United States Department of Agriculture
Foreign Agricultural Service

GAIN
Global Agricultural Information Network

Required Report: Required - Public Distribution **Date:** August 19, 2024

Report Number: CH2024-0107

Report Name: Livestock and Products Annual

Country: China - People's Republic of

Post: Beijing

Report Category: Livestock and Products

Prepared By: FAS China Staff

Approved By: Adam Branson

Report Highlights:

In 2025, Post forecasts both pork and beef production to decline. Lower domestic beef production is expected to help fuel further beef imports. However, Post forecasts pork imports in 2025 to remain at similar levels to 2024. Post forecasts pork consumption to decline in 2025 because of headwinds facing the economy and higher domestic pork prices.

EXECUTIVE SUMMARY

Cattle Production: Post forecasts calf production in 2025 to decline marginally based on lower cow stocks.

Cattle Imports: Post forecasts cattle imports to further decline in 2025 due to adaptability issues of imported cattle breeds, abundance of domestic cattle, and declining milk prices.

Beef Production: Post's forecast of beef production in 2025 to decline marginally. Additionally, sources report demand for domestic beef is flat and the inventory of finished cattle will decline.

Beef Imports: Post forecasts beef imports in 2025 to grow marginally due to domestic production constraints and increased demand for imported cuts. Owing to economic headwinds and strong volumes of imported beef in previous years, the year-to-year growth is curbed from past trends.

Swine Production: Post forecasts swine production in 2025 to grow marginally due to a higher sow inventory in 2024.

Swine Imports: Post forecasts swine imports in 2025 to be stable from 2024. The consensus is that China's swine herd has recovered following its decimation by African swine fever (ASF) that continued through to 2021 and that integrated pork industry members have improved herd management. Additionally, sow numbers are being met mostly by domestic breeds and complemented by modest imports.

Pork Production: Post forecasts pork production to decline in 2025 because of expected fewer swine for slaughter and weak pork demand. Post expects pork production in the second half of 2025 to be higher than in the first half as swine companies react to price signals in late 2024 and early 2025 to begin increasing production.

Pork Imports: Post forecasts pork imports in 2025 to remain flat because of weak consumer demand in the sluggish economy. In addition, industry sources report imported pork has not been moving as quickly through the market as before and traders appear to have adequate inventories.

CATTLE

Table 1. China: Cattle Production, Supply, and Distribution

Animal Numbers, Cattle	2023		2024		2025	
Market Begin Year	Jan 2023		Jan 2024		Jan 2025	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
						1000 Head
Total Cattle Beg. Stks	102160	102160	105090	105090	0	104000
Dairy Cows Beg. Stocks	14050	14050	14090	14090	0	14000
Beef Cows Beg. Stocks	57600	57600	58500	58500	0	58000
Production (Calf Crop)	54138	54138	55000	52500	0	52000
Total Imports	148	148	110	85	0	80
Total Supply	156446	156446	160200	157675	0	156080
Total Exports	12	12	12	12	0	12
Cow Slaughter	0	0	0	0	0	0
Calf Slaughter	0	0	0	0	0	0
Other Slaughter	50230	50230	52500	52500	0	52490
Total Slaughter	50230	50230	52500	52500	0	52490
Loss and Residual	1114	1114	1188	1163	0	1078
Ending Inventories	105090	105090	106500	104000	0	102500
Total Distribution	156446	156446	160200	157675	0	156080

Note: Not Official USDA Data

PRODUCTION

Cattle Production to Decline
Post forecasts calf production in 2025 to decline slightly based on lower cow beginning stocks.

High cattle prices and government policies encouraging production resulted in cattle herd growth for several previous years. With the economy facing headwinds and low dairy and beef prices persist, motivation in the sector is waning. In 2023 and 2024, the increased cull of dairy cows exacerbated the situation and put greater downward pressure on beef prices (see **Chart 1**).

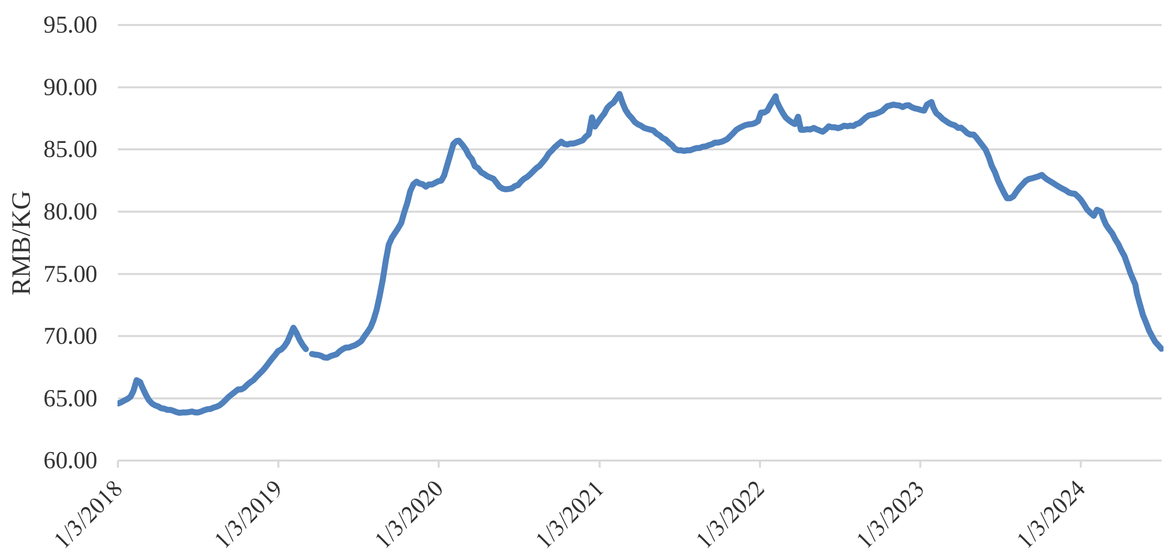
Industry sources indicated that low cattle prices have resulted in losses for the majority of cattle breeders, especially small breeders with around 10 head of cattle. Though there is some continued consolidation in the market, especially the dairy cattle market, Post expects the tendency for farms to grow larger in size will continue but many will be operating at a loss despite their increased efficiencies and farm management improvements. As a result, the 2024 ending / 2025 beginning cow stocks and 2025 calf crop will decline.

In June, 2024, the Ministry of Agricultural and Rural Affairs (MARA) published the "Notice on Stabilizing the Development of Beef Cattle Production and Implementing Support Policies" (link in Chinese). The notice effectively is MARA's effort to put in place supply management controls to stabilize beef cattle supplies. Measures in the notice include directives that local governments should organize and implement projects such as expanding the cow herd and improving the quality, improve grain-to-feed conversion, and provide subsidies for livestock breeding in pastoral areas.

Main beef cattle producing areas[1] should actively seek local policy support to increase support for farms, especially cow farms; they should actively seek support from financial institutions, to increase loan issuance. Other parts of the notice call for officials to strengthen monitoring of the beef cattle inventory, breeding cow inventory, and the number of newborn calves. Analysis of the notice encourages industry to eliminate old and low-yielding cattle to optimize the herd structure and improve production efficiency.

Post revised the 2024 calf production estimate lower as low cattle prices seem to be incentivizing producers to cull more animals. This is leading to an even lower inventory and smaller calf production.

