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# China, Peoples Republic of

# Oilseeds and Products

# Oilseeds and Products Annual Report (Part 1)

# 2000

Approved by:
John Wade
U.S. Embassy
Prepared by:
Ralph Bean/Zhu Jie

**Report Highlights:**
**Oilseeds imports are forecast to reach record levels yet again as delayed import quotas for oil and reinstatement of the VAT on soymeal have limited imports of oil and meal. China's accession to the WTO may reverse this trend by allowing increased imports of vegetable oils. Soybean and rapeseed production are forecast to increase in MY 2000 as agricultural reforms lead to increased production of oilseeds.**

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Beijing[CH1], CH

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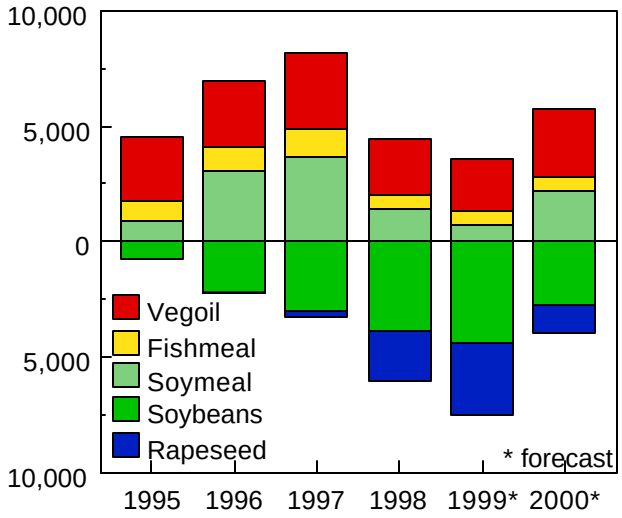
# Oilseeds and Products Situation and Outlook

## General Summary

China's imports of oilseeds are forecast to grow in marketing year 1999 (MY 99), after reaching record levels in MY 1998. Trade could, however, be threatened by concerns over GMOs. China's accession to the WTO adds will have a strong effect on trade in oilseeds and products as a result of larger import quotas for vegetable oil. The timing of China's accession is uncertain, however. The forecasts in this report are based on the assumption that WTO implementation will prove complex, delaying the impact of accession well into MY 00. Whatever the timing, the large oil import quotas will lead to increased oil imports and lower domestic oil prices. This is forecast to result in lower demand for imported oilseeds, and consequently, lower oilseed crush. Lower crush will cause domestic oilseed supplies to fall, leading to greater demand for imported oilmeals. Short domestic supplies of oilmeal and growing demand from feedmills will also increase the value of meal relative to oil, affecting the type of oilseeds crushed. Meal imports are likely to favor soybean meal, which is becoming the standard protein supplement for livestock feed. (This is due in part to the efforts of the American Soybean Association, which cconducts technical training in soy-based feed production and use.

China's Imports of Oilseeds and Oilseed Products, MY 1995 - 2000




Since 1997, trade has shifted away from oil and meal, and into oilseeds. This may change under WTO.

## Total Oilseeds

Area planted to oilseeds fell in MY 99 as low prices caused area planted to soybeans and cotton to fall, more than offsetting increased plantings of rapeseed. As a result of this, and poor weather in Northeast China, production is estimated to remain flat, leaving room for increased imports. Delays in issuing oil import quotas and reinstatement of the 13 percent VAT on imported soymeal during 1999 have limited imports of oil and meal. As a result, excess demand for oil and meal must be met by crushing imported oilseeds. Reflecting this, MY 99 oilseeds imports are now forecast to reach record levels for the second year running. Planted area is expected to increase in MY 00 as China's agricultural reforms encourage farmers to plant more oilseeds. Oilseed imports during the last year have increasingly favored rapeseed, due to high domestic oil prices. (Rapeseed produces larger amounts of oil and less meal per ton than soybeans). This may change during the second half of MY 99, however, as improved prices for soybean meal and falling oil prices create more demand for soybeans. Imports of oilseeds are forecast to fall during MY 00, as increased oil quotas under WTO cause trade to shift toward oil and meal.

Soybeans - Falling prices in late 1998 caused a drop in area planted to soybeans during MY 99, particularly in Northeast China where most soybeans are grown. Poor weather added to the problem, as drought and early frost

struck Northeast China, leading to a drop in both yields and quality. Prices have improved somewhat in the past month, and the Chinese government has declared its intention to promote soybean production as an alternative to corn. As a result, MY 00 planted area is forecast to jump by 10 percent to 8.6 million hectares. Imports of soybeans are forecast to reach record levels in MY 99, then fall somewhat in MY 00 as WTO takes effect. Trade sources indicate that domestic soybean stocks have fallen, as high prices during September and October allowed grain bureaus to sell some of their surplus.

Rapeseed - Domestic production jumped during MY 99 as agricultural reforms led farmers to move acreage out of crops such as winter wheat and early rice, and into rapeseed. Yields also improved by comparison to 1998's snow-damaged crop. Current estimates indicate that planted area is up by nearly 12 percent, setting a new record of 7.8 million hectares. The current crop is in below-average condition, due to cold weather. High oil prices and low meal prices in early MY 99 have led crushers to import increasing quantities of rapeseed. Having reached a record 2.195 MMT in MY 98 (well over seven times the previous record), rapeseed imports are expected to climb even further to over 3 MMT in MY 99 before falling in MY 00 as WTO takes effect. The current situation is somewhat volatile, however, as domestic prices for oil have fallen, while meal prices have increased, leading to increased interest in soybeans.

Peanuts - Peanut production grew during MY 99, despite drought in the main producing province of Shandong. Planted area is forecast to continue growing despite low prices, as the return is favorable by comparison to other crops. Food use of peanuts is increasing while demand for peanut oil has fallen, leading to lower crush ratios. The large supply of peanuts and reduced demand for peanut oil has caused prices to fall, leading to increased exports of peanuts, particularly shelled peanuts and peanut butter.

**Total Oilmeal**

Production of oilmeal is forecast to remain constant during MY 99 as reduced domestic soybean crop and continued reductions in cotton production are offset by increased crush of imported seeds. MY 00 production is forecast to drop, as increased imports of oilmeal and oil lead to reduced demand for imported oilseeds. According to industry contacts, reinstatement of the VAT on imported soybean meal caused imports of oilmeal to fall sharply, and helped support domestic meal prices. Improved prospects for the livestock sector should help strengthen oilmeal demand during MY 99 and MY 00.

