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Approved by:

Maurice House
U.S. Embassy

Prepared by:

Mark Petry and Wu Xinping

Report Highlights:

China's oilseed demand in marketing year (MY) 2007/08 is forecast to continue growing due to increases in animal production, utilization of commercially produced animal feeds, and human consumption. Total oilseed supply is forecast to grow by about two percent, while oilseed meal production is forecast to increase by four percent. The limited availability of land and low productivity in China mean that almost all of the increase in oilseed product supplies in MY 07/08 will be made up by imports. Imports of soybeans, palm oil, soybean oil, and fishmeal are all forecast to increase to meet steadily increasing demand.

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Executive Summary

China's oilseed demand in MY07/08 is forecast to continue growing due to increases in animal production, use of industrially produced animal feeds, and human consumption. Steady GDP and consumer purchasing power increases are driving demand for animal protein and vegetable protein and oils. Total oilseed supply is forecast to grow by about two percent, while oilseed meal production is forecast to increase by four percent. The limited availability of land, low productivity, and decreases in returns versus other crops limit China's ability to increase domestically produced oilseeds. In order to meet demand in the livestock and food processing sectors, China needs additional imports to boost total oilseed product supply in MY07/08. As a result, imports of soybeans, palm oil, soybean oil, and fishmeal are all forecast to increase. Soybean imports are forecast to grow by about 10 percent to meet meal demand and make up for the return to a normal cottonseed crop.

The second part of this report, GAIN CH7013, contains detailed trade tables.

Oilseeds Situation and Outlook

Total Oilseeds

MY07/08 total oilseed production is forecast at 55.2 MMT from a planted area of 27.4 million hectares (MHa). Forecast MY07/08 production is one percent lower than the estimated production for MY06/07, although the planted area is one percent higher than the previous year. All major oilseeds are forecast to be stable except for cottonseed, which is forecast to decrease as yields return to normal. The planted area in MY07/08 is forecast to increase slightly because of the higher prices for many oilseed products since the end of 2006 and expanded cotton area. The Government of China's (GOC) policy favoring "grain security/self sufficiency" continues to impede expansion of oilseeds planted area (not including cotton) because the subsidies to grain crops contribute to higher net returns for substitute grain crops. Competition for land from other crops (grain crops, cotton and vegetables) and rapid urban expansion limit increases to total oilseeds planted area. Yield gains for oilseeds continue to be hindered by poor agronomic practices, poor technology, and inadequate farmer inputs. Despite the recent bumper cottonseed crop, total domestic oilseeds available for crushing are slowly declining because of increasing food-use of Chinese oilseeds and stable domestic production. While domestic crush is declining, demand from the livestock sector continues to increase. Until Chinese yields or planted area increases, the gap between domestic supply and demand will continue to grow and imports will also grow. MY07/08 imports are forecast to grow by nine percent, to 35 million metric tons (MMT).

Soybeans

Production

Soybean production for MY07/08 is forecast to remain unchanged from the previous year. The below trend production is mainly because of the forecast planted area decline in Heilongjiang province as farmers react to disappointing returns versus competing crops. According to China's National Grain and Oils Information Center (CNGOIC), soybean wholesale prices were about 2,500 RMB/MT from February through October 2006. The results of the GOC's National Development and Reform Commission (NDRC) survey of eight soy-producing provinces indicate that soybean production costs are estimated at 3,940 RMB/Ha in 2006. However, domestic soybeans farm-gate price remained low at about 2,400 RMB/MT from 2005 to November 2006. Thus, the gross profit for soybean farmers is about 600 RMB/Ha, significantly lower when compared with the estimated 1,500 RMB/Ha for the major competing grain crops. Although prices for grains and oilseeds increased in mid-

November 2006, it is unlikely to boost soybean-planting area MY07/08 because the profit margin for grain crops is still expected to be higher than soybeans.

Total soybean planted area in MY07/08 is forecast at 9.2 MHa, slightly lower than the estimated 9.3 MHa in MY06/07. Estimating China's actual soybean planting area remains challenging because of the unreported "Black Land" in Heilongjiang and other northeast provinces (see GAIN CH6006) and the small-scale planting in other producing provinces. According to several sources from Heilongjiang Province, the production for the province is generally higher than China National Statistics Bureau's (NSB) data, implying the planted area reported by the GOC is underestimated.

Relatively low yield and small-scale plantings continue to be a challenge for soybean farmers' competitiveness. China's average soybean yields ranged from 1.65 to 1.8 MT/Ha from 2003 to 2005, as compared with an average of 2.7 MT/Ha in the United States. The Chinese average yield in 2006 is estimated slightly higher than 1.7 MT/Ha. Average yield for MY07/08 is forecast at an average of 1.7 MT/Ha.

China's agricultural experts reported that outbreaks of Cyst nematode in the Northeast provinces, due to inadequate crop rotation, are increasingly affecting yield. Production of affected crops in certain areas was down 15 to 70 percent in 2006. Crop rotation is often inadequate due to the small cultivated area per household. In late 2006, experts renewed a call for more government funds on the development of new soybean varieties with resistance to pests such as the cyst nematode.

Trade

Soybean imports for MY07/08 are forecast at 34.5 MMT, up 9.5 percent from the estimated 31.5 MMT for MY06/07. Soybean imports for MY05/06 reached 28.3 MMT, up by about 10 percent over the previous year. The increasing demand for soybeans is driven mainly by continuous high GDP growth (10.7 percent in 2006 and 10.2 percent in 2005), and the resultant demand for animal proteins and vegetable oil. Many industry sources expect that soybean demand will remain strong in the foreseeable future because of the strong and growing demand for protein meal by the rapidly developing animal husbandry industry (including aquaculture). According to China's Ministry of Agriculture (MOA), the growth rate for industrialized feed production averaged 8 percent from 2001 to 2005. Total feed production reached 107 MMT in 2005, up 11 percent over the previous year. MOA's "Five-Year (2006-2010) Plan on Development of Feed Industry" (the 11th Five-Year plan) set the target for feed production at 131 MMT in 2010 with annual average growth rate of 4.5 percent.

According to MOA and industry sources, as a result of the outbreak of avian influenza (AI) in 2005, feed production slowed in first months of 2006 but picked up again in later in the year. Normal growth is forecast for 2007. The preliminary estimate for feed production in 2006 is 109 MMT, up 2 percent.

For the first time in history, Brazil became the largest soybean supplier to China in MY05/06 with total volume at 11.7 MMT. Brazil took a 41 percent market share, while the U.S. share dropped to 34 percent on 9.7 MMT. The continued, slow appreciation of the Chinese currency continued (\$1=RMB8 in Jan 2006 to currently \$1=RMB7.8) will also facilitate increased imports from abroad.

China's Soybean Imports by Origins (in MT) from MY03/04 to MY05/06

Country	MY03/04		MY04/05		MY05/06	
	MT	Share%	MT	Share%	MT	Share%
Brazil	5,082,224	30%	6,700,504	26%	11,744,287	41%
United States	8,287,039	49%	11,873,208	46%	9,708,487	34%
Argentina	3,550,339	21%	7,100,842	28%	6,430,724	23%
Uruguay	0	0%	114,066	0%	420,952	1%
Other	13,271	0%	13,306	0%	12,633	0%
Total	16,932,873	100%	25,801,926	100%	28,317,083	100%

Policy

Production policy remains generally unchanged. As mentioned above, domestic soybean planted area shrank in MY05/06 and MY06/07 mainly because of lower profits received versus competing grain crops. In mid-2006, in response to the low soybean farm-gate purchasing price, an expected fall of soybean planted area, growing imports, and increased foreign ownership of soybean crushing, China's National Development and Reform Commission (NDRC) presented proposals to the State Council on what to do about the "soybean industry crisis". Their major concern is how to maintain a "reasonable" price for domestic soybeans and increase soybean farmers' income. While direct income supports or income insurance are not considered budgetarily feasible, analysts believe that the GOC may take up some of the suggested measures to invest in greater competitiveness or making oilseed support more equivalent to grains. The measures may include production subsidies to supplement the current \$20-30/Ha seed/machinery subsidies, increase varietal research, financial support in building grain transport and marketing infrastructure, or an increase in state procurement of soybeans in case sharp price declines.

Chinese officials and industry representatives are aware that poor competitiveness and low income are intertwined in the soybean sector. Moreover, they have limited ability to change the system because increasing average holding size risks unwanted unemployment/urban migration and the remnants of the grain "self-sufficiency" program are politically off-limits. Thus, the only real levers left to the GOC are ways to increase yield, marketing efficiency, and even the playing field with other subsidized crops. (Even these improvement can only so far because an additional five times of Heilongjiang's soybean area would be needed to meet the current annual supply gap of over 35 MMT). Based on these factors, most realists in the Chinese soybean sector suggest providing more technical support to farmers.

The "GMO-free" soybean production policy remains unchanged and is not likely to be changed in the foreseeable future. This is chiefly because domestic soybeans are increasingly consumed directly as food, such as tofu, and the GOC still regards genetically modified food as a sensitive issue. Moreover, the "GMO-free" policy ensures China can export with a moderate premium to European and Asian markets that restrict the import of GMO soybeans. This policy is de facto becoming the industry marketing strategy.

The trade related GMO policy also remains unchanged. As reported in the 2006 Oilseeds Annual (CH6006), MOA issued final approval of Roundup Ready (RR) soybeans in February 2004 and eight GMO corn events in 2005. In early 2007, MOA reviewed and extended the GMO soybean safety certificates to February 20, 2010. Although shipment-by-shipment certification by MOA is unnecessarily burdensome, traders have not reported trade disruption related to GMO certificates.