Chart 1. China: National Average Beef Price



Source: MARA

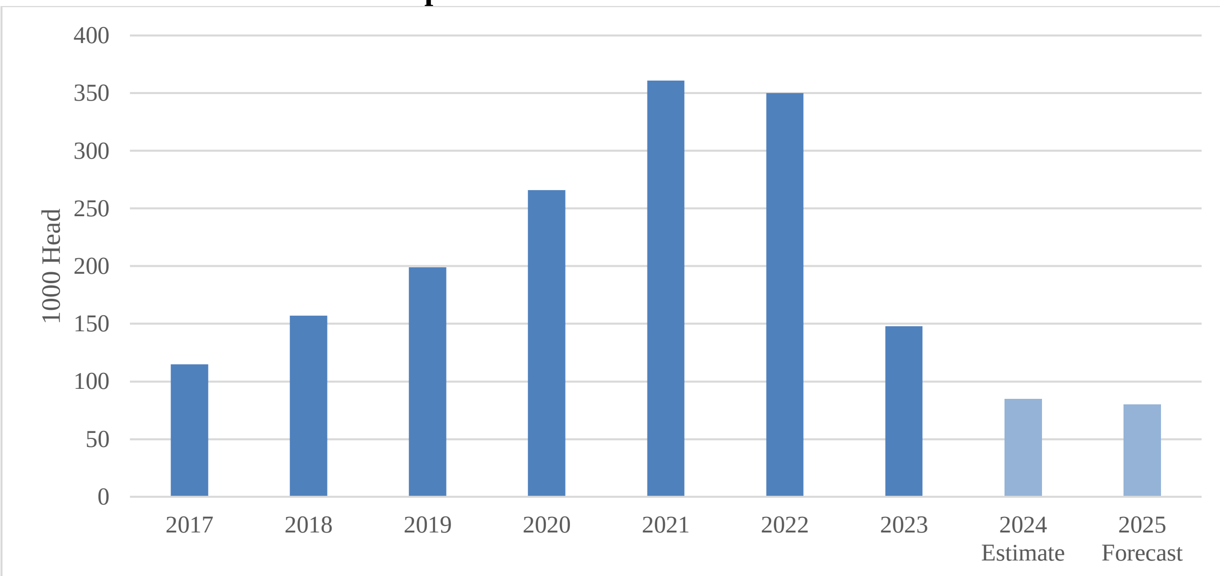
TRADE

Cattle Imports to Decline

Post forecasts 2025 cattle imports to decline (see **Chart 2**). Customs authorities seem to have put in place greater controls on the PRC's land borders and as prices have struggled for beef and milk, cattle importers are less motivated to import various breeds, some of which have adaptability issues.

[1] Industry sources indicate main beef cattle producing areas include Yunnan, Qinghai, Inner Mongolia, Tibet, and Sichuan.

Chart 2. China: Live Cattle Imports



Source: Trade Data Monitor, LLC and Post Forecast

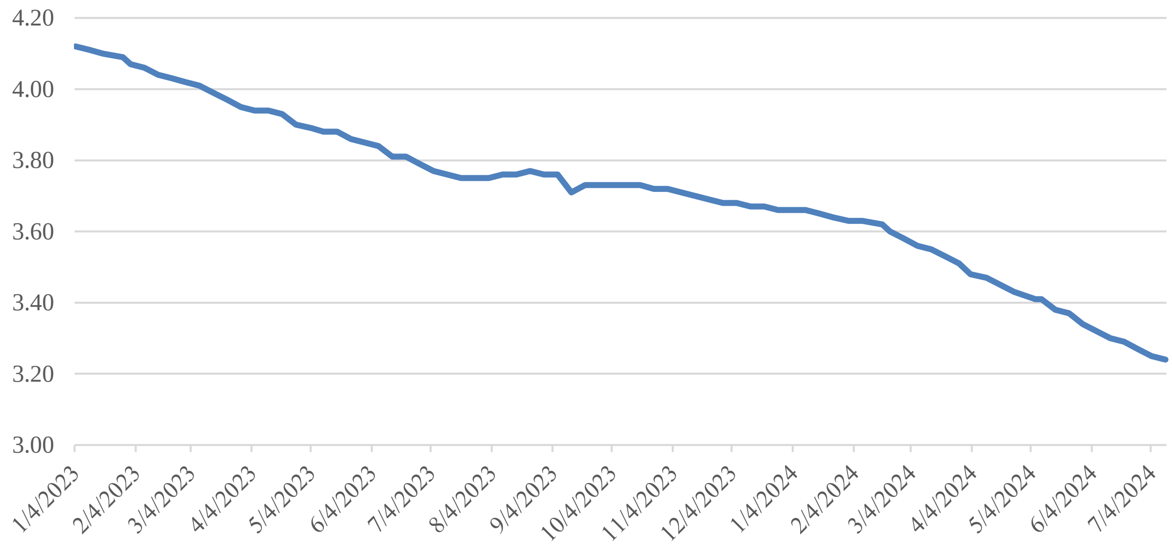
China mainly imports high quality Angus and Simmental beef cattle breeds. Angus is the main beef cattle breed for high-end beef. However, industry sources indicated that Angus cattle production efficiency is impacted by challenges of farm management and adaptability issues to local farming conditions. The Angus beef market is still developing, and sales channels have not been fully established. In 2025, price pressure for Angus beef will persist because of the economic headwinds, making Angus cattle farm operations increasingly squeezed.

Simmental is mainly imported to improve herd genetics. The main local cattle in China – yellow cattle, has strong disease resistance and meat quality and characteristics are appreciated by local consumers. The yellow cattle, however, has a smaller frame and carries less meat for beef production. Simmental cattle, with bigger frames grow faster and can be crossed with yellow cattle breeds to improve meat production efficiency. Chinese cattle operations can use Simmental for both beef and milk herds. Sources shared that cross-bred Simmental accounts for about 70 percent of the overall beef cattle inventory. Post has received indication that cattle producers are less motivated to expand herds or improve herd genetics with imported Simmental at this time as supplies are adequate and the industry can use domestic Simmental breeds.

Post forecasts lower imports of dairy cattle as growth in raw milk production continues to outpace consumption. Raw milk prices continued to decline in the first 7 months of 2024 (see **Chart 3**) and dairy farms are operating at a loss. Post forecasts demand for genetics improvement to remain low in such conditions.

Post revised its 2024 cattle import estimate downward due to the weak beef cattle market. According to China Customs data captured by Trade Data Monitor, LLC, cattle imports declined by over 51 percent in the first five months of 2024.

Chart 3. China: National Average Milk Price



Source: MARA

BEEF

Table 2. China: Beef Production, Supply, and Distribution

Meat, Beef and Veal	2023		2024		2025	
Market Begin Year	Jan 2023		Jan 2024		Jan 2025	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
						1000 Head, 1000 MT
Slaughter (Reference)	50230	50230	52500	52500	0	52490
Beginning Stocks	0	0	0	0	0	0
Production	7530	7530	7800	7800	0	7780
Total Imports	3577	3577	3900	3900	0	3950
Total Supply	11107	11107	11700	11700	0	11730
Total Exports	18	18	18	18	0	18
Human Dom. Consumption	11089	11089	11682	11682	0	11712
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	11089	11089	11682	11682	0	11712
Ending Stocks	0	0	0	0	0	0
Total Distribution	11107	11107	11700	11700	0	11730

Note: Not Official USDA Data

PRODUCTION

Marginal Decline on Beef Production
Post's forecast of beef production in 2025 is slightly lower than its estimate for 2024 owing to flat demand and lower finished cattle inventories.

Post analysis is that higher beef production in the first half of 2024 is attributable to panicked culling by industry members who began witnessing price declines in 2023 with little near-term likelihood of the market recovering.

Most of the cattle industry consists of small- and medium-scale beef operators. Smaller producers are normally cattle breeders who sell finished cattle to bigger operations or directly to abattoirs. Most smaller producers are more opportunistic and sell cattle for slaughter on a more flexible schedule or ad hoc basis when cash is needed, and beef demand is strong.

Large cattle producers have more regular slaughter schedules. Sources indicate that large cattle producers, with more than 5,000 cattle on-hand, normally also own their own abattoirs or meat processing plants. As processed beef, especially pre-cooked beef is growing in demand, large operations are continuing to address demand. However, according to industry sources, large producers only account for about 10 percent of the beef market and cannot offset greater market trend of declined beef production.