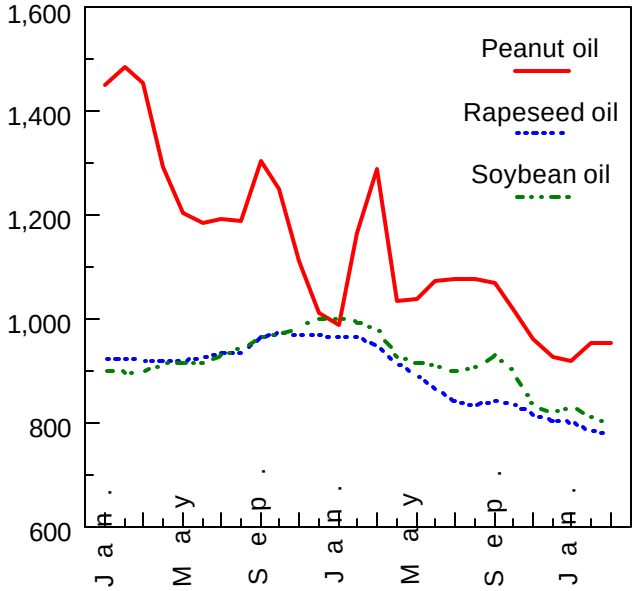
Soybean meal - As noted above, reinstatement of the VAT on imported soymeal caused a sharp drop in imports, allowing prices to recover from the lows experienced in 1998. Domestic soymeal prices rose sharply in late February. Trade sources indicate that a surge in meal imports is unlikely due to the VAT, though this development has kindled increased interest in imported soybeans. Soymeal imports are expected to increase in MY 00, as larger oil imports under the WTO lead to reduced crush, and greater need for imported meal.

Rapeseed meal - Exports are forecast to hit record levels during MY 99, as massive crush of imported rapeseed has left China with a large supply of high-quality rapeseed meal. Feed use of domestic meal is also on the rise, as China continues to increase planting of low-erucic acid varieties. Continued high exports are unlikely in MY 00, as reduced crush of imported rapeseed reduces the amount of high-quality meal available in domestic markets.

**Total Vegetable Oil**

Oil production is expected to grow during MY 99 due to a large domestic rapeseed crop and imports of unprecedented quantities of foreign rapeseed and soybeans. Though overall crush rates are forecast to remain flat, increased crush of rapeseed will improve oil yields. In MY 00, crush of imported oilseeds will fall, as the increased oil quotas under WTO support the import of foreign oil. The reduced crush of imported oilseeds is forecast to lead to falling oil production, despite larger domestic soybean and rapeseed crops. During 1998 and the first part of 1999, vegetable oil prices remained high, due to the Chinese government's crackdown on smuggling and long delays in issuing oil import quotas. Since then, however, increased domestic oil production has caused prices to stagnate. Trade sources do not expect prices to improve during MY 99.

China Vegetable Oil Prices by Type
January 1998 - February 2000




Production of peanut oil is forecast to slip slightly during MY 99, as increased production is not quite sufficient to offset a general slump in the peanut crushing industry. Many plants are reported to be operating well below capacity. Government sources indicate that food use of peanuts is on the rise. By contrast, sunflowerseed oil production is forecast to grow, as new crushing plants come on line. Sunflowerseed oil is being marketed to upper-middle class Chinese consumers as a health food product.

## Statistical Tables

### Total Oilseeds, Meal and Oil

Table 1. Total Oilseeds: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | China, Peoples Republic of | | | | | |
| Commodity: | Total Oilseeds | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted | 24303 | 24419 | 23970 | 23968 | 0 | 25710 |
| Area Harvested | 23810 | 23870 | 23970 | 23968 | 0 | 25710 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 40147 | 41067 | 40710 | 41215 | 0 | 43855 |
| MY Imports | 6069 | 6071 | 5818 | 7516 | 0 | 3968 |
| MY Imp. from U.S. | 2017 | 2024 | 2307 | 2713 | 0 | 1615 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 46216 | 47138 | 46528 | 48731 | 0 | 47823 |
| MY Exports | 595 | 605 | 628 | 801 | 0 | 770 |
| MY Exp. to the EC | 100 | 103 | 112 | 156 | 0 | 156 |
| Crush Dom. Consumption | 32953 | 33856 | 32813 | 34349 | 0 | 32870 |
| Food Use Dom. Consump. | 9070 | 9071 | 9320 | 9835 | 0 | 10323 |
| Feed Waste Dom.Consum. | 3598 | 3606 | 3767 | 3746 | 0 | 3860 |
| Total Dom. Consumption | 45621 | 46533 | 45900 | 47930 | 0 | 47053 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 46216 | 47138 | 46528 | 48731 | 0 | 47823 |
| Calendar Year Imports | 11 | 4604 | 5 | 4802 | 0 | 0 |
| Calendar Yr Imp. U.S. | 10 | 1760 | 3 | 1573 | 0 | 0 |
| Calendar Year Exports | 10 | 484 | 11 | 605 | 0 | 1 |
| Calndr Yr Exp. to U.S. | 0 | 2 | 0 | 5 | 0 | 0 |

Table 2. Total Meal: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Total Meal | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1996 | | 10/1997 | | 10/1998 |
| Crush | 32953 | 33856 | 32813 | 34349 | 0 | 32870 |
| Extr. Rate | 0.682214062 45 | 0.68112 | 0.6805534 | 0.6780983 | ERR | 0.6817767 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 22481 | 23060 | 22331 | 23292 | 0 | 22410 |
| MY Imports | 2021 | 2021 | 2271 | 1376 | 0 | 2825 |
| MY Imp. from U.S. | 217 | 217 | 245 | 110 | 0 | 325 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 24502 | 25081 | 24602 | 24668 | 0 | 25235 |
| MY Exports | 243 | 243 | 228 | 444 | 0 | 245 |
| MY Exp. to the EC | 0 | 27 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 6667 | 6360 | 7007 | 6378 | 0 | 6619 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom.Consum. | 17592 | 18478 | 17367 | 17766 | 0 | 18371 |
| Total Dom. Consumption | 24259 | 24838 | 24374 | 24144 | 0 | 24990 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 24502 | 25081 | 24602 | 24588 | 0 | 25235 |
| Calendar Year Imports | 473 | 4652 | 635 | 1172 | 0 | 655 |
| Calendar Yr Imp. U.S. | 39 | 911 | 36 | 148 | 0 | 60 |
| Calendar Year Exports | 56 | 81 | 94 | 307 | 0 | 43 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 7 | 0 | 0 |

Table 3. Total Oil: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Total Oil | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1996 | | 10/1997 | | 10/1998 |
| Crush | 32953 | 33856 | 32813 | 34349 | 0 | 32870 |
| Extr. Rate | 0.259581828 67 | 0.2593336 | 0.2617865 | 0.2710996 | ERR | 0.2730149 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 8554 | 8780 | 8590 | 9312 | 0 | 8974 |
| MY Imports | 2309 | 2498 | 2420 | 2246 | 0 | 2963 |
| MY Imp. from U.S. | 430 | 430 | 451 | 244 | 0 | 262 |
| MY Imp. from the EC | 89 | 84 | 90 | 60 | 0 | 75 |
| TOTAL SUPPLY | 10863 | 11278 | 11010 | 11558 | 0 | 11937 |
| MY Exports | 114 | 103 | 101 | 97 | 0 | 107 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 10749 | 11175 | 10909 | 11461 | 0 | 11830 |
| Feed Waste Dom.Consum. | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 10749 | 11175 | 10909 | 11461 | 0 | 11830 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 10863 | 11278 | 11010 | 11558 | 0 | 11937 |
| Calendar Year Imports | 1466 | 2915 | 1483 | 2238 | 0 | 1166 |
| Calendar Yr Imp. U.S. | 0 | 335 | 0 | 328 | 0 | 10 |
| Calendar Year Exports | 41 | 171 | 30 | 95 | 0 | 42 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Oilseeds**