The proposed "Bulk Agricultural Commodity Import Reporting System" is another unnecessarily burdensome new policy related to soy imports. As a follow-up to NDRC's

proposals on the “soybean industry crisis”, China’s Ministry of Commerce (MOFCOM) issued “The Administrative Measures of the Reporting and Information Publication on the Import of Bulk Agriculture Commodities (For Trial Implementation)” (GAIN report CH6116) and has circulated “Detailed Implementation Measures” to certain members of the trade. MOFCOM has acknowledged that the system is loosely based on the USDA Export Reporting System (ERS). However, some of the key differences in the Chinese proposal are additional reporting requirements after the contract has been completed, potentially severe penalties for misreporting, and “in the cases of sharp increase of imports, violent swing of prices and other factors affecting the market stability, MOFCOM shall issue early warning or adopt other appropriate measures according to the relevant regulations”. These measures have neither been submitted to the WTO for public comment nor to all industry representatives.

USDA submitted comments to and held several consultations with MOFCOM to express U.S. concerns over the potential trade impact of the system. MOFCOM has stated that it believes the reporting system will have no trade impact and is WTO compliant. However, it has also stated that it is interested in industry comments and will take them into consideration. MOFCOM has not notified importers when the finalized measures will be published or when the system will be implemented.

Chinese Soy Association Becomes Reality

After four years of discussion, it appears that the China Soybean Industry Association (CSIA) will become a reality in early 2007. Industry and media sources reported that the Chinese Ministry of Agriculture (MOA) held a one-day meeting to finalize the establishment of the CSIA on January 6. The same sources indicated that officials from 19 soybean producing provinces and more than 10 senior soybean processing company representatives attended this meeting. While domestically focused groups were well represented, reports indicated that there were no participants from CFNA, COFCO, foreign trading companies, or companies that primarily process imported soybeans. It is reported that the former MOA Vice Minister Wan Baorui was selected as CSIA Chairman and that the meeting participants formalized the CSIA structure and discussed its goals and objectives. No official announcement has been released regarding these news reports.

The creation of CSIA, the continual dissatisfaction of many Chinese soybean farmers, and the growth in import market share have raised the volume of the debate about the soybean industry within China. The following portion of the Soybean Policy Section attempts to capture the major themes of the policy debate swirling around Chinese soy industry policy amid the various hopes and suspicions about the issues CSIA might focus upon.

Background

The evolution of the creation of CSIA is interesting because it illustrates the difficulty that the Chinese soy industry and government have had in coming to terms with their role as the leading international soy importer and the globalization of the Chinese soy market. Prior to 2000, Chinese imports of soy were growing but still contribute to only a small percentage of overall supply. As a result, government policy was mainly focused on balancing farmer income and stable food prices, while maintaining planted area. However, imports almost tripled between 1998/1999 and 1999/2000 and tripled again from that point to 2006/2007. To Chinese producers, seemingly overnight imports went from zero percent of overall supply in 1990/1991, to 17% in 1998/1999, to 38% in 1999/2000, to 61% in 2006/07. Not only did imports increase rapidly in tune with surging demand, foreign companies became a force in the crushing sector by establishing crushing plants, buying existing companies, and forging partnerships with Chinese companies.

These significant market changes led to concern that the traditional food price/farmer income balance could be at risk. The increasing number of market actors and the addition of strong foreign companies diluted the government's control and broke its monopoly on market information. As a result, parts of the government long for a single industry group to represent the disparate market interests and provide policy advice on both internal and external issues. Similarly, Chinese farmers felt overwhelmed by imported soybeans and did not like the implications of becoming price takers in the global soybean market. Chinese crushers also felt overwhelmed by the scale, global sourcing, market information, and financing of the multinational grain companies. The dwindling role of Chinese processors also meant that they could not longer act as a control point for government intervention.

These are natural concerns and an association of domestic producers or processors of Chinese soybeans could have easily formed to lobby for its interests and address weaknesses in infrastructure or other issues related to the marketing of Chinese soybeans. According to industry experts, this did not happen because the Chinese Government, particularly the Ministry of Agriculture, pressed for the creation of a single soybean association that represents the interests of all market participants. As a result of the obvious conflict of interest between the various market participants, efforts to create an all-inclusive soybean association were unsuccessful for many years.

Defining Moments for CSIA

As with any organization, the initial structure and leadership of CSIA will have a long-lasting impact on its direction and objectives. At this early stage, without the formal publication of personnel or organizational goals, CSIA's focus is unclear.

As a result of the acknowledged pre-existing conflicts of interest, many observers predict that CSIA will not be able to act as a unifying and unified voice for the Chinese soybean industry. Moreover, industry speculation suggests that many "members" do not expect to participate in the organization in an active way. Reports suggest the dissatisfaction stems from the perception that the main promoter of CSIA, the Ministry of Agriculture, is only interested in creating a unified voice in support of the domestic soybean growers and users. (In fact, this is MOA's stated role within the GOC.) If recent articles are accurate, initial CSIA actions do seem to be oriented toward growers and processors of Chinese soybeans. By signaling a lack of interest or outright suspicion, foreign companies and Chinese companies processing imported soybeans may actually further the drift of CSIA toward a producers union model.

Though it is hard to speculate at this time about specific CSIA objectives, many of the more vocal proponents of creating this organization have publicly announced proposals for directing CSIA. However, since the most vocal proponents have been Chinese producer groups and domestic processors, most of the 100+ proposals have focused on marketing, government market regulation or intervention, and other issues of interest mainly to producers. Issues and problems that members have publicly recommended for CSIA action or attention have been:

- Excess crushing capacity
- Excessive foreign ownership of crushing capacity
- Insufficient transportation and storage infrastructure
- Inadequate marketing channels between North and South China
- Low production efficiency (seeds, technology, etc.)
- Production of low quality soybeans (low oil content, foreign matter, etc.)
- Over-reliance on imports
- Lack of market information
- Underdeveloped commodities and futures markets

- Lack of price stability, income guarantees, or counter-cyclical support mechanisms
- Initiate anti-dumping cases against imported soybeans
- Establish joint/unified soybean import purchasing mechanism

Clearly the list mainly applies to Chinese producer and soybean user interests and focuses on issues that detract from producer competitiveness. The issue important to most processors is the continuation of a market generally free of trade distorting government policies. However, some of the radical, anti-import policies suggested for CSIA have caused proponents of a free market to reconsider participation in CSIA and fueled suspicions that it will be a domestic lobby with a distinctly anti-import viewpoint.

Key Group & Positions Regarding the Establishment of CSIA

Ministry of Agriculture (MOA)

The Chinese Ministry of Agriculture is responsible for issues related to production agriculture. As such, MOA looks after farmer interests by focusing on technology, marketing, infrastructure, rural policy, production policy, and producer incomes.

MOA is generally seen as the main, maybe only, Chinese ministry that is backing the creation of CSIA. Observers note that MOA long criticized the industry for lacking a cohesive organization that can provide the government with policy advice and is backing CSIA as a way to streamline private-sector policy input. Partly as a result of MOA's role as the main promoter and protector of domestic agriculture, outside parties have been suspicious of MOA's role in the creation of the CSIA.

Ministry of Commerce (MOFCOM)

In terms of China's soy industry, the Chinese Ministry of Commerce has a general trade supervisory role relating to maintaining fair competition, ensuring the trade regime adheres to WTO rules, and import and export administration. MOFCOM is the key ministry that helps craft overall Chinese economic policy and interacts with foreign governments on bilateral trade issues.

According to industry sources, MOFCOM is reported to have little or nothing to do with the creation of CSIA. Though MOFCOM works on general economic policy issues that include agriculture, much of MOFCOM's interaction with the soy industry comes through the China Chamber of Commerce for Import & Export of Foodstuffs, Native Produce & Animal By-products, which conducts many agricultural trade administration duties. As such, MOFCOM has a great amount of experience working with the soy trade, as well as the domestic industry. Where critics complain that MOA only wants to protect domestic producers, others complain that MOFCOM is overly friendly to soy importers and too concerned that limiting the soy trade will upset larger economic goals and exacerbate trade frictions.

China Chamber of Commerce for Import & Export of Foodstuffs, Native Produce & Animal By-products (CFNA)

This chamber of commerce is under the supervision of the Ministry of Commerce (MOFCOM) and focuses on the implementation of import and export policies for agricultural products ranging from grains, oils, vegetables, fruits to native produce, leather, fur, and carpets. CFNA has 48 sub-chambers covering different agro-products with over 5,400 members all over China. The Soybean Importers Sub-chamber was formed five years ago and the members are mainly soybean traders and crushers.

While CFNA tried in the past to implement a unified purchasing scheme and a pre-warning information system, in recent years it is seen as a relatively neutral body with both trade and domestic missions. Observers suggest that CFNA's quasi-government status and MOFCOM's differing of views with MOA on soy trade will force CFNA to not actively participate in CSIA or decline membership.

Chinese Domestic Producers

Chinese producers have been some of the long-term supporters of the creation of CSIA because they feel the current policy formulation structure does not adequately protect producer interests. Moreover, many producers think that MOFCOM/CFNA viewpoints on import policy are too influential and that producer interests are being trumped by excessively liberal trade policies. They also complain that international grain companies' global reach places them at a disadvantage inside China due to their scope, economies of scale, preference for imported beans, and information. Many domestic groups are beginning to use sharper language in describing the role of foreign companies, often using the phrase "foreign capital monopoly" to capture a wide range of complaints about foreign investments in soybean processing.

Due to their championing of this organization, producers can be expected to play an important role. As noted above, the main question in the industry is how big a role producers and companies that process mostly domestic soybeans will play.