Post forecasts fewer dairy cows will be culled for beef in 2025 as efforts to balance supply and demand in the dairy sector continue. Sources expect dairy prices may bottom out in 2024 and this will result in less dairy cattle being directed to slaughter for beef production.

Post's 2024 beef production estimate remains unchanged. In first half of 2024, cattle slaughter continued to grow year-over-year and at an accelerated rate. In the first half of the year, growth was about 3 percent year-over-year though it was only 0.7 percent for the first quarter according to NBS information. Post expects slaughter to continue accelerating in the latter half of 2024 as there are more holidays and greater beef demand. Overall year-over-year growth is estimated at 4 percent in 2024 by Post.

CONSUMPTION

Beef Consumption to Grow Slower
Post forecasts beef consumption in 2025 to grow but at a slower rate from previous years. Beef consumption has room to grow as per capita consumption remains much lower than major beef consuming countries and as consumers have been increasingly exposed to beef on menus and in retail stores. Post expects economic headwinds to remain in 2025, which puts pressure on the hotel, restaurant, and catering industries as well as on retail operations that market beef.

In 2024, cattle producers slaughtered more cattle and calves as cattle prices fell below breakeven levels. With beef prices declining in major beef supplying countries, beef importers reportedly place more orders with countries that had market access to China. The result was that the growth of the beef supply outpaced demand, resulting in falling beef prices and greater inventories that will likely be carried over into 2025.

Demand for Low-End Beef Products Will Grow

China's beef market is experiencing "consumption downgrading" and that trend could extend through 2025. With the economic headwinds, companies are trying to reduce operational costs by reducing banquets. Consumers dine more at home and less frequently in restaurants. Compared to companies' banquets, the amount of money spent per household order in restaurants is less. These trends result in catering and institutional food operations using lower-priced or lower value cuts as ingredients. Demand for lower-priced beef or value cuts is forecast to grow which will partially offset demand for high-end beef. Lower-priced beef includes lower-priced domestically produced beef as well as beef imported from South American countries.

Opportunities for Demand Growth in Pre-Prepared Food

The pre-prepared food industry has seen rapid growth in recent years due to its convenience and is likely to continue to grow in 2025. Beef is one of the major ingredients for pre-prepared food. According to industry sources, approximately 80 percent of pre-prepared food is supplied to the HRI sector and the remaining 20 percent enters retail channels. Compared to high-end beef, processors tend to use lower-priced beef. This is because after being processed, it is hard for consumers to tell high-end beef from low priced beef. For more information about the overall trends for Pre-Prepared foods or changes to the food processing and the hotel, restaurant, and institution/catering sector please search for the most recent FAS China reports.

TRADE

Marginal Growth on Beef Imports

Post forecasts minimal growth in beef imports in 2025. The year-to-year growth will not be as strong as previous years owing to competition with more abundant domestic supplies and high inventory numbers of imported beef carried over from the previous marketing year (see **Chart 4**)[2] .

Despite economic headwinds, beef imports continued to grow in the first half of 2024 with many of the supplies originating from South American countries.

Prices of imported beef are generally lower than domestically produced beef (see **Chart 5**), especially beef from Uruguay, Argentina, and Brazil. According to industry contacts, split beef carcasses are being imported from South American countries and then cut and processed further. Importers share that this practice reduces import cost and provides them with cuts specific to the Chinese market (e.g., cuts that can be used easily in Chinese recipes or culinary practices like thin sliced meet for hot pot) that are trimmed down to smaller weight/package[3]. Between 70 to 80 percent of China's beef imports are frozen

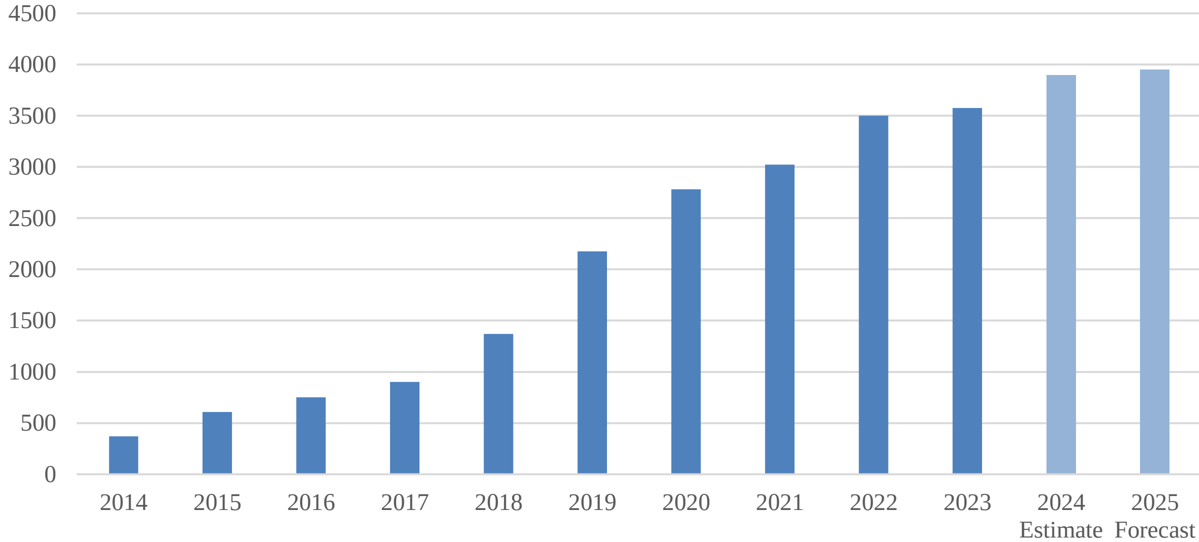
---

[2] Post did not put year-end inventory into PSD as there's no relevant data available for reference, but post takes private reports of year-end inventory into consideration when forecasting next year's imports.

[3] Chinese consumers tend to prefer smaller weight/packages due to fewer family members and lower per capita consumption compared to U.S. consumers. Popular cuts include short rib, beef chuck roll, short plate.

boneless beef cuts in HS code 020230 and the second greatest is frozen bone-in beef in HS code 020220 (15-20 percent of total imports).

Chart 4. China: Beef Imports



Source: Trade Data Monitor, LLC and Post Forecast

Chart 5. China: Imported Beef Prices[4] by Supplier

Source: Trade Data Monitor, LLC

U.S. beef and beef products, distinguished by being grain-fed and of premium quality (i.e., high price), will remain popular in high-end restaurants including western restaurants, Japanese or Korean barbecue

[4]Imported Beef Prices in this chart refer to CIF prices. Post used exchange rate: USD: RMB = 7.27

restaurants, and gourmet Chinese hot-pot restaurants. In the first half of 2024, total imports of U.S. beef declined year-over-year as prices for the same period increased. However, volumes of imported U.S. chilled beef increased in the first part of 2024 (36 percent growth from January through May 2024) and there could be more opportunities in 2025.