Table 4. Soybeans: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | China, Peoples Republic of | | | | | |
| Commodity: | Soybean | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted | 8346 | 8500 | 7700 | 7800 | 0 | 8600 |
| Area Harvested | 8000 | 8160 | 7700 | 7800 | 0 | 8600 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 15000 | 15000 | 14100 | 13900 | 0 | 15300 |
| MY Imports | 3858 | 3858 | 4000 | 4400 | 0 | 2750 |
| MY Imp. from U.S. | 2011 | 2011 | 2300 | 2700 | 0 | 1600 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 18858 | 18858 | 18100 | 18300 | 0 | 18050 |
| MY Exports | 187 | 188 | 200 | 180 | 0 | 250 |
| MY Exp. to the EC | 1 | 1 | 0 | 0 | 0 | 0 |
| Crush Dom. Consumption | 11701 | 11700 | 10870 | 10990 | 0 | 10560 |
| Food Use Dom. Consump. | 5770 | 5770 | 5830 | 5950 | 0 | 6020 |
| Feed Waste Dom.Consum. | 1200 | 1200 | 1200 | 1180 | 0 | 1220 |
| Total Dom. Consumption | 18671 | 18670 | 17900 | 18120 | 0 | 17800 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 18858 | 18858 | 18100 | 18300 | 0 | 18050 |
| Calendar Year Imports | | 3189 | | 3401 | | 0 |
| Calendar Yr Imp. U.S. | | 1750 | | 1562 | | 0 |
| Calendar Year Exports | | 170 | | 200 | | 0 |
| Calndr Yr Exp. to U.S. | | 0 | | 1 | | 0 |

Table 5. Rapeseed: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | China, Peoples Republic of | | | | | |
| Commodity: | Rapeseed | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted | 6800 | 6530 | 7400 | 7000 | | 7800 |
| Area Harvested | 6800 | 6530 | 7400 | 7000 | | 7800 |
| Beginning Stocks | 0 | 0 | 0 | 0 | | 0 |
| Production | 8400 | 8300 | 9750 | 9700 | | 10500 |
| MY Imports | 2195 | 2195 | 1800 | 3100 | | 1200 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 10595 | 10495 | 11550 | 12800 | 0 | 11700 |
| MY Exports | 1 | 1 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Crush Dom. Consumption | 9634 | 9633 | 10400 | 11670 | | 10500 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom.Consum. | 960 | 861 | 1150 | 1130 | | 1200 |
| Total Dom. Consumption | 10594 | 10494 | 11550 | 12800 | 0 | 11700 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 10595 | 10495 | 11550 | 12800 | 0 | 11700 |
| Calendar Year Imports | | 1400 | | 1389 | | |
| Calendar Yr Imp. U.S. | | 0 | | 0 | | |
| Calendar Year Exports | | 1 | | 0 | | |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 6. Peanuts: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | China, Peoples Republic of | | | | | |
| Commodity: | Peanut | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted | 4040 | 4040 | 4250 | 4280 | | 4500 |
| Area Harvested | 4040 | 4040 | 4250 | 4280 | | 4500 |
| Beginning Stocks | 0 | 0 | 0 | 0 | | 0 |
| Production | 8617 | 8617 | 8800 | 8900 | | 9315 |
| MY Imports | 4 | 4 | 4 | 2 | | 2 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 8621 | 8621 | 8804 | 8902 | 0 | 9317 |
| MY Exports | 398 | 398 | 420 | 600 | | 500 |
| MY Exp. to the EC | 96 | 96 | 110 | 150 | | 150 |
| Crush Dom. Consumption | 4913 | 4913 | 4930 | 4800 | | 5030 |
| Food Use Dom. Consump. | 2750 | 2750 | 2880 | 2928 | | 3207 |
| Feed Seed Waste Dm.Cn. | 560 | 560 | 574 | 574 | | 580 |
| Total Dom. Consumption | 8223 | 8223 | 8384 | 8302 | 0 | 8817 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 8621 | 8621 | 8804 | 8902 | 0 | 9317 |
| Calendar Year Imports | | 4 | | 0 | | |
| Calendar Yr Imp. U.S. | | 0 | | 0 | | |
| Calendar Year Exports | | 303 | | 389 | | |
| Calndr Yr Exp. to U.S. | | 2 | | 4 | | |

Table 7. Cottonseed: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | China, Peoples Republic of | | | | | |
| Commodity: | Cottonseed | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted (COTTON) | 4397 | 4459 | 3880 | 3748 | 0 | 3560 |
| Area Harvested (COTTON) | 4250 | 4250 | 3880 | 3748 | 0 | 3560 |
| Seed to Lint Ratio | 623.75 | 554.4444 | 621.345 | 616.836 | ERR | 573.0887 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 7200 | 8100 | 6840 | 6890 | 0 | 6540 |
| MY Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 7200 | 8100 | 6840 | 6890 | 0 | 6540 |
| MY Exports | 0 | 0 | 0 | 1 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Crush Dom. Consumption | 6372 | 7170 | 6062 | 6099 | 0 | 5790 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Seed Waste Dm.Cn. | 828 | 930 | 778 | 790 | 0 | 750 |
| Total Dom. Consumption | 7200 | 8100 | 6840 | 6889 | 0 | 6540 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 7200 | 8100 | 6840 | 6890 | 0 | 6540 |
| Calendar Year Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 1 | 1 | 1 | 1 | 0 | 1 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 8. Sunflowerseed: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | China, Peoples Republic of | | | | | |
| Commodity: | Sunflowerseed | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Area Planted | 720 | 890 | 740 | 1140 | | 1250 |
| Area Harvested | 720 | 890 | 740 | 1140 | | 1250 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 930 | 1050 | 1220 | 1825 | | 2200 |
| MY Imports | 12 | 14 | 14 | 14 | | 16 |
| MY Imp. from U.S. | 6 | 13 | 7 | 13 | | 15 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 942 | 1064 | 1234 | 1839 | 0 | 2216 |
| MY Exports | 9 | 18 | 8 | 20 | | 20 |
| MY Exp. to the EC | 3 | 6 | 2 | 6 | | 6 |
| Crush Dom. Consumption | 333 | 440 | 551 | 790 | | 990 |
| Food Use Dom. Consump. | 550 | 551 | 610 | 957 | | 1096 |
| Feed Waste Dom.Consum. | 50 | 55 | 65 | 72 | | 110 |
| Total Dom. Consumption | 933 | 1046 | 1226 | 1819 | 0 | 2196 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 942 | 1064 | 1234 | 1839 | 0 | 2216 |
| Calendar Year Imports | 11 | 11 | 5 | 12 | | |
| Calendar Yr Imp. U.S. | 10 | 10 | 3 | 11 | | |
| Calendar Year Exports | 9 | 9 | 10 | 15 | | |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Meal**

Table 9. Soybean Meal: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Soybean Meal | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 11701 | 11700 | 10870 | 10990 | 0 | 10560 |
| Extr. Rate | 0.793351 | 0.7940171 | 0.7957682 | 0.7943585 | ERR | 0.8044508 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 9283 | 9290 | 8650 | 8730 | | 8495 |
| MY Imports | 1408 | 1408 | 1600 | 750 | | 2155 |
| MY Imp. from U.S. | 162 | 162 | 200 | 50 | | 260 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 10691 | 10698 | 10250 | 9480 | 0 | 10650 |
| MY Exports | 7 | 7 | 5 | 16 | | 5 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom.Consum. | 10684 | 10691 | 10245 | 9384 | | 10645 |
| Total Dom. Consumption | 10684 | 10691 | 10245 | 9384 | 0 | 10645 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 10691 | 10698 | 10250 | 9400 | 0 | 10650 |
| Calendar Year Imports | | 4072 | | 508 | | |
| Calendar Yr Imp. U.S. | | 872 | | 112 | | |
| Calendar Year Exports | | 18 | | 4 | | |
| Calndr Yr Exp. to U.S. | | | | | | |