Soybean Processors

Due to consolidation and increased investment, soybean processors no longer fall into discrete categories of exclusively processing domestic or foreign soybeans. Since most of the larger companies source beans domestically and internationally, the general consensus is that the current trade policy framework is good and that the Chinese could take many steps to increase productivity without resorting to distortionary trade policies. However, Chinese domestic beans play an important role in the Northeast and many crushers there are sympathetic to ensuring that Chinese farmers maintain soybean planting and supply.

Foreign Reporting Requirements, How Does It Fit In?

The timing of the recently proposed introduction of import reporting requirements (GAIN 6116) has led many to make a connection to the creation of CSIA. The lack of timely information about incoming soybean and soy product imports was one of the complaints some vocal CSIA proponents have leveled against the Chinese Government. MOFCOM's creation of this reporting requirement has been interpreted as a move to address valid industry complaints in order to head off future calls for measures to restrict trade. Industry observers suggest that the anti-import rhetoric of domestic firms is partly a ploy to put MOFCOM on the defensive in the trade policy arena in order to obtain less controversial, but substantial domestic support programs, such as an import reporting system. However, critics of such a "strategy" note that anti-trade groups will gather strength as their policies are implemented and be more, not less, likely to push the Chinese Government into measures that limit soybean trade.

Summary

The creation of CSIA should be considered a milestone for the Chinese soybean industry. Regardless of its trade policy, it is likely to be a voice for increased investment to alleviate shortcomings that keep Chinese soybean producers lagging behind other countries in terms

of productivity and market infrastructure. Due to the obvious need for these changes, CSIA can provide support for the industry within Chinese policy making circles.

However, the real question and concern about CSIA is its position and influence over trade policy. The level of participation of import-focused international companies and Chinese processors will determine the answer to this question. Regarding trade policy, analysts suggest that one of two outcomes is likely. First, a domestic producer-focused CSIA might forcefully argue against imports and quickly become irrelevant and overlooked as just another anti-trade lobby. The voices of protectionism are already present and the creation of a new organization would not dramatically amplify those promoting an anti-trade agenda. Alternatively, CSIA could try to create an industry-wide consensus on trade issues, but this would most likely favor the status quo.

Regardless of the future leanings of CSIA, it would appear that Chinese trade policy will not be heading for abrupt changes unless the Government of China substantially revises its view of the feed and livestock industries. Participants of the soybean industry have largely already staked out positions on trade and CSIA seems unlikely to bridge the entrenched conflicts of interest inherent in this industry. Moreover, trade policy alone will not resolve China's basic dilemma of protein deficiency, land deficiency, and a stable food price policy. In contrast the more suspicious media reports, Chinese domestic producers and CSIA seem most likely to acknowledge that improving Chinese production and marketing efficiency are the easiest, cheapest, and simplest ways to improve Chinese soybean farmer income, maintain planted acreage, and increase production.

Marketing

The soybean marketing pace of the MY06/07 domestic crop was accelerated in comparison to previous years. Although many farmers held some old crop until one month before the 2006 crop was harvested in expectation of higher prices, the farm-gate purchasing price for the new crop started low. However, prices increased in November 2006 and have remained stable through January 2007. Industry sources reported that as of mid-January, an estimated 70 percent of Heilongjiang new crop was marketed in response to the good prices. The normal marketing rate by January is 50 percent.

The general domestic soybean-marketing situation remains unchanged. The soybeans produced in the Northeast provinces are used throughout China to produce food, while the remainder is crushed locally or in nearby provinces. Traders of domestic soybeans for food use are usually small to medium size and still face many challenges in consolidating soybeans from households and villages. They complain that the shortage of rail cars impedes the shipment of soybeans to other parts of the country and extra fees for obtaining rail cars are burdensome. According to industry insiders, to crush domestic soybeans companies have to bear additional costs of about 170 RMB/MT because of inefficient capital costs and extra expenditures on warehousing, transport and packaging.

China's soybean crushing industry continued to consolidate in 2006, though industry sources indicate that mergers and acquisitions by large multinational or domestic oil and grain investors may have not yet peaked. As a result of the drastic price fluctuation recorded in 2004, some small to medium sized crushers continue to face financial difficulties and look to merge with large players to survive in an increasingly competitive market. Industry sources report that more than ten significant mergers and acquisitions occurred in 2006.

Total crushing capacity continued expanding in 2006 and will again in 2007. As of the end of 2006, the total crushing capacity reached 80 MMT per year, though capacity utilization is only slightly more than 40 percent. Foreign ownership accounted for 65 to 70 percent of the total

estimated utilized capacity. It is therefore likely that the mergers and acquisitions process will continue in MY07/08 as excess capacity hangs most heavily on smaller, domestically owned crushers.

For general marketing information, contact the American Soybean Association (ASA). ASA is actively involved in marketing activities in China. They can be reached via email at beisoya@asachina.org. FAS's Agricultural Trade Office in Beijing also can provide marketing assistance via atobeijing@usda.gov.

Rapeseed

MY07/08 rapeseed production is forecast at 12.2 MMT, up slightly from an estimated 12 MMT in MY06/07. This is mainly in response to the increased price for rapeseed and rapeseed oil since mid-November 2006. China's rapeseed planted area averaged more than 7.25 MHa from 2003 to 2005. Despite the price increase for rapeseed products since mid-November 2006, the total area for MY07/08 is unlikely to grow dramatically because the MY06/07 crop was marketed before the price rise and sowing time ends in the beginning of November in the Yangtze River region. Winter planted area in MY07/08 in the Yangtze River region is estimated at slightly more than 6.3 MHa and the crop conditions are rated above average. Spring rapeseed in other provinces generally accounts for 10 percent of total planted area. Post forecasts MY07/08 rapeseed production will increase to 12.2 MMT based on planted area of 6.8 MHa and an above average yield.

Most rapeseed traders and crushers are small to medium in scale and this situation is not likely to change in the foreseeable future. Locally, rapeseed meal remains a major protein source for feed because it is cheap. Although rapeseed oil is priced higher than soy oil consumers in traditionally rapeseed oil consuming regions buy it. However, in other regions, consumers are more price sensitive when they buy bottled, refined vegetable oil.

Peanuts

The MY07/08 peanut production forecast is 14.2 MMT, slightly higher than the estimated production of 14 MMT in MY06/07. Despite the stagnant prices for soybean products in the first half of 2006, the price of peanut products remained high and even increased an additional 15 to 20 percent. Industry sources report MY06/07 peanut production in Henan province increased by 8 percent (or 270,000 MT) while production in Shandong (the largest producer) remained unchanged.

Peanut exports are forecast to be 800,000 MT in MY07/08, up from the estimated 750,000 MT exports in MY06/07, but lower than MY05/06. Stagnant exports are mainly attributable to strong domestic demand and trade impediments imposed by Japan (Positive-Listing System effective June 1, 2006) and the European Union (strict Aflatoxin residue level). Nevertheless, Japan still remains the largest destination for China's peanut products, followed by Russia and South Korea. For general background on China's peanut sector, see the December 2003 "Peanut Sector Report," (GAIN Report CH3134).

Oilseed Meal Situation and Outlook

MY07/08 oilseed meal production is forecast at 46.5 MMT based on a projected oilseed crush of 68.9 MMT. This forecast is 4.1 percent and 2.8 percent higher than MY06/07, respectively. Soybean meal continues to dominate the oil meal complex, accounting for 68 percent of total meal production followed by rapeseed meal (16 percent) and cottonseed meal (9 percent). Total oil meal supply in MY07/08 is forecast at 48.3 MMT, up 1.8 MMT or 3.9 percent over the estimate for MY06/07. Fishmeal continues to be the largest protein meal imported with an annual volume at about one MMT, while trade of other protein meals remains insignificant.

Soybean Meal

Production and Consumption

Soybean meal (SBM) production in MY07/08 is projected at 31.6 MMT, up seven percent from the estimated 29.5 MMT in MY06/07. Growing demand for animal products will drive SBM production and consumption in MY07/08. The following table shows China's production of animal products and industrialized feed from 2002 to 2006. The annual feed production growth rate averaged nearly six percent. According to MOA, feed production reached 107 MMT in 2005, up 11 percent over the previous year. Industry sources indicate that the rapid growth of industrialized feed production confirms studies that show commercial feed based animal husbandry is replacing traditional feeding practices. Preliminary estimated feed production in 2006 is 109 MMT, up two percent over the previous year. The reduced growth is mainly attributable to the outbreak of avian influenza (AI). Currently, broiler and layer production has the highest commercial feed usage rate.

According to MOA, in the first half of 2006, feed production was estimated at 43 MMT, down 9.2 percent as compared with the same period of 2005. Feed production for swine, layers and broilers was down 15, 7 and 13 percent, respectively. Feed for aquaculture and ruminants was up seven and ten percent. Industry analysts estimate that feed production in the last quarter of 2006 picked up significantly in response to the price recovery for most animal products. In general, the strong growth of the animal production sector will continue to drive feed production in MY07/08, demanding corresponding soybean or SBM imports. The "Five-Year (2006-2010) Plan on Development of Feed Industry" set the target for feed production at 131 MMT in 2010, with annual average growth rate of 4.5 percent.

