USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 9/30/2004

GAIN Report Number: CH4046

China, Peoples Republic of

Livestock and Products

Annual Livestock Reports-Final

2004

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Report Highlights:
Since December 25, 2003, China has banned imported US beef and products due to the single BSE case in the United States. It is still uncertain when China will reopen the market. China's strong demand for dairy and beef cattle, now supplied by only Australia and New Zealand, is due to the country's booming dairy sector driven by rising consumption of both dairy products and beef. China's consumption of beef and pork is forecast to continue climbing due to strong growth in per capita income.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Beijing [CH1]
[CH]

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Executive Summary

Since December 25, 2003, China has banned imported US bovine and bovine products due to the one case of BSE in the United States. It still remains uncertain when China will lift the bans. During 2004, USDA provided Chinese officials with information about the US mitigation measures on BSE, and a Chinese BSE technical team visited the United States during September 2004. China is reviewing this information as part of its own risk assessment process.

If China's BSE concerns on US bovine products were alleviated, the Chinese Government would then revise its domestic law, a lengthy procedure involving the Ministry of Agriculture, the General Administration of Quality Supervision Inspection and Quarantine (AQSIQ), the Ministry of Health, the State Food and Drug Administration and ultimately the State Council.

As a result of these factors, the PSD table in this report reflects zero imports of US beef and products during 2004 and 2005. The Chinese Government indicates that bovine semen, embryos and protein-free tallow products deemed as non-risk under the OIE guidelines would be the first products they will approve for market access.

China's beef production for 2005 is forecast at 7.1 MMT, a 6 percent increase from this year due to continued strong beef demand and rising incomes. Live cattle imports for 2005 are forecast to increase 50 percent from 100,000 to 150,000 head driven by China's surging dairy industry and the need for better genetics by both the dairy and beef cattle sectors. Beef imports in 2005 are forecast at only 15,000 MT, a significant decline from the previous high of 25,000 MT in 2003, due to China's continued ban on US and Canadian beef coupled with higher international beef prices.

China's beef exports are forecast to increase from 43,000 MT to 45,000 MT because of increased demand in Hong Kong. Live cattle exports during 2005 are forecast to increase sharply from 55,000 head to 60,000 head, an increase of 9 percent due to demand from Hong Kong increase.

Pork production during 2005 is forecast to increase to 49 MMT**.** Farmers continue to increase pork production due to strong consumer demand and rising incomes. Pork imports in 2005 are forecast at 122,000 MT, an 18 percent decline from 2004 as the result of increased domestic supplies and higher international prices. China's pork exports during 2005 are forecast to increase from 330,000 MT to 440,000 MT due to strong demand from Hong Kong, North Korea and Japan. China lost export share to Russia due to its import quota limit, but this loss will be compensated by export gains in the other markets.

China announced a new import meat quarantine regulation (please refer to FAS Beijing's report CH4032). Effective November 1, 2004, all meat and poultry products re-exported through Hong Kong must be pre-inspected by the China Inspection Company based in Hong Kong before entering the mainland. The purpose of the new law is to reduce smuggling of products. The new regulation could potentially benefit US meat because non-US meat often enters China in US carton boxes accompanied by a false U.S. export certificate after repackaging in Hong Kong. The new inspection policy could also lead to more direct imports into Mainland China.

To derive trade figures, FAS Beijing uses the Global Trade Atlas (GTA) data provided by the USDA, and then we add Hong Kong re-exports to the mainland from World Trade Atlas (WTA) data. China's customs data no longer provides re-exports from Hong Kong.

Cattle and beef

Production continues strong

China's beginning stock of cattle for 2005 is forecast to increase 3 percent from 135 million head to 139 million head. The number of slaughtered beef is forecast to increase 6 percent from 47 million head to 50 million head in 2005. Beef production for 2005 is forecast to increase 6.4 percent from 6.7 million MT 2004 to 7.1 million MT. The increase in beef production is driven by strong domestic demand and rising incomes.

The National Statistic Bureau (NSB) announced that, in the first half of 2004, China's GDP growth was 9.7 percent over the same period of 2003. Real per capita disposable incomes in urban areas increased 8.7 percent and per capita cash incomes for farmers increased 16.1 percent over the same period of the previous year. A nationwide crackdown on delaying or denying payments to farmers employed at urban construction sites has helped millions of farmers obtain their payments on time. The Ministry of Commerce (MOFCOM) stated that the catering industry sales witnessed a 24 percent growth within the first 6 months reaching $40.76 billion. The strong economy has translated into consumption of more nutritious food including meat. However, beef production lags demand, especially high quality beef, and China's beef production will continue climbing during the foreseeable future.

The beef consumption increase was also because HPAI outbreaks have made many consumers switch to red meat. In response to China's ban on U.S. beef, many consumers who ate US beef now consume more domestic beef because beef supplied by other exporting countries does not fill the supply gap.

There are 8 main beef producing provinces, accounting for 70 percent of the total production. The top three provinces are Henan, Shandong and Hebei. They are also major grain producing provinces. Beef marketing areas mainly include Beijing, Tianjin, Fujian Province and Guangdong Province.

Government policy now targets both dairy and beef

Government policy now gives equal importance to both dairy and beef, instead of focusing on dairy, in order to quicken grass-fed animal meat production and reduce the feed grain burden. The provinces located in the advantageous beef production regions selected by the Government are all trying to strengthen beef cattle genetic improvement. As a result, imports of live breeding cattle, both dairy and beef, are forecast to rise in the next couple of years.

The Government has also decided to phase-out agricultural taxes within five years. However, some wealthier provinces and large cities have quickened the reforms. Recently, some grain production provinces started providing direct subsidies to grain farmers. The policy has resulted in higher grain production, in part due to more favorable weather. Official data has already shown that summer grain for 2004 increased 4 percent over the same period of 2003, the first time after five years of grain production decreases. This will benefit beef production, as more and more grain feed will be used for cattle due to grassland deterioration and forage shortages.

Per capita beef consumption in China is only about 5 kg, far below the US average. Low per capita beef consumption, strong demand, combined with favorable government policies and steadily increasing exports, provide room for beef production growth in the future.

Beef cattle a profitable business driving live cattle and genetic product imports

China is 95 percent self-sufficient in beef supply. China's current profit and loss for grain and beef conversion is 2:1. The production costs are much lower than the US or other competitor countries. Although feed prices have gone up considerably in China, beef prices have moved above feed prices. Cattle and beef production is generally profitable for farmers. In Hunan province, beef cattle can earn RMB 300-500 ($36-60) per head. Most beef cattle are raised on small-sized household farms.