Table 10. Rapeseed Meal: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Rapeseed Meal | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 9634 | 9633 | 10400 | 11670 | 0 | 10500 |
| Extr. Rate | 0.613141 | 0.6154884 | 0.6149038 | 0.6148243 | ERR | 0.617619 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 5907 | 5929 | 6395 | 7175 | | 6485 |
| MY Imports | 28 | 28 | 15 | 20 | | 15 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 5935 | 5957 | 6410 | 7195 | 0 | 6500 |
| MY Exports | 158 | 158 | 170 | 350 | | 175 |
| MY Exp. to the EC | 0 | 27 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 3907 | 3256 | 4340 | 3740 | | 4050 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom.Consum. | 1870 | 2543 | 1900 | 3105 | | 2275 |
| Total Dom. Consumption | 5777 | 5799 | 6240 | 6845 | 0 | 6325 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 5935 | 5957 | 6410 | 7195 | 0 | 6500 |
| Calendar Year Imports | | 107 | | 27 | | |
| Calendar Yr Imp. U.S. | | 0 | | 0 | | |
| Calendar Year Exports | | 7 | | 209 | | |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 7 | 0 | |

Table 11. Fishmeal: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | China, Peoples Republic of | | | | | |
| Commodity: | Fish Oil and Meal | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Catch for Reduction | 0 | 0 | 0 | 0 | 0 | 0 |
| Extr. Rate, 999.9999 | ERR | ERR | ERR | ERR | ERR | ERR |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 520 | 520 | 520 | 550 | | 550 |
| MY Imports | 579 | 579 | 650 | 600 | | 650 |
| MY Imp. from U.S. | 55 | 55 | 45 | 60 | | 65 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 1099 | 1099 | 1170 | 1150 | 0 | 1200 |
| MY Exports | 1 | 1 | 0 | 1 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom.Consum. | 1098 | 1098 | 1170 | 1149 | | 1200 |
| Total Dom. Consumption | 1098 | 1098 | 1170 | 1149 | 0 | 1200 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 1099 | 1099 | 1170 | 1150 | 0 | 1200 |
| Calendar Year Imports | 416 | 416 | 629 | 631 | | 650 |
| Calendar Yr Imp. U.S. | 39 | 39 | 36 | 36 | | 60 |
| Calendar Year Exports | 1 | 1 | 1 | 1 | | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 12. Peanut Meal: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Peanut Meal | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 4913 | 4913 | 4930 | 4800 | 0 | 5030 |
| Extr. Rate, 999.9999 | 0.5322613 | 0.5322613 | 0.540568 | 0.54 | ERR | 0.5397614 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 2615 | 2615 | 2665 | 2592 | | 2715 |
| MY Imports | 6 | 6 | 6 | 6 | | 5 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 2621 | 2621 | 2671 | 2598 | 0 | 2720 |
| MY Exports | 2 | 2 | 3 | 2 | | 5 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | | 0 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | | 0 |
| Feed Waste Dom.Consum. | 2619 | 2619 | 2668 | 2596 | | 2715 |
| Total Dom. Consumption | 2619 | 2619 | 2668 | 2596 | 0 | 2715 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 2621 | 2621 | 2671 | 2598 | 0 | 2720 |
| Calendar Year Imports | 57 | 57 | 6 | 6 | 0 | 5 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 2 | 2 | 2 | 2 | 0 | 3 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 13. Cottonseed Meal: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Cottonseed Meal | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 6372 | 7170 | 6062 | 6099 | 0 | 5790 |
| Extr. Rate | 0.6214689 | 0.6206416 | 0.6205873 | 0.6205935 | ERR | 0.6200345 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 3960 | 4450 | 3762 | 3785 | 0 | 3590 |
| MY Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 3960 | 4450 | 3762 | 3785 | 0 | 3590 |
| MY Exports | 75 | 75 | 50 | 75 | 0 | 60 |
| MY Exp. to the EC | 0 | | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 2720 | 3060 | 2598 | 2560 | 0 | 2471 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom.Consum. | 1165 | 1315 | 1114 | 1150 | 0 | 1059 |
| Total Dom. Consumption | 3885 | 4375 | 3712 | 3710 | 0 | 3530 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 3960 | 4450 | 3762 | 3785 | 0 | 3590 |
| Calendar Year Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 53 | 53 | 91 | 91 | 0 | 40 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 14. Sunflowerseed Meal: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Sunflowerseed Meal | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 333 | 440 | 551 | 790 | 0 | 990 |
| Extr. Rate | 0.5885886 | 0.5818182 | 0.615245 | 0.5822785 | ERR | 0.5808081 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 196 | 256 | 339 | 460 | 0 | 575 |
| MY Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 196 | 256 | 339 | 460 | 0 | 575 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 40 | 44 | 69 | 78 | 0 | 98 |
| Food Use Dom. Consump. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom.Consum. | 156 | 212 | 270 | 382 | 0 | 477 |
| Total Dom. Consumption | 196 | 256 | 339 | 460 | 0 | 575 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 196 | 256 | 339 | 460 | 0 | 575 |
| Calendar Year Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Oils**