Image 1. China: Chilled Angus Beef in High-End Retail

Source: FAS China

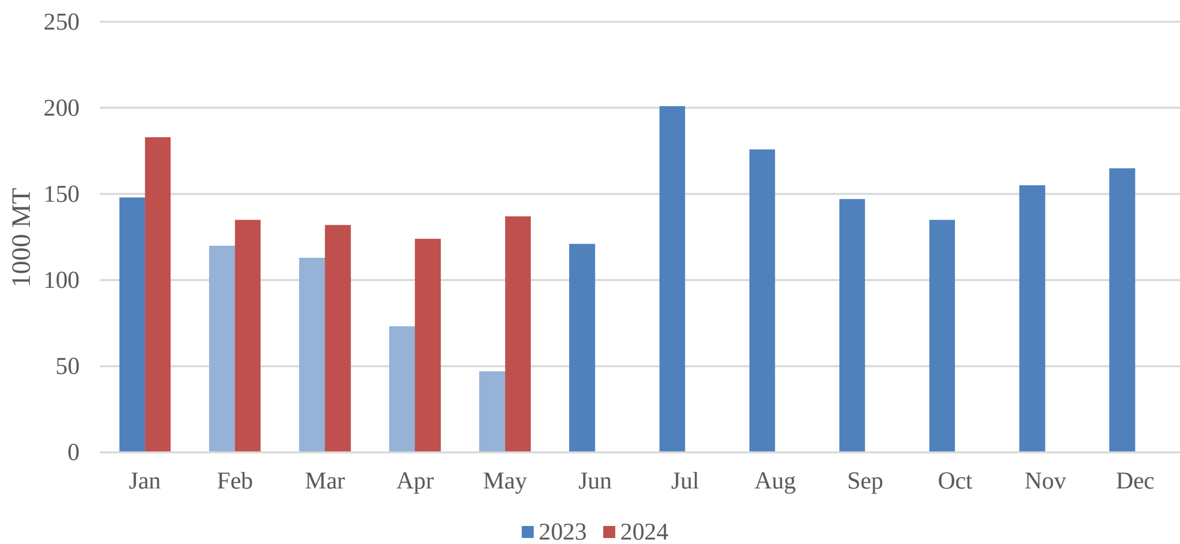
U.S. beef and beef products are subject to most-favored-nation (MFN) tariff rates as importers have been able to apply for exemptions from the PRC's retaliatory Section 301 tariffs (see **Table 6).** Australia,[5] New Zealand, and Chile have free trade agreements with the PRC; therefore, their beef and beef products tariffs have been reduced to zero.

Post's 2024 beef import estimate is unchanged. This estimate includes a 9 percent year-over-year growth rate. Although beef imports in the first 5 months of 2024, grew by over 23 percent, Post estimates this number will drop in the second half of the year. In the first several months of 2024, relative prices in many major beef supplying countries dropped in comparison to the previous year (see **Chart 5**). According to industry contacts, even though consumption is expected to increase, domestic supplies and imported volumes of beef in storage are high. Post would not further revise China's import estimate

[5] Australian beef and beef products imports are subject to an annually set trigger mechanism, which reverts tariffs back to MFN rates. According to the free trade agreement signed between the P.R.C. and Australia, the tariff on Australian beef exports will be reduced by 1.2 percent per year from 2015 and set at zero on January 1, 2024. At the same time, the preferential beef export quota to China will increase yearly starting from 2019 and will be set at 248,729 MT on January 1, 2031. At the beginning of each year, GACC announces the import volume of agricultural products subject to the agreement tariff rate in the previous year (including the volume imported in transit) and the actual import trigger level volume for that year. According GACC, import volume of beef products in 2023 exceeded the trigger level. So, the imported in-transit volume of 23,822 MT that are applicable to the agreement tariff rate need to be deducted from the 202,240 MT of the 2024 trigger volume. Therefore, the actual import trigger volume in 2024 is calculated to be 178,417 MT.

because of Brazil's one-month self-suspension (February 23, 2023 - March 23, 2023). As a result, imports from Brazil were significantly lower between February – May 2023 (see **Chart 6**) than average monthly imports. This can be one factor that we see higher imports from Brazil in the first 5 months of 2024 compared to the same period of 2023. Industry sources also indicated some imported beef is not consumed in the market but built-up high inventory in traders' warehouse. For the reasons above, Post expects slower imports in the second half of 2024.

Chart 6. China: Beef Monthly Imports from Brazil



Source: Trade Data Monitor, LLC

SWINE

Table 3. China: Swine Production, Supply, and Distribution

Animal Numbers, Swine	2023		2024		2025	
Market Begin Year	Jan 2023		Jan 2024		Jan 2025	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
						1000 Head
Total Beginning Stocks	452560	452560	434220	434220	0	405000
Sow Beginning Stocks	43000	43000	41420	41420	0	42000
Production (Pig Crop)	717249	717249	695000	695000	0	700000
Total Imports	8	8	8	9	0	9
Total Supply	1169817	1169817	1129228	1129229	0	1105009
Total Exports	1120	1120	1200	1200	0	1300
Sow Slaughter	0	0	0	0	0	0
Other Slaughter	726620	726620	715000	715000	0	700000
Total Slaughter	726620	726620	715000	715000	0	700000
Loss and Residual	7857	7857	8028	8029	0	7709
Ending Inventories	434220	434220	405000	405000	0	396000
Total Distribution	1169817	1169817	1129228	1129229	0	1105009

Note: Not Official USDA Data

PRODUCTION

Swine Production to Grow Marginally from Higher Sow Inventory

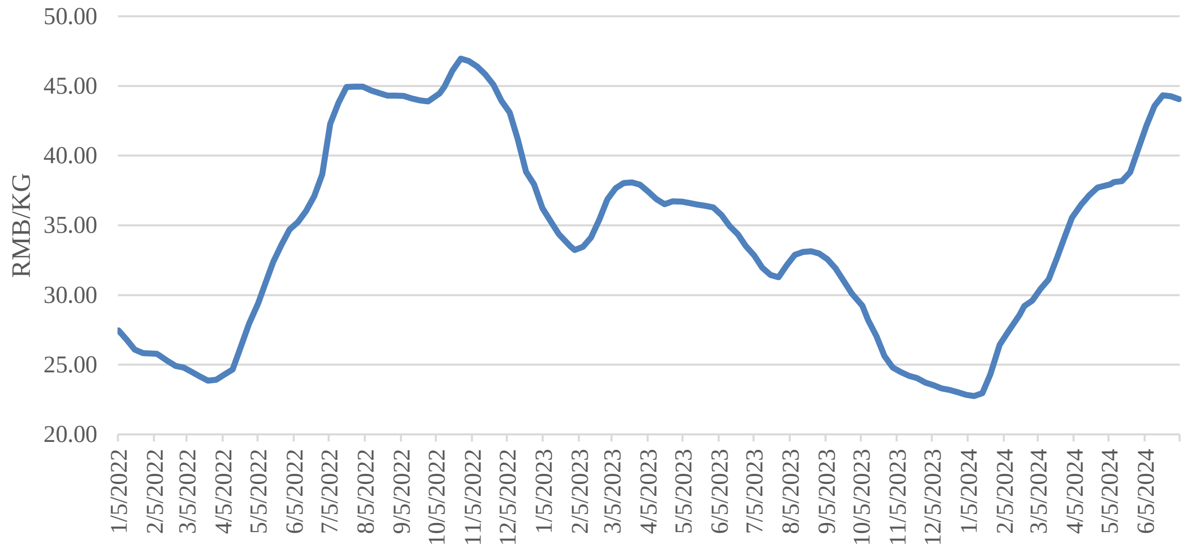
Post forecasts 2025 swine production to grow due to higher 2024 sow inventories. Management and animal health techniques could improve the number of pigs per sow per year (PSY).

Sow Begins Rebounding in Second Half of Year

Average swine prices remained low through 2023, causing losses across the swine breeding industry. Producers started to reduce sow inventories and, according to the Ministry of Agricultural and Rural Affairs (MARA), national sow inventories declined from almost 49 million in January 2023 to just under 40 million in April 2024.

Piglet prices have been climbing since the beginning of 2024(See **Chart 7**) while live swine prices started moving higher in late May 2024 and have now passed the estimated breakeven point of RMB 15.2 per kilogram (kg) ($2.11/kg) (See **Chart 8**).