China's live breeding cattle imports for 2005 are forecast to increase from 100,000 head to 150,000 head. Imports for the first 6 months of 2004 already exceeded the total number of the whole year of 2003. The sharp increase of live cattle imports is driven by the urgent need for genetic improvement of both dairy and beef cattle.

However, the pace of import growth may slow down because MOA recently revised its regulation on breeding cattle import stating that live breeding animal imports shall comply with Chinese laws and with breeding need and operation capacity. Importers shall present a feasibility breeding plan when applying for breeding animal imports. This process may give the Government the power in the future to reject issuing import permit to those trying to import commercial cattle under the name of breeding animals to escape the customs tariff, or whenever the Government thinks breeding need is enough or breeding operation of importers is not qualified.

Australia and New Zealand dominate exports to China and will continue to dominate in the next couple of years due to their BSE-free situation and their competitive prices for Chinese importers.

Production constraints limit beef sector growth

Although the Chinese Government and industry have made great efforts to spur beef production, overall growth is forecast to remain slow, especially for high-end beef. Several factors explain why. China has altogether 287 million ha of usable grassland. However, grassland animal husbandry only accounts for a very small part of the total agriculture share due to grassland deterioration. In Inner Mongolia, 37 out of 64 million ha of grassland has deteriorated. China is also facing serious shortages of water and energy. Overheated operations in China's industrial sector have impacted energy supplies across the country. This year the Government has to limit electricity consumption during the summer. Water prices also rose considerably in July this year. Slow genetic improvement resulted in lower carcass weight. Beef processing also lags demand, especially for high-end consumers. As a result, the high-end beef market has to be satisfied by imports.

Consumption forecast to rise 6 percent in 2005

China's total domestic beef consumption for 2005 is forecast to grow 6 percent from 6.6 million MT in 2004 to 7 million MT in 2005. However, per capita consumption is only about 5 kg, far below other countries. According to MOA, Shanxi Province is the lowest consuming province with only 0.08 kg in volume and RMB 6.00 in value during January to June 2004. Consumption varies greatly from province to province. Of total red meat consumption, the ratio of beef in Beijing, Jilin and Hebei provinces is over 20 percent of total meat consumption due to higher incomes and better access to beef, while in the west regions like Xinjiang, the beef ratio accounts for nearly 50 percent due to traditional cuisine and the production structure.

In recent years, public awareness of food safety has intensified. The media increasingly exposes food poisoning cases. In response to this, MOFCOM recently required that all beef cattle be slaughtered in registered slaughtering plants designated by the Government.

Beef price up 8 percent and may remain high into the first quarter of 2005

According to MOA data, China's average beef price during the first six months in 2004 rose over 7 percent from the same period of 2003. The growth pace is the same as post's estimate in the previous semi-annual report. Beef prices may continue to rise into the first quarter of 2005 as three major public holidays are approaching. During these periods meat consumption is normally high. The new grain crop may also help ease prices unless farmers try to hold their grain anticipating higher prices, or because the Government increases grain exports.

Official ban on feeding ruminant meat and bone meal to ruminants

MOA recently announced the Measure of Safety and Hygiene Administration on Animal Origin Feed Products, which becomes effective on October 1, 2004. This ban on use of ruminant animal MBM to ruminant animals is not new since China implemented such ban on April 2001, but this was only a one-page notice sent to provincial agricultural bureaus, livestock bureaus and feed offices. The new announcement intends to strengthen governmental management on feed hygiene of the whole industry. All processing plants involved in animal origin feed production shall re-register within 6 months in order to receive production qualification approval from the government. Unqualified producers will be driven out of business.

China's ban impacts $108 million in US beef and products exports

The United States was the largest beef supplier to China until December 25, 2003 when China suspended imports due to the single BSE case in the US. Regarding beef imports, China does not differentiate BSE countries with one case from countries or regions with many cases such as Europe. Based on US export figures (DOC) during January to June 2004, China's ban impacted $108 million in US sales through direct exports to the Mainland or Hong Long re-exports in 2004 (including beef and offal).

Despite ongoing efforts by USDA, it is still uncertain when China will reopen its export market for U.S. beef. The US Government has provided the Chinese answers to two questionnaires on the US BSE situation. The US Meat Export Federation (USMEF) has organized technical seminars on the safety of US beef and products. During September 2004 a Chinese BSE team visited the US to gather additional information. According to Chinese officials, any import approvals would initially be limited to bovine non-risk products, including bovine semen and embryos and protein-free tallow.

China's beef imports for 2004 are expected to decrease sharply by 60 percent from 25,000 MT in 2003 to 10,000 MT due to the ban on imported US products. Beside higher price concerns, China has also apparently slowed issuance of import quarantine permits after the BSE outbreak in the US. Although Australia and New Zealand have replaced the US market share, the supply gap has not been filled.

Trade disputes over imported meat quality between China and New Zealand led to the Chinese Government suspending issuance of new import quarantine permits.

Beef exports forecast to increase 11 percent in 2005

China's beef exports during 2005 are forecast to increase 10 percent from 2004 to 50,000 MT due to increased demand in Hong Kong, Japan, Russia and Kuwait. However, the Russia number may be lower if it does not re-open its market recently closed due to food and mouth disease concerns about China.

According to MOA, the main beef exporting provinces are Henan, Shandong, Jilin, Hunan and Guandong, accounting for 79 percent of total beef exports. Over 91 percent of beef exports are under "general trade" and the other 8.4 percent are processed exports. China's beef exports are expected to increase gradually as the country's beef cattle genetics improve.

PSD Table

Country	**China, Peoples Republic of**						
Commodity	**Animal Numbers, Cattle**			(1000 HEAD)			
	2003 USDA Official [Old]	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Total Cattle Beg. Stks	130848	130848	133023	134672	133875	138712	(1000 HEAD)
Dairy Cows Beg. Stks	6873	8932	8300	11522	0	14863	(1000 HEAD)
Beef Cows Beg. Stocks	58846	60501	59000	62830	0	65340	(1000 HEAD)
Production (Calf Crop)	48000	51654	48860	54649	0	54819	(1000 HEAD)
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)
Total Imports	50	50	50	100	0	150	(1000 HEAD)
TOTAL Imports	50	50	50	100	0	150	(1000 HEAD)
TOTAL SUPPLY	178898	182552	181933	189421	133875	193681	(1000 HEAD)
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)
Total Exports	50	50	48	55	0	60	(1000 HEAD)
TOTAL Exports	50	50	48	55	0	60	(1000 HEAD)
Cow Slaughter	0	0	0	0	0	0	(1000 HEAD)
Calf Slaughter	0	0	0	0	0	0	(1000 HEAD)
Other Slaughter	45015	47030	47260	49914	0	53051	(1000 HEAD)
Total Slaughter	45015	47030	47260	49914	0	53051	(1000 HEAD)
Loss	810	800	750	740	0	500	(1000 HEAD)
Ending Inventories	133023	134672	133875	138712	0	140070	(1000 HEAD)
TOTAL DISTRIBUTION	178898	182552	181933	189421	0	193681	(1000 HEAD)
Calendar Yr. Imp. from U.S.	2	2	0	0	0	0	(1000 HEAD)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 HEAD)