Table 15. Soybean Oil: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Soybean Oil | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 11701 | 11700 | 10870 | 10990 | 0 | 10560 |
| Extr. Rate | 0.166567 | 0.1632479 | 0.1591536 | 0.1648772 | ERR | 0.1652462 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 1949 | 1910 | 1730 | 1812 | 0 | 1745 |
| MY Imports | 980 | 980 | 1000 | 1000 | 0 | 1400 |
| MY Imp. from U.S. | 408 | 408 | 420 | 233 | 0 | 250 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 2929 | 2890 | 2730 | 2812 | 0 | 3145 |
| MY Exports | 45 | 45 | 35 | 35 | 0 | 40 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 2884 | 2845 | 2695 | 2777 | 0 | 3105 |
| Feed Waste Dom.Consum. | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 2884 | 2845 | 2695 | 2777 | 0 | 3105 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 2929 | 2890 | 2730 | 2812 | 0 | 3145 |
| Calendar Year Imports | | 1000 | | 708 | | |
| Calendar Yr Imp. U.S. | | 315 | | 303 | | |
| Calendar Year Exports | | 80 | | 43 | | |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 16. Rapeseed Oil: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Rapeseed Oil | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 9634 | 9633 | 10400 | 11670 | 0 | 10500 |
| Extr. Rate | 0.3368279 | 0.3477629 | 0.3351923 | 0.3534704 | ERR | 0.3566667 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 3245 | 3350 | 3486 | 4125 | 0 | 3745 |
| MY Imports | 161 | 153 | 150 | 80 | 0 | 135 |
| MY Imp. from U.S. | 18 | 18 | 20 | 2 | 0 | 0 |
| MY Imp. from the EC | 89 | 84 | 90 | 60 | 0 | 75 |
| TOTAL SUPPLY | 3406 | 3503 | 3636 | 4205 | 0 | 3880 |
| MY Exports | 23 | 19 | 25 | 25 | 0 | 20 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 3383 | 3484 | 3611 | 4180 | 0 | 3860 |
| Feed Waste Dom.Consum. | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 3383 | 3484 | 3611 | 4180 | 0 | 3860 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 3406 | 3503 | 3636 | 4205 | 0 | 3880 |
| Calendar Year Imports | | 435 | | 81 | | |
| Calendar Yr Imp. U.S. | | 13 | | 16 | | |
| Calendar Year Exports | | 41 | | 20 | | |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 17. Palm Oil: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Palm Oil | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 0 | 0 | 0 | 0 | 0 | 0 |
| Extr. Rate, 999.9999 | ERR | ERR | ERR | ERR | ERR | ERR |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imports | 1350 | 1350 | 1450 | 1300 | | 1500 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 1350 | 1350 | 1450 | 1300 | 0 | 1500 |
| MY Exports | 2 | 1 | 10 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 1348 | 1349 | 1440 | 1300 | 0 | 1500 |
| Feed Waste Dom.Consum. | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 1348 | 1349 | 1440 | 1300 | 0 | 1500 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 1350 | 1350 | 1450 | 1300 | 0 | 1500 |
| Calendar Year Imports | 1400 | 1400 | 1237 | 1300 | 0 | 1200 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 20 | 20 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 18. Peanut Oil: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Peanut Oil | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 4913 | 4913 | 4930 | 4800 | 0 | 5030 |
| Extr. Rate, 999.9999 | 0.449827 | 0.449827 | 0.4503043 | 0.45 | ERR | 0.4502982 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 2210 | 2210 | 2220 | 2160 | | 2265 |
| MY Imports | 7 | 7 | 19 | 16 | | 18 |
| MY Imp. from U.S. | 4 | 4 | 11 | 9 | | 12 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 2217 | 2217 | 2239 | 2176 | 0 | 2283 |
| MY Exports | 12 | 12 | 10 | 12 | | 12 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 2205 | 2205 | 2229 | 2164 | | 2271 |
| Feed Waste Dom.Consum. | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 2205 | 2205 | 2229 | 2164 | 0 | 2271 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 2217 | 2217 | 2239 | 2176 | 0 | 2283 |
| Calendar Year Imports | | 14 | | 16 | | 16 |
| Calendar Yr Imp. U.S. | | 7 | | 9 | | 10 |
| Calendar Year Exports | | 6 | | 12 | | 12 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 19. Cottonseed Oil: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Cottonseed Oil | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 6372 | 7170 | 6062 | 6099 | 0 | 5790 |
| Extr. Rate | 0.1694915 | 0.1698745 | 0.1692511 | 0.1697 | ERR | 0.1699482 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 1080 | 1218 | 1026 | 1035 | 0 | 984 |
| MY Imports | 0 | 0 | 1 | 0 | 0 | 0 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 1080 | 1218 | 1027 | 1035 | 0 | 984 |
| MY Exports | 1 | 1 | 1 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 1079 | 1217 | 1026 | 1035 | 0 | 984 |
| Feed Waste Dom.Consum. | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 1079 | 1217 | 1026 | 1035 | 0 | 984 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 1080 | 1218 | 1027 | 1035 | 0 | 984 |
| Calendar Year Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 1 | 1 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 20. Sunflowerseed Oil: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Sunflowerseed Oil | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 333 | 440 | 551 | 790 | 0 | 990 |
| Extr. Rate | 0.2102102 | 0.2090909 | 0.2323049 | 0.2278481 | ERR | 0.2373737 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 70 | 92 | 128 | 180 | 0 | 235 |
| MY Imports | 1 | 1 | 0 | 0 | 0 | 0 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 71 | 93 | 128 | 180 | 0 | 235 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 5 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 71 | 93 | 128 | 180 | 0 | 230 |
| Feed Waste Dom.Consum. | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 71 | 93 | 128 | 180 | 0 | 230 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 71 | 93 | 128 | 180 | 0 | 235 |
| Calendar Year Imports | 1 | 1 | 0 | 0 | 0 | 0 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

Table 21. Coconut Oil: Production, Supply and Distribution

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country: | | | | | | |
| Commodity: | Coconut Oil | | | | | |
| | | 1998 | | 1999 | | 2000 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/1998 | | 10/1999 | | 10/2000 |
| Crush | 0 | 0 | 0 | 0 | 0 | 0 |
| Extr. Rate | ERR | ERR | ERR | ERR | ERR | ERR |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imports | 60 | 57 | 50 | 50 | 0 | 60 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 60 | 57 | 50 | 50 | 0 | 60 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Exp. to the EC | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Consum | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Consump. | 60 | 57 | 50 | 50 | 0 | 60 |
| Feed Waste Dom.Consum. | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Dom. Consumption | 60 | 57 | 50 | 50 | 0 | 60 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 60 | 57 | 50 | 50 | 0 | 60 |
| Calendar Year Imports | 65 | 65 | 33 | 33 | 0 | 50 |
| Calendar Yr Imp. U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| Calendar Year Exports | 0 | 3 | 0 | 0 | 0 | 0 |
| Calndr Yr Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |

**Taxes and Duties**

Table 22. Import Taxes and Duties

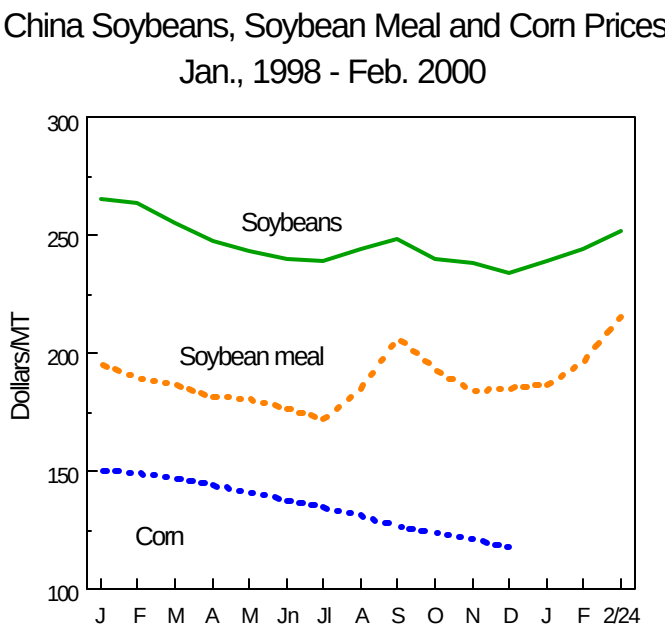
| China's Oilseeds and Oilseed Products Tariffs as of January 1, 2000 | | | | |
|---|---|---|---|---|
| HS Code | Description | In Quota Duty (%) | Out of Quota MFN (%) | VAT* (%) |
| 12010091 | Yellow soybean | 3 | 114 | 13 |
| 12010092 | Black soybean | 3 | 114 | 13 |
| 12010093 | Green soybean | 3 | 114 | 13 |
| 12010099 | Other soybean | 3 | 114 | 13 |
| 12050090 | Rapeseed, other | 12 | 40 | 13 |
| 20081110 | Peanut kernels, in airtight containers | | 30 | 17 |
| 20081120 | Roasted peanuts | | 30 | 17 |
| 20081130 | Peanut butter | | 30 | 17 |
| 20081190 | Other processed peanuts | | 30 | 17 |
| 12072090 | Other cottonseed | | 15 | 13 |
| 12060090 | Other sunflower seeds | | 15 | 13 |
| 15071000 | Crude soy oil | 13 | 121.6 | 13 |
| 15079000 | Other soy oil | 13 | 121.6 | 13 |
| 15141000 | Crude rapeseed oil | 20 | 100 | 13 |
| 15149000 | Other rapeseed oil | 20 | 100 | 13 |
| 15081000 | Crude peanut oil | 9.7 | 75 | 13 |
| 15089000 | Other peanut oil | 9.7 | 75 | 13 |
| 151221000 | Crude cottonseed oil | | 35 | 13 |
| 151229000 | Other cottonseed oil | | 35 | 13 |
| 15121100 | Crude sunflower seed oil | 40 | 91.2 | 13 |
| 15121900 | Other sunflower seed oil | 40 | 91.2 | 13 |
| 15131100 | Crude coconut oil | | 20 | 17 |
| 15131900 | Other coconut oil | | 20 | 17 |
| 15111000 | Palm oil, crude | 9 | 30 | 13 |
| 15119000 | Palm oil, refined | 10 | 30 | 13 |
| 23040010 | Soy oil cake | | 5 | 0 |
| 23040090 | Soy meal | | 5 | 13 |
| 23025000 | Legume sweepings | | 5 | NA |
| 12081000 | Soyflour | 9 | 40 | 17 |
| 23064000 | Rapeseed meal | | 5 | 0 |
| 23050000 | Peanut meal | | 5 | 0 |
| 23061000 | Cottonseed meal | | 5 | 0 |
| 23063000 | Sunflower seed meal | | 5 | 0 |
| 23012010 | Fish meal | | 3 | 0 |
| | | | | |
| *Oilseeds for planting are duty free | | | | |

## Narrative on Supply, Demand, Policy and Marketing

### Soybeans and Products

Production

A sharp drop in soybean prices in late 1998 caused farmers to reduce soybean planted area by roughly 8 percent in MY 99 compared to MY 98. Drought and early frost in the main producing areas in Northeast China added to the problem, and soybean production is estimated to have fallen from over 15 MMT in MY 98 to 13.9 MMT in MY 99. This number may climb later in the year, as the largest producer, Heilongjiang province, habitually understates the size of its crop. The early frost has also caused major quality problems for this year's crop, which includes a very high percentage of green soybeans, with an adverse effect on both oil content and meal quality. Planted area is expected to increase in MY 00, as corn and cotton prices are now falling even more rapidly than soybean prices. Corn prices fell an estimated 22 percent nationwide during MY 99, while soybean prices fell by only 12 percent during the same period. The Chinese government has also announced a campaign to encourage farmers to plant soybeans instead of corn in an effort to reduce the government's losses from corn price supports. February price gains for soybean meal also bode well for soybean prices in the coming year. Official estimates for the MY 98 crop were raised repeatedly throughout the year, finally reaching a level of over 15 MMT, compared to initial estimates of 13.5 MMT. National Statistical Bureau (NSB) figures indicate that damage to crops in Northeast China was more than offset by massive production gains in other regions.




Consumption

Overall soybean consumption is forecast to fall in MY 99, as record imports are insufficient to offset the weak domestic crop. The drop in consumption also reflects a switch by crushers from soybeans to rapeseed, in order to take advantage of the high oil prices that prevailed in early 1999. This situation may change during the second half of MY 99. Feed industry contacts indicate that demand for soybean meal is starting to grow. This has been underscored by the sharp jump in soybean prices during late February, 2000. Meanwhile, declining soybean crush during the first quarter of MY 99 has reduced the amount of soymeal available. Restoration of the 13% VAT on imported soymeal has also kept imports to a minimum. The end result is likely to be improved soymeal prices and increased interest in importing soybeans over rapeseed. Consumption of soybeans is likely to decline further in MY 00 as increased imports of oil and meal reduce demand for imported oilseeds.

When it goes into effect, WTO accession should have a profound impact on China's long-ailing crushers, resulting in a general reorganization of the industry. In truth, China does not suffer from surplus crushing capacity, but from a surplus

of small and medium sized crushers with low profit margins. Large-scale, modern crushers continue to turn profits, and many are pursuing aggressive expansion strategies. Under WTO, the consolidation of the industry will accelerate, as low oil prices drive more small crushers out of business and the larger plants expand to fill the gap, particularly in coastal regions. Further inland, high shipping costs may provide some protection for the smaller plants, but it is probably only a matter of time before they, too, either modernize and expand, or go out of business.

This may eventually affect oilseed production. According to industry sources, domestic rapeseed is crushed primarily by smaller plants, while large plants crush imported seed. If oilseed imports fall under the influence of the WTO, large plants will find themselves crushing more domestic rapeseed, giving them an incentive to demand, and pay for, improved quality rapeseed. The primary beneficiaries of the increased oil quotas, apart from consumers and, indirectly, the livestock industry, will be oil refiners. Refiners have complained that the current system leaves them short of raw material, despite strong demand for oil. They also have a strong preference for imported oil, which costs substantially less to process due to fewer impurities and lower oxidation levels.

Food use of soybeans is expected to rise during MY 98 and 99, due in part to the regional structure of soybean production. In both years, soybean crops in Northeast China suffered from weather-related problems, while soybean crops in other areas fared better. Food use of soybeans in these areas approaches 50-60 percent, and is done on a small-scale, compared to the Northeast, where soybeans are produced on a large scale, primarily for crushing. Long term non-crushing use of soybeans will continue to grow, as the Chinese government is promoting food use and the development of other processed soybean products. A number of large crushing mills are also reported to be investing in production of value-added products such as lecithin.

Stocks

Soybean stocks remain high, but appear to have fallen. [Stock numbers are considered a state secret in China, making reliable estimates difficult. As a result, stocks are not reflected in the PS&D tables for China]. Most sources estimate that stocks had reached 3 to 4 MMT by the end of MY 98. By contrast, sources now estimate that stocks are between 2.5 to 3 MMT. The reduction in stocks was made possible by a brief uptick in prices in early fall that allowed provincial grain bureaus to sell off a portion of their stocks. The government has also sharply reduced purchases of soybeans under the quota system, which has prevented new stocks from accumulating. Trade sources believe that on-farm stocks are extremely low at present, due to the small domestic crop.

Trade

Over the past two years, trade in soybean products has shifted heavily in favor of soybeans, though WTO accession may reverse the trend in MY 00. Soybean imports for MY 99 are forecast at 4.3 MMT. Given the recent round of import sales, this is a conservative estimate, and the final number could easily exceed this level. The United States remains the dominant supplier, though Argentine beans are rapidly gaining favor among crushers due to their yellow color and high oil content. In general, crushers favor imported beans for their high oil content and consistent quality, though they frequently complain about high foreign matter. Between MY 96 and MY 98, Argentina's market share rose from 1.5 percent to 22 percent, placing it on par with Brazil, and likely to pass Brazil in MY 99. Imports are forecast to fall sharply in MY 00, as China's accession to the WTO leads to increased imports of processed products (see the section on oil imports).