Chart 7. China: National Average Piglet Price



Source: MARA

Chart 8. China: National Average Live Swine Price

Source: MARA and industry sources.
Note: "Breakeven"[6] refers to estimated cost of farrow-to-finish

With the expectation of higher swine prices, swine producers started to expand swine production by restocking more sows. Industry sources report some producers began increasing their sow numbers in April 2024 and MARA official data shows sow inventory started to rebound in May 2024, reaching 39.96 million.

---

[6] In Chart 2, statistics of "breakeven" are from industry sources, not from the National Development and Reform Commission.

Many of China's largest large-scale swine facilities have slack capacity and can support herd expansion at existing facilities. Sources have shared that many facilities are operating at only around 70 percent of capacity and can quickly adjust to new demand or advantageous prices. Feed prices are lower year-over-year in 2024. As feed is a significant cost for swine farming and piglet and pork prices are trending higher, producers' profitability is expected to be better than last year.

Financial Difficulties Curbs Faster Sow Expansion in Later 2024

Though swine operations have the potential to do better through the rest of 2024, Post expects sow inventory in the last two quarters of 2024 to grow at moderate levels. Swine producers operated at a loss for most of 2023 and during the beginning months of 2024 (See **Chart 2**). Post estimates that large-scale producers may expand their swine production in the latter part of 2024, but the pace will be moderated by their financial situation. Industry sources indicate smaller producers are more flexible but those who suffered major financial losses last year may be less willing or confident to re-enter the market immediately.

With the expectation of sow inventory growth in the last half of 2024 and may last through the beginning of 2025, Post expects the average annual sow inventory in the second half of 2024 and the first half of 2025 to be higher than the year before that. Consequently, Post forecasts the 2025 swine production number will be higher year-over-year.

PSY to Improve

Post has heard from industry sources of improvement in piglets weaned per sow per year (PSY) from a greater number of large-scale producers. In 2023 and early 2024, more small- and medium-sized producers exited the market due to low swine prices. The share of large-scale swine producers versus small- to mid-sized producers continues to grow.

PRC Maintains Production Management System

The People's Republic of China (PRC) continues to control its sow inventory in an effort to stabilize swine and pork production. In February 2024, MARA announced the government would reduce the sow target inventory by 2 million head - from 41 million to 39 million. Information on PRC production management system has been published in previous FAS China GAIN reports.

TRADE

<u>Swine Imports</u>

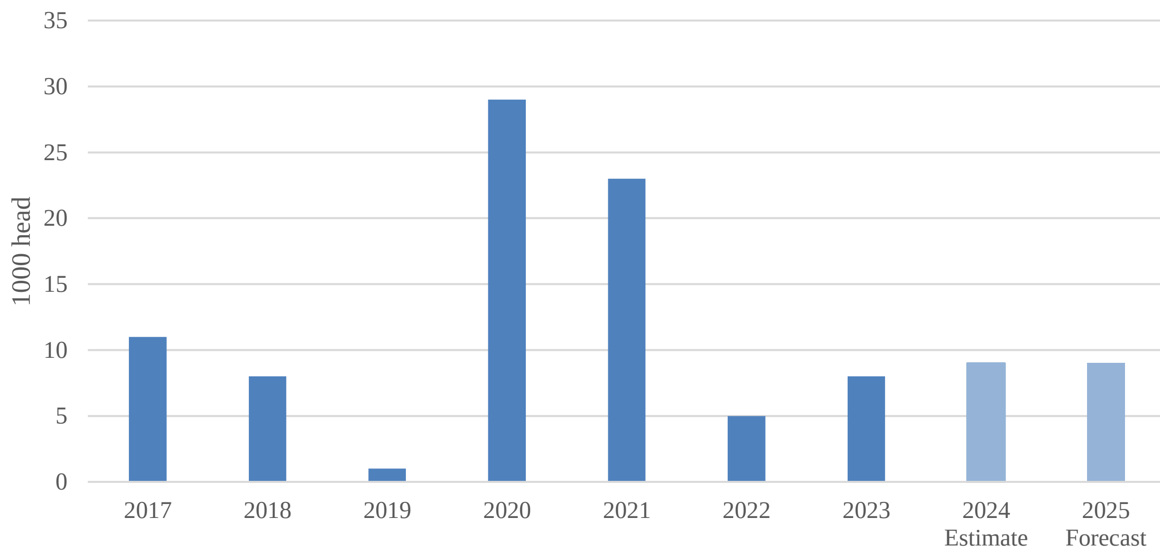
Live Swine Imports Remain Low

Post forecasts swine imports in 2025 to stay at similar levels to 2024 (see **Chart** 10). China mostly relies on domestic breeds and imports a smaller number of breeding swine to improve herd genetics.

Post estimated rebounding expansion through the end of 2024 into early 2025. However, inventories are expected to stabilize the second half of 2025. (See **Swine Production**) The expansion can be realized mostly with domestic breeds. Post also noticed the swine cycle in China – the interaction between swine prices and swine herd expansion/reduction has shortened and that swine prices fluctuated less during the most recent cycle. Industry sources report that improved herd genetics and industry consolidation has allowed producers to react to market signals more quickly, shortening the swine cycle. Additionally, the government has more closely monitored the swine sector Post-ASF to help stabilize the industry. With the shortened swine cycle and less price fluctuation, Post believes swine imports will also stabilize.

In the first 5 months of 2024, China mainly imported live swine from the United States and France. The United States was China's largest live swine supplier. Post expects U.S. live swine to remain popular in 2025. Industry sources indicated that Yorkshire breeding swine from the United States are well received as the piglet survival rate is good, the animals carry a larger body size, and the rate of gain is considered high.

Chart 10. China: Live Swine Imports



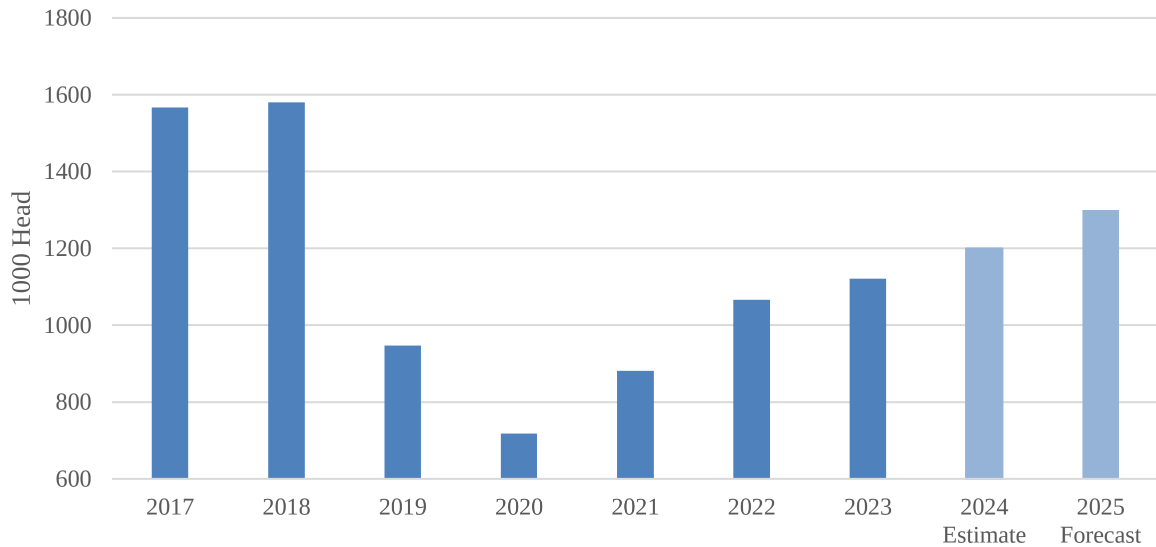
Source: Trade Data Monitor, LLC and Post Forecast

Swine Exports

Recovery May Continue

Post forecasts live swine exports in 2025 to continue to grow (see **Chart 11**) year-over-year. In the first 5 months of 2024, live swine exports grew in total by 7 percent with exports primarily destined to Hong Kong and Macao. Exported live swine to Hong Kong and Macao are for slaughter for consumption as fresh pork. Post forecasts exports to Macao in 2025 will stay at similar levels to 2024 but it remains worth monitoring potential growth to any tourism gains and increased demand by the hotel, restaurant and institutional sector (HRI).