PSD Table

Country China, Peoples Republic of

Commodity Meat, Beef and Veal

(1000 MT CWE)(1000 HEAD)

	2003 USDA Official [Old]	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Slaughter (Reference)	45015	45000	47260	45900	0	0	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	6130	6305	6500	6683	0	7110	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Imports	29	25	29	10	0	15	(1000 MT CWE)
TOTAL Imports	29	25	29	10	0	15	(1000 MT CWE)
TOTAL SUPPLY	6159	6330	6529	6693	0	7125	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Total Exports	43	43	45	45	0	50	(1000 MT CWE)
TOTAL Exports	43	43	45	45	0	50	(1000 MT CWE)
Human Dom. Consumption	6116	6287	6484	6648	0	7075	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	6116	6287	6484	6648	0	7075	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	6159	6330	6529	6693	0	7125	(1000 MT CWE)
Calendar Yr. Imp. from U.S.	23	19	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

China Import Statistics UDG: Live Cattle, HS 0102 Year To Date: January - June								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	NO	2,866	18,165	57,848	100	100	100	218.46
Australia	NO	2,750	15,572	31,316	95.95	85.73	54.13	101.1
New Zealand	NO	-	1,560	26,532	0	8.59	45.87	1600.77
United States	NO	116	1,022	-	4.05	5.63	0	-100
Canada	NO	-	11	-	0	0.06	0	-100

China Import Statistics UDG: Live Cattle, HS 0102 Year To Date: January - June							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	4,598,335	29,632,188	81,009,250	100	100	100	173.38
Australia	3,888,835	21,515,348	45,941,169	84.57	72.61	56.71	113.53
New Zealand	-	2,080,039	35,068,081	0	7.02	43.29	1585.93
United States	709,500	5,926,801	-	15.43	20	0	-100
Canada	-	110,000	-	0	0.37	0	-100

China Import Statistics UDG: Live Cattle, HS 0102 Calendar Year: 2001 - 2003								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2001	**2002**	**2003**	**2001**	**2002**	**2003**	**2003/2002**
World	NO	2,775	11,432	50,007	100	100	100	337.43
Australia	NO	2,231	9,280	41,179	80.4	81.18	82.35	343.74
New Zealand	NO	-	-	7,795	0	0	15.59	0
United States	NO	317	256	1,022	11.42	2.24	2.04	299.22
Canada	NO	227	1,896	11	8.18	16.59	0.02	-99.42

China Import Statistics UDG: Live Cattle, HS 0102 Calendar Year: 2001 - 2003							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2001	**2002**	**2003**	**2001**	**2002**	**2003**	**2003/2002**
World	5,992,356	22,003,548	71,829,159	100	100	100	226.44
Australia	3,327,351	12,973,796	56,802,918	55.53	58.96	79.08	337.83
New Zealand	-	-	8,989,440	0	0	12.52	0
United States	1,604,225	1,433,750	5,926,801	26.77	6.52	8.25	313.38
Canada	1,060,780	7,596,002	110,000	17.7	34.52	0.15	-98.55

China Import Statistics UDG: Beef and Veal, Year To Date: January - June								
Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	T	4,517	5,296	1,655	100	100	100	-68.75
Australia	T	952	1,281	1,063	21.07	24.2	64.21	-17.08
Brazil	T	-	417	422	0	7.88	25.5	1.16
New Zealand	T	134	76	129	2.98	1.44	7.79	69.48
United States	T	3,328	3,476	41	73.68	65.64	2.46	-98.83
China	T	-	-	1	0	0.01	0.03	90.73
Taiwan	T	2	-	-	0.04	0	0.01	-25
Germany	T	-	-	-	0	0	0	0
Korea South	T	-	-	-	0	0	0	-99.51
Singapore	T	-	-	-	0	0	0	0
South Africa	T	1	-	-	0.02	0	0	0
France	T	-	-	-	0	0	0	0
Canada	T	95	39	-	2.11	0.74	0	-100
Thailand	T	4	5	-	0.09	0.09	0	-100

China Import Statistics UDG: Beef and Veal, Year To Date: January - June							
Partner Country	United States Dollars			% Share			% Change
	2002	2003	2004	2002	2003	2004	2004/2003
World	6,814,141	8,340,290	4,666,893	100	100	100	-44.04
Australia	1,835,075	2,453,897	3,886,056	26.93	29.42	83.27	58.36
Brazil	-	514,632	557,678	0	6.17	11.95	8.36
New Zealand	141,728	97,449	155,207	2.08	1.17	3.33	59.27
United States	4,717,917	5,194,963	66,744	69.24	62.29	1.43	-98.72
China	-	302	864	0	0	0.02	186.09
Taiwan	3,337	246	241	0.05	0	0.01	-2.03
Germany	-	-	102	0	0	0	0
Korea South	-	53	1	0	0	0	-98.11
Singapore	410	-	-	0.01	0	0	0
South Africa	577	-	-	0.01	0	0	0
France	709	-	-	0.01	0	0	0
Canada	110,271	73,840	-	1.62	0.89	0	-100
Thailand	4,117	4,908	-	0.06	0.06	0	-100

China Import Statistics UDG: Beef and Veal, Calendar Year: 2001 - 2003								
Partner Country	Unit	Quantity			% Share			% Change
		2001	2002	2003	2001	2002	2003	2003/2002
World	T	4,248	11,488	8,395	100	100	100	-26.92
United States	T	2,227	8,761	5,533	52.42	76.26	65.91	-36.84
Australia	T	1,839	2,139	2,231	43.28	18.62	26.58	4.3
Brazil	T	-	24	467	0	0.21	5.57	1844.61
New Zealand	T	117	210	112	2.74	1.83	1.33	-46.75
Canada	T	26	343	39	0.6	2.99	0.47	-88.56
Thailand	T	5	7	6	0.12	0.06	0.07	-20.36
Taiwan	T	-	2	5	0.01	0.02	0.06	193.94
Korea South	T	1	-	1	0.03	0	0.01	375
China	T	1	-	-	0.01	0	0	0
Japan	T	33	-	-	0.78	0	0	0
Argentina	T	-	-	-	0	0	0	0
Colombia	T	-	-	-	0	0	0	0
France	T	-	-	-	0	0	0	-100
Germany	T	-	-	-	0	0	0	-100
Singapore	T	-	-	-	0	0	0	-100
South Africa	T	-	1	-	0	0.01	0	-100
Switzerland	T	-	-	-	0	0	0	0

