork prices, which is the traditional animal protein favored by consumers.

Production, Supply and Demand Data Statistics:

Poultry, Meat, Broiler China	2010		2011		2012		
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Inventory (Reference)	0	0	0	0	0	0	(MIL HEAD)
Slaughter (Reference)	9,407	9,407	9,910	9,910	10,369	10,369	(MIL HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	12,550	12,550	13,200	13,200	13,800	13,730	(1000 MT)
Total Imports	286	286	230	238	250	233	(1000 MT)
Total Supply	12,836	12,836	13,430	13,438	14,050	13,963	(1000 MT)
Total Exports	379	379	410	423	445	445	(1000 MT)
Human Consumption	12,457	12,457	13,020	13,015	13,605	13,430	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	12,457	12,457	13,020	13,015	13,605	13,518	(1000 MT)
Total Use	12,836	12,836	13,430	13,438	14,050	13,963	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
Total Distribution	12,836	12,836	13,430	13,438	14,050	13,963	(1000 MT)
CY Imp. from U.S.	61	61	30	46	24	46	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	(1000 MT)
Balance	0	0	0	0	0	0	(1000 MT)
Inventory Balance	0	0	0	0	0	0	(1000 MT)
Production Change	4	4	5	5	5	4	(PERCENT)
Import Change	(29)	(29)	(20)	(17)	9	(2)	(PERCENT)
Export Change	30	30	8	12	9	5	(PERCENT)
Consumption Change	2	2	5	4	4	4	(PERCENT)
Imports Percent Consumption	2	2	2	2	2	2	(PERCENT)
Exports Percent Production	3	3	3	3	3	3	(PERCENT)
Population	1,330,141,295	1,330,141,295	1,336,718,015	1,336,718,015	1,343,239,923	1,343,239,923	(PEOPLE)
Per Capita Consumption	9		10		10		(KG)

(Data included in this report is not official USDA data. For USDA official data, please visit: <http://www.fas.usda.gov/psdonlineonline>)

Production: OAA/Beijing revised the 2012 forecast for broiler meat production downward to 13.7 million metric tons (MMT), which is 70,000 MT lower than the initial estimate. The slight downward revision is attributable to a decline in average slaughter weight. Trade sources noted that China's imports of grandparent generation birds increased 17 percent to 1.1 million sets in 2011; but, the bulk of these imports arrived during the last quarter of 2011 when pork prices began to decline from record high levels. In China, broiler meat is the main substitute for pork. When pork prices fell, concerns regarding oversupply, weak demand, and declining prices for broiler meats spurred some producers to slaughter birds prematurely, resulting in lower average slaughter weights.

Consumption: OAA/Beijing revised the forecast for broiler consumption downward to 13.5 MMT, a decrease of 87,000 MT (less than 1 percent). As noted above, when pork prices declined, so did demand for broiler meat. The decision by Hong Kong to suspend imports of live birds for 21 days during the December 2011 to January 2012 period due to an influenza outbreak (H5N1) did not appear to cause concern among mainland Chinese consumers or impact consumption.

Trade: OAA/Beijing revised the import forecast to 233,000 MT, a decrease of 17,000 MT from the initial estimate. Imports are no longer forecast to increase due to lower consumer demand for broiler meat stemming from a decline in pork prices. China's export forecast remains unchanged.

Policy: In March 2012, Canada approved market access for ten Chinese cooked-poultry processing plants. There have been no shipments to date. OAA/Beijing will continue to monitor and report on this new development.