Chart 11. China: Live Swine Exports



Source: Trade Data Monitor, LLC and Post Forecast

PORK

Table 4. China: Pork Production, Supply, and Distribution

Meat, Swine	2023		2024		2025	
Market Begin Year	Jan 2023		Jan 2024		Jan 2025	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
						1000 MT
Slaughter (Reference)	726620	726620	715000	715000	0	700000
Beginning Stocks	0	0	0	0	0	0
Production	57940	57940	56750	56750	0	55500
Total Imports	1897	1897	1500	1500	0	1500
Total Supply	59837	59837	58250	58250	0	57000
Total Exports	96	96	100	100	0	105
Human Dom. Consumption	59741	59741	58150	58150	0	56895
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	59741	59741	58150	58150	0	56895
Ending Stocks	0	0	0	0	0	0
Total Distribution	59837	59837	58250	58250	0	57000

Note: Not Official USDA Data

PRODUCTION

Pork Production to Decline

Post forecasts pork production to decline in 2025 because of weak demand and a lower inventory of fattened swine ready for slaughter. As Post forecasts lower sow inventories in 2024, there will be a lower inventory of piglets which will grow to slaughter-weight swine. Post forecasts pork production in the second half of 2025 to be higher than the first half of 2025 as the sow inventory continues recovering in late 2024 as swine producers and large companies react to recent hog price increases.

Post expects persistent and endemic African swine fever (ASF) will not lead to large-scale or panicked swine slaughter in 2025. Producers have developed techniques to manage and control this disease. According to industry contacts, despite sporadic ASF outbreaks, the effect on swine and pork production has been limited. Additionally, the ratio of production attributed to large-scale swine producers is growing and these firms are better equipped to manage ASF.

Image 2. China: Domestic Fresh Pork in Wet Market

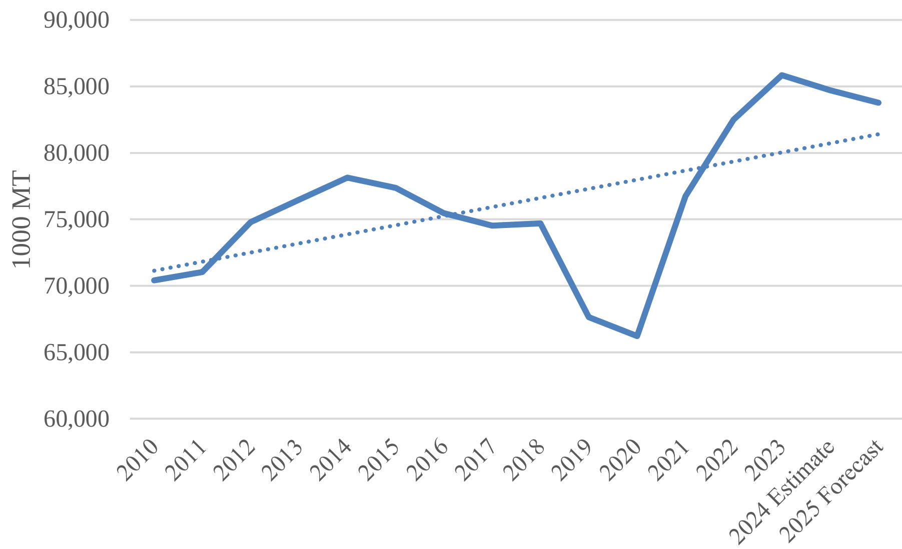
Source: FAS China

CONSUMPTION

Lower Consumption from Shifts in Diets

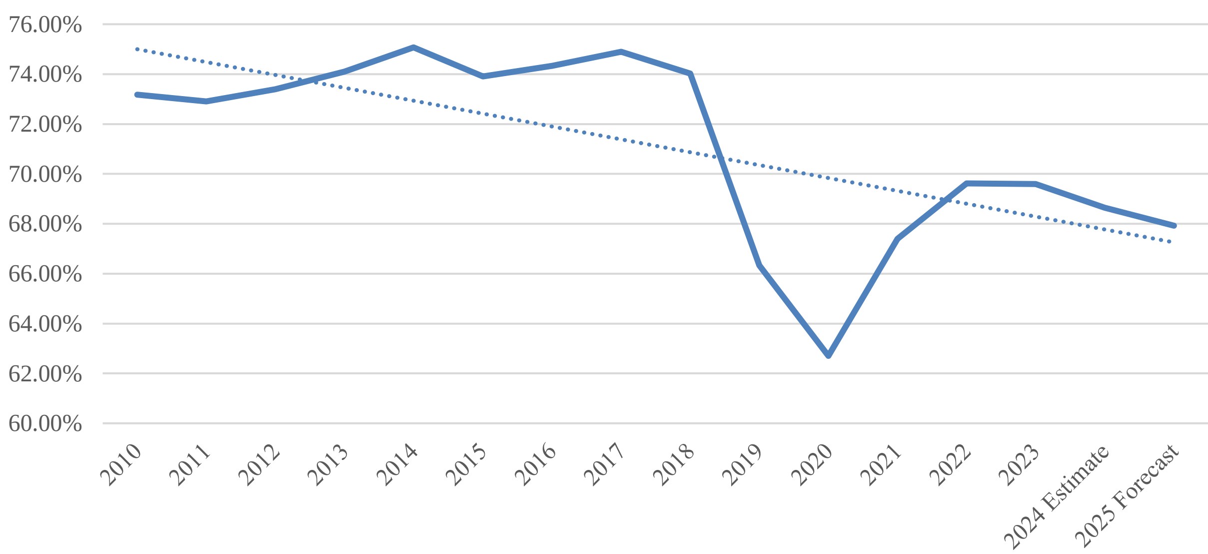
Post forecasts lower pork consumption in 2025 mainly due to shifts in diets. Chinese consumers have started to adapt to a healthier diet in the recent years. Pork remains a staple meat, but consumers are increasingly exposed to other animal protein sources such as beef, poultry, and seafood – many of which are perceived as healthier. Over the last 14 years, total meat consumption in China has grown by almost 20 percent (see **Chart 12**) owing to population changes, protein availability, increased purchasing power, improvements in the cold chain, and shifts in consumer preferences that include some shifts away from staple grain consumption. However, pork's share of China's meat consumption has declined (see **Chart 6**). Post expects this trend to continue through 2025.