China Import Statistics UDG: Beef and Veal, Calendar Year: 2001 - 2003							
Partner Country	United States Dollars			% Share			% Change
	2001	2002	2003	2001	2002	2003	2003/2002
World	9,005,201	17,174,011	15,493,722	100	100	100	-9.78
United States	5,507,516	13,045,203	9,971,228	61.16	75.96	64.36	-23.56
Australia	3,176,350	3,496,550	4,713,513	35.27	20.36	30.42	34.8
Brazil	-	49,416	573,574	0	0.29	3.7	1060.71
New Zealand	146,927	201,554	134,762	1.63	1.17	0.87	-33.14
Canada	53,011	368,468	73,840	0.59	2.15	0.48	-79.96
Taiwan	518	3,337	20,092	0.01	0.02	0.13	502.1
Thailand	5,440	7,157	6,108	0.06	0.04	0.04	-14.66
China	426	-	302	0	0	0	0
Korea South	1,134	605	241	0.01	0	0	-60.17
Japan	111,205	-	62	1.23	0	0	0
Argentina	254	-	-	0	0	0	0
Colombia	244	-	-	0	0	0	0
France	-	709	-	0	0	0	-100
Germany	-	25	-	0	0	0	-100
Singapore	114	410	-	0	0	0	-100
South Africa	-	577	-	0	0	0	-100
Switzerland	2,062	-	-	0.02	0	0	0

China Export Statistics
UDG: Live Cattle, HS 0102
Year To Date: January - June

Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	NO	27,327	23,849	25,074	100	100	100	5.14
Hong Kong	NO	23,591	21,310	22,385	86.33	89.35	89.28	5.04
Macau	NO	2,618	2,529	2,689	9.58	10.6	10.72	6.33
Malaysia	NO	1,033	-	-	3.78	0	0	0
Myanmar	NO	85	-	-	0.31	0	0	0
Korea North	NO	-	10	-	0	0.04	0	-100

China Export Statistics
UDG: Live Cattle, HS 0102
Year To Date: January - June

Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	NO	27,327	23,849	25,074	100	100	100	5.14
Hong Kong	NO	23,591	21,310	22,385	86.33	89.35	89.28	5.04
Macau	NO	2,618	2,529	2,689	9.58	10.6	10.72	6.33
Malaysia	NO	1,033	-	-	3.78	0	0	0
Myanmar	NO	85	-	-	0.31	0	0	0
Korea North	NO	-	10	-	0	0.04	0	-100

China Export Statistics
UDG: Live Cattle, HS 0102
Calendar Year: 2001 - 2003

Partner Country	Unit	Quantity			% Share			% Change
		2001	2002	2003	2001	2002	2003	2003/2002
World	NO	57,171	58,280	50,645	100	100	100	-13.1
Hong Kong	NO	50,674	49,163	44,929	88.64	84.36	88.71	-8.61
Macau	NO	5,174	5,335	5,169	9.05	9.15	10.21	-3.11
Korea North	NO	1,323	17	449	2.31	0.03	0.89	2541.18
Thailand	NO	-	-	98	0	0	0.19	0
Malaysia	NO	-	3,091	-	0	5.3	0	-100
Myanmar	NO	-	674	-	0	1.16	0	-100

China Export Statistics UDG: Live Cattle, HS 0102 Calendar Year: 2001 - 2003							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2001	**2002**	**2003**	**2001**	**2002**	**2003**	**2003/2002**
World	33,748,546	33,107,066	30,670,522	100	100	100	-7.36
Hong Kong	31,047,108	29,888,156	28,068,967	92	90.28	91.52	-6.09
Macau	2,480,665	2,582,640	2,473,216	7.35	7.8	8.06	-4.24
Korea North	220,773	1,720	84,809	0.65	0.01	0.28	4830.76
Thailand	-	-	43,530	0	0	0.14	0
Malaysia	-	455,800	-	0	1.38	0	-100
Myanmar	-	178,750	-	0	0.54	0	-100

China Export Statistics UDG: Beef and Veal, Year To Date: January - June								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	T	11,762	10,755	14,180	100	100	100	31.85
Hong Kong	T	7,124	6,738	7,914	60.57	62.65	55.81	17.44
Japan	T	711	1,736	2,444	6.05	16.14	17.24	40.78
Korea South	T	714	759	999	6.07	7.05	7.05	31.72
Malaysia	T	413	474	623	3.51	4.41	4.39	31.31
Russia	T	982	270	550	8.35	2.51	3.88	103.7
Kuwait	T	354	54	475	3.01	0.5	3.35	776.46
Indonesia	T	393	345	368	3.34	3.21	2.59	6.62
United Arab Emirates	T	313	181	348	2.66	1.68	2.45	92.35
Singapore	T	36	55	76	0.31	0.51	0.54	38.8

China Export Statistics UDG: Beef and Veal, Year To Date: January - June							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	19,686,723	22,015,849	31,697,558	100	100	100	43.98
Hong Kong	10,712,827	11,169,729	13,083,600	54.42	50.73	41.28	17.13
Japan	3,159,471	7,390,102	12,157,145	16.05	33.57	38.35	64.51
Korea South	1,005,157	1,087,483	1,492,864	5.11	4.94	4.71	37.28
Kuwait	709,024	122,635	1,112,704	3.6	0.56	3.51	807.33
Russia	1,198,750	406,477	1,024,198	6.09	1.85	3.23	151.97
United Arab Emirates	709,849	419,636	848,060	3.61	1.91	2.68	102.09
Malaysia	553,342	615,618	764,237	2.81	2.8	2.41	24.14
Indonesia	551,238	447,298	458,705	2.8	2.03	1.45	2.55
Singapore	59,680	92,840	148,260	0.3	0.42	0.47	59.69