Production of Animal Products and Industrialized Feed from 2002-2006 (in million MT)

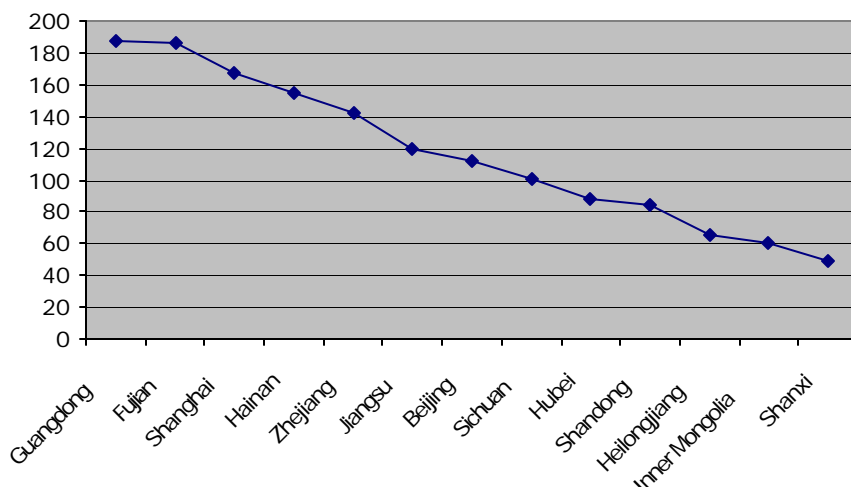
Year	2002*	2003*	2004*	2005*	2006**	Change 06/05	Averaged Growth %
All Meat	65.86	69.3	72.44	77.43	80.9	4.5	4.8
Eggs	24.63	26.07	27.24	28.79	29.5	2.5	4.5
Milk	14	18.48	23.68	28.65	32.9	14.8	23.7
Cultured aquatic products	29.07	30.27	32.09	33.95	34.5	1.6	4.45
Industry feed production	83.19	87.12	96.6	107	109	2	5.75

Source: * NSB 2006 Statistics Yearbook Table 13-21/22 and China Animal Husbandry Yearbook; ** Data for 2006 NSB Jan News briefing and Post estimates

China's per capita expenditures for animal proteins (including all meats, poultry, eggs and aquatic products) for 2005 averaged US\$103, up 8.7 percent over the previous year. Spending varies widely among regions, with the highest spending in Guangdong (US\$187)

and the lowest in Shanxi province (US\$49). Large cities and a few coastal provinces are well above average and skew the national median expenditure; most regions lie well below the national average.

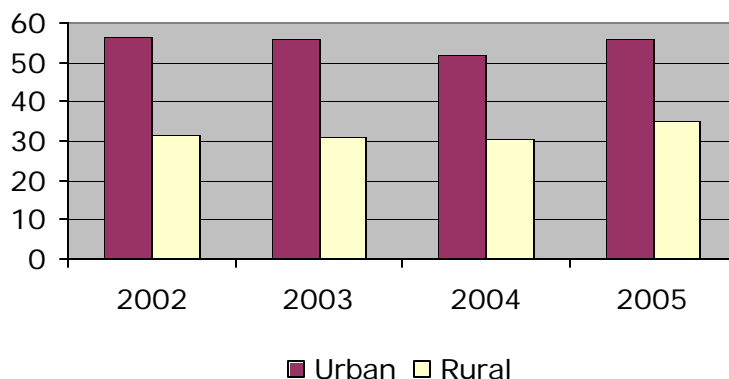
2005 Urban Per Capita Expenditures for Animal products in Selected Provinces (in US\$)



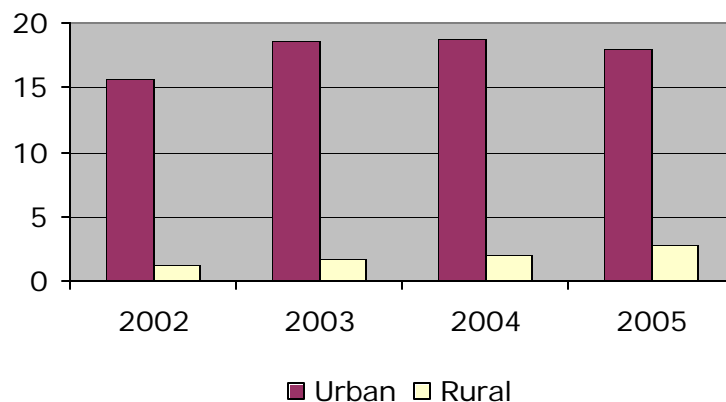
Source: NSB 2006 China Statistics Yearbook/Pages 358 & 359

In addition, the average difference between per capita yearly consumption of animal products in urban and rural areas remains large (more than 20 Kg). However, the consumption difference declined markedly in 2005, from 24.5 Kg in 2002 to 21 Kg. The consumption of milk and related products remained very low among the rural population (2.9 Kg) in 2005 as compared to the urban population (17.9 Kg). These differences illustrate the great potential increases in animal protein consumption by the 745 million rural people (out of the total 1,307 million) as incomes rise. Overall increases are also fueled by urbanization and remittances to rural areas. In general, the potential demand for protein food remains huge, especially in the inland rural provinces. As incomes permit the realization of new food patterns, it will drive demand for protein meals, especially SBM.

Comparison of Rural and Urban Per Capita Consumption of Animal Products (Kg)



Comparison of Rural and Urban Per Capita Consumption of Milk Products (Kg)



Source: NSB 2006 China Statistics Yearbook/Page 353 & 377; Note: Animal products include pork, beef and mutton, poultry and eggs and aquatic products.

Trade

SBM imports in MY07/08 are forecast at 500,000 MT, the same as MY06/07. SBM imports increased rapidly to 836,000 MT in MY05/06, eleven times more than the previous year. India was the largest supplier, accounting for 78 percent of China's total SBM imports in MY05/06. China became a net SBM importer in MY05/06, despite being a net exporter the five previous years. This sharp increase was driven by low priced SBM from India and Argentina and the elimination of the 5 percent import tariff on Indian SBM (based on an Asian-Pacific Trade Agreement). Industry sources indicate that Indian SBM is usually priced 100 to 150 RMB/MT lower than other imported meals but is of poorer palatability than domestically crushed SBM. Guangdong accounted for 60 percent of total SBM imports in MY05/06. However, extensive SBM imports are unlikely in MY06/07 and MY07/08 due to China's excess soybean crushing capacity.

SBM exports fell to 330,000 MT in MY05/06 from 633,000 MT in the previous year. Japan remained the largest buyer, accounting for 83 percent of China SBM exports in MY05/06. Industry analysts expect sporadic imports and exports of SBM as traders take advantage of regional or local price differences and China exports non-GMO SBM. The trade volume will remain insignificant compared to China's 52 MMT soybean supply.

Fishmeal

Fishmeal imports for 2007 are forecast at 1.1 MMT, up from 980,000 MT in 2006, but lower than the 1.58 MMT imported in 2005. Between May and March 2006, fishmeal prices skyrocketed from \$850 to more than \$1,300 per metric ton. High prices continued through late July before falling back to \$1,000 per metric ton. As a result, consumption for 2006 is expected to drop to 1.2 MMT, compared to 1.6 MMT the previous year. Feed industry sources reported that other protein meals were added as substitutes in order to reduce costs. Domestic fishmeal production stands at about 300,000 MT per year. Imports for 2007 are likely to recover moderately given the demand by large-scale animal and aquaculture industries, though price and fishmeal availability will constrain imports. Global fishmeal production for 2007 is forecast to remain stable at 5.25 MMT and price is therefore likely to stay high in the coming years. High prices for fishmeal will be a marketing opportunity for soy meal and other meals that can act as a partial substitute.

Cottonseed Meal

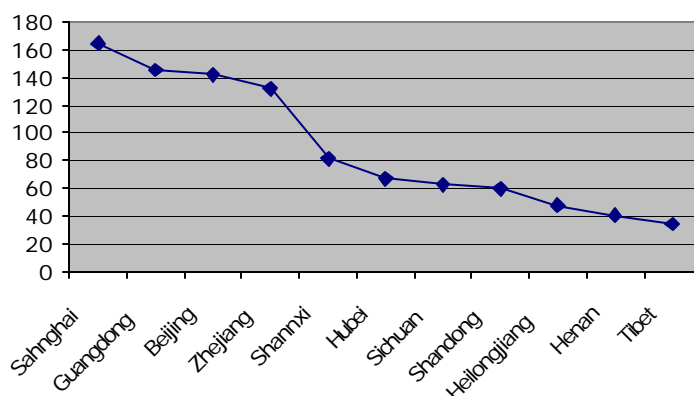
Cottonseed meal production for MY07/08 is forecast to decrease to 4.0 MMT from 4.4 MMT in MY06/07. The high cottonseed meal production in MY06/07 is attributed to a record cotton yield. Preliminary planting intention surveys show that cotton area in 2007 is likely to rise slightly but the total cotton production is forecast to fall to about 6.3 MMT based on average yield. As China is the world's largest cotton and textile producer, the GOC maintains a policy to encourage a stable cotton area. Cottonseed meal production and its share in the protein meal complex are expected to be stable in normal years.

Oil Situation and Outlook

Total Oils

Total vegetable oil production for MY07/08 is forecast at 15.2 MMT, up 430,000 MT from the MY06/07 estimate. Soybean oil continues to be the number one vegetable oil produced in China, accounting for 47 percent of total oil production, followed by rapeseed oil (28 percent), peanut oil (14 percent), cottonseed oil (9 percent), and sunflower seed oil (2 percent). Total oil imports for MY07/08 are forecast to increase from 7.5 MMT to 7.8. The MY07/08 total oil supply is forecast at 23.3 MMT.