Chart 12. China: Total Meat[7] Consumption[8]



Source: USDA Official Data and Post Estimates

Chart 13. China: Pork[9] Consumption Vs. Total Meat Consumption



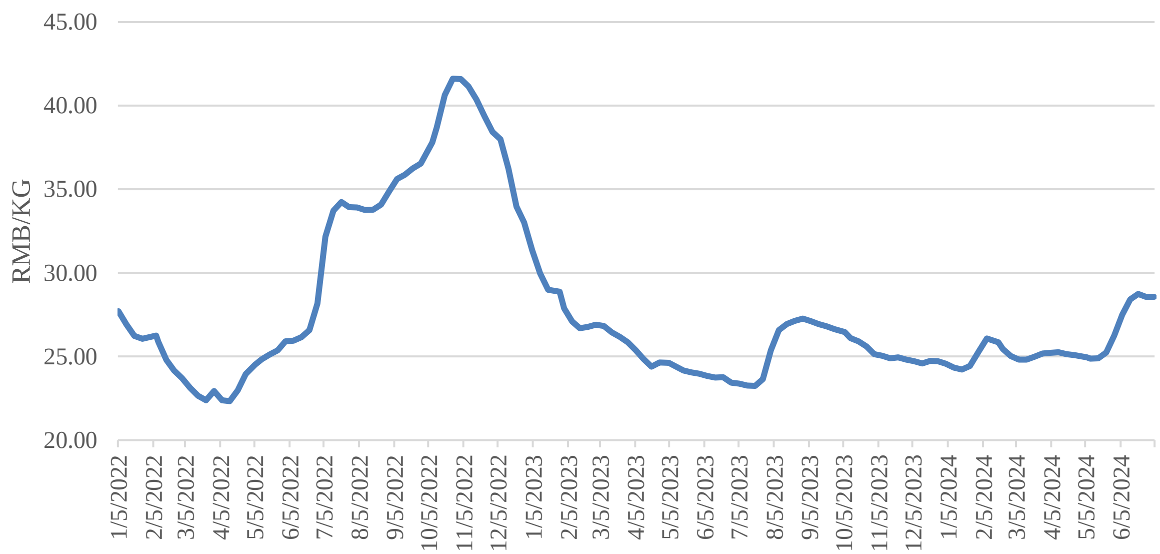
[7] Meat consumption in China normally includes pork, poultry, beef, lamb, and some other meats. This chart reflects USDA official data of pork, beef, and chicken to indicate the general trend of meat consumption.
[8] In Chart 5 and Chart 6, 2010-2023 are USDA official numbers, 2024 and 2025 are Post estimates and forecasts.

[9] China's swine herd experienced a significant ASF outbreak in late 2018 that reduced pork supplies for 3 years and constrained total meat consumption.

Source: USDA Official Data and Post Estimates

In 2025, Post expects the PRC's economy will continue to face headwinds. In 2024, there has been numerous media reports about high unemployment rates, restaurant closures in smaller cities, and a decline in restaurant spend per person. Sources report the PRC campaign against food loss and waste and austerity measures for official and business banquets has also curbed pork demand. Weak demand for the first half of 2024 contributed to low pork prices (see **Chart 14**) and Post expects these factors will negatively impact pork demand in the early part of 2025.

Chart 14. China: National Average Pork Price[10]



Source: MARA

TRADE

Pork Imports

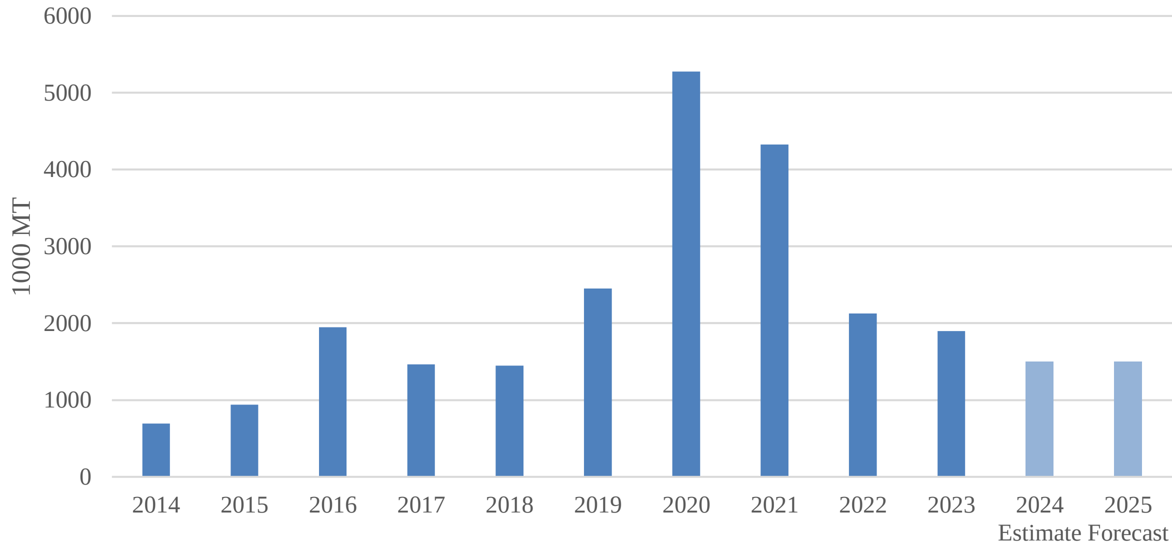
Post forecasts pork imports in 2025 to remain flat (see **Chart 15**). Most consumers prefer fresh/chilled pork to frozen pork owing to perceptions about taste and nutritional value. Imported frozen pork prices are generally lower than domestic pork and most importers react to these prices signals. With weaker pork demand in 2025, Post expects consumption reductions will mainly be for domestic pork and that some imports of competitively priced frozen pork may go into the PRC's strategic national reserves.

China's major pork suppliers are Spain, Brazil, Denmark, the Netherlands, Canada, and the United States. Industry sources indicate that as pork is a "staple" meat and is unlike high-end proteins, differences between various origins of imported pork are not as noticeable. Accordingly, prices become a major factor of consideration for pork imports.

---

[10] The pork price reflects the average pork price collected by MARA from monitored traditional markets across China.

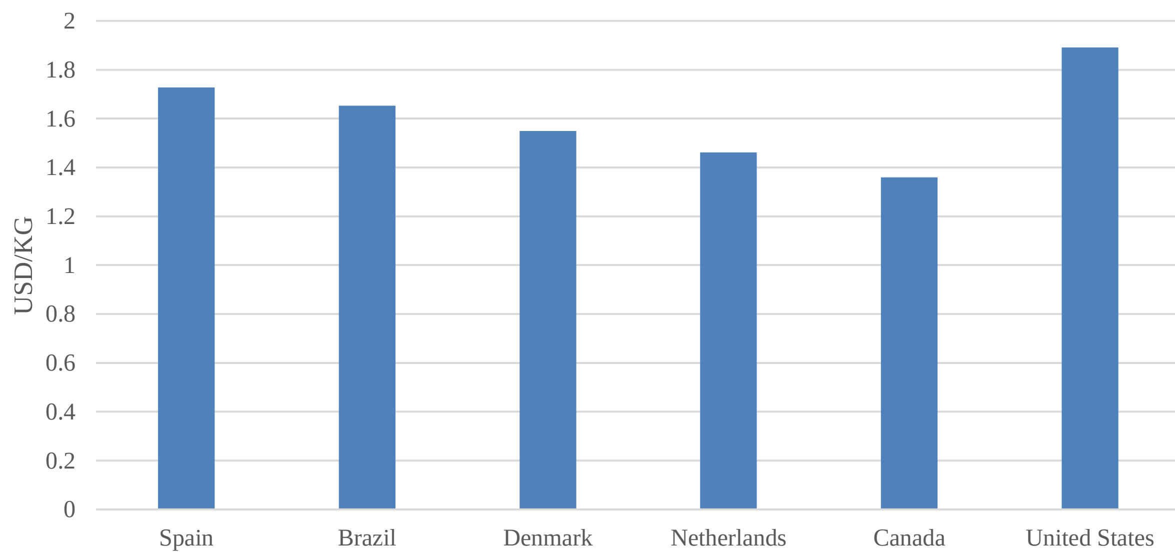
Chart 15. China: Pork Imports



Source: Trade Data Monitor, LLC and Post Forecasts

Compared to other major pork suppliers, U.S. pork prices are not as competitive (see **Chart 16**) though specialty products such as Sparerib and CT Butt from the United States may retain some popularity with trade and consumers.