China Export Statistics UDG: Beef and Veal, Calendar Year: 2001 - 2003								
Partner Country	Unit	Quantity			% Share			% Change
		2001	2002	2003	2001	2002	2003	2003/2002
World	T	37,884	26,764	25,797	100	100	100	-3.61
Hong Kong	T	16,716	14,390	14,014	44.12	53.77	54.32	-2.61
Japan	T	5,510	3,768	5,385	14.54	14.08	20.87	42.91
Korea South	T	1,777	1,903	1,704	4.69	7.11	6.61	-10.45
Russia	T	1,658	1,812	1,169	4.38	6.77	4.53	-35.48
Indonesia	T	728	947	1,098	1.92	3.54	4.26	15.9
Malaysia	T	1,021	1,154	1,014	2.7	4.31	3.93	-12.07
United Arab Emirates	T	310	632	509	0.82	2.36	1.97	-19.48
Kuwait	T	767	509	363	2.03	1.9	1.41	-28.57
Korea North	T	456	196	105	1.2	0.73	0.41	-46.26
Singapore	T	134	135	105	0.35	0.5	0.41	-21.81
Macau	T	171	71	79	0.45	0.26	0.31	11.28

China Export Statistics UDG: Beef and Veal, Calendar Year: 2001 - 2003							
Partner Country	United States Dollars			% Share			% Change
	2001	2002	2003	2001	2002	2003	2003/2002
World	73,177,992	50,489,342	55,762,820	100	100	100	10.44
Japan	24,598,734	14,876,547	23,253,237	33.61	29.46	41.7	56.31
Hong Kong	24,404,249	22,500,139	22,542,507	33.35	44.56	40.43	0.19
Korea South	2,498,552	2,726,108	2,467,781	3.41	5.4	4.43	-9.48
Russia	1,459,322	2,344,399	1,852,899	1.99	4.64	3.32	-20.96
Indonesia	1,015,584	1,330,681	1,393,646	1.39	2.64	2.5	4.73
Malaysia	1,399,400	1,601,405	1,299,806	1.91	3.17	2.33	-18.83
United Arab Emirates	628,413	1,450,125	1,226,667	0.86	2.87	2.2	-15.41
Kuwait	1,564,994	1,058,208	827,644	2.14	2.1	1.48	-21.79
Korea North	512,089	319,513	199,306	0.7	0.63	0.36	-37.62
Singapore	223,274	219,729	177,603	0.31	0.44	0.32	-19.17
Macau	332,163	139,468	172,321	0.45	0.28	0.31	23.56

CHINA'S RETAIL BEEF PRICES ON AVERAGE

(RMB/KG, USD 1=8.27)

	2002	2003	2004	% Change 2004/03
January	14.00	15.26	16.35	7.14%
February	14.00	15.29	16.18	5.82%
March	14.21	15.03	16.24	8.05%
April	13.72	15.02	16.28	8.39%
May	13.91	15.91	16.32	2.58%
June	13.96	15.08	16.36	8.49%
July	13.94	15.04	16.36	8.78%
August	14.16	15.07		
September	14.25	15.26		
October	14.29	15.43		
November	14.70	15.87		
December	14.77	15.97		

Source: The Ministry of Agriculture

Swine and Pork

Swine and pork production increases due to strong demand and poultry meat safety concerns

China's swine and pork production in 2005 and the second half of 2004 are forecast up, a reversal of the downward trend for pork's share of total meat production. The producers' motivation is mainly due to higher swine and pork profit and because of consumers switching to pork consumption due to the HPAI outbreak in China during January to March 2004.

MOA reported that during the first 6 months of 2004, the conversion ratio of swine and grain was 1:6.60, higher than the current profit and loss point of 1:5.50. As a result of Chinese farmers responding to these higher prices, post forecasts the pace of growth for swine and pork in 2004 may continue into 2005.

China's beginning year stock of swine in 2005 is forecast to increase to 470 million head, nearly one percent up from the previous year. End of year swine inventory in 2005 is forecast up to 479 million head, an increase of nearly 2 percent. The sow ratio is 9.5 percent on average, a 1.8 percent increase over the same period of the previous year. The sow ratio in Hunan and Sichuan increased 4 percent, while in Hebei the increase was 8 percent. The rational swine ratio in China is roughly 8 percent. The increased swine crop will lead to larger consumption of corn and soybean meal. This increased demand for corn and soybeans may translate into increased imports in 2004 and 2005. The National Statistics Bureau (NSB) has never announced sow numbers. However, after double check with MOA's information, post advised the sow number for 2003 up to 44.5 million head, and estimated the numbers for 2004 and 2005 accordingly.

Pork production for 2005 is forecast at 49 MMT, a 4 percent increase from the 47 MMT in 2004. According to the industry, pork production in the first 6 months 2004 accounted for 70 percent of the increase from the previous year. However, the pace of growth will not likely continue next year and will definitely not increase to the 10 percent levels of the 1990s. The government policy is to stabilize grain-fed animal production and reduce grain demand.

According to NSB, the large pork producing provinces are Sichuan, Hunan, Henan, Shandong Hebei, Anhui and Yunnan, accounting for over 50 percent of total pork production. About 80 percent swine are still raised by farmers in their backyards.

Hormones are not allowed in feeds; swine demand fuels feed use

According to China's feed law, hormones are not allowed for any kind of feeds. Nutrients, minerals or medical additives are permitted.

From January to June 2004, feed production was 36.77 MMT, an 11 percent decrease over the same period of 2003. Of total feed, compound feed comprised 28.24 MMT, down 8 percent. Concentrated feed was 7.45 MMT, down 20 percent, and pre-mixed feed was 1.08 MMT, down 25 percent. However, swine compound feed was at 10.63 MMT, up 8 percent. Swine concentrated feed was 4.1 MMT, down 12 percent. Swine pre-mixed feed with additives was 590,000 MT, down 15 percent. In the first six months of 2004, prices for corn, soy meal, fishmeal and lysine were all higher over the same period of 2003. Soya meal is entirely imported. This trend will continue in the next couple of years, since soybean production will not meet demand.

Lots of attention on food safety policies

China's media increasingly exposes food poisoning cases including chemical residues in meat. Faced with frustrations gaining access to export markets, coupled with domestic awareness of food safety, government agencies check domestic meat products more regularly and publish the names of low quality processors in newspapers.

MOA has just completed the last animal-disease-free zone on Hainan Island, the last of the five zones initiated in 2001. These zones are all located in areas geographically favorable for epidemic control. The other four are located at Jiaodong Peninsula, Liaodong Peninsula, Sichuan Basin and Chongqing Municipality. These zones focus on systematic animal disease control, supervision, monitoring and prevention, serving as animal production models for China. Now these zones are attracting domestic investment from flagship meat processing plants. In a long run, this project will help improve China's meat quality and export competitiveness.