2005 Per Capita Expenditure for Dining Out by Urban Residents
in Selected Provinces (in US\$)



Source: NSB 2006 China Price and Expenditures for Urban Population Statistics

The MY07/08 total domestic food-use consumption of oils is forecast at 20.2 MMT, three percent more than MY06/07. This amounts to 15.7 kg per person based on China's population of more than 1.3 billion. Note that China's average consumption of vegetable oil remains 37 percent less than Taiwan's 2005 per capita consumption of 25.1 kg (See FAS/Taiwan report, TW7001). Even though China's oil consumption has grown rapidly in recent years, there still is significant growth potential before it reaches the level of Taiwan and other similar Asian markets. According to NSB statistics, the per capita expenditures for dining out by urban residents averaged US\$76 in 2005, up 19 percent over the previous year. The highest expenditures for dining out were Shanghai (US\$165) and the lowest was Tibet (US\$35). (See table above). In addition, NSB's data also shows that rural people consume 3 Kg less vegetable oil per capita per year than urban people. With a 10.7 percent GDP growth in 2006, a growing middle class that has more disposable income and eats more

meals outside the home, the long-term outlook for oil and oilseed imports remains very bright.

On January 01, 2006, in compliance with its WTO commitments, China eliminated the TRQ for vegetable oils (soy oil, palm oil and rapeseed oil) and replaced it with an "automatic import licensing system" for the purpose of monitoring imports (See CH6006/TRQ Table 27-29). Post knows of no problem created by this administrative system.

On October 01, 2004, a national standard for soybean oil entered into force. The standard stipulates that the hexane residue level in imported crude soybean oil less than 100 mg/KG. Its impact on soybean oil trade appears to be insignificant according to industry sources.

Palm oil is expected to consolidate recent gains in vegetable oil market share, but the exportable supplies from Malaysia and Indonesia may limit further growth. The share of palm oil increased to 75 percent from about 50 percent in MY03/04. The share of soybean oil dropped to 22 percent in MY05/06 as China imported soybeans and utilized soy oil from the domestic crush.

China's Total Oils Imports by Origin (in MT) from MY03/04 to MY05/06

Country	MY03/04	Share%	MY04/05	Share%	MY05/06	Share%
Malaysia	2,547,740	37%	3,035,188	46%	3,355,301	48%
Indonesia	1,230,706	18%	1,624,071	25%	1,971,655	28%
Argentina	1,874,194	27%	1,326,536	20%	1,196,873	17%
Brazil	901,663	13%	400,931	6%	316,189	5%
Canada	341,674	5%	208,786	3%	43,600	1%
United States	1,240	0%	1,127	0%	3,147	0%
Other	78,808	1%	22,093	0%	76,629	1%
Total	6,976,023	100%	6,618,733	100%	6,963,394	100%

The wholesale price for major oils remained low in the first half of 2006, but increased dramatically after September 2006. Compared with January 2006, the wholesale prices in December surged by 46, 55 and 35 percent for soybean oil, rapeseed oil and palm oil, respectively. The price rise for oils is mainly in response to rise in international oilseed prices in fall 2006 and the widely reported demand of the bio-fuel industry. However, price growth in vegetable oils is expected to have little impact on consumption growth.

Soybean Oil

The MY07/08 soybean oil production forecast is 6.9 MMT, up 4.5 percent from last year's estimate. MY07/08 imports are forecast at 2 MMT, slightly higher than the estimated 1.9 MMT for MY06/07. Soybean oil imports are forecast to increase in MY06/07 and MY07/08, while production of vegetable oils from domestic oilseeds (rapeseed and peanut oils) will remain stable.

China's Soybean Oil Imports by Origin (in MT) from MY03/04 to MY05/06

Country	MY03/04	Share%	MY04/05	Share%	MY05/06	Share%
Argentina	1,826,618	67%	1,326,169	77%	1,193,070	79%
Brazil	901,663	33%	400,931	23%	316,176	21%
Japan	51	0%	40	0%	4,029	0%
United States	3	0%	800	0%	2,804	0%
Other	324	0%	264	0%	160	0%
Total	2,728,659	100%	1,728,205	100%	1,516,238	100%

Palm Oil

Palm oil imports are forecast to increase to 5.6 MMT in MY07/08 from the estimated 5.3 MMT in MY05/06. Demand for palm oil is very strong because it remains cheaper than soybean oil. In 2006, the soybean oil price averaged 10 to 32 percent higher than palm oil. Blending palm oil with other vegetable oils and selling it as cooking oil remains popular. Another factor contributing to the strong demand continues to be increased demand for processed foods, especially instant noodles, which use large amounts of palm oil. Industry sources show that instant noodle production grew to 2 MMT in the first half of 2006, up 38 percent over the same period of 2005. Ready-to-eat noodles are popular with travelers, migrant workers, and some office workers. With more and more people traveling and eating outside of the home, demand for instant noodles has risen sharply in recent years and is expected to continue rising in the near future.

Palm oil demand can only be supplied by imports because it is not produced in China. China's close proximity to Malaysia and other major palm oil producers gives palm oil the advantage of lower shipping costs relative to other oils. However, the planned expansion of Southeast Asian biodiesel capacity using palm oil as a feed stock creates some uncertainty regarding the future supplies of exportable palm oil in Indonesia and Malaysia. This local biodiesel demand and demand for vegetable oils for biodiesel in Europe may pose a considerable challenge to increasing China's imports of vegetable oils.

Statistical Tables

Total Oilseeds, Total Meal, and Total Oil PSD Tables

Table 1. Total Oilseeds

PSD Table									
Country	China, Peoples Republic of								
Commodity	Total Oilseeds (1000 MT) (1000 HA)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Area Planted	21100	28800	28242	21200	28750	27100	0	0	27400
Area Harvested	27613	28600	28122	27550	28750	27100	0	0	27400
Beginning Stocks	4700	3339	4700	4473	3589	4063	3973	3639	3363
Production	55937	56200	55067	56700	56650	55700	0	0	55200
MY Imports	28997	27104	29000	32304	28903	32106	0	0	35005
MY Imp. from U.S.	9700	10002	9700	10000	10500	10500	0	0	10500
MY Imp. from the EC	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	89634	86643	88767	93477	89142	91869	3973	3639	93568
MY Exports	1254	1669	1320	1390	1615	1225	0	0	1310
MY Exp. to the EC	0	290	0	0	310	0	0	0	0
Crush Dom. Consumption	64469	61639	63480	67790	64033	67091	0	0	68945
Food Use Dom. Consump.	14546	14795	14902	14809	14870	15200	0	0	15360
Feed, Seed, Waste Dm.Cn.	4892	4951	5002	5515	4985	4990	0	0	5040
TOTAL Dom. Consumption	83907	81385	83384	88114	83888	87281	0	0	88345
Ending Stocks	4473	3589	4063	3973	3639	3363	0	0	2913
TOTAL DISTRIBUTION	89634	86643	88767	93477	89142	91869	0	0	93568
Calendar Year Imports	29025	26893	29025	31804	27903	31804	0	0	32700
Calendar Yr Imp. U.S.	9885	11050	9885	14000	11000	11000	0	0	11500
Calendar Year Exports	1299	1466	1299	1420	1500	1420	0	0	1200
Calndr Yr Exp. to U.S.	0	42	2	0	50	2	0	0	2

Table 2. Total Meals

PSD Table									
Country	China, Peoples Republic of								
Commodity	Total Meal (1000 MT)								
	2005	Estimate		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin									
Crush	64469	61639	61359	67790	64033	67091	0	0	68945
Extr. Rate, 999.9999							0	0	
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	42777	40939	41420	45263	42151	44682	0	0	46459
MY Imports	2183	1621	2575	1675	371	1765	0	0	1886
MY Imp. from U.S.	85	80	85	62	0	62	0	0	0
MY Imp. from the EC	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	44960	42560	43995	46938	42522	46447	0	0	48345
MY Exports	477	757	423	570	658	630	0	0	591
MY Exp. to the EC	0	0	0	0	0	0	0	0	0
Industrial Dom. Consum	1290	1311	1310	1300	1330	1330	0	0	1350
Food Use Dom. Consump.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Consum	43193	40492	42307	45068	40534	44487	0	0	46404
TOTAL Dom. Consumption	44483	41803	43572	46368	41864	45817	0	0	47754
Ending Stocks	0	0	0	0	0	0	0	0	0
TOTAL DISTRIBUTION	44960	42560	43995	46938	42522	46447	0	0	48345
Calendar Year Imports	749	1340	789	115	100	715	0	0	650
Calendar Yr Imp. U.S.	0	80	0	0	0	0	0	0	0
Calendar Year Exports	407	785	527	405	655	460	0	0	460
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 3. Total Oils

PSD Table									
Country	China, Peoples Republic of								
Commodity	Total Oils (1000 MT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Crush	64469	61639	63480	67790	64033	67091	0	0	68945
Extr. Rate, 999.9999									
Beginning Stocks	247	220	247	200	200	200	220	220	250
Production	14696	13776	14540	15174	14262	14799	0	0	15226
MY Imports	6712	7656	6712	7450	7967	7460	0	0	7830
MY Imp. from U.S.	0	5	4	0	10	5	0	0	0
MY Imp. from the EC	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	21655	21652	21499	22824	22429	22459	220	220	23296
MY Exports	253	150	253	340	120	250	0	0	162
MY Exp. to the EC	0	0	0	0	0	0	0	0	0
Industrial Dom. Consum	1900	1820	1900	2150	1870	2100	0	0	2250
Food Use Dom. Consump.	19302	19482	19146	20114	20209	19859	0	0	20634
Feed Waste Dom. Consum	0	0	0	0	0	0	0	0	0
TOTAL Dom. Consumption	21202	21302	21046	22264	22079	21959	0	0	22884
Ending Stocks	200	200	200	220	230	250	0	0	250
TOTAL DISTRIBUTION	21655	21652	21499	22824	22429	22459	0	0	23296
Calendar Year Imports	180	6515	1723	140	7350	6840	0	0	6350
Calendar Yr Imp. U.S.	0	5	0	0	10	5	0	0	6
Calendar Year Exports	0	93	149	0	75	264	0	0	220
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	0	0	0