Chart 16. China: Imported Pork Prices[11] by Supplier (2024 Jan – May Average)



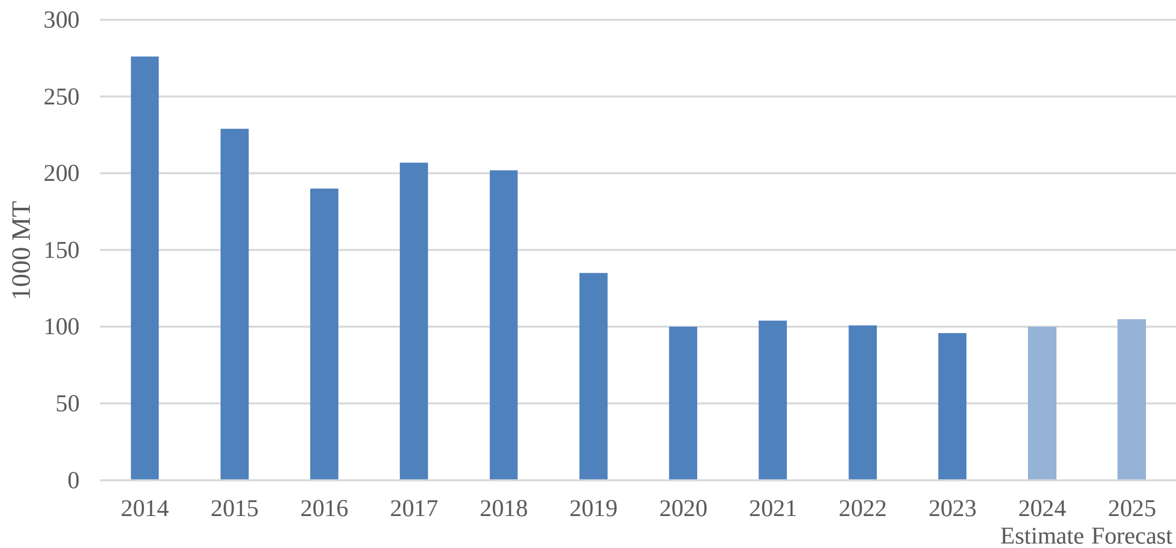
Source: Trade Data Monitor, LLC

[11] Imported Pork Prices in this chart refer to CIF prices. Post used exchange rate: USD: RMB = 7.27

Pork Exports

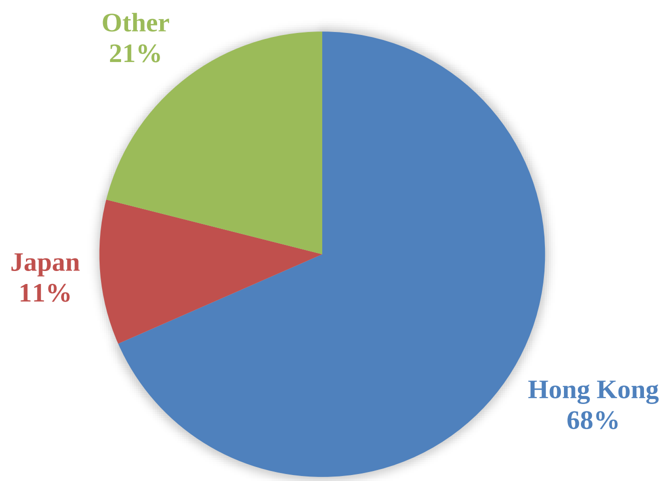
Post forecasts marginal year-over-year pork export growth in 2025 (see **Chart 17**) as demand in the PRC's export markets, primarily Hong Kong and Japan, are considered mature markets (see **Chart 18**). China mainly exports prepared, frozen, and fresh pork to Hong Kong and prepared pork to Japan. In the first half of 2024, exports grew marginally as demand of both prepared and frozen pork to Hong Kong recovered. In 2025, although Post forecasts pork demand from Hong Kong will continue, Hong Kong demand for pork could be filled by live swine for slaughter.

Chart 17. China: Pork Exports



Source: Trade Data Monitor, LLC and Post Forecast

Chart 18. China: Exports of Pork Products in the first 5 months of 2024 by Destination



Source: Trade Data Monitor, LLC

PORK VARIETY MEAT

Post forecasts pork variety meat[12] imports, especially frozen offals, will remain strong in 2025. For many suppliers, these variety meats have marginal sales value in their domestic markets, but are generally appreciated by consumers in China. The United States is China's largest swine offal supplier, accounting for over 28 percent of market share in the first 6 months of 2024.

POLICY

Retaliatory Tariffs on U.S. products

The tariff exclusion process introduced by the State Council Tariff Commission (SCTC) in March 2020 (see GAIN report CH2020-0017) remains in effect. The program allows importers to apply for tariff exclusions on the PRC's retaliatory Section 301 tariffs on U.S. products, including pork and beef (see **Table 5** and **Table 6** for specific tariff rates).

However, the exclusion process does not apply to the PRC's retaliatory Section 232 tariffs. U.S. pork products are among many agricultural products that are still subject to China's retaliatory Section 232 tariffs. As such, if an importer receives an exclusion from the retaliatory Section 301 tariff, the total applied tariff listed below would only reflect the PRC's WTO notified Most Favored Nation (MFN) tariff plus the additional retaliatory Section 232 tariff.

Table 5. China: Tariff Schedule on U.S. Pork Products

		Tariff Type, Implementation Date, and Percent			
HS Code (8-digit)	**Product Description**	**MFN Rate**	**232**	**301***	**Total Applied Tariff**
		Dec 15, 2021	**Apr 2, 2018**	**Jun 1, 2019**	**Jan 1, 2024**
02031110	Fresh or chilled, suckling pig: whole or half-carcasses	20%		25%	45%
02031190	Fresh or chilled, other meat of swine: whole or half-carcasses	20%		25%	45%
02031200	Fresh Or Chilled Bone-In Hams, Shoulders & Cuts	20%	25%	25%	75%
02031900	Other Fresh or Chilled Swine Meat	20%	25%	25%	75%
02032110	Frozen, suckling pig: whole or half-carcasses	12%		25%	37%
02032190	Frozen Swine, whole or half-carcasses, Nes	12%	25%	25%	62%
02032200	Frozen Unboned Hams, Shoulders & Cuts Thereof Of	12%**	25%	30%	67%
02032900	Other Frozen Swine Meat	12%**	25%	30%	67%

[12] Pork variety meat is not included in the PSD tables for pork trade.

Note: *Additional tariffs were adjusted on February 14, 2020, and additional exclusions granted on March 2, 2020.
**Tentative tariffs canceled and MFN resumed on January 1st, 2022 (See GAIN Report CH2021-0169).

Table 6. China: Tariff Schedule on U.S. Beef Products

		Tariff Type, Implementation Date, and Percent		
HS Code (8-digit)	**Description**	**MFN Rate***	**301***	**Total Applied Tariff**
		Jan 1, 2020	**Feb 14, 2020**	**Jan 1, 2024**
02011000	Meat of bovine animals, fresh or chilled: whole or half- carcasses	20%	25.0%	45.0%
02012000	Fresh Or Chilled Unboned Bovine Meat (Excl. Carcasses)	12%	30.0%	42.0%
02013000	Fresh Or Chilled Boneless Bovine Meat	12%	30.0%	42.0%
02021000	Frozen Bovine Carcasses & Half Carcasses	25%	25.0%	50.0%
02022000	Frozen Unboned Bovine Meat (Excl. Carcasses)	12%	30.0%	42.0%
02023000	Frozen Boneless Bovine Meat	12%	30.0%	42.0%
02102000	Meat Of Bovine Animals, Salted, In Brine, Dried or Salted	25%	30.0%	55.0%
16025010	Preparations Of Bovine Animal Meat & Offal, In Air	5%	2.5%	7.5%
16025090	Preparations Of Bovine Animal Meat & Offal, Nes	5%	25.0%	30.0%

Note: *Additional tariffs were adjusted on February 14, 2020, and additional exclusions granted on March 2, 2020.

Attachments:

No Attachments