Among red meat animals, only swine slaughter has an official regulation that slaughter be done at slaughtering houses designated by the Government at or at provincial levels. However, many smaller plants remain registered, malpractice continues and poor quality pork is often found in markets, according to industry sources. In response, MOFCOM is preparing to revise the slaughter regulation by the end of this year to address the problems and improve pork quality.

China will introduce a food safety bar code system for 61-flagship meat packing firms effective on September 1, 2004. Companies under this pilot scheme must display on their products a bar code of 20 digits aimed to guarantee product quality. This scheme is designed to establish a national compulsory food safety system for the meat packing industry. However, this effort could also lead to the bankruptcy of small, lower quality packers.

Jiangsu Province already closed 360 illegal hog slaughter plants. Beijing has decided to close all legal swine slaughtering houses in urban districts by the end of this year and move them to the suburbs. The government also requires, as of June 2004, that all fresh meat must be transported to Beijing in refrigerated trucks.

China announced the Regulation on Animal Drug Administration on April 9, 2004 to address malpractice of animal drug usage. In another relevant regulation, animal drug plants must reregister before they are approved to produce animal drugs. The unqualified will be shut down.

Consumption

Pork consumption for 2005 is forecast to grow 4 percent from 46.9 percent to 48.9 percent. According to the industry, the pork production share is 70 percent of total meat. Higher potential pork consumption lies in the rural area. MOFCOM recently announced a new policy to encourage domestic and foreign companies to develop markets of farm produce, chain stores and super markets in rural areas. This will translate into more convenient access to meat.

Average prices up 8 percent for swine, 11 percent for piglet and 13 percent for pork from January to July Marketing Subcategory

Average swine prices in the first seven months went up over 8 percent, pork prices up 13 percent and piglet prices up 11 percent, an increase of 39 percent, 29 percent and 27 percent respectively over the same period of 2003. The price is higher than post's previous forecast. The reasons for the price increase are mainly due to the demand increase after HPAI outbreaks, production cost increase due to overall grain and feed prices increasing and the impact of higher international pork prices. Since poultry production is still fragile and pork production is enthusiastic, prices may remain high at least through the rest of the year and potentially into the first quarter of next year when high consuming periods begin.

New import quarantine regulation concern

On May 9, 2004 China State General Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) announced this new regulation effective on November 1, 2004 (please see our Gain report CH4032). The regulation requires that inner labeling be included for both the establishment number of product name.

The US faces competition from other meat exporting countries. Some countries have requested that China accept their meat export equivalency system, like China accepted the US system. AQSIQ has already started an equivalency evaluation with Brazil. If China approves the Brazilian health system, Brazilian meat could enter China's retail sector. With cheaper labor cost, Brazil would become a potential competitor for the US.

China's pork imports for 2004 are estimated to decrease 20 percent from 155,000 MT to 122,000 MT, and imports for 2005 are forecast to remain flat due to higher international prices and increased domestic production. The US, Denmark and Canada are dominant suppliers. The top five Chinese importers are Guangdong, Henan, Shanghai, Jiangsu and Guangxi. During the HPAI period, more than 40 countries suspended poultry imports from China. The bans led to a slow down of government approval for import quarantine permits. Many traders complained that they waited for a much longer time to get a feedback. Higher international pork prices have also constrained imports.

China's pork exports for 2005 are forecast to increase 33 percent from 370,000 MT to 440,000 MT due to increased demand of Hong Kong, Japan and South Korea. China's pork exports to Russia are limited by an import quota limit. However, increased exports to the other three export markets have made up the losses. The top five exporting provinces are Shandong, Sichuan, Heilongjiang, Henan and Hunan. Their exports accounted for over 90 percent of total pork exports. Except Henan province, all the other four increased exports from January to June 2004.

PSD Table

Country	**China, Peoples Republic of**						
Commodity	**Animal Numbers, Swine**			(1000 HEAD)			
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
TOTAL Beginning Stocks	462915	462915	467327	466017	470410	470410	(1000 HEAD)
Sow Beginning Stocks	37800	44550	38367	45350	0	45800	(1000 HEAD)
Production (Pig Crop)	575300	597814	580000	608500	0	619480	(1000 HEAD)
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)
Total Imports	2	2	2	2	0	2	(1000 HEAD)
TOTAL Imports	2	2	2	2	0	2	(1000 HEAD)
TOTAL SUPPLY	1038217	1060731	1047329	1074519	470410	1089892	(1000 HEAD)
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)
Total Exports	1887	1887	1886	1800	0	1800	(1000 HEAD)
TOTAL Exports	1887	1887	1886	1800	0	1800	(1000 HEAD)
Sow Slaughter	0	0	0	0	0	0	(1000 HEAD)
OTHER SLAUGHTER	568003	592005	574033	601395	0	609215	(1000 HEAD)
Total Slaughter	568003	592005	574033	601395	0	609215	(1000 HEAD)
Loss	1000	1000	1000	914	0	0	(1000 HEAD)
Ending Inventories	467327	466017	470410	470410	0	478877	(1000 HEAD)
TOTAL DISTRIBUTION	1038217	1060909	1047329	1074519	0	1089892	(1000 HEAD)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 HEAD)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 HEAD)

PSD Table

Country China, Peoples Republic of

Commodity Meat, Swine

(1000 MT CWE)(1000 HEAD)

	2003 USDA Official [Old]	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Slaughter (Reference)	568003	567466	574033	574693	0	0	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	44600	45186	45940	47170	0	49293	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Imports	149	149	155	122	0	122	(1000 MT CWE)
TOTAL Imports	149	149	155	122	0	122	(1000 MT CWE)
TOTAL SUPPLY	44749	45335	46095	47292	0	49415	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Total Exports	282	282	370	330	0	440	(1000 MT CWE)
TOTAL Exports	282	282	370	330	0	440	(1000 MT CWE)
Human Dom. Consumption	44467	45053	45725	46962	0	48975	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	44467	45053	45725	46962	0	48975	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	44749	45335	46095	47292	0	49415	(1000 MT CWE)
Calendar Yr. Imp. from U.S.	78	78	81	45	0	45	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

China Import Statistics UDG: Swine, Year To Date: January - June								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	NO	601	772	870	100	100	100	12.69
Canada	NO	-	500	480	-	64.77	55.17	-4
United States	NO	-	-	390	-	0	44.83	0
Denmark	NO	313	272	-	52	35.23	0	-100
France	NO	288	-	-	48	0	0	0