Oilseeds PSD Tables

Table 4. Soybeans

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oilseed, Soybean (1000 HA)(1000 MT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Area Planted	9500	10000	9600	9300	9900	9300	0	0	9200
Area Harvested	9591	10000	9600	9300	9900	9300	0	0	9200
Beginning Stocks	4700	3339	4700	4473	3589	4063	3973	3639	3363
Production	16350	18300	16350	16200	18000	16000	0	0	16000
MY Imports	28317	26800	28317	31500	28500	31500	0	0	34500
MY Imp. from U.S.	9700	10000	9700	10000	10500	10500	0	0	10500
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	49367	48439	49367	52173	50089	51563	3973	3639	53863
MY Exports	354	400	354	350	400	400	0	0	450
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	34500	34000	34500	37500	35200	37300	0	0	39900
Food Use Dom. Cons.	8300	8600	8600	8650	9000	8750	0	0	8850
Feed Waste Dom. Cons.	1740	1850	1850	1700	1850	1750	0	0	1750
Total Dom. Cons.	44540	44450	44950	47850	46050	47800	0	0	50500
Ending Stocks	4473	3589	4063	3973	3639	3363	0	0	2913
Total Distribution	49367	48439	49367	52173	50089	51563	0	0	53863
CY Imports	28284	26590	28284	31000	27500	31000	0	0	32000
CY Imp. from U.S.	9885	11048	9885	14000	11000	11000	0	0	11500
CY Exports	360	396	360	350	400	350	0	0	400
CY Exp. to U.S.	0	42	2	0	50	2	0	0	2

Table 5. Rapeseed

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oilseed, Rapeseed (1000 HA)(1000 MT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Area Planted	0	7500	7279	0	7450	6700	0	0	6800
Area Harvested	7279	7500	7279	7200	7450	6700	0	0	6800
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	13050	11300	13050	12500	11500	12000	0	0	12200
MY Imports	676	300	676	800	400	600	0	0	500
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	13726	11600	13726	13300	11900	12600	0	0	12700
MY Exports	0	5	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	13056	10935	13056	12700	11240	12000	0	0	12080
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	670	660	670	600	660	600	0	0	620
Total Dom. Cons.	13726	11595	13726	13300	11900	12600	0	0	12700
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	13726	11600	13726	13300	11900	12600	0	0	12700
CY Imports	737	298	737	800	400	800	0	0	700
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 6. Peanuts

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oilseed, Peanut (1000 HA)(1000 MT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Area Planted	5400	5000	5163	5400	4900	4700	0	0	4800
Area Harvested	4663	5000	5163	4600	4900	4700	0	0	4800
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	14340	14700	14340	14000	14600	14000	0	0	14200
MY Imports	2	1	5	2	1	4	0	0	5
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	14342	14701	14345	14002	14601	14004	0	0	14205
MY Exports	784	1150	850	920	1100	750	0	0	800
MY Exp. to EU	0	250	0	0	260	0	0	0	0
Crush	7241	7200	7122	6887	7511	6704	0	0	6775
Food Use Dom. Cons.	5497	5501	5553	5420	5150	5700	0	0	5750
Feed Waste Dom. Cons.	820	850	820	775	840	850	0	0	880
Total Dom. Cons.	13558	13551	13495	13082	13501	13254	0	0	13405
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	14342	14701	14345	14002	14601	14004	0	0	14205
CY Imports	2	1	2	2	1	2	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	820	1000	820	950	1000	950	0	0	800
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 7. Sunflower Seed

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oilseed, Sunflower Seed (1000 HA)(1000 MT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Area Planted	1100	1100	1100	1100	1100	1000	0	0	1100
Area Harvested	1020	1000	1020	1100	1100	1000	0	0	1100
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	1927	1700	1927	1900	1750	1700	0	0	1800
MY Imports	2	3	2	2	2	2	0	0	0
MY Imp. from U.S.	0	2	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	1929	1703	1929	1902	1752	1702	0	0	1800
MY Exports	113	110	113	115	110	70	0	0	60
MY Exp. to EU	0	40	0	0	50	0	0	0	0
Crush	972	804	972	953	832	792	0	0	890
Food Use Dom. Cons.	749	694	749	739	720	750	0	0	760
Feed Waste Dom. Cons.	95	95	95	95	90	90	0	0	90
Total Dom. Cons.	1816	1593	1816	1787	1642	1632	0	0	1740
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	1929	1703	1929	1902	1752	1702	0	0	1800
CY Imports	2	4	2	2	2	2	0	0	0
CY Imp. from U.S.	0	2	0	0	2	0	0	0	0
CY Exports	115	70	115	115	100	115	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 8. Cotton Seeds

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oilseed, Cottonseed (1000 HA)(RATIO)(1000 MT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Area Planted (Cotton)	5100	5200	5100	5400	5400	5400	0	0	5500
Area Harvested (Cotton)	5060	5100	5060	5350	5400	5400	0	0	5500
Seed to Lint Ratio	0	0	0	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	10270	10200	9400	12100	10800	12000	0	0	11000
MY Imports	0	0	0	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	10270	10200	9400	12100	10800	12000	0	0	11000
MY Exports	3	4	3	5	5	5	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	8700	8700	7830	9750	9250	10295	0	0	9300
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	1567	1496	1567	2345	1545	1700	0	0	1700
Total Dom. Cons.	10267	10196	9397	12095	10795	11995	0	0	11000
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	10270	10200	9400	12100	10800	12000	0	0	11000
CY Imports	0	0	0	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	4	0	4	5	0	5	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Meals PSD Tables

Table 9. Soybean Meal

PSD Table									
Country	China, Peoples Republic of								
Commodity	Meal, Soybean (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Crush	34500	34000	34500	37500	35200	37300	0	0	39900
Extr. Rate, 999.9999	0.7911884	0.7911764	0.8026086	0.792	0.7911931	0.7908847	0	0	0.79097
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	27296	26900	27690	29700	27850	29500	0	0	31560
MY Imports	837	250	837	50	250	500	0	0	500
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	28133	27150	28527	29750	28100	30000	0	0	32060
MY Exports	357	600	331	400	500	500	0	0	500
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	700	720	720	725	730	730	0	0	750
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	27076	25830	27476	28625	26870	28770	0	0	30810
Total Dom. Cons.	27776	26550	28196	29350	27600	29500	0	0	31560
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	28133	27150	28527	29750	28100	30000	0	0	32060
CY Imports	674	50	674	50	50	500	0	0	500
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	397	650	397	400	600	400	0	0	400
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	27776	26550	28196	29350	27600	29500	0	0	30770

Table 10. Rapeseed Meal

PSD Table									
Country	China, Peoples Republic of								
Commodity	Meal, Rapeseed (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	10/2005			10/2006			10/2007		
Crush	13056	10935	13056	12700	11240	12000	0	0	12080
Extr. Rate, 999.9999	0.62867	0.62871	0.62867	0.6288	0.62864	0.62858	0	0	0.62839
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	8208	6875	8208	7986	7066	7543	0	0	7591
MY Imports	182	45	182	200	50	200	0	0	200
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	8390	6920	8390	8186	7116	7743	0	0	7791
MY Exports	70	50	70	80	50	80	0	0	40
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	370	370	370	350	375	375	0	0	375
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	7950	6500	7950	7756	6691	7288	0	0	7376
Total Dom. Cons.	8320	6870	8320	8106	7066	7663	0	0	7751
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	8390	6920	8390	8186	7116	7743	0	0	7791
CY Imports	0	40	85	0	50	150	0	0	150
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	120	60	0	55	55	0	0	60
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	5919.7	4888	5919.7	5767.4	5027.4	5452.2	0	0	5514.8

Table 11. Peanut Meal

PSD Table									
Country	China, Peoples Republic of								
Commodity	Meal, Peanut (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Crush	7241	7200	7122	6887	7511	6704	0	0	6775
Extr. Rate, 999.9999	0.3789531	0.3790277	0.3789665	0.3791200	0.3790440	0.3770883	0	0	0.3788929
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	2744	2729	2699	2611	2847	2528	0	0	2567
MY Imports	105	70	105	65	70	80	0	0	80
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	2849	2799	2804	2676	2917	2608	0	0	2647
MY Exports	8	10	4	5	8	5	0	0	6
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	2841	2789	2800	2671	2909	2603	0	0	2641
Total Dom. Cons.	2841	2789	2800	2671	2909	2603	0	0	2641
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	2849	2799	2804	2676	2917	2608	0	0	2647
CY Imports	65	0	65	55	0	55	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	10	15	10	5	0	5	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	3193	3134	3147	3002	3269	2925	0	0	2968

Table 12. Sunflower Seed Meal

PSD Table									
Country	China, Peoples Republic of								
Commodity	Meal, Sunflower Seed (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Crush	972	804	972	953	832	792	0	0	890
Extr. Rate, 999.9999	0.5411522	0.541047	0.5411522	0.5414480	0.5408653	0.5416666	0	0	0.5415730
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	526	435	526	516	450	429	0	0	482
MY Imports	9	5	9	10	0	5	0	0	6
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	535	440	535	526	450	434	0	0	488
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	80	80	80	80	80	80	0	0	80
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	455	360	455	446	370	354	0	0	408
Total Dom. Cons.	535	440	535	526	450	434	0	0	488
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	535	440	535	526	450	434	0	0	488
CY Imports	10	0	10	10	0	10	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	505	415	505	496	424	409	0	0	460