In contrast to soybeans, soybean meal imports are forecast to fall to 750 TMT in MY 99, 53 percent of last year's level, and a bare fraction of the 3 MMT imported in MY 97. This is the result of weak demand from the livestock sector and excessive imports in MY 98, as well as the 13 percent VAT on imported soybean meal that went into effect in July, 1999. Though the VAT technically applies equally to domestic and imported meal, industry sources claim that the rules on domestic meal do not make it clear as to who actually pays the VAT. This leaves ample room for tax evasion, and anecdotal evidence indicates that the VAT on domestic meal is frequently not paid. For MY 00, Imports are forecast to jump to 2.15 MMT due to reduced crush of imported oilseeds and growing demand from the livestock industry. Though this is a huge increase over MY 99, it is far short of imports levels in 1996 and 1997 (over 3 MMT).

China's exports of soybeans remain relatively small, at an estimated 180 TMT in MY 99. Over 70 percent of MY 98 exports went to Japan, where the high protein content of Chinese soybeans makes them useful in manufacturing food products. There is growing interest in marketing organic products overseas, and some producers and exporters have expressed interest in taking advantage of the current GMO controversy to increase China's market share in Japan. This tactic could backfire, however, as China is known to feed cottonseed meal from GMO cotton to livestock, and is interested in increasing sales of livestock products to Japan and the EU.

WTO entry will have a major impact on oil imports. At present, soybean oil imports remain relatively steady, governed by a quota system that restricts imports of vegetable oil. The quota is usually around 2.2 MMT, split between palm oil and other vegetable oils. As last year proved however, issuance of the quota does not follow any fixed schedule, and can be delayed for various reasons. Refiners claim that this system results in considerable unmet demand, and that consumption of vegetable oil would be higher without the quota system. The system itself is highly opaque. According to industry sources, the State Development and Planning Commission calculates quotas based on its own estimate of the difference between supply and demand, then issues quotas to the provincial Development and Planning Commissions, which then issue it to companies within the province. The process by which these calculations are made is not public. This results in some anomalies. For example, in 1998 10,000 MT of quota was issued to a landlocked province that is a net vegoil exporter. This quota went unused.

This is set to change under the WTO. First, the agreement sets a tariff rate quota during the first year of accession of 1.7 MMT for soybean oil alone. This compares with 1.2 MMT (officially) for 1999 for all vegetable oils other than palm oil. (Additional quotas for canola oil have already been negotiated, and palm oil quotas have yet to be determined). The quota is scheduled to rise, reaching 3.26 MMT in 2005, after which the quota will be phased out altogether. In-quota duty rates are 9 percent, while out-of-quota duties will fall from 74 percent to 20 percent by 2005. Second, the system for administering tariff-rate quotas will also change. Under the agreement, China has agreed to set aside 50 percent of the quota for non-state-trading enterprises, growing to 90 percent by 2005. More important, unused TRQs are redistributed to non-state-trading enterprises, thus helping to guarantee that TRQs are fully utilized.

Policy

WTO will limit China's ability to take actions that damage trade in soybeans and soybean oil and meal. China has agreed to bind tariff rates for soybeans at the current level of 3 percent, thus closing out the possibility of a quota on soybeans. The Chinese government has also agreed to follow the terms of the WTO Agreement on Sanitary and Phytosanitary Measures, which will require that all animal and plant health import requirements be based on sound science. Threats to trade will continue to exist even after China accedes to the WTO. VAT taxes, such as the one that was recently levied on soymeal (mentioned above in the section on consumption) are one example. At present

however, the greatest concern is over genetically modified soybeans. The issue is extremely complex. Though China as a high-cost producer has a natural interest in GMOs, the government is under considerable pressure to provide protection for domestic producers. Health and environmental officials have also expressed concerns, and are currently working with the U.S. government to learn more about U.S. methods for testing and approving GMOs. In the meantime, the National People's Congress is reportedly considering legislation to require labeling for imported GMOs. Any premature action on this issue could come back to haunt them, however, as a considerable amount of GMO cotton is already being produced in China. Cottonseed meal from this GMO cotton is routinely used in animal feed. China is also reportedly developing genetically modified corn, tomatoes, pimentos and other crops.

**Rapeseed and Products**

MY 1999 has proved to be a banner year for rapeseed. Production hit an estimated 9.7 MMT, the second highest level on record. Most sources estimate that current planted area is up by another 12 percent to an estimated 7.8 million hectares. Weather conditions have been unusually cold in some areas including Hubei and Jiangsu, and the condition of rapeseed plants in these areas is not as good as last year. Rapeseed in other provinces is reported to be in average condition. The weather in the coming weeks will be critical to the harvest. If it holds, the MY 00 rapeseed crop could set a new record, despite lower yields than last year. Should this happen, at least one industry source believes that rapeseed prices may fall below soybean prices. Increased production is being driven by two forces. First, high prices for vegetable oil as compared to oilmeal have made the crushing of rapeseed more profitable compared to soybeans. Second, the government's efforts to restructure agricultural production have favored production of rapeseed. Sharp reductions in prices for winter wheat and early rice have left farmers looking for alternative cash crops, and many have switched to rapeseed, due to its value as a winter crop. Production is likely to continue growing in the near future, albeit at a slower pace.

China is continuing to upgrade rapeseed quality and planting larger amounts of 'double-low' rapeseed, which can be used in animal feed in larger concentrations than traditional rapeseed. The upgrade is taking longer than might be expected, because no formal system of incentives for producing double-low rapeseed exist. Interviews with crush mills, however, indicate that some mills are testing and offering higher prices on their own initiative. Though no comprehensive statistics exist on how much double-low is being planted, the existing statistics indicate that it now accounts for nearly half of domestic production in many areas.

Rapeseed imports are on schedule to hit record levels for the third year in a row, at a forecast total of 3.1 MMT for MY 99. First quarter data for MY 99 indicates that imports could exceed this amount, but the recent jump in soymeal prices and heavy sales of U.S. soybeans in February indicate that imports are likely to shift in favor of soybeans. A record domestic crop in MY 00 might also dampen crushers' enthusiasm for imported rapeseed, though crushers are pleased with the high quality of imported rapeseed. Imports of Canadian rapeseed have fallen compared to Europe and Australia. Refiners have noted that this year's rapeseed from Canada has a high chorophyll content, and the oil requires additional processing to remove the green color.