China Import Statistics UDG: Swine, Year To Date: January - June							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	917,878	864,340	1,096,696	100	100	100	26.88
Canada	-	468,500	656,800	0	54.2	59.89	40.19
United States		-	439,896	0	0	40.11	0
Denmark	503,875	395,840	-	54.9	45.8	0	-100
France	414,003	-	-	45.1	0	0	0

China Import Statistics UDG: Swine, Calendar Year: 2001 - 2003								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2001	**2002**	**2003**	**2001**	**2002**	**2003**	**2003/2002**
World	NO	1,256	1,163	1,797	100	100	100	54.51
Canada	NO	164	-	1,083	13.06	0	60.27	0
United States	NO	461	231	442	36.7	19.86	24.6	91.34
Denmark	NO	490	644	272	39.01	55.37	15.14	-57.76
France	NO	-	288	-	0	24.76	0	-100
Sweden	NO	141	-	-	11.23	0	0	0

China Import Statistics UDG: Swine, Calendar Year: 2001 - 2003							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2001	**2002**	**2003**	**2001**	**2002**	**2003**	**2003/2002**
World	1,919,529	2,010,566	1,998,990	100	100	100	-0.58
Canada	300,903	-	1,085,900	15.68	0	54.32	0
United States	609,566	499,535	517,250	31.76	24.85	25.88	3.55
Denmark	768,679	1,097,028	395,840	40.05	54.56	19.8	-63.92
France	-	414,003	-	0	20.59	0	-100
Sweden	240,381	-	-	12.52	0	0	0

China Import Statistics UDG: Pork, Year To Date: January - June								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	T	71,982	50,625	43,964	100	100	100	-13.16
United States	T	56,110	24,449	20,616	77.95	48.29	46.89	-15.68
Denmark	T	123	12,510	12,702	0.17	24.71	28.89	1.53
Canada	T	15,637	13,635	10,607	21.72	26.93	24.13	-22.21
Brazil	T	-	-	23	0	0	0.05	0

China Import Statistics UDG: Pork, Year To Date: January - June							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	39,463,891	32,302,497	31,199,827	100	100	100	-3.41
United States	30,897,681	15,476,239	14,634,469	78.29	47.91	46.91	-5.44
Denmark	90,301	7,448,032	8,432,061	0.23	23.06	27.03	13.21
Canada	8,387,235	9,309,593	8,102,169	21.25	28.82	25.97	-12.97
Brazil	-	-	12,681	0	0	0.04	0

China Import Statistics UDG: Pork, Calendar Year: 2001 - 2003								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2001	**2002**	**2003**	**2001**	**2002**	**2003**	**2003/2002**
World	T	94,357	144,979	149,117	100	100	100	2.85
United States	T	39,560	108,220	77,642	41.93	74.65	52.07	-28.26
Denmark	T	17,733	1,471	37,505	18.79	1.01	25.15	2449.27
Canada	T	22,249	35,002	33,897	23.58	24.14	22.73	-3.16

China Import Statistics UDG: Pork, Calendar Year: 2001 - 2003							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2001	**2002**	**2003**	**2001**	**2002**	**2003**	**2003/2002**
World	41,906,470	81,520,644	90,779,875	100	100	100	11.36
United States	17,593,881	60,904,340	45,548,760	41.98	74.71	50.17	-25.21
Denmark	7,747,599	1,001,682	22,861,293	18.49	1.23	25.18	2182.29
Canada	10,258,463	19,395,184	22,229,906	24.48	23.79	24.49	14.62

China Export Statistics UDG: Swine, Year To Date: January - June								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	NO	923,973	921,550	940,612	100	100	100	2.07
Hong Kong	NO	861,950	861,766	879,056	93.29	93.51	93.46	2.01
Macau	NO	61,071	59,457	61,451	6.61	6.45	6.53	3.35
Korea North	NO	337	-	55	0.04	0	0.01	0
Myanmar	NO	615	327	50	0.07	0.04	0.01	-84.71

China Export Statistics UDG: Swine, Year To Date: January - June							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2002	**2003**	**2004**	**2002**	**2003**	**2004**	**2004/2003**
World	106,797,187	104,555,054	110,792,508	100	100	100	5.97
Hong Kong	98,065,241	96,078,600	102,321,221	91.82	91.89	92.35	6.5
Macau	8,685,596	8,460,653	8,465,504	8.13	8.09	7.64	0.06
Korea North	19,335	-	3,850	0.02	0	0	0
Myanmar	27,015	15,801	1,933	0.03	0.02	0	-87.77

China Export Statistics UDG: Swine, Calendar Year: 2001 - 2003								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2001	**2002**	**2003**	**2001**	**2002**	**2003**	**2003/2002**
World	NO	1,972,595	1,888,606	1,887,295	100	100	100	-0.07
Hong Kong	NO	1,837,537	1,766,326	1,764,935	93.15	93.53	93.52	-0.08
Macau	NO	133,097	120,489	121,600	6.75	6.38	6.44	0.92
Myanmar	NO	1,866	833	681	0.09	0.04	0.04	-18.25
Korea North	NO	65	958	55	0	0.05	0	-94.26
Kyrgyzstan	NO	-	-	20	0	0	0	0
Mongolia	NO	30	-	4	0	0	0	0

China Export Statistics UDG: Swine, Calendar Year: 2001 - 2003							
Partner Country	**United States Dollars**			**% Share**			**% Change**
	2001	**2002**	**2003**	**2001**	**2002**	**2003**	**2003/2002**
World	221,205,460	214,914,089	216,335,470	100	100	100	0.66
Hong Kong	201,951,996	197,592,331	199,158,853	91.3	91.94	92.06	0.79
Macau	19,167,417	17,202,681	17,133,956	8.66	8	7.92	-0.4
Myanmar	75,911	35,957	33,012	0.03	0.02	0.02	-8.19
Korea North	4,095	83,120	8,699	0	0.04	0	-89.53
Mongolia	6,041	-	750	0	0	0	0
Kyrgyzstan	-	-	200	0	0	0	0

China Export Statistics UDG: Pork, Year To Date: January - June								
Partner Country	Unit	Quantity			% Share			% Change
		2002	2003	2004	2002	2003	2004	2004/2003
World	T	112,051	127,979	178,727	100	100	100	39.65
Hong Kong	T	40,019	48,069	61,088	35.71	37.56	34.18	27.08
Korea North	T	6,539	10,494	39,512	5.84	8.2	22.11	276.51
Russia	T	35,454	38,191	25,576	31.64	29.84	14.31	-33.03
Japan	T	5,429	9,082	19,945	4.85	7.1	11.16	119.62
Singapore	T	7,665	6,721	10,054	6.84	5.25	5.63	49.59
Malaysia	T	4,954	6,012	6,632	4.42	4.7	3.71	10.31
Philippines	T	4,845	2,589	4,113	4.32	2.02	2.3	58.85
Moldova	T	-	175	2,875	0	0.14	1.61	1542.86
Macau	T	1,455	1,807	2,166	1.3	1.41	1.21	19.9
Indonesia	T	1,186	1,057	1,399	1.06	0.83	0.78	32.4
Korea South	T	140	751	1,214	0.12	0.59	0.68	61.74