Table 13. Cotton Seed Meal

PSD Table									
Country	China, Peoples Republic of								
Commodity	Meal, Cottonseed (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Crush	8700	8700	7830	9750	9250	10295	0	0	9300
Extr. Rate, 999.9999	0.4256321	0.4252873	0.4252873	0.4256410	0.4257297	0.4256435	0	0	0.4256989
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	3703	3700	3330	4150	3938	4382	0	0	3959
MY Imports	0	1	0	0	1	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	3703	3701	3330	4150	3939	4382	0	0	3959
MY Exports	35	90	35	80	100	40	0	0	40
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	140	141	140	145	145	145	0	0	145
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	3528	3470	3200	3925	3694	4197	0	0	3774
Total Dom. Cons.	3668	3611	3295	4070	3839	4342	0	0	3919
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	3703	3701	3330	4150	3939	4382	0	0	3959
CY Imports	0	0	0	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	2972	2925	2669	3297	3110	3518	0	0	3175

Table 14. Fish Meal

PSD Table									
Country	China, Peoples Republic of								
Commodity	Meal, Fish (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2006	01/2006		01/2007	01/2007		01/2008	01/2008
Catch For Reduction	0	0	0	0	0	0	0	0	0
Extr. Rate, 999.9999	0	0	0	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	300	300	300	300	310	300	0	0	300
MY Imports	1050	1250	1579	1350	1350	980	0	0	1100
MY Imp. from U.S.	85	80	85	62	85	62	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	1350	1550	1879	1650	1660	1280	0	0	1400
MY Exports	7	7	3	5	8	5	0	0	5
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	1343	1543	1876	1645	1652	1275	0	0	1395
Total Dom. Cons.	1343	1543	1876	1645	1652	1275	0	0	1395
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	1350	1550	1879	1650	1660	1280	0	0	1400
CY Imports	0	1250	0	0	1350	0	0	0	0
CY Imp. from U.S.	0	80	0	0	85	0	0	0	0
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	1940.635	2229.635	2710.82	2377.025	2387.14	1842.375	0	0	2015.775

Oils PSD Tables

Table 15. Soybean Oil

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oil, Soybean (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Crush	34500	34000	34500	37500	35200	37300	0	0	39900
Extr. Rate, 999.9999	0.1782318	0.1782352	0.1782318	0.1786666	0.1784090	0.1780160	0	0	0.178386
Beginning Stocks	247	220	247	200	200	200	220	230	250
Production	6149	6060	6149	6700	6280	6640	0	0	7118
MY Imports	1516	2400	1516	1700	2500	1900	0	0	2000
MY Imp. from U.S.	0	5	4	0	10	5	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	7912	8680	7912	8600	8980	8740	220	230	9368
MY Exports	105	80	105	75	50	100	0	0	50
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	7607	8400	7607	8305	8700	8390	0	0	9068
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	7607	8400	7607	8305	8700	8390	0	0	9068
Ending Stocks	200	200	200	220	230	250	0	0	250
Total Distribution	7912	8680	7912	8600	8980	8740	0	0	9368
CY Imports	0	1694	1543	0	2200	1700	0	0	1700
CY Imp. from U.S.	0	5	0	0	10	5	0	0	6
CY Exports	0	63	118	0	50	120	0	0	120
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 16. Rapeseed Oil

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oil, Rapeseed (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Crush	13056	10935	13056	12700	11240	12000	0	0	12080
Extr. Rate, 999.9999	0.3550091	0.3545496	0.3550091	0.3588976	0.3546263	0.355	0	0	0.3549668
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	4635	3877	4635	4558	3986	4260	0	0	4288
MY Imports	45	350	45	10	400	50	0	0	50
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	4680	4227	4680	4568	4386	4310	0	0	4338
MY Exports	134	50	134	250	50	140	0	0	100
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	4546	4177	4546	4318	4336	4170	0	0	4238
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	4546	4177	4546	4318	4336	4170	0	0	4238
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	4680	4227	4680	4568	4386	4310	0	0	4338
CY Imports	0	360	0	0	400	400	0	0	50
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	10	31	0	5	144	0	0	100
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 17. Peanut Oil

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oil, Peanut (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Crush	7241	7200	7122	6887	7511	6704	0	0	6775
Extr. Rate, 999.9999	0.3174975	0.3175	0.3173265	0.3131987	0.3131407	0.3159307	0	0	0.3173431
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	2299	2286	2260	2157	2352	2118	0	0	2150
MY Imports	0	1	0	0	2	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	2299	2287	2260	2157	2354	2118	0	0	2150
MY Exports	14	20	14	15	20	10	0	0	12
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	2285	2267	2246	2142	2334	2108	0	0	2138
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	2285	2267	2246	2142	2334	2108	0	0	2138
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	2299	2287	2260	2157	2354	2118	0	0	2150
CY Imports	0	0	0	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	20	0	0	20	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 18. Palm Oil

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oil, Palm (1000 HA)(1000 TREES)(1000 MT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Area Planted	0	0	0	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0	0	0	0
Trees	0	0	0	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	0	0	0	0	0	0	0	0	0
MY Imports	4975	4750	4975	5600	4900	5300	0	0	5600
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	4975	4750	4975	5600	4900	5300	0	0	5600
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	1900	1700	1900	2150	1750	2100	0	0	2250
Food Use Dom. Cons.	3075	3050	3075	3450	3150	3200	0	0	3350
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	4975	4750	4975	5600	4900	5300	0	0	5600
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	4975	4750	4975	5600	4900	5300	0	0	5600
CY Imports	0	4320	0	0	4600	4600	0	0	4600
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 19. Sunflower Seed Oil

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oil, Sunflower Seed (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Crush	972	804	972	953	832	792	0	0	890
Extr. Rate, 999.9999	0.3559670	0.3557213	0.3559670	0.3557187	0.3557692	0.3560606	0	0	0.3550561
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	346	286	346	339	296	282	0	0	316
MY Imports	5	5	5	5	5	50	0	0	20
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	351	291	351	344	301	332	0	0	336
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	351	291	351	344	301	332	0	0	336
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	351	291	351	344	301	332	0	0	336
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	351	291	351	344	301	332	0	0	336
CY Imports	5	1	5	5	0	5	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 20. Cottonseed Oil

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oil, Cottonseed (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Crush	8700	8700	7830	9750	9250	10295	0	0	9300
Extr. Rate, 999.9999	0.14563	0.14563	0.14687	0.1456	0.14572	0.14560	0	0	0.14559
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	1267	1267	1150	1420	1348	1499	0	0	1354
MY Imports	0	0	0	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	1267	1267	1150	1420	1348	1499	0	0	1354
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	120	0	0	120	0	0	0	0
Food Use Dom. Cons.	1267	1147	1150	1420	1228	1499	0	0	1354
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	1267	1267	1150	1420	1348	1499	0	0	1354
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	1267	1267	1150	1420	1348	1499	0	0	1354
CY Imports	0	0	0	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Table 21. Coconut Oil (Copra)

PSD Table									
Country	China, Peoples Republic of								
Commodity	Oil, Coconut (1000 MT)(PERCENT)								
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Crush	0	0	0	0	0	0	0	0	0
Extr. Rate, 999.9999	0	0	0	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	0	0	0	0	0	0	0	0	0
MY Imports	171	150	171	135	160	160	0	0	150
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	171	150	171	135	160	160	0	0	150
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	171	150	171	135	160	160	0	0	150
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	171	150	171	135	160	160	0	0	150
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	171	150	171	135	160	160	0	0	150
CY Imports	175	140	175	135	150	135	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Soybean & Rapeseed Wholesale Price Tables

Table 22. Wholesale Soybean Prices CY 2006

Unit: RMB Yuan/MT; 8.07RMB=US\$1.00												
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin	2,660	2,580	2,550	2,500	2,450	2,500	2,440	2,520	2,560	2,600	2,700	2,800
Hebei	2,640	2,560	2,550	2,480	2,440	2,520	2,480	2,540	2,550	2,600	2,700	2,800
Jilin	2,560	2,560	2,460	2,340	2,480	2,460	2,420	2,380	2,380	2,340	2,660	2,620
Heilongjiang	2,500	2,500	2,460	2,300	2,340	2,340	2,240	2,300	2,340	2,340	2,560	2,540
Shanghai	2,650	2,600	2,560	2,500	2,450	2,520	2,480	2,520	2,560	2,600	2,700	2,800
Jiangsu	2,630	2,560	2,520	2,470	2,440	2,520	2,480	2,520	2,550	2,600	2,700	2,800
Shandong	2,640	2,580	2,540	2,480	2,450	2,520	2,480	2,520	2,550	2,600	2,700	2,800
Henan	2,680	2,640	2,580	2,520	2,500	2,550	2,500	2,540	2,580	2,640	2,740	2,840
Guangdong	2,640	2,560	2,550	2,480	2,440	2,520	2,480	2,520	2,550	2,600	2,700	2,800
Average	2,622	2,571	2,530	2,452	2,443	2,494	2,444	2,484	2,513	2,547	2,684	2,756
Jan-Dec Change = +5%												

Table 23. Wholesale Soybean Meal Prices in CY 2006

Unit: RMB Yuan/MT; 8.07RMB=US\$1.00												
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin	2,320	2,320	2,220	2,100	2,070	2,040	2,000	2,080	2,160	2,140	2,260	2,150
Hebei	2,320	2,330	2,240	2,100	2,070	2,040	2,020	2,100	2,160	2,140	2,280	2,150
Jilin	2,280	2,260	2,200	2,080	2,100	2,080	2,040	2,000	2,100	2,050	2,320	2,150
Heilongjiang	2,220	2,260	2,120	2,000	2,030	1,950	1,950	1,980	2,080	2,000	2,250	2,140
Shanghai	2,360	2,400	2,260	2,120	2,140	2,100	2,070	2,080	2,140	2,200	2,340	2,160
Jiangsu	2,340	2,380	2,250	2,100	2,110	2,070	2,050	2,090	2,130	2,160	2,320	2,160
Shandong	2,360	2,340	2,250	2,080	2,100	2,050	2,030	2,060	2,140	2,180	2,320	2,150
Henan	2,360	2,400	2,280	2,180	2,140	2,120	2,060	2,100	2,180	2,180	2,340	2,200
Guangdong	2,380	2,350	2,240	2,060	2,080	2,060	2,080	2,100	2,160	2,250	2,320	2,160
Average	2,327	2,338	2,229	2,091	2,093	2,057	2,033	2,066	2,139	2,144	2,306	2,158
Jan-Dec Change = -7%												