The pattern of use for rapeseed meal is changing. Massive crush of imported rapeseed has left China with large supplies of high-quality rapemeal. Much of this has found its way into export markets, with exports jumping to 183 TMT in the first quarter of MY 99, as compared to 158 TMT for all of MY 98. Interviews with traders indicate that most of the exports are of feed-quality meal produced by crushing imported rapeseed. Separate crushing seasons for imported and domestic rapeseed makes it fairly easy to separate the two. South Korea has been the primary

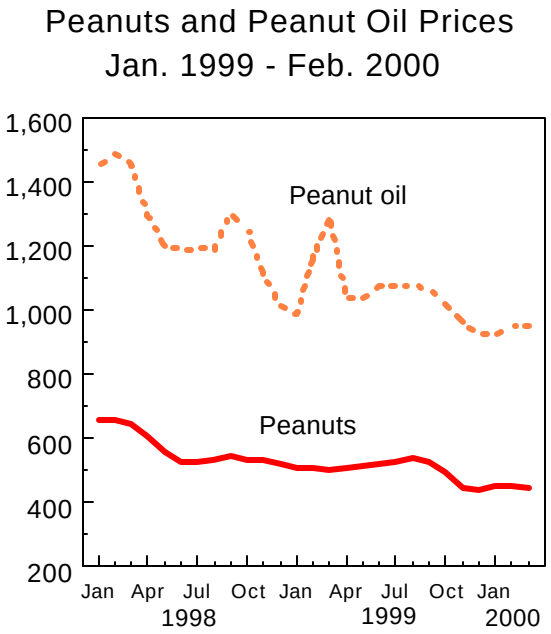
destination for these exports, but most recently the EU has also purchased large quantities of Chinese rapemeal. Domestic feed use of rapemeal is on the rise as well, driven by increased crush of domestic double-low rapeseed, increased crush of imported rapeseed, and increasingly tight soymeal supplies. Declining imports of rapeseed will likely cause rapemeal exports to fall during MY 00, but increased feed use of domestic meal is a long-term trend due to the increased production of double-low rapeseed.

**Other Oilseeds and Products**

Peanuts and Products

Official information on the MY 99 peanut crop remains unclear, but total planted area is believed to have risen by about 6 percent, while production increased by 3 percent. Area is forecast to expand by another 5 percent in MY 00, driven by the agricultural reforms that are encouraging farmers to diversify away from corn, wheat and cotton, and into other cash crops. Overall yields fell during MY 99, as a drought hit major producing areas in Shandong and Hebei, causing yields in these provinces to fall by an estimated 9.7% and up to 20%, respectively. Other provinces such as Henan and Anhui reaped bumper crops, however, helping to offset the decline in drought-stricken areas. Increases in planted area have occurred despite a constant decline in prices over the past two years. Since January, 1998, wholesale peanut prices have fallen by roughly 32%. Nonetheless, high yields and low input costs make planting peanuts profitable by comparison to crops such as corn and cotton, which have suffered even sharper price declines (roughly 30% each during the past year alone), and which have higher input costs. Over the long term, peanut production is likely to stabilize at current levels.

Despite low prices for peanuts, peanut crush is forecast to decline in MY 99. Falling peanut oil prices have slashed crushing margins for peanuts, and government sources report that many plants have either shut down or are operating at a fraction of normal capacity. This trend may reverse itself if peanut prices continue to fall. Food use is expected to continue growing, as peanuts are increasingly popular as ingredients in snack foods. Low prices have also allowed exports to jump. Based on first quarter trade data, exports may be on schedule to hit 600 TMT in MY 99. In addition to low prices, partial recovery in Asian markets has also helped support exports. The fastest growth appears to be in shelled peanuts and peanut butter. In late 1999, the Spanish government removed special aflatoxin inspection requirements for Chinese peanuts, finding that Chinese peanuts are now within EU standards. The EU is the largest market for Chinese peanuts.




Fishmeal

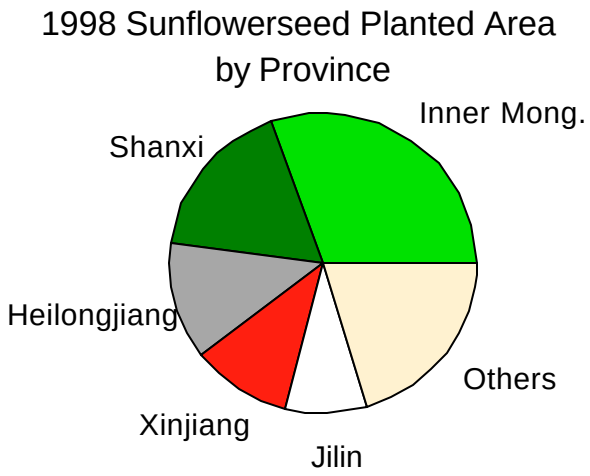
Fishmeal production is forecast to grow somewhat during MY 99, but the potential for long-term expansion is limited by the need to allow coastal fisheries to recover. The quality of domestic fishmeal has improved, though feed millers still prefer imported meal. Imports have started to recover, but are not likely to reach the 1.1 MMT levels seen in 1996, due to a stronger domestic industry and increased reliance on soybean meal. According to feed industry sources, domestic meal is proving to be relatively price competetive with South American meal, leaving only the

narrowest of margins for traders seeking to import fishmeal. Consumption is forecast to rise slightly, partly due to improved prospects for the livestock industry, and partly due to increased feed use of rapemeal. According to industry sources, feedmills using rapemeal tend to use more fishmeal as well. Though feed use of rapemeal, in absolute terms, is forecast to fall in MY 00, greater demand for protein meal in general should help support a slight increase in imports.

Sunflowerseed

Official data on sunflowerseed production is inconsistent, and even official sources appear to conflict. MY 98 area has been revised based on provincial data, though production for that year is based on private industry estimates. According to Ministry of Agriculture sources, sunflowerseed planted area increased by roughly 28 percent in MY 99. This, combined with a recovery in yields after the drought in MY 97, is estimated to have brought about a 74 percent increase in production. Area is forecast to grow in MY 00, as farmers continue to diversify away from crops such as corn. The establishment of new sunflowerseed oil crushing plants in major producing areas should help to maintain demand for high-oil sunflowerseeds for crushing. The government of Inner Mongolia is encouraging farmers to plant high-oil varieties, and crushers are paying higher prices for the improved oil content. Oil yields are likely to improve over time as the new varieties become more common, and as newer, more efficient crushers go online. Sunflowerseed oil is marketed to Chinese consumers as a health food, and some producers have ambitious plans for marketing their products abroad in this role.

Food consumption of sunflowerseeds is also rising quickly. Sunflowerseeds are extremely popular as a snack food, and are often served in restaurants as an appetizer. Chinese producers have shown little interest in developing improved confectionary sunflowerseeds, even though food use accounts for roughly half of consumption. This indicates that the market is far from being saturated. U.S. exports of confectionary sunflowerseeds to China have grown rapidly in recent years, and the National Sunflowerseed Association is active in this market. The U.S. is the predominant supplier of sunflowerseeds to China, due to their reputation for high quality.




Cottonseed

Though cottonseed provides a significant source of oil and meal in China, its fortunes are tied to those of the cotton fiber industry, which is facing hard times. Cotton planted area fell by an estimated 8.4 percent in 1999, and the Chinese government has declared its intention to reduce area even further in 2000. Cotton prices have fallen by roughly 30 percent compared to last year. Cottonseed processing is controlled by the state-owned Cotton and Jute Corporation, which has general responsibility for procurement and distribution of cotton fiber.

Palm Oil

Prior to 1998, smuggling of palm oil allowed large quantities of palm oil to enter the country outside of the quota system. Since then, imports have largely been limited to the levels permitted by the government's oil import quotas. Oil refiners insist that this quota is much to small to meet the rapidly growing demand for palm oil, and refineries are facing a shortage of raw materials. The single most important factor affecting MY 00 imports remains undetermined: the size of the palm oil quotas that will take effect under WTO. Palm oil exporters are likely to press for higher quotas, but the Chinese government sources claim that higher quotas are unnecessary not needed. Palm oil is used primarily in food processing, particularly in the production of instant noodles and cookies.