China Export Statistics UDG: Pork, Year To Date: January - June							
Partner Country	United States Dollars			% Share			% Change
	2002	2003	2004	2002	2003	2004	2004/2003
World	163,806,492	181,372,273	295,821,093	100	100	100	63.1
Hong Kong	60,032,063	68,346,441	94,676,869	36.65	37.68	32	38.52
Japan	17,084,356	25,438,021	58,616,870	10.43	14.03	19.81	130.43
Korea North	6,880,482	12,528,121	58,082,106	4.2	6.91	19.63	363.61
Russia	44,316,179	43,315,347	35,289,052	27.05	23.88	11.93	-18.53
Singapore	13,273,237	11,793,908	18,461,530	8.1	6.5	6.24	56.53
Malaysia	6,365,066	7,639,596	8,316,040	3.89	4.21	2.81	8.85
Philippines	6,414,089	3,335,589	5,079,649	3.92	1.84	1.72	52.29
Moldova	-	216,536	4,231,913	0	0.12	1.43	1854.37
Macau	2,201,428	2,647,362	3,717,181	1.34	1.46	1.26	40.41
Korea South	197,396	950,981	1,825,913	0.12	0.52	0.62	92
Indonesia	1,438,762	1,337,314	1,821,866	0.88	0.74	0.62	36.23

China Export Statistics UDG: Pork, Calendar Year: 2001 - 2003								
Partner Country	Unit	Quantity			% Share			% Change
		2001	2002	2003	2001	2002	2003	2003/2002
World	T	171,541	236,213	305,137	100	100	100	29.18
Hong Kong	T	76,631	85,748	105,010	44.67	36.3	34.41	22.46
Russia	T	26,491	75,588	70,959	15.44	32	23.25	-6.12
Korea North	T	5,116	9,012	46,883	2.98	3.82	15.36	420.22
Japan	T	11,797	14,197	25,593	6.88	6.01	8.39	80.28
Singapore	T	19,112	16,345	16,489	11.14	6.92	5.4	0.88
Malaysia	T	10,196	10,983	14,225	5.94	4.65	4.66	29.52
Philippines	T	6,418	10,983	7,003	3.74	4.65	2.3	-36.24
Macau	T	3,097	3,257	4,157	1.81	1.38	1.36	27.63
Moldova	T	64	-	2,451	0.04	0	0.8	0
Albania	T	1,480	1,832	2,266	0.86	0.78	0.74	23.69
Indonesia	T	1,600	1,950	2,027	0.93	0.83	0.66	3.97
Korea South	T	309	372	1,246	0.18	0.16	0.41	235.03

China Export Statistics UDG: Pork, Calendar Year: 2001 - 2003							
Partner Country	United States Dollars			% Share			% Change
	2001	2002	2003	2001	2002	2003	2003/2002
World	255,017,326	343,498,167	438,859,338	100	100	100	27.76
Hong Kong	114,622,762	125,585,810	151,409,355	44.95	36.56	34.5	20.56
Russia	29,576,787	93,522,626	83,733,065	11.6	27.23	19.08	-10.47
Japan	29,045,718	39,590,618	66,419,680	11.39	11.53	15.13	67.77
Korea North	5,199,897	9,713,019	56,419,869	2.04	2.83	12.86	480.87
Singapore	32,524,122	28,845,287	28,670,603	12.75	8.4	6.53	-0.61
Malaysia	12,849,752	14,075,257	17,985,132	5.04	4.1	4.1	27.78
Philippines	8,418,151	14,164,196	8,861,699	3.3	4.12	2.02	-37.44
Macau	4,973,904	4,961,135	6,332,646	1.95	1.44	1.44	27.65
Albania	2,033,460	2,286,386	2,893,921	0.8	0.67	0.66	26.57
Indonesia	2,036,395	2,523,281	2,562,562	0.8	0.73	0.58	1.56
Korea South	448,471	518,068	1,583,299	0.18	0.15	0.36	205.62

CHINA'S RETAIL PORK PRICES ON AVERAGE

(RMB/KG, USD 1=8.27)

	2002	2003	2004	% Change 2004/03
January	11.00	10.50	12.44	18.48%
February	11.00	10.50	12.30	17.14%
March	10.33	10.04	12.65	26.00%
April	9.77	9.92	13.07	31.75%
May	9.76	9.68	13.16	35.95%
June	9.97	9.86	13.73	39.25%
July	9.74	10.15	14.10	38.92%
August	10.01	8.22		
September	10.11	11.03		
October	10.18	11.56		
November	10.29	12.41		
December	10.26	12.43		

Source: The Ministry of Agriculture

CHINA'S RETAIL HOG PRICES ON AVERAGE (2002 - 2004)
(RMB/KG, USD 1 = 8.27)

	2002	2003	2004	% Change 2004/03
January	6.26	6.11	7.58	24.06%
February	6.26	5.83	7.57	29.85%
March	5.99	5.83	7.84	34.48%
April	5.58	5.74	8.24	43.55%
May	5.54	5.59	8.27	47.94%
June	5.57	5.75	8.64	50.26%
July	5.57	6.03	8.87	47.10%
August	5.73	6.31		
September	5.85	6.88		
October	5.91	6.94		
November	6.02	7.53		
December	6.08	7.54		

Source: The Ministry of Agriculture

CHINA'S RETAIL PIGLET PRICES ON AVERAGE (2002 - 2004)
(RMB/KG, USD 1 = 8.27)

	2002	2003	2004	% Change 2004/03
January	8.70	7.75	9.36	20.77%
February	8.70	7.75	9.89	27.61%
March	8.95	7.96	10.98	37.94%
April	7.88	7.98	11.78	47.62%
May	7.57	7.60	11.83	55.66%
June	8.04	7.76	12.77	64.56%
July	7.47	7.98	13.49	69.05%
August	7.61	8.22		
September	7.73	10.45		
October	7.83	8.95		
November	7.79	9.25		
December	7.69	9.14		

Source: The Ministry of Agriculture