Table 24. Wholesale Soybean Oil Prices in CY 2006

Unit: RMB Yuan/MT; 8.07RMB=US\$1.00												
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin	5,100	5,040	5,120	5,060	5,150	5,140	5,300	5,500	5,650	6,000	7,600	7,400
Hebei	5,080	5,060	5,120	5,060	5,150	5,140	5,260	5,500	5,600	6,000	7,600	7,400
Jilin	5,160	5,100	5,100	5,100	5,160	5,200	5,250	5,400	5,450	5,750	7,300	7,300
Heilongjiang	5,060	5,040	5,000	5,000	5,100	5,220	5,200	5,300	5,450	5,600	7,000	7,000
Shanghai	5,060	5,060	5,100	5,060	5,150	5,180	5,300	5,500	5,550	6,000	7,600	7,450
Jiangsu	5,040	5,040	5,100	5,060	5,160	5,180	5,300	5,500	5,550	6,000	7,700	7,500
Shandong	5,050	5,050	5,040	5,000	5,080	5,050	5,300	5,480	5,550	6,000	7,600	7,500
Henan	5,080	5,080	5,100	5,060	5,120	5,160	5,300	5,520	5,550	6,000	7,600	7,450
Guangdong	4,950	4,980	5,000	4,980	5,100	5,080	5,250	5,480	5,500	5,800	7,500	7,450
Average	5,064	5,050	5,076	5,042	5,130	5,150	5,273	5,464	5,539	5,906	7,500	7,383
Jan-Dec Change = +46%												

Table 25. Wholesale Rapeseed Oil Prices in CY 2006

Unit: RMB Yuan/MT; 8.07RMB=US\$1.00												
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Jiangsu	5,120	5,140	5,140	5,120	5,120	5,250	5,400	5,650	5,800	6,150	7,900	7,950
Zhejiang	5,250	5,240	5,180	5,180	5,120	5,250	5,420	5,600	5,900	6,100	8,000	7,950
Anhui	5,120	5,140	5,160	5,140	5,100	5,250	5,360	5,600	5,900	6,200	8,000	8,050
Jiangxi	5,180	5,120	5,150	5,150	5,100	5,250	5,380	5,550	5,950	6,100	8,100	8,000
Hubei	5,120	5,100	5,120	5,160	5,060	5,300	5,420	5,560	5,950	6,000	8,000	8,000
Hunan	5,120	5,140	5,140	5,160	5,120	5,300	5,400	5,600	5,950	6,100	8,000	8,000
Sichuan	5,200	5,250	5,250	5,250	5,220	5,300	5,600	5,650	6,300	6,500	8,400	8,200
Average	5,160	5,161	5,163	5,166	5,120	5,271	5,426	5,600	5,964	6,164	8,057	8,021
Jan-Dec Change = +55%												

Table 26. Wholesales Palm Oil Ex-Pier Prices CY 2006

Unit: RMB Yuan/MT; 8.07RMB=US\$1.00												
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin	4,240	4,400	4,280	4,400	4,450	4,560	4,820	4,980	4,810	4,960	5,800	5,700
Qingdao	4,180	4,350	4,240	4,320	4,420	4,540	4,800	4,900	4,750	4,900	5,700	5,700
Lianyungang	4,160	4,350	4,200	4,320	4,400	4,540	4,780	4,880	4,700	4,950	5,700	5,600
Zhangjiagan	4,160	4,330	4,180	4,350	4,380	4,550	4,780	4,880	4,670	4,950	5,700	5,600
Shanghai	4,160	4,320	4,200	4,300	4,400	4,560	4,800	4,880	4,700	4,950	5,700	5,600
Ningbo	4,180	4,300	4,200	4,300	4,400	4,560	4,800	4,880	4,700	4,950	5,700	5,600
Huangpu	4,060	4,300	4,140	4,300	4,300	4,480	4,750	4,900	4,530	4,850	5,600	5,500
Shenzhen	4,060	4,300	4,150	4,300	4,300	4,500	4,750	4,900	4,550	4,850	5,600	5,500
Average	4,150	4,331	4,200	4,324	4,381	4,536	4,785	4,900	4,676	4,920	5,688	5,600
Jan-Dec Change = +35%												

Table 27. A Comparison of Wholesale Prices for Soy, Palm & Rapeseed Oil in CY 2006

Oils	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Rapeseed	5,160	5,161	5,163	5,166	5,120	5,271	5,426	5,600	5,964	6,164	8,057	8,021
Palm Oil	4,150	4,331	4,200	4,324	4,381	4,536	4,785	4,900	4,676	4,920	5,688	5,600
Soy	5,064	5,050	5,076	5,042	5,130	5,150	5,273	5,464	5,539	5,906	7,500	7,383
Diff % Rape/Soy	1.9%	2.2%	1.7%	2.5%	-0.2%	2.3%	2.9%	2.5%	7.7%	4.4%	7.4%	8.6%
Diff % Palm/Soy	-22%	-17%	-21%	-17%	-17%	-14%	-10%	-12%	-18%	-20%	-32%	-32%

Source: China National Grains & Oils Information Center (CNGOIC), Beijing, China Oils & Oilseeds Monthly Report/Dec/2006 (Table 22-27)

Taxes & Duties Tables (Jan 01-Dec 31, 2007)

Table 28. Oilseeds

HS Code	Description	M.F.N. (%)	CT (%)			V.A.T. (%)
			CA	CP	CC	
12010010	Soybeans, seed	0				13
12010091	Yellow soybean	3		0	2.4	13
12010092	Black soybean	3		0	0	13
12010093	Green soybean	3		0	0	13
12010099	Other soybean	3		0	0	13
12021010	In shell peanut, seed	0				13
12021090	In shell peanut, other	15	8		9	13
12022000	Shelled peanut	15	8		0	13
20081110	Peanut kernels, in airtight containers	30	T3		0	17
20081120	Roasted peanuts	30			0	17
20081130	Peanut butter	30			0	17
20081190	Other processed peanuts	30			0	17
12051010	Low erucic acid rape seed, seed	0				13
12051090	Low erucic acid rape seed, other	9	5	0	7.2	13
12059010	Other rapeseed, seed	0				13
12059090	Other rapeseed, other	9	5	0	7.2	13
12060010	Sunflower seeds, seed	0				13
12060090	Sunflower seeds, other	15	8		12	13
12072010	Cottonseeds for cultivation	0				13
12072090	Cottonseeds, other	15	8		9	13
12074010	Sesame seeds for cultivation	0				13
12074090	Sesame seeds, other	10	T3	9	0	13

Note: CA--China/Association of Southeast Asia; CP--China/Pakistan; CC--China/Chile; T3--Various Tax Rates Applied on ASEAN Ten Countries, Respectively. If CA, CP, or CC do not apply, the standard duty is applied at MFN rates.

Table 29. Oils

HS Code	Description	M.F.N. (%)	CT (%)			V.A.T. (%)
			CA	CP	CC	
15071000	Crude soybean oil	9				13
15079000	Other soybean oil	9				13
15081000	Crude peanut oil	10	8			13
15089000	Other peanut oil	10	8			13
15091000	Olive Oil, virgin	10	T3		8	13
15099000	Olive oil, other	10	8		8	17
15111000	Palm oil, crude	9				13
15119010	Palm oil, liquid	9				13
15119020	Stearin	8				13
15119090	Palm oil, other	9				17
15121100	Crude sunflower seed oil	9	5			13
15121900	Other sunflower seed oil	9	5			17
15122100	Crude cottonseed oil	10	8			13
15122900	Other cottonseed oil	10	8			17
15131100	Crude coconut oil	9	T3	4.5	0	13
15131900	Other coconut oil	9	T3	4.5	0	13
15132100	Crude palm kernel oil	9	T3		0	13
15132900	Other palm kernel oil	9	T3		0	17
15141100	Crude low erucic acid rape or colza oil	9				13
15141900	Other crude low erucic acid rape oil	9				13
15149110	Crude rape or colza oil	9				13
15149190	Crude mustard oil	9				13
15149900	Other rape oil	9				17

Note: CA--China/Association of Southeast Asia; CP--China/Pakistan; CC--China/Chile; T3--Various Tax Rates Applied on ASEAN Ten Countries, Respectively. If CA, CP, or CC do not apply, the standard duty is applied at MFN rates.

Table 30. Meals

HS Code	Description	M.F.N.(%)	CT (%)			V.A.T. (%)
			CA	CP	CC	
12081000	Soyflour	9	5		0	17
12089000	Other	15	8		9	17
23012010	Fish meal	2		0	1.6	13
23025000	Legume sweepings	5			0	13
23040010	Soy meal, oil cake	5		0	4	13
23040090	Soy meal, other	5		0	0	13
23050000	Peanut meal	5			0	13
23061000	Cottonseed meal	5			0	13
23063000	Sunflower seed meal	5			0	13
23064100	Low erucic acid rapeseed meal	5			0	13
23064900	Other rapeseed meal	5			0	13

Note: CA--China/Association of Southeast Asia; CP--China/Pakistan; CC--China/Chile; T3-- Various Tax Rates Applied on ASEAN Ten Countries, Respectively. If CA, CP, or CC do not apply, the standard duty is applied at MFN rates.