RELATED REPORTS:

Poultry and Products Annual:

<http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Poultry%20and%20Products%20Annual%20-%20Peoples%20Republic%20of%20China%20-%209-19-2011.pdf>

Livestock and Products Semi-Annual:

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Semi-annual Beijing China%20-%20Peoples%20Republic%20of%202-27-2012.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Semi-annual%20Beijing%20China%20-%20Peoples%20Republic%20of%202-27-2012.pdf)

PRICE TABLES:

MONTH	2007	2008	2009	2010	2011	% Change 2011/10
January	11.89	14.90	14.06	14.15	16.32	15.34
February	12.26	14.69	13.88	14.38	16.71	16.20
March	11.87	14.51	13.74	13.98	16.33	16.81
April	11.77	14.80	13.71	13.77	16.32	18.52
May	12.32	14.72	13.66	13.72	16.45	19.90
June	13.05	14.51	13.50	13.76	16.95	23.18
July	13.47	14.33	13.41	14.16	17.49	23.52
August	14.14	14.29	13.73	14.73	17.94	21.79
September	14.01	14.40	14.00	15.24	18.05	18.44
October	13.60	14.29	13.94	15.40	18.00	16.88
November	13.23	14.00	13.87	15.73	17.57	11.70
December	13.46	13.87	13.83	16.02	17.39	8.55

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

China Retail Live Chicken Prices On Average, 2007-2011 (RMB/KG, \$1=RMB6.3)						
MONTH	2007	2008	2009	2010	2011	% Change 2011/10
January	11.95	13.97	14.16	13.98	16.30	16.60
February	12.65	14.53	13.99	14.28	16.89	18.28
March	12.12	14.31	13.70	13.82	16.35	18.31
April	12.03	14.59	13.57	13.55	16.34	20.59
May	12.51	14.42	13.47	13.50	16.41	21.56
June	13.30	14.13	13.37	13.58	16.89	24.37
July	13.59	13.89	13.28	13.93	17.38	24.77
August	14.51	13.91	13.66	14.45	17.83	23.39
September	14.35	14.15	14.00	15.03	18.05	20.09
October	13.73	14.08	13.82	15.40	18.04	17.14
November	13.46	13.84	13.71	15.60	17.32	11.03
December	13.57	13.72	13.83	15.95	17.16	7.59

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

China Broiler Chicklet Prices On Average, 2007-2011 (RMB/KG, \$1=RMB6.3)						
MONTH	2007	2008	2009	2010	2011	% Change 2011/10
January	2.38	2.64	2.06	2.06	2.57	24.76
February	2.42	2.83	2.31	2.23	2.69	20.63
March	2.28	2.89	2.55	2.27	2.83	24.67
April	2.37	3.49	2.47	2.13	2.92	37.09
May	2.60	3.39	2.24	2.00	2.95	47.50
June	2.82	2.87	2.48	1.89	3.12	65.08
July	3.00	2.45	2.03	2.26	3.26	44.25
August	3.75	2.55	2.37	2.46	3.64	47.97
September	3.76	2.77	2.32	2.51	3.76	49.80
October	3.35	2.77	2.18	2.51	3.56	41.83
November	2.84	2.42	2.08	2.68	3.29	22.76
December	2.90	2.13	2.17	2.77	2.90	4.69
Source: The Ministry of Agriculture collecting from over 400 markets of farm produce						

China Industry Feed Prices for Broilers on Average, 2007-2011 (RMB/KG, \$1=RMB6.3)						
	2007	2008	2009	2010	2011	% Change 2011/10
January	2.18	2.66	2.69	2.85	2.96	3.86
February	2.21	2.69	2.67	2.84	2.97	4.58
March	2.22	2.70	2.64	2.83	3.00	6.01
April	2.21	2.75	2.65	2.84	3.01	5.99
May	2.25	2.76	2.65	2.86	3.02	5.59
June	2.28	2.82	2.67	2.87	3.06	6.62
July	2.31	2.91	2.71	2.87	3.10	8.01
August	2.36	2.91	2.75	2.89	3.13	8.30
September	2.42	2.89	2.78	2.90	3.17	9.31
October	2.44	2.84	2.78	2.91	3.17	8.93
November	2.53	2.77	2.80	2.94	3.15	7.14
December	2.58	2.70	2.83	2.96	3.14	6.08
Source: The Ministry of Agriculture collecting from over 400 markets of farm produce						

(End of Report)